

5. DRAFT ANNUAL PLAN 2010/11

General Manager responsible:	General Manager, Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
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PURPOSE OF REPORT

1. The purpose of this report is to put the following information in front of Councillors:
 - (a) For the Draft Annual Plan 2010/11:
 - (i) Financial overview
 - (ii) Appendix 1: the proposed changes to operational budgets
 - (iii) Appendix 2: the proposed changes to the capital works programme
 - (iv) Appendix 3: errors and internal changes
 - (v) Appendix 4: changes to fees and charges
 - (vi) Appendix 5: changes to revenue and financing policy funding sources
 - (vii) Appendix 6: financial information and supporting the draft plan, including the proposed rating levels, funding overview, capital programme, and planned revenue and expenditure by activity for 2010/11
 - (viii) Statement of proposal in respect of the draft Annual Plan 2010/11
 - (b) For the proposal that the Council establishes three Council controlled organisations:
 - (i) Statement of proposal
 - (c) For the proposal that the Council approves a possible change in ownership and control of a Council controlled organisation, Christchurch City Networks Ltd:
 - (i) Statement of proposal.
2. Councillors will be asked to:
 - (a) Approve the amended fees and charges
 - (b) Approve the rates requirement
 - (c) Approve for distribution and consultation the statements of proposal.

EXECUTIVE SUMMARY

4. The draft Annual Plan for 2010/11 proposes a rate increase of 3.93 per cent.
5. The increase set out for 2010/11 in the LTCCP 2009-19 is 3.84 per cent. The reasons for the increase are included in the information attached to this report.
6. The special consultative procedure is being used in respect of the statements of proposal for the draft Annual Plan 2010/11, the establishment of Council controlled organisations and the Council's approval of a possible change in the ownership and control of Christchurch City Networks Ltd.

FINANCIAL IMPLICATIONS

7. The purpose of the Council's Annual Plan 2010/11 is to:
 - (a) contain the proposed annual budget and funding impact statement for the 2010/11 year;
 - (b) identify any variation from the financial statements and funding impact statement included in the LTCCP 2009-19 and for the 2010/11 year.
8. The draft Annual Plan 2010/11 to be adopted by the Council:
 - (a) has been prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement included in the LTCCP 2009-19 (as amended);
 - (b) contains appropriate references to the LTCCP 2009-19 in which the Council's activities for the 2010/11 year are set out; and
 - (c) includes the information required by part 2 of schedule 10 of the Act (forecast financial statements and funding impact statement).

LEGAL CONSIDERATIONS

9. Section 95 of the Local Government Act 2002 requires the Council to prepare and adopt an Annual Plan for each financial year. The Council must use the special consultative procedure and adopt its Annual Plan before 1 July 2010.
10. In addition to the financial information referred to earlier, the Annual Plan is to:
 - (a) support the LTCCP 2009-19 in providing integrated decision-making and co-ordination of the resources of the Council;
 - (b) contribute to the accountability of the Council to its community; and
 - (c) extend opportunities for participation by the public in decision-making processes relating the costs and funding of activities to be undertaken by the Council.
11. The Council is intending to consult with its community in respect of other decisions it proposes to make at the same time that it adopts the Council's Annual Plan 2010/11. Section 83(A) of the Act allows the Council to use the special consultative procedure combined with any other special consultative procedure that it is required to carry out.
12. Section 56 of the Act requires the Council to use the special consultative procedure before it can establish a Council controlled organisation. Section 56(2) confirms that consultation may be undertaken as part of another proposal in this case the draft Annual Plan 2010/11.
13. The third statement of proposal to be considered by the Council is in respect of the possible change in the ownership and control of Christchurch City Networks Ltd, a Council controlled organisation. The Council's shareholding in that company is listed in the Council's significance policy as a strategic asset.
14. Section 97(1)(b) of the Local Government Act 2002 states that a decision to transfer the ownership or control of a strategic asset to or from the Council must not be made unless that decision is explicitly provided for in the Council's LTCCP 2009-19 and a special consultative procedure is followed in accordance with section 84 of the Act.
15. A decision with regard to that matter will require an amendment to the Council's LTCCP 2009-19. The statement must also include and auditor's report.
16. The information attached to this report complies with the Council's obligations under the Local Government Act 2002.

STAFF RECOMMENDATION

It is recommended that the Council resolves to:

- (a) Approve the rate requirement of \$269,253,956 (net of GST) for the year 2010/11.
- (b) Approve the draft Annual Plan 2010/11.
- (c) Approve in principle the amendment of the LTCCP 2009-19 to include the proposed change in the ownership and control of Christchurch City Networks Ltd.
- (d) Approve for distribution and consultation the statements of proposal for:
 - (i) the draft Annual Plan 2010/11
 - (ii) the establishment of three Council controlled organisations
 - (iii) the Council's approval of a proposed change in the ownership and control of Christchurch City Networks Ltd.
- (e) Receive the auditor's report in respect of the proposed amendment of the LTCCP 2009-19.
- (f) Adopt the following timetable for consultation:
 - public notification ("The Star", "The Press" and the Council's website) by 10 March 2010.
 - closing date for submissions is 5.00pm on Thursday 15 April 2010.
 - hearing of submissions will be held between Monday 10 May 2010 and Wednesday 12 May 2010.
 - council meeting to formally adopt the Annual Plan 2010/11 and other proposals being consulted on will be held on Monday 21 June and Tuesday 22 June 2010.
- (g) Authorise the General Manager Corporate Services to make any necessary amendments to the documents referred to in this resolution.