
2008/09 Draft Annual Plan New Initiatives

1. Introduction

This report provides recommendations on proposed initiatives for the coming year.

2. Recommendations

That the Strategy and Policy Committee recommend that Council:

1. *Receive the information.*
2. *Agree to the new initiatives at the levels outlined in appendix one (noting that this includes proposed expenditure in addition to that set out in the financial position presented to elected members on 25 February 2008):*
 - a) *Bioreactor feasibility study*
 - b) *Renewable energy project: Carey's Gully*
 - c) *Pest Management Implementation Plan: funding*
 - d) *Incentive for sustainable building features*
 - e) *Karori Wildlife Sanctuary: additional funding*
 - f) *Anti-graffiti flying squad*
 - g) *Thistle Hall floor replacement*
 - h) *Hataitai Park access improvements*
 - i) *Household travel survey*
 - j) *Nairnville Park: artificial surfaces*
 - k) *Heritage Patent Slip – Cog Platform*
 - l) *Compliance monitoring (consents)*
 - m) *Scoring Stage: feasibility study*
 - n) *Pacific Island Festival*
 - o) *Wellington Museums Trust: National Children's Festival*
 - p) *Wellington Museums Trust: Trustee fee increases*
 - q) *Positively Wellington Tourism: Trustee fee increases*
 - r) *Positively Wellington Tourism: e-marketing*
 - s) *Earthquake prone building: extension.*
3. *Note that a package of initiatives relating to the Courtenay Place precinct was discussed at Strategy and Policy Committee on 6 March 2008 and that these will be contained in the draft annual plan.*

4. *Note that commentary on the status of the following projects will be included in the draft annual plan and that any funding requirements that may be agreed will be included in the final annual plan (depending on progress at that time):*
- *Khandallah Community Hall*
 - *Crossways in Mt Victoria*
 - *Shelly Bay slipway lease.*
5. *Decline the following initiatives (noted in section 3.1.3):*
- a) *Positively Wellington Tourism: salaries*
 - b) *Museums Trust: core funding*
 - c) *Basin Reserve Trust: practice wickets.*

3. Background

The 2008/09 Annual Plan represents year three of the long-term plan and any variations to that.

3.1 New initiatives

The overall focus for the coming year is business-as-usual. As always there is the desire to consider new ideas and continue to revitalise the city. To that end officers and councillors were invited to present new initiatives. Funding bids have also been received from some Council Controlled Organisations.

These were done in the context of tight budgetary parameters and knowledge that significant shifts in levels of service are more appropriately considered as part of the long-term plan.

3.1.1 The review process

An initial review of each initiative was undertaken by officers. This involved consideration against existing programmes and whether a parallel process was in place to address the initiative.

Where no parallel process is in place the initiatives were assessed against a set of thresholds. The extent to which an initiative met one, or a combination of these, was a factor in determining whether it be recommended. Failure to meet or uncertainty around the likelihood of meeting these thresholds resulted in the initiative being declined.

The following thresholds were developed to guide the assessment of initiatives:

1. The initiative mitigates an externality.
2. It has a clear economic return on investment for the council and/or for the city (where there is a demonstrable public good).
3. That there is a demonstrable return on the level of investment relative to the level of service experienced by the public under an existing programme.

4. It is urgent – it represents an opportunity that would be lost (or incur a significant cost increase) if not taken up at this time.
5. It is directly aligned to a strategic priority (and is not in conflict with another).

Consideration was also given to other factors or imperatives that may warrant the initiative progressing at this time. A review of the costs, risks, and the relationship of an initiative to existing programmes was also carried out.

3.1.2 Recommended initiatives

Following a workshop in February a total of 19 new initiatives¹ have been recommended for inclusion in the draft annual plan. They represent a total investment of \$1.8 million (opex) in the 2008/09 year.

A summary business case for each is provided in the appendices.

It should be noted that:

- The scoring stage (\$70,000) and PWT e-marketing (\$519,000) new initiatives are both reductions from earlier estimates, following further work.
- Funding for CCTV and Walkwise new initiatives is incorporated in the package of Courtenay Place initiatives.

3.1.3 On the horizon

Work is continuing on two community facility initiatives and a recently raised proposal:

1. Khandallah Hall

The Council has received notice that the current community centre (Cornerstone) will not be available after 2008. Final decisions in relation to the community facilities review and the subsequent implementation through the long-term plan will not occur until July 2009.

The option of using the Khandallah Town Hall to house the centre is being considered. A conservation report to determine the heritage value of the hall has been completed and officers are working through the issues to deliver on community aspirations and retain the heritage values. Until this work is completed costings and design are unclear. This is expected by June.

¹ In addition a package of initiatives were (set to be) discussed at the Strategy and Policy Committee on 6 March 2008. These will (if agreed) be included in the draft annual plan. And the Council has agreed to fund a poll on the electoral system.

2. *Crossways centre in Mt Victoria.*

A series of fund raising targets and milestones were set for The Crossways Trust last year. The first of these is set for late March. Subject to that being met and the Council being confident that the September target will be met a decision on a financial contribution from Council may be considered as part of the final deliberations in June.

3. *Shelly Bay slipway lease*

The Council recently received a proposal to make use of the slipway and Council-owned facilities at Shelly Bay. The proponents intend to restore a naval patrol boat that was housed at the site during the Second World War.

The proposal at face value has merit in that it offers a private-public partnership that sees the sharing of costs for the refurbishment of underutilised Council assets and the preservation of a piece of Wellington's naval past (the vessel).

A documentary showcasing the restoration project and a small 'museum' detailing harbour defences during the war years are also likely to be of interest to a public audience.

Officers are continuing to assess these benefits and wider factors necessary to make a recommendation (at this time). The proposal is made at a time when the future uses of both the site and the Shelly Bay area as a whole are yet to be determined.

Given the status of these three projects it is recommended that they be included in the draft annual plan but that any funding requirements be excluded until the final annual plan (depending on decision and progress at that time).

3.1.3 Declined initiatives

A number of funding bids were received from Council Controlled Organisations. While some of these have been recommended the following have been declined at this time:

- \$178,000 core funding increase for the Wellington Museums Trust. The Trust had its core funding increased in 2007/08 to ensure existing levels of service could be maintained. It is recommended that further consideration of funding level increases beyond this be postponed until the next long-term plan.
- \$450,000 funding for practice wickets at the Basin Reserve. Consideration of the initiative has been deferred pending the completion and receipt of an asset management plan for the facility.

- \$81,000 core funding increase (related to salaries) for Positively Wellington Tourism. Priority is being given to the e-marketing initiative at this time.

3.2 Changes from AMPS

Asset management plans were agreed as part of the long-term plan. These are reviewed annually as minor changes can arise due, for example, to a condition assessment identifying the need for remedial action earlier than previously forecast. These changes are contained in a separate report on this agenda.

Any funding requirements that stem from changes to levels of service have been 'removed' from the asset management plans and are presented here as new initiatives.

3.3 Capital programme

Note that while capex related new initiatives are presented here, the overall approach to the capital programme for the coming year will be discussed as part of a separate agenda item at this meeting.

4. Conclusion

An outline of proposed initiatives and recommendations on those are provided for review.

Contact Officer: *Baz Kaufman, Corporate Planning Advisor*

Supporting Information
<p>1) Strategic Fit / Strategic Outcome <i>This report outlines variances to Council's long-term plan. They cover a number of activities and will contribute towards a wide range of Council outcomes.</i></p>
<p>2) LTCCP/Annual Plan reference and long term financial impact <i>The draft annual plan sits within the following project: C530 Annual Planning and reporting.</i></p>
<p>3) Treaty of Waitangi considerations <i>Targeted consultation will be undertaken with support by the Director of Citizen Engagement and Treaty Relations on the draft annual plan.</i></p>
<p>4) Decision-Making <i>This is not a significant decision.</i></p>
<p>5) Consultation <i>The draft annual plan will be consulted on using the special consultative procedure.</i></p>
<p>6) Legal Implications N/A</p>
<p>7) Consistency with existing policy N/A</p>

Appendix One

<i>Initiative</i>	<i>2008/09</i>	
	<i>Capex costs</i>	<i>Opex costs</i>
<i>a) Bioreactor feasibility study</i>	-	\$50,000
<i>b) Renewable energy project: Carey's Gully</i>	-	\$50,000
<i>c) Pest Management Implementation Plan: funding</i>	-	\$74,000
<i>d) Incentive for sustainable building features</i>	-	\$30,000
<i>e) Karori Wildlife Sanctuary: additional funding</i>	-	\$300,000
<i>f) Anti-graffiti flying squad</i>	-	\$225,000
<i>g) Thistle Hall floor replacement</i>	\$250,000	\$22,000
<i>h) Hataitai Park access improvements</i>	\$350,000	\$31,000
<i>i) Household travel survey</i>	-	\$75,000
<i>j) Nairnville Park: artificial surfaces</i>	\$750,000	\$48,000
<i>k) Heritage Patent Slip – Cog Platform</i>	\$122,000	\$11,000
<i>l) Compliance monitoring (consents)</i>	-	(\$40,000)
<i>m) Scoring Stage: feasibility study</i>	-	\$70,000
<i>n) Pacific Island Festival</i>	-	\$60,000
<i>o) Wellington Museums Trust: National Children's Festival</i>	-	\$100,000
<i>p) Wellington Museums Trust: Trustee fee increases</i>	-	\$23,000
<i>q) Positively Wellington Tourism: Trustee fee increases</i>	-	\$24,000
<i>r) Positively Wellington Tourism: e-marketing</i>	-	\$519,000
<i>s) Earthquake prone building: extension.</i>	-	\$130,000