

15.0 COUNCIL'S PLAN OF ACTION



15.0 COUNCIL'S PLAN OF ACTION (WHAKATAKOTO TIKANGA O TE KAUNIHERA)

15.1 Guide to Council's Plan of Action

Strategic Strand Overview

The following sections in Council's Plan of Action are grouped under the three City Strategic Framework strands (Investing in our People, Creating Identity and Prosperity, and Protecting our Future). Each section starts with an explanation of the strand under which the significant services are grouped (also called a group of activities).



Council's Contribution (by Role) Towards Hamilton's Community Outcomes illustrates the main role that each of the significant services in the strand of the City Strategic Framework has and lists the community outcome(s) that each significant service primarily contributes to.

Improving Council's and Hamilton's Sustainability outlines a selection of specific projects and programmes undertaken by Council on an ongoing basis in each City Strategic Framework strand that either focus on making its own operations more sustainable (internal), or that have a community/city focus (external) towards improving Hamilton's sustainability.



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Key

Primary Community Outcome
The numbers shown in the table identify the community outcome that the significant service primarily contributes to.
Note: For the specific community outcome, refer to Section 7.4.

Primary Role

P Provision of Facilities and Services – Takes full responsibility for funding and providing the facility/service.

F Funding Assistance – Provides financial assistance (e.g. grants) and/or support in kind towards organisations who provide services Council considers to be of key benefit to Hamilton residents.

R Regulation – Administers and enforces a range of national and local legislation.

A Advocacy and Promotion

- Promotes the role and benefits of the significant service to Hamilton's residents and visitors
- Represents the views of its residents and communities to a range of organisations, e.g. territorial local authorities, central government.

Improving Council's and Hamilton's Sustainability
The following table provides examples of ongoing projects and programmes undertaken by Council in this strand of the City Strategic Framework that focus on making its own operations more sustainable (internal), or that have a community/city focus (external), towards improving Hamilton's sustainability.

Internal projects/programmes	External projects/programmes
<ul style="list-style-type: none"> Council's Energy Management Programme Internal waste minimisation policy (including waste reduction targets and six monthly audits) Development, implementation and review of Activity Management Plans (in particular the plans for: <ul style="list-style-type: none"> Wastewater Stormwater Water Supply Refuse and Recycling – including Household and Roads and Traffic) Membership of and participation in ECOM's Energy Efficiency and Conservation Authority Energy Wise Council's Forum Membership of ICLEI (International Council for Local Environmental Initiatives) Introduction of Fleet Bikes to Council's vehicle pool 	<ul style="list-style-type: none"> Participation in Project Watershed (a major project aimed at providing better, more coordinated management of river based works and services in the greater Waikato catchment) Implementation of Hamilton's Waste Management Plan 2004 (liquid component) Participation in the Regional Waste Strategy Kerb-side recycling (Sort it Out) Kerb-side recycling for primary and secondary schools Membership of Cities for Climate Protection (Milestone II) Community Environmental Programme and newsletter Support of the Enviro-school's programme Participation in a national programme to reduce the amount of construction and demolition waste disposed of Walking School Bus programme Support of Hamilton's Environment Centre

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CITY STRATEGIC FRAMEWORK: STRAND C – PROTECTING OUR FUTURE

Hamilton is a city experiencing rapid and sustained growth. Our vision for the city is to see development achieved sustainably, efficiently and creatively. Good planning today will benefit the city of tomorrow. As a city we are protecting our future by:

- Focusing on sustainable growth.
- Developing and maintaining a robust framework of policies and strategies that balance the short-term and long-term interests of the city.
- Taking a visionary yet disciplined approach to long-term planning and decision-making.
- Ensuring the provision of sustainable, well planned city infrastructure.
- Sustainably managing and enhancing our natural environment
- Maintaining prudent financial management.
- Ensuring that social infrastructure keeps pace with community growth and needs.
- Setting high standards of governance, planning and development within the city and throughout the region.

Council's Contribution (by Role) Towards Hamilton's Community Outcomes

The table below shows (by various roles) how each significant service in Strand C of the City Strategic Framework contributes towards Hamilton's Community Outcomes. In most cases a significant service will contribute to a number of community outcomes. However, the community outcomes shown are those that the significant service primarily contributes to.

Significant Service	Hamilton's Community Outcomes						
	1. Sustainable and Well Planned	2. Vibrant and Creative	3. Unique Identity	4. Safety and Community Spirit	5. Healthy and Happy	6. Intelligent and Progressive City	7. Working Together
Wastewater Management	1,6 P, R, A						
Stormwater Management	1,6 P, R, A						
Refuse/ Recycling Collection	1,7 P, F, A						
Water Supply	1,6 P, R, A						
Sustainable Environment	1 P, F, A						
Transport: Road Network Management	1,1, 1,2 P, R, A						
Transport: Access Hamilton	1,1, 1,2 P, F, R, A						
Environment and Investment Property Portfolio Management						6,5 P	

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PROTECTING OUR FUTURE
Projected cost of service for the years ended 30 June 2007–2016 (Inflation Adjusted)

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
EXPENDITURE										
Wastewater management	12,806	13,452	14,416	15,805	16,644	17,123	17,706	17,984	18,439	19,128
Stormwater management	6,149	6,865	7,321	7,491	7,862	8,023	8,291	8,636	8,837	9,168
Recycling/refuse collection	9,761	6,788	5,861	6,078	6,317	6,533	6,761	6,986	7,200	7,409
Water supply	11,908	12,896	13,869	15,377	15,108	15,637	16,046	16,371	17,752	17,296
Sustainable environment	696	695	713	724	736	716	733	743	771	775
Transport: Road network management	23,569	26,552	29,748	34,006	36,968	39,305	41,311	42,588	43,621	45,218
Transport: Access Hamilton	3,223	4,109	4,333	4,525	5,445	6,068	6,490	6,511	6,523	6,567
Endowment and investment property portfolio	2,151	2,189	2,078	2,130	2,180	2,144	2,191	2,225	2,249	2,280
Total Expenditure	69,963	73,546	78,339	86,136	91,260	95,549	99,529	102,044	105,592	107,841
Less REVENUE										
Wastewater management	2,048	2,114	2,179	2,241	2,298	2,354	2,404	2,451	2,495	2,538
Stormwater management	10	11	11	12	13	13	14	14	15	16
Recycling/refuse collection	4,958	1,031	1,102	1,134	1,162	1,191	1,217	1,240	1,262	1,283
Water supply	4,258	4,455	4,596	4,729	4,854	4,974	5,087	5,191	5,286	5,382
Transport: Road network management	3,718	3,948	4,225	4,434	4,767	5,138	5,558	5,739	6,249	6,435
Transport: Access Hamilton	149	411	275	132	261	152	142	145	147	144
Endowment and investment property portfolio	4,925	5,083	5,268	5,437	5,565	5,689	5,813	5,927	6,031	6,134
Total Revenue	20,066	17,053	17,656	18,099	18,910	19,511	20,235	20,707	21,485	21,952
Net Cost of Service	49,897	56,493	60,683	68,037	72,350	76,038	79,294	81,337	84,107	85,889
Total operating expenditure funded by:										
Operating revenue	20,066	17,053	17,656	18,099	18,910	19,511	20,235	20,707	21,485	21,952
Rates	49,897	56,493	60,683	68,037	72,350	76,038	79,294	81,337	84,107	85,889
Total Operating Expenditure	69,963	73,546	78,339	86,136	91,260	95,549	99,529	102,044	105,592	107,841

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Cost of Service Budget for the years ended 30 June 2007–2016

The **Cost of Service** table shows the proposed costs for each group of activities in the City Strategic Framework strand for the next 10 years. The table shows how much operating revenue and operating expenditure is budgeted for the group of activities.

The table also illustrates the **Net Cost of Service** (operating expenditure minus operating revenue) for the group of activities over the period 2006/07 to 2015/16.

The table illustrates how the **Net Cost of Service** is funded over the period 2006/07 to 2015/16. The split of funding is shown between rates and revenue.

The **Capital Expenditure** table shows the proposed costs for each group of activities in the strategic framework strand for the next 10 years. The table shows how the total capital expenditure is funded and includes the following:

- reserves
- loans (Development Contributions Levy, reserves, rates and Access Hamilton)
- subsidies
- revenue
- rates.

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PROTECTING OUR FUTURE CONT.
Projected cost of service for the years ended 30 June 2007–2016 (Inflation Adjusted)

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CAPITAL EXPENDITURE										
Wastewater management	5,404	9,020	11,668	9,758	7,790	9,282	4,399	5,844	5,648	6,928
Stormwater management	7,264	6,236	4,257	3,815	3,023	4,782	7,693	3,148	5,250	4,058
Recycling/refuse collection	2,236	84	41	45	77	53	46	49	65	201
Water supply	4,733	4,909	7,026	8,389	10,569	5,543	5,974	4,361	6,085	21,886
Transport: Road network management	36,157	36,896	54,054	32,903	32,661	37,674	26,963	24,842	19,075	18,482
Transport: Access Hamilton	16,035	24,493	24,647	32,177	30,603	23,673	6,337	8,339	7,687	10,051
Endowment and investment property portfolio	4,000	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	75,827	83,548	102,893	87,887	84,723	81,007	51,612	48,983	44,710	61,608
Total capital expenditure funded by:										
Loans (Reserves & Access Hamilton)	9,708	11,256	8,473	12,622	9,941	15,181	1,866	2,519	2,347	3,039
Loans (DCL)	22,896	30,625	37,670	26,772	30,054	22,596	13,715	9,851	12,648	26,678
Loans (Rate)	21,088	18,114	29,031	15,421	10,149	15,189	9,837	5,998	473	294
Other Reserves	2,473	136	132	388	398	608	458	425	128	130
Subsidies	6,947	11,098	15,395	18,905	19,033	10,763	7,469	8,786	8,214	9,355
Other Revenue	1,080	640	660	678	696	712	728	742	755	768
Depreciation (Rates)	11,425	11,679	11,252	12,301	14,452	16,158	17,339	20,262	20,205	21,342
Total Capital Expenditure	75,827	83,548	102,893	87,887	84,723	81,007	51,612	48,983	44,710	61,608

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ENDOWMENT AND INVESTMENT PROPERTY PORTFOLIO MANAGEMENT
(TE TAIAO WHAI TIKANGA ROOPOU WHAKAHAERE)

Contact: Property and Risk Management
838 6736 838 6612
PropertyAndRiskManagement@hcc.govt.nz

Service Level Provision for Endowment and Investment Property Portfolio Management

This section outlines what the significant service does, including the levels of service currently provided and the key assets (including the value of key infrastructural assets where applicable).

Endowment and Investment Property Portfolio Management administers 114 Council owned properties throughout Hamilton.

This significant service manages two funds: the Domain Endowment Fund and the Municipal Endowment Fund. Both funds are required by legislation to be invested in property, in order to maximise the financial return to the city.

The Domain Endowment Fund proceeds are used for the purchase of land for reserves and for the creation, improvement and development of reserves and parks within Hamilton city. The Municipal Endowment Fund is invested in commercial properties and income from the fund is used to reduce the rates requirement of the city.

Other properties include: small perpetual leases, Council owned and occupied buildings, Council owned and leased buildings and stakes in significant city development.

Reason For Providing Endowment and Investment Property Portfolio Management

Historically Council was provided land by the Crown for the purposes of assisting the city of Hamilton to grow and develop. Council maintains a portfolio of commercial investments as a means of reducing the rates requirement of ratepayers within the city.

Primary Contribution to Hamilton's Community Outcomes

Sustainable and Well Planned | Vibrant and Creative | Unique Identity | Safety and Community Spirit | Healthy and Thrive | Intelligent and Progressive City | Working Together

Business growth that is in harmony with the city's identity and community spirit
+ 4.5 Attracts and retains people and investment and grows great ideas.

Guiding Legislation, Plans and Documents

	Regional	National
Council		
POlicies		
<ul style="list-style-type: none"> • Forwarding of Council Domain and Municipal Endowment Issues Policy • Municipal Endowment Fund Investment Policy • Disability Strategy 2005 		<ul style="list-style-type: none"> • Building Act 2004 • Health and Safety in Employment (Amendment) Act 2002 • Hamilton Domain Endowment Act 1977 • Local Government Act 2002

Looking Ahead – Key Projects and Programmes

The following table shows a selection of projects and programmes for Endowment and Investment Property Portfolio Management from the Long-Term Plan. Projects and programmes have been developed to maintain and enhance service delivery taking into account anticipated changes to levels of service.

The full list of projects and programmes that Council proposes to undertake for Endowment and Investment Property Portfolio Management is shown in the appendices of Volume II (Section 16.4) of Council's 2006-16 Long-Term Plan. This list also shows whether the project's expenditure is categorised as capital, maintenance/operating, or renewal.

Hamilton City Council's 2006-16 Long-Term Plan www.hamilton.co.nz/LongTermPlan

Significant Service

Provides contact details for the significant service.

Illustrates which of **Hamilton's Community Outcomes** the significant service **primarily** contributes to.

Service Level Provision for the Significant Service

Gives an explanation of what the significant service does. This information includes details on:

- the levels of service currently provided
- the value of key infrastructural assets (as at 30 June 2005). Note that not all significant services have infrastructural assets.

Note: Section 14.6 outlines how Council assesses and manages the asset implications of changes to service levels of significant services.

Reason for Providing the Significant Service

Explains why Council provides the significant service. Reasons for providing the significant service may include, but are not limited to, legislative requirements, community expectations, historical reasons, economic reasons, environmental reasons and public health reasons.

This section also mentions any relevant legislation that determines how Council provides the significant service.

Guiding Legislation, Plans and Documents outlines the main documents (and any further legislation not mentioned above) that direct the operation of the significant service. Documents are categorised under three levels: Council, regional or national.

Looking Ahead – Key Projects and Programmes shows a selection of projects and programmes for the significant service that Council proposes to undertake during the next 10 years, of which there is a focus on the first three years (2006/07–2008/09). Projects and programmes have been developed to maintain and enhance service delivery taking into account anticipated changes to levels of service.

The key projects and programmes shown in this section comprise a mixture of both infrastructural projects as well as non-capital projects that are considered to have widespread community interest.

Key projects and programmes that maintain and enhance planned levels of service for the significant service are also shown for 2009/10–2015/16. For further information on some of these projects and programmes, refer to Section 4.0.

Note: If it is a special capital project/programme, then expenditure is shown along with the relevant Strategic Action Plan (SAP) number.

Hamilton City Council's 2006–16 Long-Term Plan www.hamilton.co.nz/LongTermPlan

Year	Description of project
2006/07	<ul style="list-style-type: none"> Ongoing management of property funds to maximise financial returns. Source a suitable commercial property building investment for the balance 10.1ml of the Municipal Endowment Fund. Waiwakarano Lake subdivision (SAP # 802.0 – 54m).
2007/08	<ul style="list-style-type: none"> Ongoing management of property funds to maximise financial returns. Ongoing management of property funds to maximise financial returns.
2008/09	<ul style="list-style-type: none"> Ongoing management of property funds to maximise financial returns.

Note: There are no capital projects scheduled for this significant service between 2006–2016.


Significant Negative Effects
No significant negative effects have been identified as a result of Council providing this significant service.

Key Performance Measures and Targets for intended Levels of Service
The following performance measures and targets are regarded as important to maintain and enhance the intended levels of service for Endowment and Investment Property Portfolio Management. In many cases, targets for performance measures have been 'stretched' to reflect Council's ongoing commitment to continuously improve its service delivery.

Objective: To manage Council's property portfolio in a manner that fulfils legislative requirements and ensures returns are in line with the current market average for similar properties.

Performance measure	Target									
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
1. Achieve an annual gross return on Municipal Endowment Fund investment properties (as assessed by an independent registered valuer) that is typical for the Hamilton property market.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Domain Endowment Fund ground leases achieve a return in line with the average market return of similar properties.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Ensure statutory compliance with the Building Act 2004 and the Health and Safety in Employment Amendment Act 2002, in respect of all Council owned buildings.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: Unless otherwise stated, all key performance measures will be completed on or before 30 June for each financial year.



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Significant Negative Effects outline the existing and/or potential significant negative effects that the significant service may have on social, cultural, economic and environmental well-being of the local community and the natural and built environment. This table also explains the steps Council takes to minimise and mitigate these effects.

The **Key Performance Measures and Targets for Intended Levels of Service** section focuses on the 10-year period of the Long-Term Plan. These measures and targets focus on those that are important to maintaining and/or enhancing the intended levels of service for the significant service. They include:

- the objective for the service
- the performance measures and targets that indicate how well the significant service is achieving its objective.

The performance measures relate to the objective, are relevant and measurable and focus on maintaining or improving the significant service over time.