

# Community Property



## WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council is responsible for the prudent management of community property. Properties are held either for the delivery of services to the community, including halls and pensioner housing, or for strategic and investment purposes.

The activities undertaken within this group include:

- Pensioner Housing
- Halls
- Commercial Property

## WHAT WILL THIS GROUP OF ACTIVITIES COST

The table below provides an overview of the budget at a Group of Activities level. Information related specifically to each activity can be found on the following pages.

Annual Plan 2009/10 \$000		LTCCP 2010/11 \$000	Annual Plan 2010/11 \$000	Variance 2010/11 \$000
<b>OPERATIONAL</b>				
<b>EXPENDITURE</b>				
179	Depreciation	177	596	419
22	Interest Paid	16	28	12
865	Operations	814	831	17
<b>1,066</b>	<b>Total Expenditure</b>	<b>1,007</b>	<b>1,455</b>	<b>448</b>
<b>REVENUE</b>				
62	Development Contributions	64	62	(2)
600	User Fees & Charges	473	461	(12)
369	General Rates	410	380	(30)
0	Interest Income	0	0	0
0	Sundry Income	0	0	0
90	Subsidies & Grants	93	135	42
0	Targeted Rates	0	0	0
<b>1,122</b>	<b>Total Revenue</b>	<b>1,040</b>	<b>1,039</b>	<b>(2)</b>
<b>(56)</b>	<b>Net Cost (Surplus) of Operations</b>	<b>(34)</b>	<b>416</b>	<b>450</b>
<b>NON OPERATIONAL</b>				
<b>EXPENDITURE</b>				
(56)	Transfer from (surplus)/deficit	(34)	416	450
196	Capex *	276	243	(33)
277	Loan Repayments	20	48	28
2,387	Payments to Reserves	3,093	522	(2,571)
(76)	less Depreciation not Funded	(78)	(497)	(419)
<b>2,727</b>	<b>Total Funding Requirement</b>	<b>3,277</b>	<b>731</b>	<b>(2,545)</b>
<b>FUNDED BY</b>				
116	Depreciation Reserve	175	142	(33)
0	Development Contribution Reserve	0	0	0
0	Loans Raised	0	0	0
287	Operational Reserve	72	130	58
2,325	Sale of Assets	3,029	460	(2,569)
<b>2,727</b>	<b>Total Funding Applied</b>	<b>3,277</b>	<b>731</b>	<b>(2,545)</b>
<b>* CAPITAL EXPENDITURE</b>				
80	Level of Service	82	125	43
0	Growth	0	0	0
116	Renewals	194	118	(76)

## PENSIONER HOUSING

### WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

### WHAT WE DO AND WHY WE DO IT

Currently the Council owns six housing complexes for the elderly. There are four housing developments in Whakatane which provide 79 rentable units, and two properties in Murupara which provide a further seven rentable units. The Council has provided this activity in response to public demand.

### WHAT WE ARE GOING TO DO

**Pensioner housing:** At its meeting on 28 April 2010 the Council resolved not to proceed with the divestment of the pensioner housing portfolio.

The decision to sell the pensioner housing units was made by Council as part of the development of the 2009-19 LTCCP and was subject to some strict criteria put in place to protect the welfare of current and future tenants. This decision followed a comprehensive review of Council services that extended to all aspects of Council operations as well as governance and included a detailed analysis of funding options. It was expected that the sale of the pensioner housing units would realise \$3.5m (May 2010 estimate) providing benefits for the wider community by retiring debt over a ten year period.

Under the Local Government Act 2002 (LGA), the Council is required to undertake public consultation and amend the LTCCP to accommodate the decision not to proceed with the divestment. The Council has resolved to undertake an amendment process to coincide with consultation on the Draft Annual Plan 2011/12, or sooner if the opportunity arises.

While the decision needs to be finalised through an LTCCP amendment process, it will have an impact on this Annual Plan as revenue will not be realised during the 2010/11 year as expected. The cost of servicing the debt that was intended to be retired contributes 1.56% to the rates increase in 2010/11.

With a decision not to proceed with the sale of pensioner housing, the total impact over a ten year period of not retiring debt as intended will result in an increased rate requirement of 12.06% above what was planned in the LTCCP 2009-19.

### WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	322
Revenue	232
<b>Net Cost (Surplus) of Operations</b>	<b>90</b>
Capital Expenditure	139

### WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Revenue from sale of Pensioner housing will not be realised, contributing 1.56% to the rates increase in 2010/11.
- Expenditure on renewals for pensioner housing units reduced by \$70,800
- Increase in rental fees for pensioner housing units in line with the Council's Policy that these be set at 80% of market rates (see Council's Fees and Charges Schedule).
- The performance target below is not expected to be achieved in the 2010/11 year following the decision not to proceed with the sale of pensioner housing units. This performance target will be revised as part of the pensioner housing LTCCP amendment.

## WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

### Affordable pensioner housing provided to people who meet the Whakatane District Council eligibility criteria

» 51 pensioner housing units provided (i.e. 28 units divested during the year).

Note: This performance target is not expected to be achieved in the 2010/11 year (see comment under "What are the Key Differences from the LTCCP").

# HALLS

## WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



In the 2010/11 year the Council will develop a Community Halls Strategy covering both Urban and Rural halls. This will set out the Council's principles and objectives with regard to community halls. The strategy will include a framework and action plan to reduce costs related to hall management for individual halls.

## WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	746
Revenue	570
<b>Net Cost (Surplus) of Operations</b>	<b>176</b>
Capital Expenditure	86

## WHAT WE DO AND WHY WE DO IT

There are a number of urban and rural community based halls in the Whakatane District including the Whakatane War Memorial Hall. 11 of these halls are Council-owned and are located in Whakatane, Edgecumbe, Murupara, Ohope, Manawahe, Galatea, Te Teko, Waimana, Otakiri, Awakeri and Taneatua. There is no legislative requirement for the Council to be involved in the provision of community halls.

## WHAT WE ARE GOING TO DO

**Urban and Rural Community Halls Strategy:** The Council considered feedback on the consultation undertaken for the Halls Review as requested by the Council in the LTCCP. The Council consulted with the hall committees, main hall users and the community through public notices in the newspapers and on radio. The consultation focused on options for the future of the halls and asked "does the community still need the hall and if so, what is the fairest and most affordable way to fund it?"

From feedback received on the Halls Review. The dominant message received was that communities do value and use their halls and want them to be retained. A key driver for the Council has been to reduce the costs to ratepayers and there was a willingness from the community to investigate options to achieve this.

## WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

No key differences.



## WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

**High quality, affordable and available facilities will be provided throughout the district to engender community spirit and encourage recreational and learning activities**

- » Satisfaction with public halls scores 71.2 or higher (Good service but with potential for improvement) in Council's Perception Survey.
- » The Council provides four urban public halls and three rural public halls.

## COMMERCIAL PROPERTY

### WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



PROSPEROUS ECONOMY

### WHAT WE DO AND WHY WE DO IT

The Whakatane District Council owns a number of properties that are held for strategic and or investment purposes. These assets include rental housing, commercial tenancies and the plant nursery.

### WHAT WE ARE GOING TO DO

**Divestment of commercial properties:** As indicated in the LTCCP the Council has identified a number of commercial properties, or portions of those properties, for potential divestment. This includes the following properties:

- 2 Oregon Drive, Murupara
- 143 King Street, Whakatane
- 65 Keepa Road, Whakatane
- 40 Te Tahī Street, Whakatane

The sale of these properties will be progressed in the 2010/11 year. The remainder of commercial properties will be retained and will continue to be managed prudently.

### WHAT WILL THIS ACTIVITY COST

	Annual Plan 2010/11 \$000
Expenditure	2,638
Revenue	237
<b>Net Cost (Surplus) of Operations</b>	<b>149</b>
Capital Expenditure	18

### WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

No key differences.

## WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

» NA There are no non-financial performance targets for this activity.

