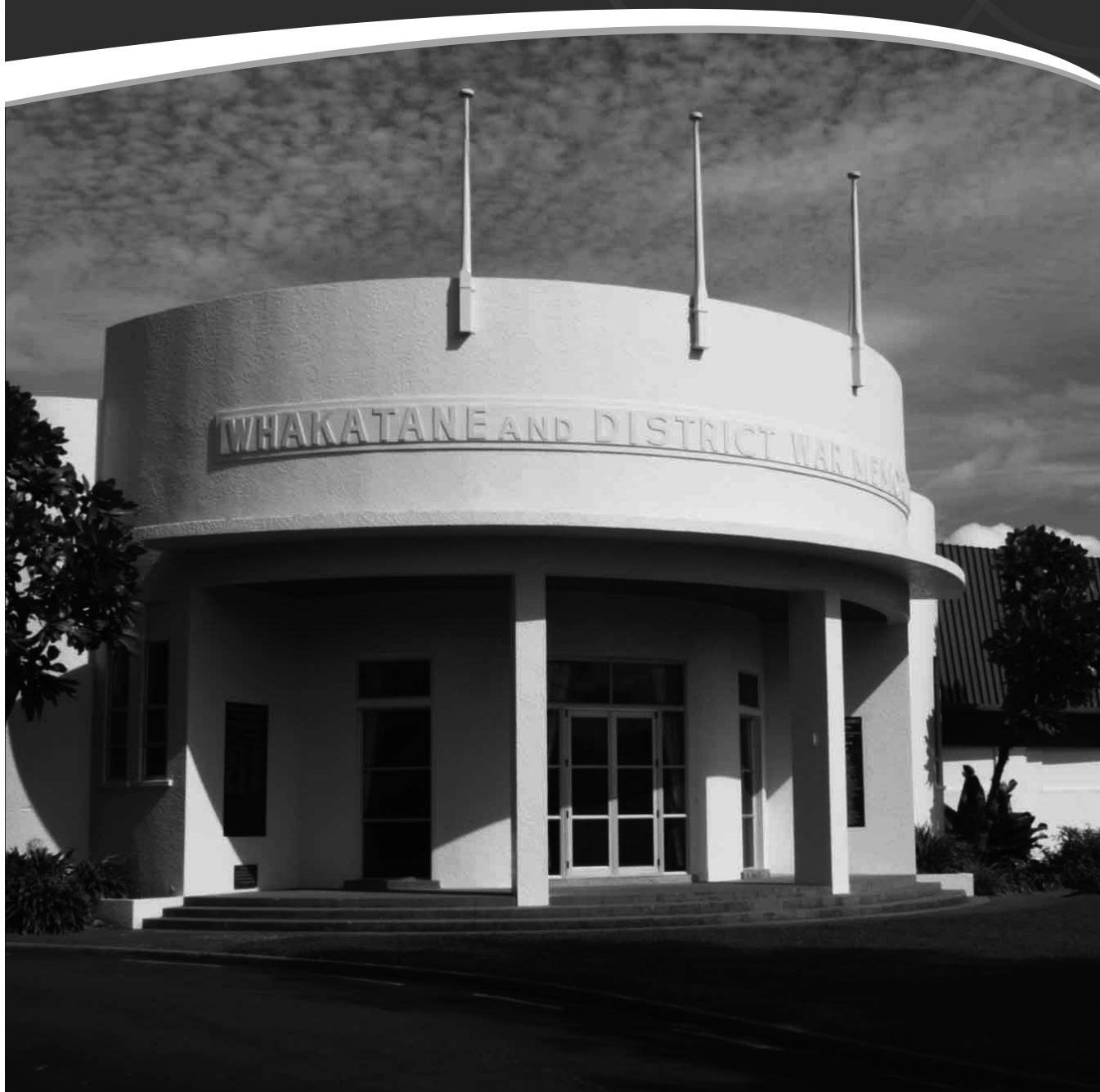


Community Property

Ngā Rawa o Te Hāpori



Pensioner Housing, Halls, Commercial 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.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific activities can be found on the following pages.

Annual Plan 2010/11 \$000		LTCCP 2011/12 \$000	Annual Plan 2011/12 \$000	Variance 2011/12 \$000
OPERATIONAL				
EXPENDITURE				
596	Depreciation	179	605	426
28	Interest Paid	17	40	23
831	Operations	759	1,036	277
1,455	Total Expenditure	955	1,681	726
REVENUE				
62	Development Contributions	66	55	11
461	User Fees & Charges	354	665	(311)
380	General Rates	458	475	(17)
0	Interest Income	0	0	0
0	Sundry Income	0	0	(0)
135	Subsidies & Grants	96	41	55
0	Targeted Rates	0	0	0
1,038	Total Revenue	974	1,236	(262)
417	Net Cost (Surplus) of Operations	(20)	445	464
NON OPERATIONAL				
EXPENDITURE				
417	Transfer from (surplus)/deficit	(20)	445	464
243	Capex *	251	148	(103)
48	Loan Repayments	20	43	23
522	Payments to Reserves	2,516	406	(2,110)
(497)	less Depreciation not Funded	(81)	(385)	(304)
732	Total Funding Requirement	2,686	657	(2,030)
FUNDED BY				
142	Depreciation Reserve	137	94	43
0	Development Contribution Reserve	0	0	0
0	Loans Raised	0	0	0
130	Operational Reserve	99	213	(113)
460	Sale of Assets	2,450	350	2,100
732	Total Funding Applied	2,686	657	2,030
* CAPITAL EXPENDITURE				
125	Level of Service	85	80	(5)
0	Growth	0		0
118	Renewals	166	68	(98)

PENSIONER HOUSING

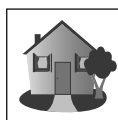
WHAT WE DO AND WHY WE DO IT

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.

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

WHAT WE ARE GOING TO DO

Pensioner Housing: The Council has resolved not to proceed with the divestment of the pensioner housing portfolio.

Through the Council's LTCCP 2009-19, the Council resolved to divest its pensioner housing portfolio. The decision to sell pensioner housing units was made 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.

Amendments to the Local Government Act 2002 no longer require the Council to make an Amendment to its LTCCP as a result of this decision. However it is signalled as a Key Issue in this Annual Plan as it will have financial implications compared to the LTCCP.

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

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2011/12 \$000
Expenditure	490
Revenue	470
Net Cost (Surplus) of Operations	20
Capital Expenditure	83

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- Revenue from the sale of pensioner housing will not be realised, contributing 2.9% to the rates increase in 2011/12.
- Direct costs associated with this activity have increased as a result of the Council's decision to not sell pensioner housing.
- The income from rentals has increased in this activity from that proposed in the LTCCP. This is the result of an increase in rentals in line with the Council's Policy that these are set at 80% of market rates and due to the Council continuing to receive rentals as a result of the Council's decision not to sell pensioner housing.
- The performance target below will not be achieved in the 2011/12 year following the decision not to proceed with the sale of pensioner housing. This performance target will be reviewed during 2011/12 through the Council's LTP 2012-22.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

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

- » 22 pensioner housing units provided (i.e. 29 units divested during the year).

Note: This performance target is not expected to be achieved in the 2011/12 year (see comment under "What are the Key Differences from the LTCCP").

HALLS

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. Eleven 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.

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



WHAT WE ARE GOING TO DO

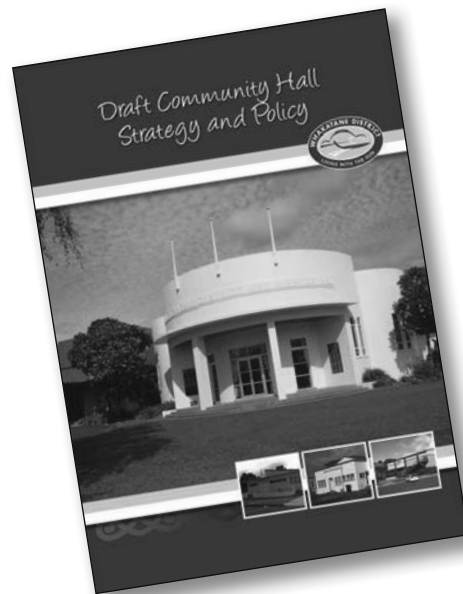
Urban and Rural Community Halls: Following on from the development of a Community Halls Strategy and corresponding policies and principles in 2010/11, the Council will continue to investigate the appropriate future management of the halls. Action Plans will be developed in partnership with Hall Committees to set out the specific actions to identify and implement the optimum solution for each hall, in a staged approach. The Action Plans will work to ensure that the communities' needs for halls is met, that communities take active roles in managing the halls and that a preferred framework is agreed while reducing the net cost to ratepayers.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2011/12 \$000
Expenditure	757
Revenue	528
Net Cost (Surplus) of Operations	228
Capital Expenditure	38

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

COMMERCIAL PROPERTY

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.

WHICH COMMUNITY OUTCOMES DOES THIS CONTRIBUTE TO



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY



PROSPEROUS
ECONOMY

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. During 2011/12 the Council will be looking to divest 40 Te Tahī Street, Whakatane. Other commercial properties will be retained and will continue to be managed prudently.

WHAT WILL THIS ACTIVITY COST

	Annual Plan 2011/12 \$000
Expenditure	435
Revenue	238
Net Cost (Surplus) of Operations	197
Capital Expenditure	27

WHAT ARE THE KEY DIFFERENCES FROM THE LTCCP

- The direct costs of this activity have gone up as a result of increased rates on commercial properties and overheads allocated to this activity, but not budgeted for through the LTCCP.
- The income for this activity from rentals has decreased due to the sale of commercial properties during 2010/11 as indicated in the 2010/11 Annual Plan.

WHAT ARE OUR PERFORMANCE TARGETS FOR THE YEAR

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