

STAFF REPORT

TO: Mayor and Councillors

FROM: Acting Corporate Services Manager

DATE: 13 April 2007

SUBJECT: Variations to Council's Long Term Council Community Plan Engineering Works Budget

INTRODUCTION

A couple of months ago staff were approached by a developer asking that an item of work subject to Development Contributions (DC) and contained within the Long Term Council Community Plan (LTCCP) works programme, be brought forward a number of years. Staff consider that it is likely that this request to Council will not be the last. Due to the legal framework surrounding the LTCCP if Council wishes to allow a variation, it is important that a robust policy be in place.

DISCUSSION

The issues that relate to this are the cost to Council, impact on other ratepayers, available resources and LTCCP variation.

As Council and local contractors only have limited engineering resources, Council should not approve a change to work that would compromise its scheduled work programme.

Council's LTCCP has a significance criteria that if breached would automatically trigger an amendment to the LTCCP. An amendment would be a costly exercise to Council and should if possible be avoided. A request for "variation" that breached this significance policy would not be in the best interests of Council or the community at large.

It is possible that some ratepayers will have relied upon the programme of work outlined in the LTCCP and would not have made a submission because of the timing of work within the plan. Council will need to consider whether bringing work forward would result in a disadvantage to existing ratepayers who have not been able to make submissions on this modified work programme.

In bringing forward work that is subject to a DC there is a cost to Council. In setting the interest component of the DC's the timing of the work programme was critical. To commence work earlier than scheduled within the LTCCP will result in additional interest costs that cannot be recovered from the developers at large.

To offset this cost a developer would need to agree to pay this cost. The interest charged would be calculated at Council's marginal rate. This would result in the development being cost neutral to Council and benefit the developer by allowing the work to be undertaken earlier than originally planned.

PROPOSED POLICY FOR A VARIATION TO THE LTCCP WORK PROGRAMME

- The request must be in writing, refer to an item contained within the current LTCCP and addressed to the Chief Executive.
- Subject to approval by the Engineering Service Manager, Council's work programme must have sufficient surplus capacity to allow completion of the request without hindering the current work programme.
- Any request would be subject to a review against the significance policy criteria contained within the relevant LTCCP. Any likelihood of the significance policy being breached would result in immediate decline of the request.
- The request must not place an unfair burden on other ratepayers of the district. If it becomes apparent that another group of ratepayers has relied on or it could be expected that they had relied upon the work being undertaken within the original timeframe contained within the LTCCP, the request for a variation should be declined.
- To ensure cost neutrality an agreement must be reached with the developer. This agreement must ensure that all costs incurred by Council as a result of the change are borne by the developer. If an agreement is not reached the request should be declined.
 - Any variations approved by the Chief Executive should be reported to the next available Council meeting.

RECOMMENDATION

That the Chief Executive, subject to the criteria above, be authorised to vary the LTCCP work programme on a case by case basis.

Murray Staite
Acting Corporate Services Manager