



# regional economic development

GROUP OF ACTIVITIES



## STATEMENT OF COST OF ACTIVITIES

## regional economic development

For the year ended 30 June 2010

Actual 30-Jun-09 Cost of Services \$		Note	Actual 30-Jun-10 Cost of Services \$	LTCCP 30-Jun-10 Cost of Services \$	Variance \$
	<b>REVENUE</b>				
–	Grants and Subsidies	1	2,500,000	–	2,500,000
134,225	User Charges		54,948	–	54,948
–	Targeted Rates		618,030	625,412	(7,382)
<u>134,225</u>	<b>TOTAL OPERATING REVENUE</b>		<u>3,172,978</u>	<u>625,412</u>	<u>2,547,566</u>
	<b>EXPENDITURE</b>				
–	Personnel Costs		160,293	286,891	126,598
–	Finance Costs		186,150	162,404	(23,746)
3,908,539	Other Operating Expenses	2	13,033,041	15,468,254	2,435,213
–	Support Costs internally allocated to Activity		21,309	20,812	(497)
<u>3,908,539</u>	<b>TOTAL OPERATING EXPENDITURE</b>		<u>13,400,793</u>	<u>15,938,360</u>	<u>2,537,567</u>
–	Less non cash items		–	–	–
<u>3,774,314</u>	<b>NET CASH COST / (SURPLUS) OF ACTIVITY</b>		<u>10,227,815</u>	<u>15,312,948</u>	<u>5,085,133</u>
	<i>Funded by:</i>				
1,251,530	Targeted Council Service Rate		50,240	50,000	(240)
538,396	Infrastructure Rate		545,190	566,626	21,436
1,756,250	Recreational Rate		1,114,993	1,128,155	13,162
198,029	Investment Income		1,944,355	2,645,109	700,754
30,110	Transfer from / (to) Cash Reserves		6,573,037	10,923,059	4,350,022
<u>3,774,314</u>	<b>TOTAL OPERATING FUNDING</b>		<u>10,227,815</u>	<u>15,312,948</u>	<u>5,085,133</u>
	<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>				
3,908,539	Economic Development		13,186,179	15,542,465	2,356,285
–	Regional Growth Programme		214,614	395,896	181,282
<u>3,908,539</u>	<b>TOTAL REGIONAL ECONOMIC DEVELOPMENT</b>		<u>13,400,793</u>	<u>15,938,360</u>	<u>2,537,567</u>

## Variance compared to LTCCP

## Revenue

1. Revenue from grants and subsidies is greater than forecast due to a one-off grant of \$2.5 million received from central government for the Northland Event Centre to meet Rugby World Cup standards.

## Expenditure

2. Other Operating Expenses are less than forecast due to \$2.8 million of contributions made towards the Northland Event Centre taking place in 2008-2009 financial year. A further \$2.3 million is yet to be paid towards the Northland Events Centre. Part of the scheduled works did not eventuate and will be undertaken in the 2010-2011 financial year.

LEVELS OF SERVICE

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## Regional Economic Development Overview

### Regional Growth Programme

The Council prepared a draft Growth Programme discussion document but determined not to progress with this document. The Council has been investigating what has worked for other regions, cities and countries and is revising the Growth Programme discussion document as a result.

The Growth Programme cannot be successful without co-operation and collaboration across all communities and stakeholders. The Council is moving towards a Community Growth Programme that provides vision and leadership for Northland alongside working with communities to develop their own individual visions and potential for the future.

### Recreational facilities

The Council has expended funds collected from the recreational facilities rate on several projects that deliver economic development opportunities to the region during the past year. The most significant of these is the Council's \$13 million contribution to the construction of the Northland Events Centre at Okara Park in Whāngārei.

In addition, a grant of \$700,000 was made as a funding contribution to a heated 50 metre swimming pool complex in Dargaville, and a \$500,000 grant was made as a funding contribution towards a multi-sports facility in Kerikeri.

Given that the regional recreational facilities rate was collected from all three districts in the region, the Council was pleased to be provided with the opportunity also of supporting projects in all three districts.



### Activity 3.1 Regional Growth Programme

**Objective:** Provide inclusive leadership and an integrated planning framework leading to a set of detailed actions to improve the present and future wellbeing of Northlanders.

#### 2010-2012 Performance Measures and Targets

3.1.1 Lead in partnership with key stakeholders, the development of a Regional Growth Programme for Northland.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
a. Develop a Growth Programme discussion document and conduct appropriate consultation to finalise agreed Terms of Reference for the Growth Programme. <ul style="list-style-type: none"> <li>Terms of reference agreed by 31 October 2009 and progress reported to the Council via the CEO's monthly report.</li> </ul>	<b>Not Achieved.</b> Progress reported in CEO monthly report. Draft Growth Programme discussion document developed following workshop with Council. Staff are currently engaging an independent consultant to review the draft document and will then be able to develop revised timing for the project.	New measure.

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## Activity 3.1 Regional Growth Programme continued

3.1.1 Lead in partnership with key stakeholders, the development of a Regional Growth Programme for Northland.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
b. Develop an agreed schedule of detailed actions required to implement the Growth Programme. <ul style="list-style-type: none"> <li>Action Plan developed by 31 March 2010 and progress reported to the Council via the CEO's monthly report.</li> </ul>	<b>Not Achieved.</b> Progress reported in CEO monthly report. Action Plan is incorporated in Draft Growth Programme discussion document. Staff are currently engaging an independent consultant to review the draft document.	New measure.
c. Monitor and report on implementation of the Growth Programme action plan. <ul style="list-style-type: none"> <li>Progress reports provided quarterly to the Audit and Finance Committee and annually in the Northland Regional Council Annual Report.</li> </ul>	<b>Not Achieved.</b> Progress reported in CEO monthly report. As noted above, action plan has not been prepared yet and therefore quarterly and annual reporting on progress has not occurred.	New measure.
d. Monitor growth management drivers and trends in population, demographics and development. <ul style="list-style-type: none"> <li>Develop a growth management reporting framework and publish monitoring reports annually.</li> </ul>	<b>Not Achieved.</b> Progress reported in CEO monthly report. Reporting framework to be developed following preparation of the Growth Programme discussion document. Discussion document has not been prepared yet therefore not able to develop the reporting framework.	New measure.

## Significant positive and negative effects on well-being

The Regional Growth Programme activity may have the following impacts on well-being:

Well-beings	Positive effects	Negative effects
<b>Social</b>	Local government and other agencies working together to compile information and to identify and respond to future trends in an integrated fashion.	Uneven population growth throughout the region which includes declining populations (and therefore services) in many inland settlements.
<b>Economic</b>	Enabling Northland local authorities to meet the future infrastructure needs of the region and provide a sound platform for future government investment.	
<b>Environmental</b>	Minimising adverse environmental impacts through co-ordinated sustainable development planning practices as opposed to ad-hoc development.	Potential loss of environmental and biodiversity values in areas of increased development.
<b>Cultural</b>	Ensuring that future land use needs are identified and can be provided for including cultural uses.	Change of land use and increased population may impact negatively on traditional values.

## LEVELS OF SERVICE

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## Activity 3.2 Economic Development

**Objective:** To proactively lead the economic development of Northland.

## 2010-2012 Performance Measures and Targets

3.2.1 Support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
<p>a. Negotiate an Annual Statement of Intent and rolling three-year business plan with the Northland Regional Council Community Trust.</p> <ul style="list-style-type: none"> <li>• A Statement of Intent (SOI) that meets the requirements of the Local Government Act 2002 is received by 30 June each year.</li> <li>• Approve an annual business plan and triennial funding agreement by 30 June each year.</li> <li>• Receipt of quarterly performance reports from the Trust detailing actual results compared to the objectives contained in the Statement of Intent and Business Plan.</li> </ul>	<p><b>Not achieved.</b> Final Statement of Intent received 24 June 2010 (LGA requirement by 30 June). Draft Statement of Intent was received in March, but after the LGA requirement of 1st March.</p> <p><b>Achieved.</b> Business plan and funding agreement approved at Audit and Finance Committee meeting 23 June 2010.</p> <p><b>Achieved.</b> All four quarterly reports received by the due dates and reported to the Audit and Finance Committee. Objectives achieved with full year results available in Audit and Finance Committee Agenda on 25 August 2010. The report can be viewed at: <a href="http://www.nrc.govt.nz/upload/7680/Audit%20and%20Finance%20Agenda%2025%20August%202010.pdf">http://www.nrc.govt.nz/upload/7680/Audit%20and%20Finance%20Agenda%2025%20August%202010.pdf</a></p>	<p>Not achieved.</p> <p>New measure.</p> <p>Not achieved.</p>
<p>b. Support the promotion of Northland as a place to invest, work, and visit as a tourist destination.</p> <ul style="list-style-type: none"> <li>• Negotiation of an Annual Business Plan and Terms of Agreement with Destination Northland Ltd.</li> <li>• Receipt of quarterly performance reports detailing actual results compared to the objectives contained in the Annual Business Plan.</li> </ul>	<p><b>Achieved.</b> Annual Business Plan and Terms of Agreement approved at the Audit and Finance Committee meeting on 23 June 2010.</p> <p><b>Achieved.</b> All four quarterly reports received by the due dates and reported to the Audit and Finance Committee. Objectives achieved with full year results available in Audit and Finance Committee Agenda on 25 August 2010.</p>	<p>New measure.</p> <p>Achieved.</p>

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## Activity 3.2 Economic Development continued

3.2.1 Support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland.		
Performance Measures and Targets	Actual Service Performance to 30 June 2010	Actual 30 June 2009
<p>c. Provide community funding for regional initiatives undertaken by the Council or in joint venture or partnership with other authorities and organisations on a case-by-case basis.</p> <ul style="list-style-type: none"> <li>Conduct due diligence and the appropriate community consultation on significant projects as required in accordance with the requirements of the Local Government Act 2002.</li> <li>Report annually on any new regional initiatives undertaken.</li> </ul>	<p><b>Achieved.</b> Northland Events Centre is nearing completion on target and on budget of \$18.5M. WDC have established a Trust to manage and operate the centre. Negotiations are underway as regards the final handover of the facility to WDC. This is expected to occur in October 2010.</p> <p><b>Not applicable for this reporting period.</b> No new regional initiatives undertaken during the year ended 30 June 2010.</p>	<p>New measure.</p> <p>New measure.</p>
<p>d. Develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding to.</p> <ul style="list-style-type: none"> <li>Conduct appropriate due diligence and community consultation in accordance with the requirements of the Local Government Act 2002.</li> <li>Report annually on any significant regional infrastructure projects undertaken.</li> </ul>	<p><b>Not applicable for this reporting period.</b> No new infrastructure priorities were funded during the year ended 30 June 2010.</p> <p><b>Not applicable for this reporting period.</b> No significant new regional infrastructure projects undertaken during the year ended 30 June 2010. The incoming Council will determine future infrastructure priorities in conjunction with the Regional Growth Plan.</p>	<p>New measure.</p> <p>New measure.</p>

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## Activity 3.2 Economic Development continued

### Significant positive and negative effects on well-being

The Economic Development activity may have the following impacts on well-being:

Well-beings	Positive effects	Negative effects
<b>Social</b>	Increased diversity and upgrading of social services as the population and economic performance of the region increases.	The potential exists for significant negative impacts on well-being if economic growth decisions are made without taking into account social, cultural and environmental considerations.
<b>Economic</b>	Increased employment opportunities, income levels and standards of living.	
<b>Environmental</b>	The region has the ability to fund important environmental initiatives.	
<b>Cultural</b>	Increased employment and business development opportunities and funding available for cultural activities.	

