

Document: 452917

7 May 2008

**Memorandum to
Chairperson and Members
Executive Committee**

Notice of Meeting

A meeting of the Executive Committee will be held in the Taranaki Regional Council Chambers, 47 Cloten Road, Stratford on:

Monday 12 May 2008 commencing at 10.00am.

B G Chamberlain
Chief Executive

**THE TARANAKI REGIONAL COUNCIL REQUESTS THAT THIS
AGENDA REMAINS EMBARGOED UNTIL COMMENCEMENT OF
THE MEETING**

**Agenda for the Executive Committee meeting of the
Taranaki Regional Council to be held in the Taranaki
Regional Council Chambers, 47 Cloten Road, Stratford on
Monday 12 May 2008 at 10.00 am.**



Councillors		D N MacLeod D L Lean N W Walker	
In Attendance	Messrs	B G Chamberlain M J Nield	(Chief Executive) (Director - Corporate Services)
	Mrs	K van Gameren	(Committee Administrator)
Apologies	Councillor	R F H Maxwell	

Notification of Late Items

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ITEM ONE

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12 May 2008

Memorandum to Chairperson and Members Executive Committee

Financial and Operational Report

Purpose

1. The purpose of this memorandum is to receive information on the operational and financial performance of the Council and to confirm the use of the Council's Common Seal.

Background

2. The Council produces a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Council operates its Common Seal under delegated authority. Part of that delegated authority is the reporting back of all Seal transactions.

Financial report

3. Attached are the Monthly Financial Reports for February and March 2008. The financial results so far are good and in line with the *2007/2008 Annual Plan*. Notable financial variances to date are:
 - Policy and planning under budget \$92,025—time spent on other areas, in particular transport planning services.
 - Consent processing and administration over budget by \$79,925 due to higher than planned levels of activity. Compliance monitoring and pollutions incidents are under budget.
 - Land management is over budget by \$74,639 due to deposits on this year's riparian plant purchasing programme and costs associated with the new nursery.
 - River control and flood protection under budget by \$47,290. There are significant maintenance works being undertaken in the first half of 2008.
 - Land transport planning over budget by \$33,149 – higher than planned levels of work with trials and tender.
 - Environmental enhancement grants under budget by \$64,837. The level of activity is lower than anticipated.

- Regional gardens under budget by \$96,223. Implementation of the asset management plans will increase expenditure over the second half of the 2007/2008 year.

Operational report

4. Operationally, all programmes are currently on target with the planned levels of activity established in the *2007/2008 Annual Plan*.

Common Seal

5. The following documents were signed under seal during the period to 12 May 2008:
Nil.

Decision-making obligations

6. Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the Act.

Policy considerations

7. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Biosecurity Act 1993.

Financial considerations

8. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Council Community Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Legal considerations

9. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Recommendations

THAT the Taranaki Regional Council:

1. receives this memorandum and adopts the Monthly Financial Reports for February and March 2008
2. notes the Common Seal has been affixed to the following documents:
Nil

BG Chamberlain
Chief Executive

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12 May 2008

**Memorandum to
Chairperson and Members
Executive Committee**

Inglewood to New Plymouth Weekly Bus Service

Purpose

1. The purpose of this memorandum is to:
 - To provide Members with an update on the Inglewood to New Plymouth (return) weekly passenger transport service one year trial; and
 - To request agreement from Members to extend the existing one year trial period for the Inglewood – New Plymouth weekly bus service another eight months to 30 June 2009.

Background

2. Members will be aware that the Inglewood to New Plymouth bus service (map attached) is currently being operated by Tranzit Coachlines under a Contracted agreement with the Council. This agreement will end on 31 October 2008 at the end of a one year trial period. It is therefore necessary for the Council to receive an update on the existing service and identify a way forward as of 1 November 2008.
3. The service commenced on Thursday 1 November 2007.
4. The **trial evaluation criterion is 6 passengers per trip.**
5. As these services are provided in partnership with Land Transport New Zealand (who provides 50% funding assistance to all those bus services in Taranaki which also receive funding assistance from the Council), it was necessary for the Council to “procure” this service through the rules specified in a *Competitive Pricing Procedures Manual* prepared by Land Transport New Zealand.
6. This Manual specifies that a tendering authority may operate a trial service for a two year period. By extending the service until 30 June 2009 the Council would be working well within this two year period.

Second Quarter Update

7. Table 1 shows the monthly boarding's of Adult and Child fares for the first two quarters of the trial.
8. The current level of passengers per trip is 5.6, compared to the evaluation criteria of 6 passengers per trip. However the patronage figure for April is only for the first 3 weeks of that month. It does not include the last week of April which is also the first week of the school holidays.

	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008*	Total
Adult	64	41	53	18	31	29	236
Child	4	7	16	7	0	0	34
Total	68	48	69	25	31	29	270

*It should be noted that April's patronage figure is for the first three weeks only and excludes the last week of April (which includes the first week of the school holidays).

Decisions for the future

9. As the trial period only has another six months to go before the end of October 2008, several decisions now need to be made.
 - a. To terminate the service as at 31 October 2008; or
 - b. To continue with the service after 1 November 2008 by extending the trial period until 30 June 2009.

Correspondence with Land Transport New Zealand

10. As a result of this proposed change Council officers have discussed with Land Transport NZ representatives the matter of extending the trial period.
11. Following this discussion a letter was sent to Land Transport NZ requesting their agreement to extend the existing trail period (for operating the Inglewood – New Plymouth Bus Service) for another eight months.
 - The main reasons for this discussion was to confirm the Council's right under the Competitive Pricing Procedures (CPP) to extend the trial period up to twenty four months, but in this case to only 20 months.

Next Steps

12. Land Transport has indicated verbally that the Council is correct in being able to extend the trial service up to twenty four months and will confirm this in writing.
13. The primary influencing factors in recommending an extension to the trial are as follows:
 - Subject to Council approval, to potentially allow the bundling of this service with the three SouthLink services into any future Contract Tendering process. This

would provide a scale of economy in terms of document preparation, advertising of Tenders, the Tender evaluation process and any legal fees.

- The eight month extension would potentially enable a new Contracted service to fall within an entire financial year and not finish half way through the 2008/09 year.
- Such an extension would also enable the service to commence at the start of a new Long-Term Council Community Plan.

14. Such an extension can be incorporated within existing financial budgets for the 2008/09 year.

Decision-making obligations

15. Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the Act.

Policy considerations

16. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Land Transport Management Act 2003, Land Transport Act 1998 and Transport Services Licensing Act 1989.

Financial considerations

17. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Council Community Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Legal considerations

18. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Recommendations

THAT the Taranaki Regional Council:

1. notes the update of the Inglewood to New Plymouth passenger service trial;
2. notes that correspondence has been sent to Land Transport New Zealand seeking agreement for an eight month extension to the existing Contracted agreement;
3. notes that a response from Land Transport New Zealand on the requested eight month extension is anticipated to be received in early May; and

4. agrees to the suggested eight month extension, further to agreement from Land Transport New Zealand.

R A Philips
Director - Operations

Approved:

B G Chamberlain
Chief Executive

Operates every
Thursday

Inglewood - New Plymouth Weekly bus service



Timetable and fares

Please book your seat

ONE-WAY FARE	Inglewood		A \$1 discount is available for school age children. Under-5s are free when accompanied by a fare-paying adult.		
	\$3.00	Egmont Village			
	\$5.00	\$3.00		New Plymouth	
Inglewood to New Plymouth		Depart	New Plymouth to Inglewood		Depart
Inglewood	Cnr Cutfield & Rata Streets	10.00 am	New Plymouth	Aiki Street Bus Station	2.10 pm
Egmont Village	Egmont Dairy	10.10 am	Egmont Village	Egmont Service Station	2.30 pm
New Plymouth	Aiki Street Bus Station	10.35 am	Inglewood	Cnr Cutfield & Rata Streets	2.45 pm

For BOOKINGS and more information please contact:

Tranzit Coachlines
P. O. Box 103
06 757 5783 (NP)
06 765 5843 (STFD)

Commences 1 November 2007 for a 12-month trial ending 30 October 2008.

ITEM THREE

12 May 2008

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**Memorandum to
Chairperson and Members
Executive Committee**

Civic Assurance

Purpose

1. To receive the final statement of corporate intent for Civic Assurance for 2008, to receive notification of a change of director for Civic Assurance and to receive and consider a call for nominations for directors of Civic Assurance for consideration at the Annual General Meeting.

Background

2. The Council is a shareholder in Civic Assurance (1,000 shares). As part of the Council's Investment Policy, the Council monitors the performance of the company. Attached for Member's information are:
 - The finalised 2008 statement of corporate intent
 - Notification of the appointment of a new Director
 - A call for nomination for directors to be considered at the AGM.
3. The finalised Statement of Corporate Intent and the appointment of a new Director require no further action from the Council.
4. The call for nominations should be considered by the Council if it wishes to make such a nomination.

Recommendation

THAT the Taranaki Regional Council:

1. receives the finalised 2008 Statement of Corporate Intent for Civic Assurance
2. notes the appointment of a new Director for Civic Assurance

3. considers making a nomination for the Directorate of Civic Assurance.

MJ Nield
Director - Corporate Services

Approved:

B G Chamberlain
Chief Executive

ITEM FOUR

12 May 2008

[Back to index](#)**Memorandum to
Chairperson and Members
Executive Committee****Riskpool-Annual Report 2007****Purpose**

1. The purpose of this memorandum is to consider and receive Riskpool's 2007 Annual Report—attached.

Background

2. The Council became a member of the RiskPool mutual liability group from the 1997/98 insurance year. RiskPool provides the Council with public liability and professional indemnity insurance.
3. Whilst the Council does not have a direct investment in RiskPool, it is a member of the scheme and as such, the Taranaki Regional Council should monitor the performance of RiskPool.

Financial performance

4. There are ten funds in the 2007 Annual Report; one for each insurance year that RiskPool has covered (1997/1998 to 2006/2007). The status of each fund year is as follows:

Fund Year	30 June 2007 Surplus/(Deficit)	30 June 2006 Surplus/(Deficit)	Percentage Change
1997/98 (No 1)	\$25,960	(\$349,720)	+107.42%
1998/99 (No 2)	\$305,134	\$370,167	-17.57%
1999/00 (No 3)	\$1,688,953	\$1,852,892	-8.85%
2000/01 (No 4)	\$2,160,647	\$1,780,686	+21.34%
2001/02 (No 5)	\$336,091	\$349,022	-3.70%
2002/03 (No 6)	(\$1,294,819)	\$202,833	-738.37%
2003/04 (No 7)	(\$3,225,351)	(\$2,377,428)	-35.67%
2004/05 (No 8)	(\$2,005,685)	(\$2,780,464)	+27.87%
2005/06 (No 9)	(\$2,267,967)	(333,712)	-5,737.59%
2006/2007 (No 10)	\$2,043,348	N/A	N/A
Total	(\$2,233,689)	(\$1,285,724)	-73.73%

5. Riskpool's performance and financial position has deteriorated over the last five years. This is almost entirely due to weather tightness (leaky buildings) claims. Riskpool has made significant provision for these claims. If these provisions come to full fruition then the Schemes retained earnings would be more than consumed and the financial viability of the Scheme would be brought into question. However as noted in the Annual Report, RiskPool has taken steps (raising the minimum excess to \$50,000) to address the issue of financial viability.
6. Riskpool will continue to monitor and report back to the members on options regarding the future financial viability of the Scheme. In the worst case, the Council could be asked to make a capital injection along with all the other members. However, the Taranaki Regional Council is a small member of the Scheme and as such the call, if any should arise, would be expected to be relatively minor.
7. Therefore, whilst there is currently no undue exposure for the Council, a watching brief should continue over the financial performance of RiskPool.
8. The Council became a member of Riskpool from its inception because of the lack of a competitive, cost-effective liability insurance market for local government. This situation is reviewed annually when the Council makes its insurance placements. Eighty-one of the eighty-six New Zealand local authorities are members of Riskpool.

Decision-making obligations

9. Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this agenda item. The recommendation(s) made in this item comply with the decision-making obligations of the Act.

Policy considerations

10. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Biosecurity Act 1993.

Financial considerations

11. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Council Community Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Legal considerations

12. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Recommendation

THAT the Taranaki Regional Council:

1. receives Riskpool's 2007 annual report and notes the Scheme's performance to date

2. notes that a watching brief on the financial performance and security of the Scheme will be maintained.

Approved

MJ Nield
Director - Corporate Services

B G Chamberlain
Chief Executive