

10. At a Heritage Forum held on 3 December 2009 discussion took place on the joint arts and heritage funding. While the heritage sector supports arts, they believe that over the last two years the joining of the two funds has been at the expense of the heritage sector. The Forum indicated they were grateful for the support from Marlborough District Council, but felt that the funding should be kept as two separate funds as originally intended. They therefore requested that Council be informed of their view and request that the implementation funding for the Marlborough District Council Heritage Strategy remain tagged specifically for heritage projects.
11. It should be noted that there are a number of ongoing commitments that have been approved for heritage projects from the Heritage funding including \$20,000 per annum for the smaller museums under Partnership Agreements and \$30,000 per annum for the Past Perfect database project.

Summary

12. The Marlborough District Council has arts and heritage strategies with associated implementation funding.
13. Some of the funding had been allocated to the Millennium Art Gallery and Marlborough Historical Society for the 2008/2009 and 2009/2010 financial years.
14. For those two years the remaining arts and heritage strategy implementation funding had been put into a joint contestable fund.
15. The two year term finishes at 30 June 2010 and a review was requested by Council prior to that date.
16. The heritage sector has requested that Council, from 2010/2011, confirm the annual budget of \$125,000 per annum be secured for heritage projects only, as was initially established.

RECOMMENDED

1. **That Council confirm the annual budgets for the Arts and Heritage Strategies implementation commencing 2010/2011 as follows:**
 - **Arts Strategy - \$50,000 per annum**
 - **Heritage Strategy - \$125,000 per annum.**
2. **That the annual budgets for implementation of the Arts and Heritage Strategies be applied to separately under existing criteria.**
3. **That the Grants Sub-Committee continue to consider all applications for Arts and Heritage funding on an annual basis.**



Arts, Culture & Heritage Strategies Implementation Fund 2009 - 2010 Funding Information

Background

The Marlborough District Council Arts, Culture and Heritage Strategies were adopted in 2004.

The purpose of the strategies is to provide guidance to Councillors and staff in the day to day actions within their various roles and to convey a commitment to the community in achieving the strategies' outcome.

The intended outcome of the Heritage Strategy is that Marlborough's heritage resources will be acknowledged, valued and enjoyed by persons in future generations.

The outcome of the Arts and Culture Strategy is an enlivened and creative region in which the arts are widely practised and enjoyed and where they are recognised as being essential to a healthy and prosperous community.

Funding Availability

Funding available for application in 2009/10 is \$46,000.

Who can Apply

Organisations wanting to apply for funding assistance must meet the following criteria:

- Be a not-for-profit organisation.
- Provide arts, culture or heritage services within the Marlborough community.
- Be able to supply current audited accounts.
- Provide verification of charitable status.
- Account for expenditure of funds, specifically for any grant received.
- Be able to provide a minimum of 50% of the total cost of the project (no more than 25% of the total cost of the project to be donated labour or materials).

Maximum Grant Allocation

Due to demand for funds, grants will be allocated to a maximum of \$10,000 per application.

What can be Funded

- One project application per organisation per year can be considered for funding.

- Partnership projects can be applied for by an umbrella organisation – applicants must be not for profit. A partnership can include organisations with a profit component who are an integral part of the arts and heritage service provision.
- An organisation can apply for a project as well as be the umbrella organisation for a partnership project.
- Up to 50% of the total cost of the project can be funded for:
 - Projects that support the infrastructure of arts, culture and heritage service providers.
 - Projects that promote sustainable use and enjoyment of Marlborough heritage and arts resources.
 - Projects that establish closer linkages between arts, heritage and regional promotion and development.

Projects that will not be Funded

A project will not be funded if it is for:

- Ongoing funding such as wages or operating costs unless part of a specific project.
- Debt servicing.
- Projects that meet Creative Communities New Zealand arts funding criteria.
- Major building projects or facility development such as landscaping and car parks.

How to Access the Funding

If you have a project that you consider would meet the above criteria, then fill in Council's Arts, Culture and Heritage Funding Application form.

Funds will be allocated in one funding round by Council's Grants Subcommittee and their recommendations are then considered by Full Council.

All applications must be made on Council's application forms so that all organisations are meeting the same requirements for supplying information for consideration.

Council's decision on all applications for funds will be final.

Late or incomplete applications will not be considered.

More Information?

If you require further information or assistance please contact:

Lyne Johnson
 Community Development Advisor
 Phone: 03 5207448
 Email : lyne.johnson@marlborough.govt.nz

5. Youth Initiatives Plan 2009 and Youth Funding to Date (C225-04)

(Report prepared by L Johnson)

Purpose

1. The purpose of this report is to provide an update to Council on progress of the Youth Initiatives Plan implementation, along with a report on how the youth funding has been expended to date.

Background

2. After completing the Youth Scoping Project with Public Health in the latter part of 2005, which comprised a survey of youth service organisations and a talking walls project with secondary school students, Council requested that the Council Youth Forum provide information on how the youth initiative funding could be utilised.
3. The Youth Initiatives Plan was presented to Council for consideration and encompassed the information provided by the Council Youth Forum and some recommended actions.
4. As a result, Council agreed to:
 - Adopt the plan for implementation and seek proposals from organisations who can deliver positive outcomes for youth in relation to this.
 - Approve an annual budget of \$60,000.
 - Give the Mayor, the Chair of the Community and Financial Planning Committee, and three youth representatives delegated authority for decision making on the youth initiative proposals and youth funding.
5. Since then youth plans have been developed in 2007, 2008 and 2009 by the Council Youth Forum and reported to Council. The same format has applied whereby organisations have made proposals to deliver outcomes for youth in relation to the plans.
6. In addition, The Mayor and Chair of the Community and Financial Planning Committee, along with one youth representative from each of the secondary schools, continue to have delegated authority for decisions on the youth initiatives proposals within the annual youth funding budget.

Youth Initiatives Plan

7. **Attached** for Committee members information is a progress report on implementation of actions identified in the 2009 Youth Plan. There has been progress made on these actions and further progress is expected to be made in 2010 once a new Council Youth Forum is established.
8. There continues to be increased relationships with Police and youth, with Police staff attending Council Youth Forums on invitation and following up with delivery in terms of Students Against Driving Drunk (SADD), CACTUS programmes in Picton, Havelock, Seddon and Blenheim, along with the new PCT (Physical Competency Test) competitions.
9. It should be noted that each year the Council Youth Forum reviews the previous year's youth plan and identifies the priority areas that they think need to be actioned during their year of operation.

Youth Funding

10. The Youth Plan Report **attached** provides information on the allocation of funds by the Council Youth Forum in 2009. It should be noted that Council's financial year does not align with the

calendar year by which the Council Youth Forum operates; therefore the report shows information across two financial years.

11. Some activities are being funded on an annual basis as they are seen as contributing effectively to positive outcomes for youth. These include the Community Youth Worker position, which is employed by the Marlborough Youth Trust in partnership with the Department of Internal Affairs and Council. This has had significant impact on the development of youth activities in Marlborough, and particularly in some of the rural areas, including Picton, Havelock and Seddon. Has also been instrumental in establishing the CACTUS and PCT programmes.
12. The youth art exhibition, which was held as an inaugural event in 2007 and held annually since, is another event that has ongoing support by youth. Feedback from the Millennium Art Gallery, Marlborough secondary schools and youth is that this is a great youth development project, which profiles youth in a positive way using art as a medium. This includes both visual and performing arts and is planned again for June/July 2010.

Summary

13. Since the plan was adopted in May 2009 there has been considerable progress on youth activities, which has included young people in all aspects of the planning, implementation and delivery of the activities. This includes decision making in terms of what projects have priority for funding.
14. Council continues to get positive feedback from youth service providers, principals of local secondary schools and youth themselves on the engagement Council has with youth, along with support for youth projects.
15. It is anticipated that further projects and support will be expected in 2010.

RECOMMENDED

That the Youth Plan Report for 2009 be received.

Youth Initiatives Plan 2009 – Progress on Implementation

Purpose

The purpose of this report is to provide information to Council on the implementation of the Youth Initiatives Plan by the Council Youth Forum in conjunction with Council and other key partners including the Marlborough Youth Trust.

The Plan

The original plan pulled together the information provided through the Youth Scoping process along with feedback from young people through the Council Youth Forum. This Plan was updated with information and priorities from the 2009 Council Youth Forum.

The report endeavours to summarise the issues identified through the original process under topic headings and suggestions made by young people both at the time as well as from the 2007, 2008 and 2009 Council Youth Forum members. It also recommends actions to be undertaken in conjunction with other organisations such as the Marlborough Youth Trust, Police, SADD.

It is intended that this information will assist Council in achieving the Community Outcomes for youth and the Youth Policy as well as give guidance on priorities for allocation of youth funding.

Progress to date is identified in italics under the action points in each section.

1. Education, Training, Employment

Issues discussed under this heading were focused around how easy it is for young people to access information about the opportunities and options for future employment in Marlborough.

Comments included:

- There is a need to maintain the level of trades information regarding apprenticeships etc, particularly focused at the local labour market. This is now currently available through Tradelink Marlborough.
- Careers advice is primarily focused at university and tertiary education. There is a need to look at primary and secondary local employment options. Continued support for Tradelink and Job Path services to assist in achieving this.
- More planning needs to be provided, particularly from year 10 looking at career options.
- Trades options should be included in careers evening.
- Need to ensure that follow up for young people when leaving school to go to employment or training continues to happen through the Youth Transition Service. This to include providing support in the workplace and finding other options available if the employment did not work out.

Actions

1. *Continue support for services that provide trades information and youth transition.*
2. *Encourage promotion of trades and local labour market opportunities through Trade Link Marlborough – support required from secondary schools for this.*
3. *Tradelink Services to work with secondary schools to look at how trades and local labour market options can be part of the planning for career opportunities for young people. Also work with ITO's to provide easy access to trades information*
4. *Investigate options for promoting the Job Path and Tradelink services.*

Progress:

An Industry Training Graduation was held in August 2009 with graduates receiving their certificates and being acknowledged for their achievements – local media coverage about the event and promotion of trades as a career path option was undertaken in conjunction with the graduation.

The Ministry of Social Development have funded a comprehensive Youth Transition Service (YTS) in Marlborough - this is being managed and delivered by the Safer Communities section of Council. The Tradelink and Job Path services are now integrated as part of the YTS. This is a significant increase in funding which has meant a more holistic service being provided to young people transitioning from school to further training and/or employment.

The Industry Days have continued to be successful in providing information and hands on experiences for young people wanting knowledge on potential trades options. Local industry and employers along with the schools have been very supportive of this initiative. This has been funded through Mayors Taskforce for Jobs.

Promotion of the YTS continues however the key to this has been the Memorandum of Understanding with each of the secondary schools. Information on YTS is provided to school leavers and they are all followed up from when they leave school until they turn 19 years old.

Further options for promoting the service to those who have already left school are being explored.

2. Activities and Events Including Arts, Social and Recreation

This is the area where the most comments were made by young people including:

- The need to have activities that encourage more interaction between secondary schools in the area that provide social, cultural and recreation opportunities.
- Concern expressed about the binge drinking culture – the need for opportunities for social activities that did not include alcohol. Also promotion on how to stay safe if drinking.
- A night club type activity using venues such as the HQ Youth Centre, having bands, dancing and a chance for youth bands to practice and perform. These should target different age groups and have young people involved in the organising. Venue needs to be central.
- Maintain resource (Community Youth Worker) that provides the “glue” for young people to access information and assistance to organise activities.
- Provide a range of regular activities such as play station nights, talent quests, sing star nights, 3 on 3 basketball etc.
- Annual youth concert (Smokefree Rockquest) and opportunities for youth bands to perform as well as bringing in a high profile Kiwi band.
- Centralise information about youth activities and other information such as health, legal etc. Option suggested a Marlborough Youth Website – youth designed.
- More activities like the river race, skate park competitions and top town type activities.
- Opportunities to have fun and socialise.
- Promotion of youth art – display to public.

- Support for services provided for youth in Picton and other small communities in Marlborough such as Youth Groups, CACTUS etc.

Actions

8. *Support opportunities to provide regular and one off activities in conjunction with other organisations – both Blenheim and Picton based.*
9. *Work with Millennium Art Gallery to provide an annual Youth Art Exhibition, including development of skills for young people for exhibiting works.*
10. *Work on an improved method for promotion of youth activities that have the buy in of the secondary schools.*
11. *Support youth initiated proposals for social activities that provide alcohol & drug free alternatives e.g. Regional SADD projects.*
12. *Continue support for the Community Youth Worker position.*
13. *Investigate options for developing a Youth Website – designed by youth*

Progress:

The Marlborough Youth Trust was funded to provide two youth events in 2009. A Band Jam was held in Youth Week which was successful. A rave was held in December which did not have a good turn out – timing and effective promotion were felt to be contributing factors to this.

Funding was provided in 2009 to secure the SmokeFree Rockquest to be held in Blenheim which included a feature band. This is a popular annual event for youth to perform in as well as attend. Funding has also been approved to secure the event in 2010.

The Mountain Safety Marlborough provided outdoor activities for youth. The activities include Alpine/Snow caving, Indoor Climbing, Above Bushline Camp. Limited volunteer time of instructors has meant that the activities will continue at a lesser scale in future.

The Impressions Youth Art Exhibition was successfully held in May/June in partnership with the Millennium Art Gallery and the Secondary Schools. Planning is underway for the 2010 event which will involve a visual arts display along with performing arts for the opening. A Youth Working Group has been established to plan the event.

The Community Youth Worker, part funded by Youth Funding, has been successful in continuing to support youth activities in rural areas including Seddon, Havelock and Picton. These have been funded in part by Youth Funds along with some one off activities being provided including a Skate Park competition. The position has also been instrumental in the continuation of the successful CACTUS programmes now being held in Picton, Havelock, Seddon and Blenheim and now the new PCT (Physical Competency Test) activity that is run as a competition at each of the secondary schools then as a final between them all. A three year agreement has been entered with the Marlborough Youth Trust to secure the position.

Communication has improved with the secondary schools through the Mayor hosting quarterly Youth Talking Heads meetings. These have raised a number of youth related issues and sharing information has been identified as one of the key issues for accessing services.

Investigation into the development of a Youth Website for Marlborough is well underway. A Working Group is progressing this with funds allocated to get this online in 2010.

3. Relationships

Young people have identified relationships with each other and with family and community as being important. Friends can be a negative or positive influence, as can families.

Comments included:

- It was felt that due to the two single sex schools and Queen Charlotte College being isolated that there was a need to have more inter-school activities to improve relationships. These exchanges should include cultural and social activities.
- Thursday afternoons when Boys and Girls College are not in school – problems in the CBD which reflected negatively on the image of youth in the community. Would like to work on something to change this.
- Issues of bullying (physical and via text), intimidation, fights – would like a way to change this with messages from youth to youth.
- **Police Relationships**
Positive relationships with police should be built on. It was noted that there is police education in schools up to year 10 but these did not continue with senior school students which is a time when they needed guidance. It was thought that there were issues on both sides with negative attitudes of police and with young people. It was also felt that the Blue Light Ventures run by Police were good but did not focus on older students.
- There is a need to have a feedback system so that issues could be raised with police.
- Need to have more publicity on positive police input into activities such as pre and post formal activities, CACTUS to build positive relationships and perhaps have fun sports and other activity exchanges.

Actions

2. *Continue communication between Police and the Council Youth Forum to look at ways to improve Police/Youth relationships.*
3. *Encourage schools to consider more interschool activities focussed at recreation, cultural and social aspects.*
4. *Consider a community project for youth to work in partnership with others (example older people) to improve relationships and profile in the community. Example given was glass on road, footpaths and parks.*

Progress:

Police have attended a number of Council Youth Forum meetings and discussed how they can improve relationships with youth. Police have also actively been involved in a number of youth initiatives including the SADD projects and CACTUS programmes. In addition they were instrumental in the development and delivery of the PCT activity that has been to all the secondary schools and will be held as an annual event.

A community project was not undertaken in 2009 however the Older Persons Forum have identified a possible project looking at a mentoring type function with young people showing older people how to use cell phones and digital cameras – this will be put forward for consideration in 2010.

The issue of violence in the schools and community was raised as a significant issue with youth wanting to find ways to address this. A visit from the Nelson SAVE (Students Against Violence)

group was very successful with over 50 youth attending. Progress is now being made with establishment of a SAVE group for Marlborough – it is anticipated that this group will establish activities that will address local issues.

4. Transport

As the area is geographically spread with limited public transport this was considered to be an issue/barrier to accessing services.

Comments included:

- More promotion of the Blenheim Bus Service through schools, particularly for the holiday periods.
- It was noted that some roads were not safe so promotion of cycling and walking is difficult to encourage until the safety issues are sorted out.
- Believe that the Cycle and Walking Strategy was positive and would feel safer having dedicated cycle lanes.
- If activities were held in Blenheim it was important to consider access for Picton youth to attend.

Actions

1. *Initiate youth input with Marlborough Roads in relation to implementation of the Cycle and Walking Strategy and other safety and transportation issues.*
2. *Promote the Blenheim Bus service in secondary schools prior to each school holidays.*
3. *Consider Picton youth transport issues when planning Blenheim based events.*

Progress:

Youth input into Bike Walk Marlborough was not established in 2009. This will be progressed in 2010 with members of the group attending a Youth Council meeting to provide information and discuss ways for youth to be involved.

The information on the Blenheim Bus service was circulated to Council Youth Forum members for distribution at the schools. Feedback from youth is that the bus service is better now that it is available Monday to Friday – used in the school holidays by many.

Picton youth indicated that provision of transport to Blenheim based events was not required. Support continues to be provided for activities based in Picton such as the CACTUS programme, Skate Park competition and PCT activities.

5. Listening to Youth Views

It was acknowledged that it is important for youth to have an acknowledged mechanism for raising issues affecting them and for organisations to gain youth input.

Comments included:

- It was felt that often the issues raised with young people are far too broad and need to be specific and youth related to get good feedback.
- It was thought that the Council Youth Forum was a good mechanism for building relationships and getting issues raised.

- The issues with young people not in secondary schools and how to contact them for their input needed to be addressed.
- Important for youth representatives to make sure they communicate back with their own networks to ensure that there is a wider representation involved in issues.

Actions

1. *Representation on the Council Youth Forum from youth that have left school to be progressed.*
2. *Council Youth Forum representatives to promote who they are so that young people know who to contact to raise their issues at the Council Youth Forums.*
3. *Council Youth Forum representatives to gain wider youth input on issues raised through their school and other networks.*

Progress:

Representation from the Marlborough Community College was declined in 2009 - this will be invited again in 2010.

Council Youth Forum members have promoted their role through their own networks including the Student Councils at the Colleges. They have fed back information on issues such as youth activities, changes to alcohol laws, youth website survey as requested and also raised issues to be discussed.

A Top of the South meeting of Youth Councils was held in Nelson in 2009 and facilitated by the Ministry of Youth Development – this was attended by Marlborough youth who felt it was well worthwhile for sharing ideas about what other areas are doing.

6. Health

This is considered to be a broad issue as health needs to be looked at in a holistic way.

Comments included:

- It was felt that the issue of binge drinking needed to be addressed. The culture needs to be changed so that getting drunk is not the norm. Education needed about keeping safe and looking after each other. Support youth led initiatives.
- Numbers of youth smoking is an issue – often very young. Also noted that teachers are not good role models as they smoke at schools – are schools smoke free zones?
- Truancy is an issue – need to refresh the “R U a Wagga” campaign.
- Options for having a good time and staying safe with and without alcohol need to be encouraged.
- Confidentiality is an issue for young people when accessing health services.
- Needed to be more promotion of the health services available and the hours they operate.
- Peer Support in schools is effective.

Actions

1. *Work with health providers to ensure information about health services is available to youth. Liaise with Youth Health Advocate regarding health issues*

2. *Support initiatives that encourage a change in the drinking culture that keep young people safe.*
3. *Support the Regional SADD committee development and initiatives that are initiated by youth from this.*
4. *Support the Peer Support programme in Secondary Schools.*
5. *Request the “R U a Wagga” campaign be refreshed with local businesses.*

Progress:

Access to health services for youth was discussed with an agreement that the level of access to services through the schools was different across Marlborough and this reflected the different needs. The Youth Health Advocate role is no longer provided by Public Health.

It was agreed that the Peer Support system in all of the Colleges was valued and a major mechanism for getting information and support to youth in need. The concept of “by youth, for youth” worked well and funding was allocated for continuation of training for peer supporters in 2010.

Initiatives to address the youth drinking culture were seen as a priority by Youth Council members. Support was again provided for the extension to the combined colleges formal to improve the event so that the focus was on the actual formal rather than an “After Party”. The extension of time and providing popular music proved to be successful again with positive outcomes reported by youth, schools and police.

In addition support was provided for the initiatives promoted by the Regional SADD (Students Against Driving Drunk) Committee so that youth could give positive messages to youth about keeping themselves and others safe.

The “R U a Wagga” campaign is to be refreshed and commence again in 2010 in conjunction with the start of the school year. This project is run in conjunction with local Police.

7. Positive Promotion of Youth

It was considered that while there are regular youth profiles in the papers generally the stories of youth were negative which did not reflect the majority of youth and their contribution to the community.

Comments included:

- It was felt that it was important to have an ongoing relationship with the media to promote positive youth activities and young people in general on a regular basis. Young people should be involved in that promotion in conjunction with the media.
- Look for ways to improve the profile of youth in Marlborough.

Actions

1. *Continue the relationship with local media and the Council Youth Forum to continue to promote positive stories about local youth.*
2. *Plan activities for Youth Week each year which profile the positive contribution young people make in our community.*
3. *Consider a community project for youth to work on in conjunction with other sectors such as elderly.*

Progress:

An ongoing relationship between the media and Council Youth Forum was not established, however, coverage of youth activities including the Youth Art Exhibition, SmokeFree RockQuest, CACTUS programmes, PCT activities were all very positive.

The PCT activities and Band Jam were both held in Youth Week 2009.

A community project will be considered further in 2010 in conjunction with the Older Persons Forum.

8. Environmental

It was agreed that opportunities for youth to be involved in environmental issues should be encouraged. The EnviroSchools programme was identified as a good model for encouraging involvement and a model for implementation at schools.

Actions

1. *Provide support to secondary schools participating in the EnviroSchools programme and encourage youth participation in environmental issues.*

Progress:

Rai Valley Area School, Marlborough Girls and Boys Colleges are all registered in the EnviroSchools programme. A local Youth Jam was held to look at Marlborough's environment and actions students can take. This resulted in MBC starting the Paper for Trees programme, MGC focus on the 350 climate change campaign and Rai Valley working on cleaning up the roadway and native regeneration projects.

Budget

Council has an annual budget of \$60,000 for youth activities linked to the implementation of the Plan. Some of the funding is required for Council to resource some projects identified by Council Youth Forum members as well as for supporting proposals from providers.

Allocation of youth funding is through a Youth Funding committee comprising of the Mayor, Chair of the Council Community & Financial Planning committee and 1 representative from each of the schools represented at the Youth Forums. The youth representatives are appointed by youth each year.

Funding Allocation

The following information outlines how the youth funding has been allocated during the 2008/2009 year and the 2009/2010 year to date.

It should be noted that Council's financial year does not align with the calendar year by which the Council Youth Forum operates; therefore the report shows information across two financial years.

Youth Funding Allocated	2008/2009	
Organisation	Activity	Amount
Marlborough Youth Trust	CACTUS for Picton, Seddon & Havelock	\$9,000.00
MRDT	Industry Training Graduation	\$3,000.00
Millennium Art Gallery & Schools	Youth Art Exhibition	\$5,000.00
Blenheim Bowling Club	Bowls Training Boys College	\$292.00
SADD Committee	3 Programmes	\$1,800.00
Picton Youth Group	Funding for provision of Group	\$2,720.00
Marlborough Girls College	Peer Support Training Short Fall 2008	\$808.13
Blenheim Bowling Club	Training Aids for Youth programme	\$240.00

Combined Colleges	Peer Support Training 2009	\$4,470.00
Marlborough Youth Trust	CACTUS for Blenheim 2009	\$3,000.00
Inspire Trust	Development of Many Rivers - Youth Performing Arts	\$12,500.00
Smoke Free RockQuest	RockQuest in Blenheim 2009	\$1,500.00
Marlborough SADD Committee	SADD Conference & Sober Driver Promotion	\$2,000.00
Marlborough Girls College	Stage Challenge	\$1,000.00
Marlb Boys College	Combined Colleges Formal	\$2,000.00
Drug Arm	Pilot Youth Mentoring thru rebuild hot rod	\$2,000.00
Blue Light Ventures	PCT Equipment for youth activities	\$1,500.00
Marlb SADD Committee	Formal Survival Kits	\$500.00
Marlb Youth Trust	DVD development for winners of Rockquest	\$1,000.00
Marlborough Youth Trust	RockQuest Winners for DVD production	\$1,000.00
		\$55,330.13

Youth Funding Allocated 2009/2010		
Organisation	Activity	Amount
Marlborough Youth Trust	Community Youth Worker Position	\$22,000.00
MDC Partnership	Industry Training Graduation	\$3,000.00
Millennium Art Gallery & Schools	Youth Art Exhibition	\$5,000.00
Jacob Beullens & Lily Harvey	National Shakespeare Workshop	\$800.00
MYT - CACTUS Programmes	Run programmes in 2010 first half	\$5,000.00
SAVE meeting	Travel, food , koha	\$285.97
Various	Prize Youth Website name	\$83.56
Marlborough Youth Orchestra	Replacement of Drum Kit	\$1,000.00
Olivia Hogg & Jessica Cooper	Youth Spirit Award Voucher	\$177.78
Smoke Free Rockquest	Concert in Blenheim 2010	\$1,500.00
Marlborough Girls College	Peer Support Training for all colleges 2010	\$3,000.00
Marlborough Youth Trust	CACTUS programmes for Blenheim & Awatere	\$3,500.00
Jacob Beullens & Lily Harvey	Assistance to attend the Globe July 2010`	\$2,200.00
Marlborough Youth Trust	Upgrade HQ Youth Centre	\$3,000.00
Tagged for future request		
SADD Committee	Regional SADD Projects	\$3,000.00
Youth Website	Tagged for development costs	\$5,000.00
Individuals in Need		
	TOTAL	\$58,547.31
	Budget	\$75,000.00
	Balance Available to 30 June 2010	\$16,452.69
NOTE: Annual budget is \$60,000 to 30 June 2010 plus Carry Over (\$15,000) for performance venue not utilised		

Summary:

The Youth Initiatives Plan has been successful in targeting key youth issues and implementing activities for young people in partnership with other organisations with positive outcomes.

The Secondary Schools continue to be supportive of the Council Youth Forum and encourage involvement of their students.

Feedback from youth involved continues to be very positive, particularly in being able to advocate issues affecting them, understand the process to get things done and then be involved in the final outcome.

6. Marlborough Historical Society Loan (A180-07)

(Report prepared by D Heiford)

Purpose

1. The purpose of this report is for Council to consider a loan for the Marlborough Historical Society to build an extension for a marine farming exhibition.

Background

2. The Marine Farming Association (MFA) has been discussing the option for a museum celebrating the marine farming industry.
3. The Marlborough Museum and Marine Farming Association have reached agreement in principle for an extension to the museum at Brayshaw Park. The MFA has agreed to meet the financing and ongoing operating costs on an annual contribution basis.
4. This item was originally considered at the Community & Financial Planning Committee meeting on 12 October 2009. An issue was raised regarding the location of the museum as the Havelock Community wanted Havelock to be considered.
5. The Committee recommended, and Council resolved – **“That the matter relating to the marine farming exhibition be deferred until the location of the exhibition is resolved.”** (Refer Minute No A.09/10.157).
6. The Marine Farming Association has been in discussion with representatives of the Havelock Community and has resolved the issue with the siting of the museum.
7. The MFA has confirmed in writing to Council that the Brayshaw Park site is their preferred location.

Issues

8. The issue is that the construction of the extension requires capital that neither organisation has available.
9. Both parties have requested that Council consider a loan to fund the construction of the extension.
10. The extension is estimated at \$200,000 with fit out completed by the MFA at their cost.

Options

11. The main two options are for Council to either provide a loan or guarantee a loan. Council has made loans and provided guarantees to community organisations for capital projects in the past.

Loan Option

12. Approval of a loan is usually assessed against the ability of the organisation to repay it.
13. In this instance the Marlborough Historical Society would hold the loan with a rental agreement with the MFA to cover the loan repayments, so in reality, it is the MFA’s ability to repay/pay that needs to be assessed.
14. A loan of \$200,000 over 10 years is proposed at 8% fixed interest. The 10 year term is the same as that proposed by the MFA and the interest rate is the indicative rate Council would be required to pay for loans of this duration. This is a low risk option. A cheaper interest rate could be obtained

if the term of the loan raised by Council to finance the proposed advance was reduced. Adopting this approach carries with it the inherent risk of higher interest rates existing at the time the loan is refinanced.

15. As Council does not have a reserve for this type of development a reduced loan rate is not able to be offered.

Guarantee Option

16. Under this option approval of a guarantee is again usually assessed against the ability of the organisation to repay it.
17. Having the Council guarantee enables the borrower to take advantage of reduced interest rates.
18. The accounting for and management of interest rate risk is largely transferred to the borrower, unless a default occurs.

Summary

19. Council has the ability to either fund this loan or enter into a guarantee providing investigations by treasury staff confirming the ability of the Marlborough Museum and MFA to repay the loan. On balance the Guarantee option is preferred as it places a greater degree of responsibility on Marlborough Museum and MFA.

RECOMMENDED

No recommendation pending discussion by the Committee.

7. Recreation Management Contract (R270-01)

(Report prepared by R. Bartlett & D. Heiford)

Purpose

1. The purpose of this report is to provide Council with an opportunity to review its role and requirements in relation to provision of community based recreation service which are currently provided by way of a recreation contract.

Background

2. Targeted recreation services have been delivered by Sport Marlborough through a contract with the Tasman Regional Sports Trust.
3. The current contract was for a three year period and is due to expire on 30 June 2010. The value of the contract is \$50,000 per annum.
4. As with any contracted service Council reviews the need and level of services to be provided before entering into another contract.

Current Contracted Services

5. Council funds are currently apportioned to the following programmes, events and services;

Active Movement	\$5,000
Active Schools	\$2,000
Active Families	\$6,000
Sport & Recreation Development	\$5,000
Physical Activity Classes	\$8,000
Active Health	\$6,000
GRx Patient Support	\$2,500
Women's Triathlon	\$6,000
Walk in the Park in the Dark	\$4,000
District Strategic	\$5,500
Total MDC funds allocated	\$50,000

6. Council funds are added to existing SPARC Funding or are combined with other sponsors and funding sources to provide the services required. (Refer to the Sport Tasman 6 monthly report earlier in the agenda for details.)

Review

7. The specifications within the contract are predominantly derived from the Regional / District Physical Activity Strategies with the underlying objective of encouraging more people to be more active more often.

8. A review of the strategies has identified that many of the actions to achieve the objectives have been completed.
9. There are also links into the Long Term Council Community Plan and Community Outcomes.
10. The high level of completion of the items in the strategies coupled with the increase in providers of recreation and events within the Marlborough community mean that a shift in the delivery of the contract could enable greater achievement of the objectives outlined in the Regional and District Physical Activity Strategies.
11. There is potential for Council to achieve recreation outcomes in a more meaningful way via recreation events that focus on low cost participation.
12. To change the focus of the recreation contract delivery from programmes to events could allow for greater success in meeting the objectives of encouraging Marlburians to be more active more often.

Options

13. Council could choose not to provide recreation programmes and events for Marlburians. These services could be provided by the private sector and Sport Tasman without Council funding however this could result in only those that can afford to participating.
14. Council could choose to continue the current contract with Sport Tasman with a refocus of the outputs required.
15. Council could choose to put the entire fund out for requests for proposals to fulfil the recreation event outputs.

Discussion

16. The focus on recreation outlined in the District and Regional Strategies has evolved with the majority of the outcomes and outputs achieved. The strategy will be reviewed in 2011 to renew the direction of the strategies.
17. SPARC will continue to fund specific focussed recreation programmes via KiwiSport and Sport Tasman.
18. Recreation based around participatory events has become more popular and could achieve greater returns for Council. These would also complement programmes funded by SPARC and delivered by Sport Tasman.
19. It is envisaged that this could include the current successful Womens Triathlon and Walk in the Park in the Dark on the Wither Hills as well as other events that promote use of Council recreation facilities.
20. As the contract is expiring it could be opportune for Council to test the ability of other recreation service providers to supply community based recreation events for Council.

Summary

21. A change in focus from programme delivery to event delivery for the recreation contract could achieve greater returns for participation for council and the Marlborough community.
22. There are a number of suppliers who could provide recreation events for Council.
23. A request for proposal process would identify the opportunities for Council to provide events based participatory recreation for the people of Marlborough.

RECOMMENDED

- 1. That Council approve the change in recreation provision to events based participatory recreation.**
- 2. That delegated authority be given to Cllr Hope, Cllr Barsanti and the Mayor to develop a request for proposals, assess proposals when received and enter into a contract with the successful contractors.**

Proposed

Proposed new indicator	Baseline	2010-11 proposed target	Comment
% of active Total Control pest sites controlled annually before they set seed (includes all species).	New measure	100%	Current indicator unsuitable as total area of infestation does not decrease over time. This could create a disincentive to identify new sites, which is imperative in initiating control regimes to control further spread. Proposed new indicator and targets measure the control of existing sites and identification of new ones.
Number of hours spent looking for plant pest spread outside of known sites.	500 hours	500 hours	

Building Control

Level of Service	Indicator	Baseline	Proposed baseline	2010-11 original	2010-11 proposed	Comment
Provide a service that minimises risks to public safety.	% of building warrants audited annually.	New Measure	20%	20%	20%	Baseline incorrectly stated as a new measure – should read 20%.

Animal Control

Level of Service	Current LoS	Proposed indicator	Baseline	2010-11 target	Comment
Provide an overall level of service that meets or exceeds residents' expectations.	None (new level of service indicator).	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5	Omitted from LTCCP.

Level of Service	Current indicator	Proposed indicator	Baseline	2010-11 target	Comment
To provide an effective dog control service including registration is in accordance with the Dog Control Act 1996.	Number of working days after 31 July to process all dog registrations received during the registration period.	None	-	-	Covered by contract

Summary

7. A number of minor changes are proposed to the Levels of Service information within the Activity Plan sections in the 2009-19 LTCCP and consequently to the draft 2010-11 Annual Plan.

RECOMMENDED

That the proposed changes to the Levels of Service be agreed for inclusion in the draft 2010-11 Annual Plan.

10. Audit New Zealand – Management Report (F045-04)

(Report prepared by M Fletcher)

Purpose

1. To present the Audit New Zealand report to Council on the audit of Marlborough District Council for the year ended 30 June 2009.

Background

2. For 2009, in addition to the traditional financial audit, Council participated in an Audit New Zealand pilot project that took a more holistic approach to the audit, examining the Management Control Environment.
3. The highlights of the report are:
 - The issue of an unqualified audit opinion on Council's financial statements on 22 October 2009.
 - That breaches of legislation were reported.
 - That Audit NZ is generally supportive of the management control environment operating within Council. The main recommendation arising from this section of the report is consideration to be given to the establishment of an Audit Committee. A separate report will be provided to the Committee's next meeting.
 - All but one of the issues report after the 2007/2008 Audit have been cleared. The area still listed as outstanding relates to IT Disaster Recovery Plans. Significant work has been undertaken in this area as detailed in the current status section of Appendix 2 Table B.
4. A copy of the Audit New Zealand report is attached separately.

RECOMMENDED

That the Audit New Zealand report to Council on the audit of Marlborough District Council for the year ended 30 June 2009 be received.

11. Insulation, Clean Heating and Solar Water Heating (EECA) Schemes (C225-07)

(Report prepared by M Fletcher)

Purpose

- To propose the policies needed to operate an insulation, clean heating and solar water heating scheme.

Background

- At its 18 February 2010 meeting, Council agreed to promote an amendment to its Long Term Council Community Plan (LTCCP) to enable ratepayers take advantage of government subsidies for the above schemes, and to enable payment for the residual cost over a ten year term via the rating system. The LTCCP amendment will be included in the 2010-11 draft Annual Plan for public consultation.
- The following government subsidies are currently available for insulation and clean heating (the Heat Smart Programme):

	Insulation	Clean heating
All eligible houses built before 2000	33% of the total cost up to \$1300 (incl GST)	\$500 (incl GST)
Community Service Card holders (CSC)	60% of the total cost (incl GST)	\$1,200 (incl GST)
Landlords with CSC holding tenants	60% of the total cost (incl GST)	\$500 (incl GST)

- A **\$1,000** government subsidy is also **available for solar water heating**, although the current availability programme expires on 30 June 2010.
- The following table shows the average costs of installing insulation in a house 120 m³ in size:

Measure	Average installed unit price	Unit	120m ² house
Ceiling insulation (none existing)	\$15.13	per m ²	\$1,816.00
North Island	\$14.30	per m ²	\$1,716.00
South Island	\$16.66	per m ²	\$1,999.20
Ceiling insulation (some existing)	\$12.20	per m ²	\$1,464.00
North Island	\$11.93	per m ²	\$1,431.60
South Island	\$12.55	per m ²	\$1,506.00
Underfloor insulation	\$18.57	per m ²	\$2,228.00
Underfloor moisture barrier	\$ 4.93	per m ²	\$ 592.00
Draught proofing of doors	\$87.98	per house	\$ 88.00
Hot water cylinder wrap	\$90.66	per house	\$ 91.00
Hot water pipe lagging	\$14.63	per house	\$ 15.00

6. The following table shows the average cost of installing clean heating products:

Heater type	Average installed price	Minus \$500 grant
Log burner	\$3,631	\$3,131
Pellet fire	\$4,313	\$3,813
Heat pump	\$2,778	\$2,278
Flued gas heater	\$3,772	\$3,272

Comment

7. Solar Water Heating Costs will depend on configurations required and installation requirements. A basic system (panel, pump, controller, plumbing and electrics) would cost approx \$5,625. Replacing an existing low pressure cylinder with a 300 litre mains pressure system would add a further \$1,500 - \$3,000. For an average household, an effective solar water heating system is expected to cut between 1,800 – 2,700 kWh (kilowatt hours) from annual electricity use.
8. Any consent fees relating to the installation of the above could be included in the total amount advanced by Council to be recovered by targeted rates.
9. The following paragraphs outline the suggested policies for the implementation and operation of this initiative.

a) Scheme Interest and Administration Costs

As the scheme is intended to be cost neutral to the Marlborough District at large, it is suggested that Council apply an interest rate based on Council's weighted average cost of borrowing (*reviewable on an annual basis*), and an administration charge of \$100 (GST incl) for each loan.

The interest rate for 2010-11 should therefore be 7%. Both the interest charge for the first year and the administration charge will be capitalised, and recovered by targeted rates over a nine year period.

b) Eligibility for Targeted Rate Schemes

The following criteria have been derived from other schemes and are suggested for Council's involvement in energy schemes:

- i) Applicants for Insulation and Clean Heating loans must be a Marlborough District Council ratepayer/homeowner with a house that was built prior to 2000.
- ii) Applicants for Solar Water Heating loans must be a Marlborough District Council ratepayer/homeowner.
- iii) Applicant ratepayers must be up-to-date with their rate payments.
- iv) Non-rateable properties will not qualify for the targeted rate schemes.
- v) Insulation must be carried by an approved installer in accordance with EECA's requirements.
- vi) Clean Heating products will only be approved if home insulation of the ceiling and under floor meets the EECA requirements and the heating product is approved by EECA and installed by an approved installer.
- vii) Although double glazing and wall insulation are not part of the EECA schemes, Council will consider such applications for a targeted rate on a case by case basis.

c) Marlborough District Council Borrowing Cap

Council borrowings of up to \$0.5 million per annum (*for loan advances to be recovered by targeted rates*) are considered to be prudent. It is suggested that borrowings in excess of this amount would require Council approval.

d) Delegated Authorities

To facilitate and streamline the ratepayer approval process, it is suggested that the Corporate Finance Manager and any person delegated by him, have the following authorities:

- i) To approve loans for qualifying ratepayers.
- ii) To enter into ratepayer contracts.
- iii) To enter into contracts between EECA and the approved service providers.
- iv) To carry out such other functions as are necessary for the efficient and effective operation of the targeted rate scheme.

Summary

10. Council has indicated that it would like promote an insulation, clean heating and solar water heating scheme. This proposal has been included in the Annual Plan/LTCCP amendment process. The policies outlined in this report provide an outline of how the scheme can operate in a way that is cost neutral to Council.

RECOMMENDED

That Council, subject to the scheme being approved in the Annual Plan LTCCP amendment process:

- 1. approve the basis for Interest and Administration Charges as outlined in paragraph 9 a) above;**
- 2. approve the Eligibility Criteria as outlined in paragraph 9 b) above;**
- 3. approve the Borrowing Cap as outlined in paragraph 9 c) above;**
- 4. approve the Delegated Authorities outlined in paragraph 9 d) above.**

12. Financial Report for Council – Period Ended 31 January 2010 (F045-06)

(Report prepared by J Somerville)

1. Attached is the financial report for Council for the period ended 31 January 2010.
2. The Statement of Performance reports a surplus over budget of \$5,207,832 for the seven months of the financial year.

Revenue

3. Total Revenue and Rates (RR) for the year to date is currently higher than budgeted.
4. The RR increase has occurred chiefly as a result of:
 - receipt of \$2.5M dividend from MDC Holdings Ltd
 - higher than expected infringement income together with one off revenue from Rivers reserve log sales and subsidy revenue re community housing upgrades.
offset by
 - less than anticipated:
 - landfill and transfer station fees.
 - Parking collection revenue.
 - subdivision / discharge/water/ land use applications and associated inspection fees as a result of the continued economic slowdown.
 - Internal loan interest received is less than expected due to the reduced capital expenditure against budget in 2008/09 which in turn resulted in smaller loan borrowings.

Expenditure

5. Overall expenditure is under budget primarily due to lower than expected interest instalments and contract savings (mainly timing). Infrastructure costs for pump stations and treatment expenses are also favourable (again mainly timing). In part this is offset by increased emergency road reinstatement, road network / asset management costs and legal fees in the Consents and Compliance activity.

Capital Expenditure – To be updated when David Craig returns

6. Capital expenditure for the seven months to 31 January is \$22.3M, while \$ 7M above the capital expenditure incurred to January 2009, is less than expected for the year to date by \$2.99M.
7. Early indications are that there is likely to be deferrals and carryovers to 2010/2011 of approximately \$12M.

Activities, where significant expenditure is slower than anticipated are:

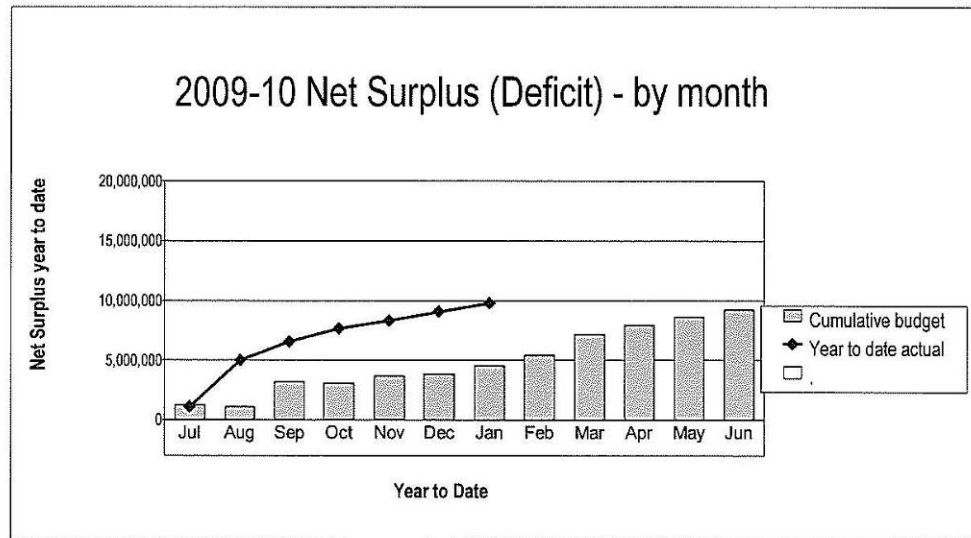
- Swimming Pools \$4M Blenheim Aquatic Centre.
- Parking \$2.6M Blenheim parking developments.
- Roads \$1.6M deferral of Northbank Road major rehabilitation works, Jackson /Old Renwick Road intersection improvements and Maori Ford Bridge.

- Rivers & Drainage \$.6M Town branch (Blenheim) –delays re design & location and possible deferral of Kent St/ Waitohi culverts till next summer.
- Sewerage projects \$1.85M treatment at the Industrial ponds and Picton sewer outfall re design delays.
- Stormwater \$.67M Redwood St connection to Alabama Rd and revisit Renwick work to next year
- Water \$.95M Essons Valley treatment – contract commences in May, Awatere – awaiting subsidy outcome, Renwick – wells & pumps deferred and Riverlands – upgrade to reservoir

RECOMMENDED

That the financial report for the period ended 31 January 2010 be received.

MARLBOROUGH DISTRICT COUNCIL
2009-10 rbud budgets operating statement:



Statement of Financial Performance - January YTD

	January YTD	YTD budgets	YTD variance	2009-10 rbud budgets
Revenues				
User Charges	9,157,777	9,706,384	(548,607)	17,117,933
Subsidies & Grants	3,483,001	3,201,324	281,677	6,642,036
Total Rates and Charges	27,365,016	27,017,820	347,196	47,037,491
Dividends received	2,505,626	538,000	1,967,626	538,000
Other Revenue	7,028,358	6,895,167	133,191	15,956,516
	49,539,778	47,358,695	2,181,083	87,291,976
Expenses				
Operating expenses	29,083,468	30,303,069	1,219,601	56,540,728
Depreciation	8,525,608	9,093,021	567,413	15,587,862
Interest payments	2,142,819	3,382,554	1,239,735	5,842,874
	39,751,895	42,778,644	3,026,749	77,971,464
Net Surplus (Deficit)	9,787,883	4,580,051	5,207,832	9,320,512

Exception report on operations

The year to date result is favourable \$5,207,832 against budget.

Interest payments favourable as the monthly instalments on internal loans are less than anticipated as a result of reduced capital expenditure in 2008/09 and the flow on effect to total of loans drawn down. Interest revenue is conversely unfavourable.

Other significant variances are explained in the variances by activity statement.

MARLBOROUGH DISTRICT COUNCIL
2009-10 rbud budgets operating statement:



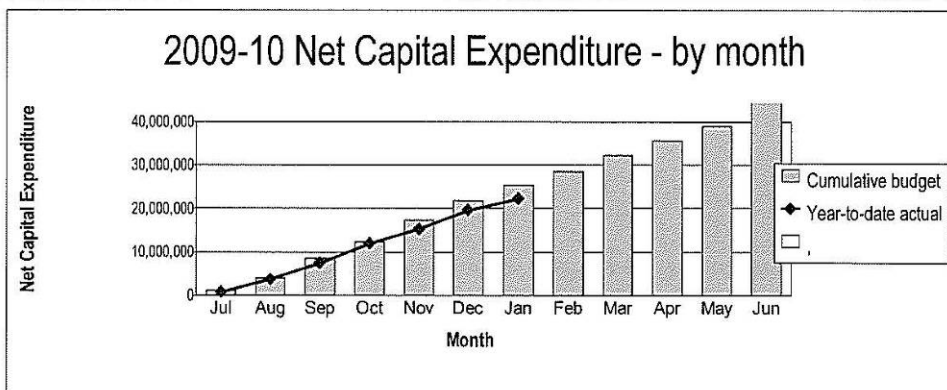
The Net Surplus (Deficit) is generated by the following Council Activities:

	January YTD	YTD budgets	YTD variance	2009-10 rbud budgets
Democracy	138,046	114,435	23,611	150,000
Arts and Heritage	(202,845)	(204,078)	1,233	(54,900)
Community Housing	(48,209)	(100,327)	52,118	31,643
Community Safety	(97,337)	7,467	(104,804)	(12,500)
Community Support	(2,114)	(25,537)	23,423	(60,500)
Libraries	31,455	(2,475)	33,930	(9,400)
Emergency Management	63,429	(20,563)	83,992	(199,800)
Community Facilities	(44,582)	(410,088)	365,506	(477,641)
Land Transport	805,994	231,375	574,619	2,196,671
Rivers and Land Drainage	2,143,129	1,690,201	452,928	2,731,565
Sewerage	1,120,670	319,359	801,311	1,037,728
Stormwater	87,932	(67,534)	155,466	146,946
Water	676,881	126,967	549,914	1,035,013
Solid and Hazardous Waste	154,123	143,497	10,626	109,737
Environmental	(104,754)	(345,010)	240,256	(512,100)
Regional Development	(47,355)	(58,164)	10,809	(215,643)
Consents and Compliance	(262,730)	142,677	(405,407)	(258,019)
Biosecurity	180,416	27,535	152,881	(140,953)
Animal Control	173,314	130,063	43,251	(108,735)
Harbour Control	(97,653)	(243,427)	145,774	302,741
Investment activities	5,100,176	3,135,538	1,964,638	4,195,573
Corporate Overhead	(130,506)	(134,904)	4,398	(545,325)
Direct Management	133,242	99,913	33,329	(71,000)
Plant Operations	17,161	23,131	(5,970)	49,411
	9,787,883	4,580,051	5,207,832	9,320,512

Comments

1. Variances for significant activities are mainly due to timing of actual income/expenditure against forecasted spread of annual budget.
2. Significant variances other than timing are as follows:
 - (a) Land Transport - Infringement income ahead of budget offset by less than anticipated Parking collection revenue (expected Arthur St carpark building to be operational). Emergency reinstatement of roads together with Opus costs relating to network and asset management are also well ahead of budget.
 - (b) Rivers and Land Drainage includes one off log sales felled on river reserve land.
 - (c) Sewerage - Trade waste revenue less than expected offset by smaller than anticipated interest instalments due to reduced loan requirements for 2008/09.
 - (d) Stormwater - Includes unbudgeted subdivision levies
 - (e) Water - Upgrade levies and metered water sales less than anticipated offset by smaller than budgeted internal interest payments as 2008/09 loan requirements were less than allowed.
 - (f) Solid & Hazardous Waste unfavourable due to less than expected transfer station and landfill revenue offset by timing of contracts and levy payments.
 - (g) Consents and Compliance is unfavourable due to:
 - a reduction in the revenue from building consent inspections being undertaken.
 - revenue from subdivision, discharge, water and land use applications being less than expected, an indication of the continued economic downturn.
 - higher than anticipated legal fees due to the Trustpower appeal, frost fan issues, earthquake prone buildings and prosecutions.
 - (h) Investment activities ahead of budget mainly due to the MDC Holdings dividend offset by less than budgeted interest revenue.

MARLBOROUGH DISTRICT COUNCIL
2009-10 rbud budgets operating statement



Net Capital Expenditure - January YTD

	January YTD	YTD budgets	YTD variance	2009-10 rbud budgets
Arts and Heritage			0	25,500
Community Housing	174,624	122,300	(52,324)	122,300
Community Safety			0	122,500
Libraries	168,216	130,000	(38,216)	367,000
Emergency Management	9,026	8,500	(526)	18,800
Community Facilities	6,120,779	7,657,660	1,536,881	16,552,259
Land Transport	4,374,233	3,809,193	(565,040)	13,560,028
Rivers and Land Drainage	766,742	821,000	54,258	2,277,000
Sewerage	3,694,352	4,880,467	1,186,115	12,829,933
Stormwater	82,184	65,831	(16,353)	1,264,760
Water	5,930,743	6,908,447	977,704	17,535,522
Solid and Hazardous Waste	334,519	430,808	96,289	802,864
Environmental	41,427	40,894	(533)	49,000
Consents and Compliance	533	533	0	9,200
Harbour Control	91,926	91,926	0	234,000
Investment activities	177,889		(177,889)	(2,601,943)
Corporate Overhead	251,723	228,500	(23,223)	1,756,012
Direct Management	3,443	533	(2,910)	1,500
Plant Operations	107,287	127,800	20,513	337,100
Total	22,329,646	25,324,392	2,994,746	65,263,335

Exception report on capital expenditure

Community Housing ahead of budget due to bathroom upgrades in the Litchfield and Arthur St complexes. Housing NZ subsidy to recover expenditure has been received and treated as grant revenue.

Expenditure in investment activities relates to the development of Stage 10 Forest Park. Proceeds from the section sales are anticipated in June 2010.

13. Financial Report for Support Services Department – Period ended 31 January 2010 (F045-07)

(Report prepared by J Somerville)

1. Attached is the financial report for Support Services Department for the period ended 31 January 2010.

RECOMMENDED

That the financial report for the period ended 31 January 2010 be received.

Financial Summary Report - Support Services

	January YTD actual	January YTD budget	YTD Variance	2009-10 rbud budget
Total Regional Development				
Total Rates and Charges	521,731	512,456	9,275	878,485
	521,731	512,456	9,275	878,485
Operating expenditures	569,086	570,620	1,534	1,094,128
Net Surplus (Deficit)	(47,355)	(58,164)	10,809	(215,643)

Asset additions and disposals

Total Democracy				
Total External Revenues		980	(980)	1,680
Total Rates and Charges	1,520,244	1,497,293	22,951	2,566,788
	1,520,244	1,498,273	21,971	2,568,468
Operating expenditures	1,382,198	1,383,838	1,640	2,418,468
Net Surplus (Deficit)	138,046	114,435	23,611	150,000

Asset additions and disposals

Total Land Development				
Total External Revenues			0	3,000,000
			0	3,000,000
Operating expenditures	19,307	13,333	(5,974)	3,018,499
Net Surplus (Deficit)	(19,307)	(13,333)	(5,974)	(18,499)

Asset additions and disposals

Asset additions	177,889		(177,889)	
Asset disposals			0	2,601,943

Total Forestry				
Operating expenditures	7	7	0	4,700
	7	7	0	4,700
Net Surplus (Deficit)	(7)	(7)	0	(4,700)

Asset additions and disposals

Total Property				
Total External Revenues	2,919,766	2,844,547	75,219	4,541,869
Total Rates and Charges	(244,553)	(241,045)	(3,508)	(413,226)
	2,675,213	2,603,502	71,711	4,128,643
Operating expenditures	1,012,496	1,048,258	35,762	1,537,677
Net Surplus (Deficit)	1,662,717	1,555,244	107,473	2,590,966

Asset additions and disposals

Asset additions	174,624	122,300	(52,324)	122,300
-----------------	---------	---------	----------	---------

Significant variances other than timing are as follows:

1. Land Development - operating expenditure unfavourable due to higher than anticipated annual rates. Unbudgeted asset additions relate to costs associated with the development of Stage 10 Forest Park and will be offset by expected revenue from the sale of sections due June 2010.
2. Property - Favourable due to increased revenue from rental properties as well as savings from lower interest payments (timing) and less than expected insurance / rates.
Asset additions relates to bathroom upgrades in some Litchfield and Arthur St community housing.

14. Treasury Management Report for Period Ended 31 December 2009 (T270-01)

(Report prepared by M South)

1. **Attached** are details of Council's Treasury Management Report for the quarter ended 31 December 2009. Comparative details for the quarter ended 30 September 2009 are shown in italics and shaded.

2. **Market Interest Rate Movements**

Council's fund managers advise that during the December quarter the yield curve in New Zealand continued to flatten, with short term swap rates increasing more than long term swap rates.

The Reserve Bank of New Zealand ("RBNZ") in January 2010 again left the Official Cash Rate at 2.50%.

3. **Investments**

Details of Council funds and investments are attached.

The average interest earnings rate of 7.74% is 0.88 % more than that for the September quarter. The main reason for this is the decrease in the BNZ call account balance from \$3.5m to \$0.004m which attracts an interest rate of 3.15%.

No bonds matured and no new bonds were purchased.

Reinvestment of securities as they fall due are based on the recommendation of Bancorp Treasury Services Limited, Fund Managers for Council. In conjunction with Council's Treasury staff, Bancorp's role is to continuously monitor market conditions and Council's specific investments to ensure that the maximum return is achieved consistent with the minimum risk exposure dictated by Council's Treasury Management Policy.

4. **Compliance with Council Policy**

Council's Treasury Management Policy sets criteria surrounding credit rating, maximum investment allowed with any one institution and the maximum allowed to be invested with any type of institution.

All criteria have been met for the 31 December 2009 quarter.

5. **Borrowings**

At 30 June 2009 Council borrowings to finance capital projects totalled \$68,642,038 up from \$60,601,398 at 30 June 2009, after raising new loans for the 2009 year.

All of Council's 30 June 2009 borrowings are by way of internal advances at an interest rate of 7%.

In addition as at 31 January 2010 Council has \$8 million of short term borrowings. It is expected that these borrowings will be cleared in early April following receipt of the \$7.5 million Special Dividend from Port Marlborough Limited and the third rates instalment due 11 March 2010. The decision to undertake these short term borrowings was made because the interest rates being charged were less than the interest rates achieved on investments.

RECOMMENDED

That the Treasury Management Report for the period ended 31 December 2009 be received.

**MARLBOROUGH DISTRICT COUNCIL
QUARTERLY TREASURY MANAGEMENT REPORT**

Current Market Interest Rates as at 31 December 2009

Term	Rate quoted from -	December 2009	November 2009	October 2009	September 2009
OCR	Reserve Bank	2.50%	2.50%	2.50%	2.50%
30 days	Reserve Bank	2.72%	2.78%	2.77%	2.77%
90 days	Bank bills	2.76%	2.80%	2.79%	2.78%
Maturity 11/11	NZ Government Bonds- yield	4.25%	4.04%	4.32%	4.05%
Maturity 04/13	NZ Government Bonds- yield	4.97%	4.74%	5.10%	4.91%
Maturity 12/17	NZ Government Bonds- yield	5.75%	5.61%	5.72%	5.67%
Maturity 05/21	NZ Government Bonds- yield	6.04%	5.90%	6.02%	6.07%

Statement of Cash and Investments as at 31 December 2009

				% Funds	Last Quarter Sept 2009	
Bank Current Accounts						
- BNZ	Current Funds or (Overdraft)		(31,726)	0.01%	\$172,132	
On Call						
- BNZ	Rating					
	AA	3.15%	3,923	0.03%	\$3,449,941	
	Readily Available Funds		(27,803)	-0.19%	\$3,622,073	
Investments -short term (12 months or less)						
Banks						
- BNZ	AA	1yr (06/10)	4.50%	72,265	0.49%	\$72,265
- BNZ	AA	90 days (02/10)	4.60%	162,501	1.10%	\$161,110
Securities						
- Telecom Finance (TCNZ)	A	9 years (04/10)	7.65%	1,000,000	6.79%	\$1,000,000
	Funds Available within 1 year	7.05%	\$1,206,963	8.19%	\$4,855,448	
Investments -long term (greater than 12 months)						
Securities						
- Auckland Airport	A-	5 years (07/11)	7.06%	999,078	6.78%	\$999,078
- ASB Bank Ltd	AA-	4 years (11/12)	8.91%	502,919	3.41%	\$502,919
- ASB Bank Ltd	AA	4 years (07/13)	6.56%	1,069,371	7.26%	\$1,069,371
- BNZ Banking Bond	AA	6 years (09/12)	7.03%	1,019,112	6.92%	\$1,019,112
- BNZ Bond	AA	6 years (05/15)	7.98%	1,034,915	7.03%	\$1,034,915
- BNZ	AA	5 years (05/13)	8.54%	1,000,800	6.79%	\$1,000,800
- Fonterra	A+	6 years (04/11)	6.87%	497,994	3.38%	\$497,994
- Fonterra	A+	9 years (04/14)	7.00%	499,029	3.39%	\$499,029
- Fonterra	A+	5 years (04/14)	8.74%	464,358	3.15%	\$464,358
- Bank of America	A	5 years (03/12)	7.55%	499,992	3.39%	\$499,992
- Bank of America	A	5 years (03/12)	8.19%	498,825	3.39%	\$498,825
- ANZ/National	A+	5 years (04/13)	9.66%	1,000,000	6.79%	\$1,000,000
- ANZ/National	AA-	5 years (09/11)	7.16%	1,000,000	6.79%	\$1,000,000
- N Z Post	AA-	4 years (01/11)	8.15%	485,266	3.29%	\$485,266
- Morgan Stanley	A	6 years (09/12)	7.10%	1,002,173	6.80%	\$1,002,173
- Auckland City	AA	4 years (11/11)	8.50%	1,000,000	6.79%	\$1,000,000
- Rotorua District Council	UR	8 years (04/16)	8.16%	947,921	6.44%	\$947,921
	Funds Available > 1 year	7.80%	\$13,521,751	91.81%	\$13,521,751	
	Total Funds Available	7.74%	\$14,728,714	100.00%	\$18,377,199	

15. Debtors' Overdue Report (A135-04)

(Report prepared by S Greenhill)

1. The Debtors' Reconciliation as at 31 January 2010 is attached for members' information.
2. Total outstanding debtors marginally increased for December, but current debtors have reduced by \$404,755 and 30 – 90 days debtors have increased by \$449,776.
3. As at 22 February 2010, February payments received have reduced the 30 – 90 days debtors balance to \$163,546.

RECOMMENDED

That the information be received.

DEBTORS REPORT

	Current Month	Comparison for Previous 5 Months				
Aged Analysis Report	January	December	November	October	September	August
Current	731,680.27	1,136,435.55	538,638.78	994,206.85	469,981.54	775,962.45
30 - 90 Days	692,252.97	242,476.47	245,053.28	199,587.44	194,517.35	334,911.20
90 Days	305,217.11	260,593.31	261,415.42	305,598.52	332,815.80	359,542.96
Outstanding Debtors Closing Balance	1,729,150.35	1,639,505.33	1,045,107.48	1,499,392.81	997,314.69	1,470,416.61
Debtors Action Report - Debtors over 90 days with Balance >\$250						
	January	December	November	October	September	August
With Receivables Management	28,240.96	28,070.82	27,405.88	27,529.31	30,073.55	12,982.01
Paying by Agreement	106,324.90	75,803.46	72,330.44	77,537.34	92,999.04	127,462.79
Work Not Yet Commenced	109,324.80	109,859.66	111,672.16	120,209.66	117,934.66	106,614.73
Awaiting Determination	18,388.85	33,731.82	16,358.68	35,567.58	34,666.05	40,352.68
Payments since month end taken off above amounts	34,054.94	2,218.45	20,004.34	35,022.25	50,191.76	65,037.96
Sub-Total	296,334.45	249,684.21	247,771.50	295,866.14	325,865.06	352,450.17
Various Debtors with Balances <\$250	8,882.66	10,909.10	13,643.92	9,732.38	6,950.74	7,092.79
Over 90 days Outstanding Total	305,217.11	260,593.31	261,415.42	305,598.52	332,815.80	359,542.96

16. Rates Reports (R135-15)

(Report prepared by W Williams)

1. Attached for members' information are the Rate Levies Status Report and Rate Arrears Aged Balance Report as at 31 January 2010.
2. We have collected 49.52% of the full year's 2009-2010 levy (inclusive of arrears) and this compares with 49.26% at the same time last year.
3. There were 655 (687) reminder letters sent out during the second week of January to those ratepayers who either didn't clear the outstanding rates balance or didn't make an arrangement to do so. Of these 297 (292) required follow up letters in February and 153 (150) of those were lodged with Receivables Management in February for debt collection action. The comparable numbers during January/February last year are shown in ().
4. Rate instalment three was lodged with NZ Post on 1 February 2010 and the final day for payment is 11 March 2010.

RECOMMENDED

That the reports be received.

Marlborough District Council

Rate Arrears Aged Balance Report as at 31 January 2010

Year	Total Outstanding (01/07/09)	Cash Received (-)	Total Arrears Outstanding 31/01/2010
2008/09	580,227.42	437,930.85	142,296.57
2007/08	41,438.52	18,037.31	23,401.21
2006/07	15,861.47	9,863.51	5,997.96
2005/06	5,266.23	4,153.40	1,112.83
2004/05	3,001.26	3,001.26	-
Prior 2004	13,836.75	13,836.75 *	-
Total	659,631.65	486,823.08	172,808.57

Rates balance b/fwd	344,032.70
Add back Paid in Advance	315,598.95
Total Arrears	659,631.65

* Statute Barred rates written off in preparation for rating sale on three pieces of abandoned land - this cleared rate arrears on land prior to 2004.

Marlborough District Council

Rate Levies Status Report as at 31 January 2010

Financial Division	Balance b/fwd (01/07/09)	Inst Levy Q2	Arrears Pen	Instal Pen	Adjustments	Cash Received (incl Paid in Advance)	Less Paid in Advance 31/01/2010	Balance 31/01/2010
Admin Rural	14,187.47	419,499.98	1,690.19	5,392.61	(8,395.88)	(462,382.96)	72,296.05	42,287.46
lenheim	97,240.41	12,703,230.46	15,098.39	32,078.92	(90,483.94)	(13,913,222.92)	1,381,509.05	225,450.37
Blenheim Vicinity	29,917.64	5,291,351.50	3,965.88	16,767.63	(58,955.30)	(5,462,516.75)	247,091.32	67,621.91
General Rural	95,867.31	3,990,446.42	12,237.35	26,289.13	(67,224.95)	(4,157,882.15)	274,392.77	174,125.88
Picton	105,260.74	3,255,090.63	11,626.32	14,937.57	(54,063.54)	(3,476,613.70)	281,288.70	137,526.72
Picton Vicinity	1,559.13	203,306.12	619.08	821.67	(418.00)	(226,452.97)	28,465.52	7,900.55
Utilities Network	-	5,408.00		20.80		(10,410.40)	4,981.60	-
Current Year Totals	344,032.70	25,868,333.10	45,237.21	96,308.33	(279,541.61)	(27,709,481.85)	2,290,025.01	654,912.89

Paid in Advance balance b/fwd	1/07/2009	1/07/2008
As at 1/7/09	315,598.95	275,349.31

Paid in Advance	
As at 31/01/2010	2,290,025.01
As at 31/01/2009	2,216,977.84

17. Decision to Conduct Business with the Public Excluded

Decided: That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Debtors' Overdue Report

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Debtors' Overdue Report	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.