



caring about you & your environment

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Report to the Environment Committee
from Dr Jane Bradbury, Divisional Manager, Environment

Environment Division: Proposed Operating Plans 2002-2010

1. Purpose

To provide an overview of the proposed Business Plan for the Environment Division. The Business Plan, which comprises the Divisional Strategy and Direction and the Operating Plans for each department, accompanies this Order Paper as a separate document.

2. Overview

The long-term budgets for the Division were, two years ago, directed by the following:

- The state of the environment report. This tells us where we are doing well with environmental care, and where we still have work to do. In addition, it highlights that in many areas we still do not have sufficient information to make a judgement.
- The environmental education/communication strategy. This strategy has three components: *Take Action* which focuses on schoolchildren; *Take Care* which involves the community in practical environmental programmes; and *Take Charge* which works with small to medium businesses to improve environmental practices.
- The Regional Policy Statement and regional plans. We have an obligation to carry out the methods contained in these documents, especially as they were developed in close consultation with the community.

- Councillors' desire to invest in the environment and move towards a more Sustainable Region.
- Our statutory requirements eg with consent processing. However, as one of our principal objectives is to provide exemplary customer service, we aim for standards that are sometimes greater than the statutory requirement.

In 2002, these drivers are still relevant to the Division's work programmes.

3. Budget Implications

The regional rate requirement for 2002/3 budget (as outlined in the LTFS) is \$7,085,000 - \$244,000 higher than the 2001/2 level of \$6,841,000. This is primarily because of the draw down of \$200,000 from our legal reserve in 2001/2 that gave a one off adjustment in that year.

The proposed budget for 2002/3 shows a decrease of \$154,000 (direct operating expenditure) on last year's budget but is in line with the budget proposed for this year in the Long Term Financial Strategy (LTFS).

There are three material changes to the expenditure line outlined in the LTFS:

- Personnel costs. These have increased by \$187,000 to take into account market related salaries, especially for experienced staff.
- Insurance costs (beyond our control) have increased by \$54,000.
- Our share of corporate overheads has increased by \$42,000.

Our budgeting has had to accommodate these increases to achieve our planned LTFS target.

Only one extra item is included. Funding has been increased by \$20,000 for the urban growth strategy. There was a request from Council that such a strategy be investigated.

The following outlines the changes for each department:

(a) Environment Co-ordination Department

Total proposed direct operating expenditure for this Department for 2002/03 is \$507,000 – an increase of \$64,000 on the 2001/02 year and a decrease of \$10,000 on the LTFS budget for 2002/03.

Most of the programmes for the Council's education strategy are located in this Department. Implementing this strategy is a relatively new exercise for the Council and we are still learning. The LTFS shows a budget which increases and decreases by about \$75,000 in alternate years to provide for the development of a new environmental trail every two years under the *Take Action* programme.

The *Take Action for Water* education trail has commenced and is fully booked for the “guided” programmes. The take-up for the “unguided” option has exceeded expectations. Indications are that the demand for both options will increase. Planning for this programme and producing the resource material in time for the start date was a huge exercise. A part of the planned *Take Action* programme is the *Ecobus*. This is being developed this year. Although it will initially be used as part of the schools programme, it is envisaged that its use will broaden for general environmental care promotions.

The demand for, and uptake of, our *Take Care* programme has also proved great. Although pleasing, it has proved to be resource intensive in terms of staff time. As I explained at the Councillors’ workshop at Solway Park, our experience is *the more we engage the public, the more the public responds, and the greater the demands on us!*

Because of the newness of all this work for us – and because of the support and demand we are receiving from the community – we are recommending that we delay the start of the next environmental trail by one year.

Such a step would allow staff the time to concentrate on the current trail/programme and to be less rushed in developing the next programme. Importantly, it would enable the Division to more easily incorporate some of the budgetary increases that have been beyond our control.

The proposed budget, however, does include an extra half staff person at a cost of \$25,000. At the time of writing, this position has been advertised with the intention of utilising savings from the delayed employment of a budgeted staff member for the *Take Charge* programme. This person will allow a current staff member to assist further with the care groups, and also allow some progress to be made with the next trail in the 2002/03 – but not as far as producing the resource material and developing the accompanying web-site as originally planned.

Delaying the start of the next trail will provide savings of \$60,000 (printing, web-site development) in this financial year – although these savings will be transferred to the 2003/04 year. The implications on future funding are discussed below in (4).

The proposed 2002/03 budget for the Department is as outlined in the Council’s long-term financial strategy with the following modifications:

- +\$24,000 for *Take Care*. This is largely staff time to cope with the demands of the increasing number of groups.
- -\$48,000 for *Take Action*. This is a result of deferring the trail.
- -\$10,000 for *Take Charge*. The staff and printing budgets have been reduced.
- +\$32,000 for personnel costs. This provides for an additional part time employee and market related salary movements.

(b) Resource Policy Department

Total proposed direct operating expenditure for this Department for 2002/2003 is \$1,951,000 – a decrease of \$158,000 on the 2001/02 year and \$69,000 decrease on the LTFS budget for 2002/03.

Part of the decrease on the 2001/02 year is because of the cycle of funding for care groups which changes as the groups progress.

Savings have been achieved through reducing the iwi project budget by \$50,000 (\$7,000 per iwi). This leaves \$250,000 for these projects – an amount that is considered adequate given previous take up of funds.

Funding has been included for an unplanned project – the urban growth strategy. This work has been requested by the Environment Committee and is a method in the Regional Policy Statement. Some staff time has been provided as well as \$20,000 for consultants. It is hoped that costs can be contained to this level. There has already been some commitment to unbudgeted consultant expenditure (jointly with WCC, PCC and KCDC) for the current financial year. If costs become excessive, the Council may be asked to address funding for this strategy through the 2002/3 six month review.

The proposed 2002/3 budget for the Department is as outlined in the Council's LTFS with the following modifications:

- - \$40,000 in the GIS area by a reduction in data licensing fees
- - \$76,000 consultants budget. Savings have been made, for example, in the planned hazards consultancy budget (\$10,000), marine biodiversity (\$6,000), although some has reallocated more appropriately to the material budget eg riparian management. An additional \$20,000 has been included for the urban growth strategy. This figure also includes a \$50,000 reduction in iwi contracts.
- - \$50,000 for iwi contracts
- minor adjustments in many other project allocations eg wetland, Pautahanui Inlet etc are due to re-allocations in staff time.

(c) Consents Management

Total proposed direct operating expenditure for this Department for 2002/03 is \$1,357,000 – a decrease of \$16,000 on the 2001/02 year and an increase of \$14,000 on the LTFS budget for 2002/03.

This Department's budget is little changed. Even though we are expecting to receive less internal revenue, increased external revenue as a result of the new charging policy has offset that reduction.

An increase in personnel costs (\$24,000) provides for a part-time person to take some of the administrative load from the resource advisors.

(d) Resource Investigations Department

Total proposed direct operating expenditure for this Department for 2002/03 is \$2,236,000 – a decrease of \$114,000 on the 2001/02 year and in keeping with the LTFS budget for 2002/03.

At the beginning of the last Long Term Financial Strategy, Council made the decision to enhance our environmental monitoring capabilities. The state of the Environment Report revealed that we simply do not have enough knowledge in some areas to be able to gauge environmental health or our environmental management performance.

Consequently, Council provided increased resources to enhance our ability to monitor air, soil and water quality. All monitoring programmes have been progressing well. For example, the air quality monitoring programme – which was carefully staged over a ten year period – is proceeding according to plan. The soil monitoring programme was the last of our monitoring programmes to get underway. Originally, Council funding was to be assisted by the Ministry for the Environment using its sustainable management fund. Unfortunately, MfE has changed its priorities and this funding is no longer available. If the Council is going to maintain its planned programme, and if the Council provides an extra \$12,500 at the six monthly review (an Environment Committee recommendation to request this extra funding), then an extra \$15,000 will be required for 2002/03.

The Long-Term Strategy also provided for a number of specific new projects, namely an investigation into stormwater, clean-up of contaminated sites on Council lands, a collection of unwanted agrichemicals, as well as the ability to contribute to the costs of scientific research relevant to the Council's work.

The contaminated sites investigations have revealed that the envisaged costs of clean-up are not as high as anticipated. Consequently, savings of \$80,000 have been realised.

The proposed 2002/03 budget for the Department is as outlined in the Council's Long-Term Financial Strategy with the following modifications:

- + \$15,000 for the soil monitoring programme
- + \$7,000 to undertake some water quality monitoring that was previously undertaken by Porirua City Council. PCC no longer considers this work to be part of their responsibilities. The lack of information on, for example, bathing water quality, would put the community at risk.
- - \$11,000 internal income from the Utility Services Division as they do not require any research work in the Hutt Valley in 2002/03.
- - \$15,000 for the unwanted agrichemical collection. Work on this collection starts in the Wairarapa this month. It is planned to cover the western part of the Region in 2002/03. In order to meet our budgetary limits, the proposed budget has been cut by \$15,000. It is our intention to carry on with this work "until the money runs out" and so the implications of this cut is that less work may be carried out and we may be requesting further funds in 2003/04 to complete.

- + \$ 63,000 for personnel costs. In the past we have not budgeted for after hour call outs for our flood warning and pollution response staff; neither

have we budgeted for market related salaries for experienced staff. Funds have been found as a result of staff movements. However, for the last two years we found ourselves overspent and, therefore, have rectified the situation in the 2002/03 budget.

(e) **Emergency Management Department**

Total proposed direct operating expenditure for this Department for 2002/2003 is \$379,000 – an increase of \$21,000 on the 2001/02 year and an increase of \$14,000 on the LTFS budget for 2002/03.

This Department's work programme is little changed. The increase is principally providing for market related salaries. Otherwise every effort has been made to absorb increasing costs within the planned budget. The repairs budget has been cut by \$5,000 to assist the Division to reach its budget target. The remaining budget is considered to be adequate.

(f) **Harbours Department**

Total proposed direct operating expenditure for this Department for 2002/03 is \$1,127,000 – an increase of \$46,000 on the 2001/02 year and an increase of \$46,000 on the LTFS budget for 2002/03.

The principal reason for the increase is a rise in insurance costs (\$41,000) after the September 11th incident. Otherwise costs have been contained and work programmes are on-going. The repairs and maintenance budget has been cut by \$10,000 to assist the Division to reach its budget target. The remaining budget is considered to be adequate. Proposed revenue has increased by \$12,000 as a result of our application for the Maritime Safety Authority marine oil spill budget 2002/3.

4. **Changes made to the remaining years of the LTFS**

The “soft” numbers for the LTFS, running from 2003/04 to 2009/10, have been adjusted to allow for the material increases in expenditure outlined in (3) above - personnel costs, insurance costs and corporate overheads

Furthermore, as noted above, postponing the second environmental education trail has repercussions for the long-term budget for that work area. As the budget was based on a new trail every alternate year, the “bulges” have been “moved along” a year.

Further, we have increased the advertising budget for these education programmes by \$11,000 based on our experience in the current financial year.

The cut to the iwi budget has been kept constant over the outlying years. However, the cut to the agrichemical collection budget is a one-off. No costs have been moved to the following year. This means that we will do less rather than take longer.

5. Divisional Priorities

Each year the Divisional Strategy and Direction includes our priorities for the year. We have found that these provide a focus for our work beyond the outputs specified in the Operating Plans. The following have been developed for 2002/03:

- *Follow the Council's Charter of Values and Principles*
- *Bring practical meaning to the Sustainable Wellington Region initiative*
- *Maintain high work standards and be seen as leaders and influencers*
- *Improve communication between the departments within the Division, with other Divisions and with the territorial authorities of the Region.*
- *Continue to place an emphasis on health and safety*
- *Review the Council's environment management systems*

6. Recommendation

- (1) *That this report be received and its contents noted.*
- (2) *That the Environment Division's proposed Business Plan, incorporating the following Operating Plans, be approved in principle:*

*Environment Co-ordination Department
Resource Policy Department
Consents Management Department
Resource Investigations Department
Emergency Management Department
Harbours Department*

- (3) *That the proposed Business Plan, incorporating the proposed Operating Plans for the above activities, be recommended to the Policy and Finance Committee for inclusion in the Council's proposed Long Term Financial Strategy 2002-2010 (incorporating Council's 2002/03 Annual Plan).*

Report prepared by:

JANE BRADBURY
Divisional Manager, Environment