GLOSSARY OF TERMS

Agenda 21

Agenda 21 establishes the basis for action to sustainable development. Sustainable development can be interpreted as providing the following:

- A viable natural environment capable of supporting life systems, now and in the future.
- A sufficient economy that provides sustainable livelihoods for all.
- Nurturing communities that provide opportunities for meeting social, cultural and spiritual needs.

Plan

The Plan provides a statement of direction for the Council and ensures consistency and co-ordination in both making policies and decisions concerning the use of Council resources. The Plan also contains details of the Council's Strategic Objectives and its Long Term Financial Strategy.

Asset Management Plans (AMPs)

AMPs cover all aspects - policy, management, financial and engineering, for all major assets. They ensure that the required level of service of these assets is maintained over the long term.

Carry Forwards

When the Plan is adopted, there is an expectation that the work programmes and asset purchases will be completed by the end of the 12 month period. In reality there will, however, be a number of projects which will not be completed as planned.

The reasons for the delays are many and varied. They may relate to retention monies being held back until a project is satisfactorily completed, legal difficulties, weather conditions or delays caused by other service work.

To ensure that the planned programme is completed, it is necessary to carry forward to the new financial year both the unspent budget provision and the source of funding. In June the Council is able to assess what the carry forward projects will be and to include them in the final Plan.

Carry forwards do not alter the rates requirement and are funded by the unspent portion of the previous year's rates, as well as any subsidy monies still to be claimed or loan monies still to be raised.

City Scene - The Plan Edition

Delivered to all households at the same time as the Draft Plan is released. This edition summarises the Draft Plan.

Community Board Funding

As part of the Plan process, Community Boards have been allocated $300,000 to fund projects or activities of their choice. The amount is split between project funding ($250,000) which is allocated prior to the adoption of the Draft Plan and discretionary funding ($50,000) which is generally retained for allocation throughout the year.

Cost of Capital

Cost of capital represents the opportunity cost of having capital (eg buildings, plant, equipment) employed in each activity. The cost of capital for 1997/98 is 8% and has been calculated on the book value of the assets utilised by each activity. It has been shown as a below the line note and has been taken account of when calculating fees and charges.

Depreciation

The charging of depreciation records the consumption and wearing out of the Council's assets. This is an accounting device to ensure that an appropriate amount of capital expenditure is spread as an expense in each year and matched against the income of the Council (including rates) in the operating account.

Draft Plan

In order to prepare the Plan the Council publishes a Draft Plan in May, setting out its proposed plans and policies. The Council then seeks public input on the Draft Plan through the submission process.

Financial Management Policies

In 1994 financial management policies were adopted to ensure that the Council's debt remains under control. These policies were established on advice from a leading chartered accounting firm and our auditors, Audit New Zealand. The policies set the parameters within which the Council can operate in the long term. They include a series of prudent financial ratios which are the 'outer financial benchmarks' for the Council to live within. The other parts of the policy include a number of financial objectives for the short to medium term.

Financial Year

The Council's financial year runs from 1 July to 30 June. The 1997/98 financial year therefore covers the period 1 July 1997 to 30 June 1998.

Inputs

Inputs are the resources used to produce the goods or services provided by the Council. Input items include labour and maintenance expenditure.

Inputs are transformed into outputs through activities.

Local Authority Trading Enterprise (LATE)

A Local Authority Trading Enterprise is a special company owned by a local authority. It is the local government equivalent of a State Owned Enterprise.

Long Term Financial Strategy

The strategy is at a high level and projects out the expenditure (operating and capital) and the sources of funds for the period 1997/98 to 2006/07. The projected rate increases, debt levels and the impact on the four key ratios of the Financial Management Policies are also covered in the Strategy.

Operating Deficit

Prior to 1994/95, the Council calculated its rate requirement on a cash flow basis. The full implementation of accrual accounting together with increased depreciation highlighted a significant deficit in the operating account.

The financial management policies embody a progressive, reduction in the deficit over a four year period. This will ensure that today's generation pays its fair share and that the financing basis in the long term is sound. Surpluses from 1998/99 onwards will ensure that the reliance on borrowing for capital works is progressively reduced and a positive contribution to repayment of debt is made annually.

Outcomes

Outcomes are the impacts on or consequences for the community of the services or facilities provided.

Output Classes

Output Classes are groupings of related or similar outputs which are aggregated for reporting purposes. The outputs specified in this Plan are at the output class level.

Outputs

Are the goods, services or products which the Council produces, eg advice, provision of services, and administration of regulations. Budgets have been structured on an output basis.

Outputs can be either Operational or Capital Outputs. Operational Outputs are based on inputs (expenses) from operating budgets. Capital Outputs are based on capital (expenditure inputs), eg fixed assets, infrastructural and restricted assets.

GLOSSARY OF TERMS

Public Accountability

This is a very broad service delivery activity which includes the direct costs relating to Councillors and Community Board members plus support and advice costs relating to the democratic process.

Funding Policy (Revenue Policy)

This policy is currently being prepared by Council as required by a recent amendment to the Local Government Act.

The policy which must be in place by 1 July 1998 will be published for public consultation in August/September 1997.

S20A Disclosure - Transit New Zealand Act 1991

This section of the Transit New Zealand Act requires minor and ancillary roading works and in-house professional services which receive financial assistance from Transit New Zealand to be separately reported in the Plan. See page 33.

Statement of Corporate Intent (SCI)

Is an agreed understanding between the Council (as shareholder) and each of the Trading Enterprises. The SCIs are negotiated annually and include the future objectives and performance of the Trading Enterprise.

Unspecified Capital Provisions

Included within capital programme, are unspecified sums. They give some flexibility to the programme and will allow new or priority projects to be added.

Vision Statement

The Vision Statement is intended to reflect the Council's vision for the 'ideal' Christchurch. That is, it is intended to be a statement of the outcomes that the Council's policies and activities are directed at achieving. Up to the present time the vision has been known as the Statement of Strategic Objectives. See page 23.

School children using a new 'kea' pedestrian crossing recently trialled in Christchurch