

Item 2: Wānaka Asset Sales Reserve Guidelines

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

The purpose of this workshop is to present the proposed updates to the Wānaka Asset Sales Reserve Guidelines, reflecting feedback from the Local Government Commission, the Wānaka-Upper Clutha Community Board (WUCCB), and key stakeholders. The desired outcome is to confirm a shared understanding of the updated principles, governance roles, and annual planning processes, ensuring alignment with QLDC's strategic framework and community priorities. This workshop will provide an opportunity for WUCCB to discuss any outstanding concerns, review proposed changes, and prepare for formal approval of the updated guidelines.

DATE/START TIME:

Thursday, 20 February 2025 at 11.30am

TIME BREAKDOWN:

Presentation: 30 minutes
Discussion and Q&A: 30 minutes
Total Time: 1 hour

Prepared by:



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11 February 2025

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11 February 2025

ATTACHMENTS:

A	Draft Guidelines
B	PowerPoint presentation (to follow)

Attachment A: Draft Guidelines

WĀNAKA ASSET SALES RESERVE GUIDELINES

Version: 2.0

Date: 23/01/2025

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1. INTRODUCTION

The Wānaka Asset Sales Reserve (WASR) is a financial reserve established by the Queenstown Lakes District Council (QLDC) to manage proceeds from property sales within the Wānaka-Upper Clutha Ward, primarily derived from the sale of Scurr Heights land. These funds are intended to deliver enduring community benefits and enhance service levels for the Wānaka-Upper Clutha Ward.

The WASR is a key financial mechanism for supporting strategic community projects in the Wānaka-Upper Clutha Ward. This document is intended for the community, QLDC staff, and the Wānaka Upper Clutha Community Board (WUCCB), outlining the principles, governance, and processes for fund management.

QLDC and the WUCCB work in partnership to ensure that local expertise and knowledge inform funding decisions while maintaining alignment with Council's strategic objectives. Together, we aim to empower the Wānaka and wider Upper Clutha communities and support projects that reflect the unique character and needs of the Ward.

It is important to note that a financial reserve, such as the WASR, is not "cash in the bank." Rather, it represents an allocated amount that integrates into Council's overall financial portfolio. Allocated funds will incur interest and contribute to QLDC's total debt portfolio, underscoring the importance of careful and strategic financial planning. This reinforces the need for careful and strategic allocation of the Reserve to maximise community impact while ensuring financial sustainability.

This document also aligns with broader funding principles to support transparency, equity, and accountability in the allocation of resources.

2. PURPOSE AND BENEFITS

The WASR is managed with a clear purpose to maximise its impact for the Wānaka-Upper Clutha Ward. By adhering to robust principles and a strategic approach, the Reserve aims to:

- Ensure transparency and accountability in the allocation and utilisation of funds. This includes providing clear reporting and public communication about the use and impact of the Reserve. These efforts align with the principles outlined by the Controller and Auditor-General for managing public funds.
- Support strategic investments in the community that are included in the Long-Term Plan (LTP) and Annual Plan (AP).
- Facilitate projects that deliver lasting benefits for the Wānaka-Upper Clutha Ward, prioritising initiatives that contribute to broader community wellbeing and provide long-term value for the ward as a whole.

3. GUIDING PRINCIPLES

3.1 ELIGIBLE USE OF FUNDS

Funds may be used for:

- **Capital Projects:** Approved in the LTP or AP that benefit Wānaka-Upper Clutha Ward residents and enhance service levels.
- **Community Infrastructure:** Investments in significant community assets, including social and cultural infrastructure, provided they demonstrate enduring value.

3.2 EXCLUDED USES

Funds may *not* be used for:

- **Operating expenditure** (e.g., salaries, utilities, or maintenance costs for existing facilities).
- **Purchase of speculative assets** (e.g., property purchases without a defined public use case).
- **Projects primarily required due to growth** (e.g., new subdivisions funded by development contributions).
- **Feasibility studies** unless directly tied to an eligible capital project.
- **Non-Council projects** that do not involve QLDC oversight, management, or ownership.
- **Grants** for activities or services that do not involve capital development or infrastructure (e.g., operating grants for community events or programmes).
- **Debt Repayment:** Funds may not be used to repay debt incurred for non-Council-owned capital expenditure projects.

4. GOVERNANCE FRAMEWORK

4.1 DECISION-MAKING STRUCTURE

- The WUCCB will recommend priority projects for funding, ensuring alignment with the principles and eligibility criteria.
- All projects approved for funding must adhere to QLDC requirements, including permits, consents, project management methodology, and health and safety standards.
- While the WUCCB prioritises projects, QLDC officers will assess capacity and ability to carry them out, recognising the multiple touchpoints within Council processes.

4.2 TRANSPARENCY AND REPORTING

- **Annual Reporting:** A summary of the Reserve utilisation, including project outcomes, will be included in the Council's Annual Report.
- **Project Reviews:** Regular updates on funded projects' progress and their alignment with agreed objectives.
- **Public Communication:** Decisions on the Reserve utilisation will be published through appropriate channels, such as the QLDC website, to promote openness and accountability.

5. PRIORITISATION AND EVALUATION

5.1 PROJECT PRIORITISATION

- Projects may be prioritised if they:
 - Address identified community needs.
 - Are a legacy project that provides enduring benefits for the Wānaka-Upper Clutha Ward, ensuring value for future generations.
 - Demonstrate alignment with QLDC's Strategic Framework, including Community and Wellbeing Outcomes and the QLDC 30-Year Infrastructure Strategy, to ensure long-term benefits for the wider Wānaka-Upper Clutha Ward.
 - Leverage co-funding or partnerships to maximise impact.
- The process will occur via the Annual Plan reforecast process, with options prioritised and selected for allocation by November of the prior year.

5.2 EVALUATION CRITERIA

All projects recommended for funding must:

- Clearly articulate community benefits.
- Include a cost-benefit analysis demonstrating value for money.
- Provide evidence of stakeholder engagement.
- Demonstrate alignment with QLDC's strategic goals and principles.
- Confirm that QLDC can absorb operational costs associated with the project.

6. ANNUAL SPENDING LIMIT

The maximum annual spend from the WASR will be guided by the need to ensure sustainability and the availability of funds for future projects. While a general limit may be considered, flexibility will be applied based on community needs and strategic priorities.

7. FLEXIBILITY AND RESPONSIVENESS

- The Reserve may support “unexpected opportunities” that align with the principles, provided a robust business case is presented.
- The Council will consider projects not currently in the LTP or AP if they demonstrate exceptional community value, provided there is sufficient capacity and resources available to deliver them effectively.
- All project approved for funding must adhere to QLDC requirements, including permits, consents, project management methodology and health and safety standards.

8. RISK MANAGEMENT

- Decision-makers must be free of conflicts of interest and are required to abide by the QLDC Conflict of Interest Policy for staff and the guidance provided by the Controller and Auditor-General for elected members. This includes compliance with the Local Authorities (Members’ Interests) Act 1968 (LAMIA) and relevant disclosure requirements under the Local Government Act 2002.
- Reserve allocations will be subject to periodic audits to ensure compliance with principles and transparency requirements.

9. COMMUNITY BOARD ROLE AND DISCRETION

The WUCCB plays a key role as a strategic partner in ensuring that the WASR is used effectively for community benefit. Their role includes:

• **Identify and Recommend Priority Projects:**

The WUCCB may identify and recommend priority projects to be brought forward from the LTP or AP. This process includes early engagement with QLDC officers before formal LTP or AP planning begins, providing the Board with an opportunity to influence and shape potential projects at a formative stage.

• **Pathway for Raising Priorities:**

The WUCCB will have a dedicated pathway for submitting priority projects directly to QLDC officers, distinct from the community submission process. The Board will be invited to provide early input into the LTP or AP cycles through dedicated planning workshops, typically scheduled ahead of key milestones in the Council’s planning calendar. QLDC will work collaboratively with the Board to discuss feasibility, strategic alignment, and logistical considerations for proposed projects.

• Collaborate with Community Stakeholders:

The Board will collaborate with local groups and organisations to propose initiatives that align with WASR principles. This includes acting as a bridge between community needs and Council processes while leveraging the Board's local expertise.

10. EQUITY ACROSS WARDS

The governance framework ensures that funding decisions consider the broader needs of the district, promoting equity while maintaining a focus on Wānaka-Upper Clutha Ward benefits.

11. CONTROLLER AND AUDITOR-GENERAL PRINCIPLES

The WASR adheres to the six principles for managing public funds outlined by the Controller and Auditor-General:

1. **Accountability:** Ensuring all funds are managed with clear responsibilities and reporting mechanisms to uphold public trust.
2. **Openness:** Maintaining transparency in decision-making processes and making information available to the public.
3. **Value for Money:** Allocating resources efficiently and effectively to maximise benefits for the community.
4. **Lawfulness:** Complying with all legal and regulatory requirements in fund management and allocation.
5. **Fairness:** Ensuring equitable access to funding opportunities and impartiality in decisions.
6. **Integrity:** Upholding ethical standards and avoiding conflicts of interest in all activities related to the Reserve.

12. AMENDMENTS TO GUIDELINES

Changes to these guidelines require approval by the Full Council. Amendments will be developed in consultation with the WUCCB and stakeholders to ensure alignment with the Reserve's purpose and principles.

13 ADDITIONS TO THE RESERVE

Additions to the Reserve will be determined at the discretion of the full Council on a case-by-case basis. There is no automatic requirement for proceeds from future Wanaka asset sales to be allocated to the reserve. Instead, Council will assess each opportunity based on strategic priorities, financial sustainability, and community needs before deciding whether to direct funds into the Reserve.

14. COMMUNITY SUBMISSION PROCESS

Community groups in the Wānaka-Upper Clutha Ward can submit projects for consideration under the WASR through the Queenstown Lakes District Council's (QLDC) Annual Plan (AP) or Long-Term Plan (LTP) processes. The following outlines the steps to participate:

1. Understand the Process Timeline:
 - Annual Plan (AP): Submissions typically open in early March and close in early April, with hearings held in May and the final plan adopted by June.
 - Long-Term Plan (LTP): Prepared every three years, the LTP involves extensive community consultation, public hearings, and deliberations before adoption.
2. Prepare a Submission:
 - Submissions must clearly outline the project's purpose, benefits, and alignment with community wellbeing outcomes.
 - Include relevant evidence, examples, and co-funding opportunities where applicable.
3. Submission Channels:
 - Submissions can be made online through the QLDC website, by email, or via post. Specific submission details will be provided in the public consultation notice.
4. Public Notification:
 - All submissions will be summarised and publicly notified, allowing community members to view and provide additional input.
5. Hearing Process:
 - Submissions will be presented to a panel, with representatives encouraged to designate a spokesperson for their group.
6. Decision and Communication:
 - The Council will review and deliberate on all submissions. Decisions will be communicated to submitters, with opportunities for further engagement as needed.

By participating in these processes, community stakeholders can help shape local governance and funding priorities. Community stakeholders are encouraged to engage early with QLDC to discuss project feasibility, identify potential funding sources, any challenges, and ensure alignment with broader Council strategies. Early engagement can assist in streamlining the submission process and addressing requirements such as permits, consents, and funding opportunities.

15. APPENDIX A: DEFINITIONS

For purposes of this document, the following definitions apply:

- **Reserve:** A financial allocation set aside for specific purposes within the Council's budgetary framework. A reserve is not a cash holding but rather a designated accounting line item that contributes to Council's financial planning, potentially incurring interest and impacting overall debt levels.
- **Capital Projects:** Long-term investments aimed at creating, improving, or acquiring significant community assets, including but not limited to public facilities, recreational spaces, and transportation infrastructure.
- **Operating Expenditure:** Recurring costs for running and maintaining existing infrastructure or services, such as salaries, utilities, and routine maintenance, which do not result in the creation of new assets.
- **Speculative Assets:** Properties or investments acquired with the primary aim of financial gain rather than public use, including land acquisitions without a defined or strategic purpose for community benefit.
- **Debt Repayment:** Allocation of funds to repay loans incurred for community projects that enhance service levels, ensuring financial sustainability and equitable cost distribution across current and future beneficiaries.
- **Community Infrastructure:** Facilities or assets that provide social, cultural, or recreational benefits to the community and demonstrate enduring value.
- **Legacy Project:** Project that has lasting or long-term community or environment benefits achieved by funding capital projects.
- **Social and Cultural Infrastructure:** Refers to the physical spaces, services, and structures that foster community cohesion and enrich cultural life. Examples include museums, libraries, community centres, parks, theatres, and sports facilities.