

2.0 The Annual Report in Context

(HE RAUTAKI RIIPOATA)

The Local Government Act 2002 (LGA) states that the **purpose of local government** is to:

- Enable democratic local decision-making and action by, and on behalf of communities
- Promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

The LGA provides a transparent and accountable way for councils to plan for and interact with their communities. It requires all councils to prepare the following three key documents as part of an ongoing planning and reporting cycle.

Long-Term Council Community Plan (LTCCP)

The legislation requires councils to produce a 10 year Long-Term Council Community Plan (LTCCP) for the area they administer every three years. Each council's LTCCP must outline:

- What it proposes to do over the 10 year period.
- The activities that it proposes to undertake.
- The cost of undertaking these activities and how these activities will be paid for.
- The contribution of these activities to the area's community outcomes and community well-being.

The LTCCP provides an opportunity for people to participate in decision-making processes on the activities that Council plans to undertake over the next 10 years. Council develops a proposed plan for public consultation and then considers and makes decisions on all submissions received prior to finalising the LTCCP. Each LTCCP also serves as the Annual Plan for the first year of its 10-year focus.

Annual Plan

Council is also required to produce an Annual Plan in the two intervening years between each three yearly LTCCP. The purpose of the Annual Plan is to show any key changes (known as amendments or variations) to the LTCCP for these intervening years. In the same way that the public's comments help to shape the final LTCCP, Council also produces a proposed Annual Plan that is open for public consultation before it is finalised.

The Annual Plan provides the accountability base for the setting and assessing of rates for that year (rates cannot be set until the Annual Plan has been adopted). It is intended to be a companion document to be read in conjunction with the base LTCCP.

Annual Report

Council must also produce an Annual Report at the end of each June financial year. The Annual Report shows how Council's actual activities, services and performance measured up to its intended levels of service and performance that were outlined in a specific year of the LTCCP (as well as any changes for that year that were outlined in the relevant Annual Plan).

This 2008/09 Annual Report reports on Year 3 (2008/09) of Council's 2006-16 Long-Term Plan.

The planning and reporting cycle for the LTCCP, Annual Plan and Annual Report is shown in the following table.

Relationship between the LTCCP, Annual Plan and Annual Report

June Financial Year	LTCCP (10-year focus)	Annual Plan (1-year focus)	Annual Report (1-year focus)
2006/07 (Year 1)	✓		✓
2007/08 (Year 2)		✓	✓
2008/09 (Year 3)		✓	✓
2009/10 (Year 4)	✓		✓
2010/11 (Year 5)		✓	✓
2011/12 (Year 6)		✓	✓
2012/13 (Year 7)	✓		✓
2013/14 (Year 8)		✓	✓
2014/15 (Year 9)		✓	✓
2015/16 (Year 10)	✓		✓

Community Outcomes

The LGA requires local authorities to get their local communities thinking about long-term priorities for the city that people want to work towards over the next 10 years. The outcomes identified by the community indicate the community's desire for how the city should progress socially, economically, environmentally and culturally (described in the LGA as the four well-beings). Community outcomes can be thought of as the things the community thinks are important for its well-being and for Hamilton's future i.e. the community's goals. The community outcomes and the processes required to work towards them serve as decision-making inputs for Council and other organisations when undertaking their activities and when planning for the city's overall and ongoing sustainable development.

Section 4.0 outlines the community outcomes for Hamilton, the process used in their development, how they will be used, and how the city's progress towards them will be monitored.

**“democratic local decision-making
and action, by and on behalf of
communities”**