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Approved for agenda ☒
Report to: Council

Meeting date: 14 March 2017

Subject: Annual Plan 2017/2018 material - approval of consultation document

Date of report: 06 March 2017

From: Glennis Christie, General Manager Finance

Report purpose ☒ **Decision** ☐ **Recommendation** ☐ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**

Summary

Under section 95 of the Local Government Act 2002 a local authority must prepare and adopt an Annual Plan for each financial year. The Annual Plan for 2017/2018 is the third year of Council's Long Term Plan 2015/2025. Councils are required to show how the Annual Plan differs from the Long Term Plan; if the changes are significant or material, consultation is required.

While it is not anticipated that there will be material or significant changes proposed in the Annual Plan, Council and the community would want an opportunity for community engagement and feedback. For this reason a consultation document has been prepared for community consideration.

The draft consultation document has been prepared based on the source documents for Annual Plan 2017/2018 included in a separate report on this agenda.

The consultation document needs to identify differences, if any, between the proposed Annual Plan and what is described in the Long Term Plan which was adopted on 30 June 2015. Like the consultation document for the Long Term Plan, the Annual Plan document needs to be written in a concise and simple manner as possible.

This consultation document will be publicised and community feedback sought with round table meetings occurring across the district during the first two weeks from Tuesday 04 April to Thursday 13 April 2017. Prior to this period, a Hui will be held on Thursday 30 March 2017.

These meetings will be used as a platform to discuss and seek feedback from the community on, for example:

- Council's Capital Expenditure Programme;
- The level of the Uniform Annual General Charge (UAGC), at \$748, \$728 or some other level;
- Reinvesting gains and savings into:
 - Progressing outstanding work
 - Increasing organisational capability
- Preserving the level of rates for the future to ensure that our current service levels are maintained, provide for high priority future spending (such as the renewals programme and infrastructure requirements) and to reduce our debt to ensure we have the debt capacity for when it is needed; and
- Any other issues that they would like to give feedback about.

Council will also be taking the opportunity to discuss other work under development. For the 2017/2018 year this is predominantly related to the next Long Term Plan, for the 10 years from 2018 to 2028. Preliminary feedback would be welcome on such topics as:

- Mangawhai Community Wastewater Scheme;
- Mangawhai Town Plan;
- Dargaville Library + redevelopment concept;
- Current strategies, policies and plans;
- Activity service levels.

Recommendation

That Kaipara District Council:

- 1 *Receives the General Manager Finance's report 'Annual Plan 2017/2018 material - approval of consultation document' dated 06 March 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of section 79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Adopts the Consultation Document for Annual Plan 2017/2018 – year three - Long Term Plan 2015/2025 for public engagement, subject to any amendments resolved by Council and any minor amendments identified in the editing process; and*
- 4 *Notes the proposed public feedback period, the Hui and the community round table sessions as set out below:*

Public Engagement

The consultation period is proposed to run from Monday 27 March to 4.30pm Tuesday 18 April 2017, with the feedback being received in a variety of ways, including by email, online, letter or collected at community meetings.

Hui

- *Northern Wairoa War Memorial Hall (Dargaville Town Hall) Thursday 30 March 2017, noon*

Community round table meetings

- *Paparoa War Memorial Hall Tuesday 04 April 2017, 6pm*
- *Northern Wairoa War Memorial Hall (Dargaville Town Hall) Wednesday 05 April 2017, 6pm*
- *Maungaturoto Centennial Hall Thursday 06 April 2017, 6pm*
- *Mangawhai Domain Hall Friday 07 April 2017, 6pm*
- *Kaiwaka Sports Complex Wednesday 12 April 2017, 6pm*
- *Ruawai/Tokatoka War Memorial Hall Thursday 13 April 2017, 10.00am; and*
- *Kaihu War Memorial Hall Thursday 13 April 2017, 1.30pm.*

Reason for the recommendation

The Consultation Document for the Annual Plan 2017/2018 needs to be adopted by Council before being used to engage with the community on the contents. This is so that Council is compliant with the Local Government Act 2002.

Reason for the report

For Council to consider the draft consultation document that is to be adopted and be used to engage with the community on the contents in accordance with the Local Government Act 2002 (LGA). The report also outlines the proposed public feedback process and timing.

Background

The key legislation for Council's Annual Plan consultation is section 95 of the Local Government Act 2002 (**Attachment 1**). This piece of legislation sets out the context and content by which consultation occurs with the community.

There is now a focus on highlighting for the community any significant or material differences between the 2017/2018 year in the Long Term Plan 2015/2025 that was adopted in 2015 and what is currently proposed for the 2017/2018 year. These changes are to be set out in the consultation document for 2017/2018 (which is the precursor to the Annual Plan 2017/2018).

Feedback on the consultation document, once finalised, can be received in a variety of ways, including by email, online, letter or collected at community meetings. The consultation period is proposed to run from Monday 27 March to 4.30pm Tuesday 18 April 2017.

The feedback will be considered by Council in May 2017. Changes will be incorporated in the Annual Plan 2017/2018 which is due for adoption in June 2017.

Variations between proposed Annual Plan 2017/2018 budget and Long Term Plan 2015/2025

Overall, there are not expected to be material or significant changes to our proposed Annual Plan 2017/2018 compared with the year three Long Term Plan.

There are movements to internal budgets as a result of progress over the previous 24 months. Internal investment has been made in preparing for return to democracy, legacy issues will continue but have largely been dealt with and debt reduced by approximately \$11 million in the 2015/2016 year. Internal capacity has been strengthened to ensure less reliance on external consultants. Through rationalisation of the capital expenditure programme, gains have been made to ensure a prudent level of funding for assets and organisation support without needing to increase rates or debt.

Most of the key movements that impact on the draft budgets for the Annual Plan 2017/2018 year relate to changes that occurred in the 2015/2016 year. For 2017/2018 it is more business as usual with gains consolidated, continual improvements being made throughout the organisation and any savings redeployed to higher priority areas.

Overall the proposed budget for the Annual Plan 2017/2018 is projecting \$46.2 million for operational expenditure (compared with \$46.1 million for the same year of the Long Term Plan), \$18.9 million for capital expenditure (compared with \$13.8 million for the same year of the Long Term Plan) and a rates

increase of 3.65% (which is the same for the 2017/2018 year of the Long Term Plan). The rates increase of 3.65% is made up of a 1.85% increase in the general rate and an 8.65% increase in targeted rates (which in turn reflects the funding of expenditure on the network infrastructure).

Further detail is set out in the report on this agenda titled '*Annual Plan 2017/2018 - draft material - source documents*'.

The draft consultation document (**Attachment 2**) has been prepared based on the source documents for the Annual Plan 2017/2018 included in the report referred to above.

Public Engagement

Part of the consultation will occur through a series of community meetings. Prior to these meetings, a Hui will be held at Dargaville.

These are scheduled to occur at:

Hui

- Northern Wairoa War Memorial Hall (Dargaville Town Hall) Thursday 30 March 2017, noon

Community round table meetings

- Paparoa War Memorial Hall Tuesday 04 April 2017, 6pm
- Northern Wairoa War Memorial Hall (Dargaville Town Hall) Wednesday 05 April 2017, 6pm
- Maungaturoto Centennial Hall Thursday 06 April 2017, 6pm
- Mangawhai Domain Hall Friday 07 April 2017, 6pm
- Kaiwaka Sports Complex Wednesday 12 April 2017, 6pm
- Ruawai/Tokatoka War Memorial Hall Thursday 13 April 2017, 10.00am; and
- Kaihu War Memorial Hall Thursday 13 April 2017, 1.30pm.

These meetings will be used as a platform to discuss and seek feedback from the community on, for example:

- Council's Capital Expenditure Programme;
- The level of the Uniform Annual General Charge (UAGC), at \$748 or \$728 or some other level;
- Reinvesting gains and savings into:
 - Progressing outstanding work
 - Increasing organisational capability
- Preserving the level of rates for the future to ensure that our current service levels are maintained, provide for high priority future spending (such as the renewals programme and infrastructure requirements) and to reduce our debt to ensure we have the debt capacity for when it is needed; and
- Any other issues that they would like to give feedback about.

Council will also be taking the opportunity to discuss other work under development. For the 2017/2018 year this is predominantly related to the next Long Term Plan, for the 10 years from 2018 to 2028.

Preliminary feedback would be welcome on such topics as:

- Mangawhai Community Wastewater Scheme;
- Mangawhai Town Plan;
- Dargaville Library + redevelopment concept;
- Current strategies, policies and plans;
- Activity service levels.

Factors to consider

Community views

Community feedback will be sought through the Annual Plan Consultation Document and reviewed prior to adoption of Annual Plan by Council.

Policy implications

Policy is set out in the underlying Long Term Plan 2015/2025. The draft consultation document is consistent with those policies. The next substantive review will be as part of the Long Term Plan 2018/2028 process.

Financial implications

The consultation document includes all the levels of service and their costs, together with the source of funds to pay for these services. They will be used, once finalised and inclusive of any amendments from feedback from the communities of Kaipara, to set the rates for the 2017/2018 financial year.

Legal/delegation implications

The preparation and adoption of consultation document is required under the Local Government Act 2002.

Options

The following options are:

Option A: Adopt the consultation document – Moving On Consultation Document for Annual Plan 2017/2018 year three – Long Term Plan 2015/2025.

Option B: Not adopt the consultation document and seek amendments to the document.

Assessment of options

Adopting the consultation document would mean that staff can proceed with the community engagement and round table meetings scheduled from late March to mid-April. Council could choose to change options and request amendments to the document accordingly or adopt the document as presented.

Not adopting the consultation document could place Council in breach of the Local Government Act 2002 and its statutory requirement to consult with the public for the next financial year.

Assessment of significance

A review of the preliminary consultation document does not constitute a significant decision in terms of Council's Significance and Engagement Policy.

Recommended option

The recommended option is **Option A**.

Attachments

1. Section 95 Local Government Act 2002
2. Moving On – Consultation document for Annual Plan 2017/2018 year three – Long Term Plan 2015/2025 – **distributed under separate cover**