

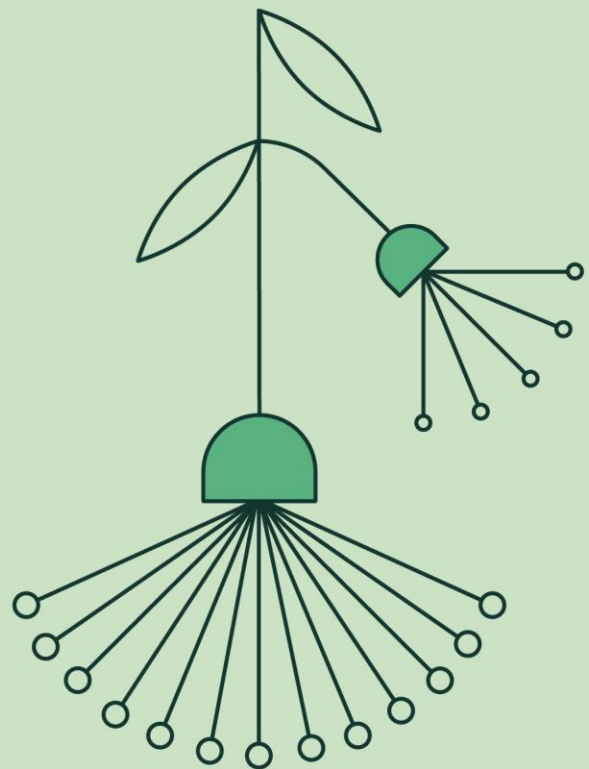
Mā tō tātou takiwā
For our District

Annual Plan and Long Term Plan Committee

Komiti Kaupapa Tiro Whakamua

APLTP23-1

Thursday, 23 February 2023, 1.30pm
Council Chambers, Barkes Corner,
1484 Cameron Road, Tauranga



Annual Plan and Long Term Plan Committee

Membership:

Chairperson	Deputy Mayor John Scrimgeour
Deputy Chairperson	Cr Rodney Joyce
Members	Cr Tracey Coxhead Cr Richard Crawford Cr Grant Dally Mayor James Denyer Cr Murray Grainger Cr Anne Henry Cr Margaret Murray-Benge Cr Allan Sole Cr Don Thwaites Cr Andy Wichers
Quorum	Six (6)
Frequency	As required

Role:

To manage the process of development of the Annual Plan, Long Term Plan and amendments, including the determination of the nature and extent of community engagement approaches to be deployed.

Scope:

To undertake on behalf of Council all processes and actions precedent to the final adoption of the Annual Plan, Long Term Plan and any amendments including, but not limited to:

the development of consultation documents and supporting information, community engagement approaches and associated special consultative processes (if required), and

the review of policies and strategies required to be adopted and consulted on under the Local Government Act 2002 including the financial strategy, treasury management strategies and the infrastructure strategy.

In relation to the Annual Plan and Long Term Plan, listen to and receive the presentation of views by people and engage in spoken interaction in relation to any matters Council undertakes to consult under the Local Government Act 2002.

Receive audit reports in relation to the Long Term Plan and any amendments (prior to adopting a Consultation Document).

Power to act:

To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed, including the adoption for the purposes of consultation under the Local Government Act 2002 of the Consultation Document and Supporting Information.

Receive audit reports in relation to the Long Term Plan and any amendments (prior to adopting a Consultation Document).

Power to recommend:

To Council and/or any Committee as it deems appropriate.

Power to sub-delegate:

The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that a Annual Plan and Long Term Plan Committee Meeting will be held in the Council Chambers, Barks Corner, 1484 Cameron Road, Tauranga on:
Thursday, 23 February 2023 at 1.30pm

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1 PRESENT**2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

6 PUBLIC EXCLUDED ITEMS**7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

8 PRESENTATIONS

8.1 QUOTABLE VALUE REVALUATION PRESENTATION

File Number: A5100388

Author: Brenda Cottle, Team Leader Revenue

Authoriser: Azooria Ali, Chief Financial Officer

EXECUTIVE SUMMARY

Tim Gibson, Nation Revaluation Manager at Quotable Value Limited, will present an overview informing Council of the processes, rules, and possible outcomes of the revaluation currently underway in our district.

RECOMMENDATION

That the Team Leader Revenue's report dated 23 February 2023 titled 'Quotable Value Revaluation Presentation' be received.

BACKGROUND AND INFORMATION.

1. Section 9 of the Rating Valuations Act 1998 requires Councils to revise valuation rolls at intervals of not more than 3 years by revaluing every rating unit within its district. This is to ensure that the roll represents values current as at the date of revaluation.
2. Quotable Value Limited is Western Bay of Plenty District Council's contracted valuation provider.
3. This process is governed and audited by The Office of The Valuer General and carried out by Quotable Value Limited.
4. The new Valuations are expected to be implemented into Council systems early April, with Valuation notices being sent out to ratepayers mid April. These dates are subject to any change as directed by the Office of the Valuer General.
5. Ratepayers have a period of 20 working days to lodge an objection to the new valuations.
6. New Values will be dated 1 September 2022 and used for rating purposes from 1 July 2023.

9 REPORTS

9.1 ANNUAL PLAN 2023/24 ISSUES AND OPTIONS

File Number: A5051728

Author: Rebecca Gallagher, Senior Policy Analyst

Authoriser: Rachael Davie, General Manager Strategy and Community

EXECUTIVE SUMMARY

1. This report seeks the Committee's direction on the options provided in the attached Issues and Options Papers and the proposed capital programme, to inform the Consultation Document for the draft Annual Plan 2023/24.

RECOMMENDATION

1. That the Senior Policy Analyst's report dated February 2023 titled 'Annual Plan 2023/24 Issues and Options' be received.
2. That the report relates to an issue that is considered to be of **medium** significance in terms of Council's Significance and Engagement Policy.
3. That the Committee resolves the following decisions as discussed in **Attachment A** to inform the Consultation Document for the draft Annual Plan 2023/24:
 - a. Dave Hume Pool – Liner and Bulkhead
 - i. [option 1 or 2]
 - b. Dave Hume Pool – Roof Project Funding
 - i. [option 1 or 2]
 - c. Te Puke-Maketu Reserve Management Plan Implementation Projects
 - i. [option 1 or 2]
 - d. Arawa Road Recreation Opportunities
 - i. [option 1 or 2]
 - e. Wilson Park, Waihī Beach
 - i. [option 1 or 2]
 - f. Te Puna Community Centre
 - i. [option 1 or 2]
 - g. Te Puna Library Service
 - i. [option 1 or 2]
 - h. Waihī Beach Library and Community Hub

- i. [option 1 or 2 or 3]
 - i. Water Source, Treatment and Network Wide Improvements for Drinking Water Compliance
 - i. [option 1 or 2]
 - j. Athenree and Wharawhara Water Treatment Plant Fluoridation Funding
 - i. [option 1 or 2]
 - k. Te Puke Wastewater Treatment Plant Upgrade
 - i. [option 1 or 2]
 - l. Structure Plan Review 2023–2024
 - i. [option 1]
 - m. Use of the General Rate Reserve to fund projects
 - i. [option 1, 2, 3 or 4]
4. That the capital and operational programme, as per **Attachment B**, is approved to inform the development of the Annual Plan 2023/24 supporting information.
 5. That the Committee notes that the existing community planning funding of \$30,000 per annum be used to progress a community planning exercise in Te Puke to determine community outcomes to guide the spatial plan and that the Te Puke Community Board will be engaged in this process.
 6. That the Committee direct staff to prepare a Consultation Document and supporting information for the Annual Plan 2023/24 that reflects the matters and issues raised in this meeting.

BACKGROUND

2. The Annual Plan is Council's updated plan for the coming financial year, setting out the work scheduled to be undertaken over the next financial year (1 July 2023 – 30 June 2024).
3. Preparation and consultation on the Annual Plan must meet the requirements of the Local Government Act 2002, in particular sections 95 and 95A.
4. The draft Annual Plan 2022/23 rates increase is currently calculated to be **7.41%**, higher than the 3.90% signalled for 2023/24 in the Long Term Plan 2021–31.
5. There are a number of matters which require direction for the draft Annual Plan 2023/24. These are outlined in Issues and Options Papers in **Attachment A**.

FINANCIAL UPDATE

6. The Long Term Plan assumptions were approved in 2021. The current situation is different to what was anticipated through the 2021 Long Term Plan assumptions. Most notable is the changed economic environment, inflation rates and interest rates. The changes in this space have significant impacts on Council's budgets.
7. BERL (Business and Economic Research Ltd) provides research for the Local government sector as a whole on the inflation and cost changes faced specifically by Local Government. This reflects the services and goods Council specifically buys (as opposed to the Consumer Price Index (CPI) basket of goods).
8. The recently released BERL Local Government Cost Index (LGCI) inflation rates are greater than initially expected in the Long Term Plan and last year's Annual Plan. The already observed price inflation for Local Government, particularly in contractor costs, is expected to remain for the medium to long-term.
9. Council applies differing inflation rates for each of Planning & Regulation, Roading, Community and Water & Environment. For the four activities, this has seen an increase from 11.7% (BERL 2020 assumption) to 18.2% (BERL 2022 assumption).
10. The average increase in inflation for the Long Term Plan for the 2023/24 year was 2.8%, this is considerably lower than actual inflation currently.
11. Interest rates for Council are higher than planned for through the Long Term Plan. They are now expected to be an average of 5%. The interest rate assumption for the Long Term Plan was 3.8%. In last year's Annual Plan 2022/23 the interest rate was expected to be 4.25%.

DRAFT FINANCIALS

12. Given these pressures the draft financials are materially different to those budgeted for in year three of the Long Term Plan 2021-31.
 - (a) Capital expenditure projects: net increase of \$35m from year 3 of the LTP. Total capital expenditure programme of \$119m.
 - (b) Rates: The draft budget proposes a 7.41% average rates increase (excl. growth). This includes the use of the General Rate Reserve as per recommended option 1 set out in the Issue and Options paper.
13. Draft budgets have been prepared based on the current recommended options in the Issues and Options papers. Changes to the proposed options may impact the final draft budget.
14. A rates increase above 4% is material and breaches the Council's Financial Strategy. Goal Two of the Financial Strategy was "We will continue to manage rates", with the key action:

Limit the average rates increase across the district to 4% per annum for years 2022/2023 onwards. This includes inflation and excludes growth.

15. The current environment makes attaining the 4% limit highly unlikely. To reach a 4% limit it would likely have level of service implications or would only temporarily reduce the cost increases leading to a greater increase the following year. A change in levels of service could trigger a Long Term Plan amendment.

SIGNIFICANCE AND ENGAGEMENT

16. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
17. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
18. In terms of the Significance and Engagement Policy this decision is considered to be of **medium** significance because the decision is due to the legislative requirement to consult on an Annual Plan when there are significant or material differences from the Long Term Plan.
19. Following Committee decisions in this meeting, a subsequent report will be presented to the Committee to adopt a Consultation Document to consult on the decisions contained in this report.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

20. When determining whether consultation is required for an Annual Plan, the Local Government Act 2002 requires an assessment of whether there are any significant or material changes from the Long Term Plan. These terms are defined in legislation. A significant or material change may be a one off or a result of multiple changes which have the cumulative impact of being material or significant.
21. The proposed rates increase and some of the recommended options outlined in the Issues and Options papers would be considered material or significant. This would trigger the need for consultation.
22. Consultation is scalable and can be adjusted to the topic, appropriate audience or degree of significance.
23. The Consultation Document together with the supporting information will be brought to the March 2023 Committee meeting.
24. Concurrent consultation will be undertaken on the Draft Fees and Charges Schedule for 2023/24.

ISSUES AND OPTIONS ASSESSMENT

25. **Attachment A** consolidates the 13 Issues and Options papers that need to be considered to develop the draft Annual Plan. These contain individual advantages and disadvantage assessments. A decision on the following Issues and Options Paper is required:

- (a) Dave Hume Pool – Liner and Bulkhead
- (b) Dave Hume Pool – Roof Project Funding
- (c) Te Puke-Maketu Reserve Management Plan Implementation Projects
- (d) Arawa Road Recreation Opportunities
- (e) Wilson Park, Waihī Beach
- (f) Te Puna Community Centre
- (g) Te Puna Library Service
- (h) Waihī Beach Library and Community Hub
- (i) Water Source, Treatment and Network Wide Improvements for Drinking Water Compliance
- (j) Athenree and Wharawhara Water Treatment Plant Fluoridation Funding
- (k) Structure Plan Review 2023-2024
- (l) Te Puke Wastewater Treatment Plant Upgrade
- (m) Use of the General Rate Reserve.

CAPITAL PROGRAMME

26. **Attachment B** sets out the capital and operational programme list for 2023/24.
27. The programme is broken down by activity area and the funding sources outlined in the document.
28. A Consultation Document together with supporting information (which includes the Capital and Operational programme) will be brought back to this Committee for adoption for consultation in March 2023.

ASSESSMENT OF OPTIONS

Option A

THAT the Committee provides decisions on the Issues and Options Papers and capital programme list to inform the Consultation Document for the draft Annual Plan 2023/24

<p>Assessment of advantages and disadvantages including impact on each of the four well-beings</p> <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p>The decisions on the Issues and Options papers will be included in the Consultation Document, which will be brought back to this Committee in March to adopt for public consultation.</p> <p>Allows Council to meet its legislative requirements.</p> <p>Public feedback on the material and significant decisions will be sought.</p>
<p>Costs (including present and future costs, direct, indirect and contingent costs).</p>	<p>Costs are currently outlined in the Issues and Options papers.</p>
<p>Option B THAT the Committee does not provides decisions on the Issues and Options Papers and capital programme list, but direct staff to provide further information.</p>	
<p>Assessment of advantages and disadvantages including impact on each of the four well-beings</p> <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p>The Committee may require further information to come to a decision.</p> <p>Should significant changes or rework be required, this may put at risk Council's ability to meet its legislative requirements and gain effective community input into the decision making process.</p>
<p>Costs (including present and future costs, direct, indirect and contingent costs).</p>	<p>Should significant changes or rework be required, then significant staff time will be involved and with further Committee meetings required.</p>

TE PUKE COMMUNITY PLAN

29. The Te Puke Community Board wish to see a community plan developed in parallel with the Council led Te Puke spatial plan. The Te Puke Community Board passed a resolution seeking \$50,000 through the Annual Plan 2023/24 to develop this community plan.
30. The current budget for community planning is \$30,000 per annum, and this budget can be used to progress a community planning exercise in Te Puke to determine community outcomes to guide the spatial plan and that the Te Puke Community Board will be engaged in this process.
31. A decision is recommended to direct the existing community planning funding of \$30,000 per annum towards this community planning in Te Puke.

STATUTORY COMPLIANCE




32. The recommendations of this report meet the requirements of:

- (a) the Local Government Act 2002

FUNDING/BUDGET IMPLICATIONS

Budget Funding Information	Relevant Detail
Annual Plan development costs	All costs associated with the production and consultation on the Annual Plan Consultation Document are included in current budgets.

ATTACHMENTS

1. **Consolidated Issues and Options Papers**  
2. **Annual Plan 2023-24 Project List**  

10 INFORMATION FOR RECEIPT