

**Mayor and Councillors  
COUNCIL**

5 APRIL 2012

Meeting Status: **Public**

Purpose of Report: For Decision

**DRAFT 2012-32 LONG TERM PLAN**

**PURPOSE OF REPORT**

- 1 The purpose of this report is to consider and formally resolve to adopt the Statement of Proposal for the Draft 2012-32 Long Term Plan for public consultation between 16 April and 17 May 2012.

**SIGNIFICANCE OF DECISION**

- 2 This report does not trigger Council's Significance Policy.

**BACKGROUND**

- 3 The Local Government Act 2002 requires Council to adopt the 2012-32 Long Term Plan by 30 June 2012.
- 4 Elected Members have reviewed and discussed the content of the provisional draft of the Long Term Plan through a series of briefings and workshops held between September 2011 and March 2012. The workshops were open to the public and attended by officials from Kāpiti Coast Grey Power and the Kapiti Coast Older Persons Council.

**CONSIDERATIONS**

Issues

- 5 During the workshop process to develop the Draft Long Term Plan a number of issues were raised and discussed by Elected Members. All amendments and suggestions provided during those workshops have been incorporated and/or subsequent changes made to the content of the Draft 2012-32 Long Term Plan.
- 6 The development of a Long Term Plan requires Council to publicly record its balanced budget considerations. Section 100, subsection 2 of the Local Government Act 2002 sets out the matters that need to be considered by the Council when it resolves that it is financially prudent not to fully fund operating expenses from operating revenue for any given period. These issues include:
  - the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and

- the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
  - the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
  - the funding and financial policies adopted under section 102.
- 7 The reasons for the non funding of depreciation on some new assets for the first eight years followed by the repayment of that non funding of depreciation from years 9 to 20 are set out in the Council's Financial Strategy in Part One of the Draft 2012-32 Long Term Plan. The primary reason is to ensure that generations (including future generations) that benefit from major capital infrastructural investments pay their fair share of the costs.
- 8 The Draft Long Term Plan delivers a sustainable programme over the 20 year period with capital investment of \$679 million resulting in an average districtwide rates increase of 4.9% over the 20 years.
- 9 Over that time, debt increases from \$100 million to peak at \$196 million and with an aggressive debt repayment programme reduces to \$77 million by year 20. The debt management strategy which involves additional debt repayment over and above the standard debt repayment programme, over a maximum of 30 years, ensures that debt is prudently managed and that future communities can make real investment choices without being constrained by past investment decisions.
- 10 The Draft Long Term Plan is attached separately as Appendices 1, 2 and 3 to this Agenda. The Council now needs to consider the attached documents with a view to adopting the Draft Long Term Plan for release for public consultation.

### Financial Considerations

- 11 The financial considerations have been previously discussed in open workshops and meetings. The financial implications of the proposed programme are fully documented in the Draft 2012-32 Long Term Plan.
- 12 The proposed fees and charges as detailed in Part Three of the Draft Long Term Plan are also subject to public consultation. The proposed Resource Consent fees are set under Section 36 of the Resource Management Act 1991 and are subject to a special consultative procedure. The Resource Consent fee setting process will use the Long Term Plan consultation process to avoid duplication.

### Legal Considerations

- 13 The process for developing the Draft Long Term Plan meets the statutory requirements of the Local Government Act 2002. In addition, at the time of writing all three Parts of the Draft Plan were in the final stages of being audited by Ernst and Young and the Office of the Auditor-General. A verbal update on that audit process will be provided to Council at the 5 April 2012 meeting.

## Delegation

- 14 Only the Council may approve the Draft Long Term Plan.

## Consultation

- 15 The consultation programme proposed for the Draft Long Term Plan is in accordance with the requirements of the Local Government Act 2002. The Plan will be delivered to key agencies that have traditionally received Council's draft corporate planning documents and will also be available from Council on request and via the website.
- 16 In addition, a summary document of the Draft Long Term Plan (as required by the Local Government Act 2002) will be published in a local newspaper in the week beginning Monday 16 April 2012.
- 17 The consultation period will officially commence on 16 April 2012 and the deadline for receiving submissions will be 17 May 2012. The Council will
- hear submissions in the week beginning Monday 28 May 2012;
  - consider submissions on 7 June 2012; and
  - adopt the Draft 2012-32 Long Term Plan, Levy the Rates and adopt the Resource Consent fees (effective from 1 July 2012) on 28 June 2012.

## Policy Implications

- 18 The Draft 2012-32 Long Term Plan will set the policy programme for the next twenty years.

## Tāngata Whenua Considerations

- 19 Implicit in the delivery of the proposed 2012-32 work programme is the need to work with all three Iwi. Te Whakaminenga o Kāpiti contributed their thoughts (both in Maori and English) on the general future of the Kāpiti Coast for the 2012-32 Draft Long Term Plan – pages 8 - 12 of Part One refer. They will be invited to make a submission to this process.

## Publicity Considerations

- 20 A public notice will appear in the local media on or before Monday April 16, 2012 providing details of public consultation on the Draft Long Term Plan and distribution of the Summary of the Plan and full Draft Plan.
- 21 Elected Members will be available to explain details of the Draft 2012-32 Long Term Plan between 4pm and 6pm before each of the Community Board meetings on April 18 (Waikanae Community Board); April 24 (Paekakariki Community Board); May 1 (Paraparaumu-Raumati Community Board); and May 8 (Otaki Community Board).

## Other Considerations

- 22 In addition to Community Board involvement in the workshop process to develop the Draft 2012-32 Long Term Plan, the Local Government Act 2002

requires that Community Boards give formal consideration as to whether they wish to make a submission. An opportunity to do so will be provided for each Community Board.

- 23 The Charging Regime Advisory Group (CRAG) has submitted its report for Council and this report is included for consideration on this same agenda. Public consultation on the CRAG recommendations will take place in parallel with consultation on the Draft Long Term Plan.

## RECOMMENDATIONS

- 24 That having regard to the matters set out in Section 100 Subsection 2 of the Local Government Act 2002 the Council resolves that it is financially prudent to not fund all of its operating expenses from operating revenue (through not fully funding depreciation) for a period of eight years and repaying the non funding of depreciation within the 20 year period of the Draft 2012-32 Long Term Plan for the reasons set out in Council's Financial Strategy in Part One of the Plan and also covered within this report (SP-12-501).
- 25 That the Council approves as the Statement of Proposal: - the Draft 2012-32 Long Term Plan document developed by the Kāpiti Coast District Council for public consultation and comment in accordance with section 83 of the Local Government Act 2002, being the Special Consultative Procedure noting that:
- 25.1 the document will be released for public consultation and comment in accordance with section 83 of the Local Government Act 2002, being the Special Consultative Procedure from 16 April to 17 March 2012;
- 25.2 the Council will hear submissions in the week beginning 28 May 2012;
- 25.3 the Council will consider submissions on 7 June 2012; and
- 25.4 the Council will adopt the 2012-32 Long Term Plan, Levy the Rates and adopt the Resource Consent fees (effective from 1 July 2012) on 28 June 2012.

### Report prepared by:

---

**Sharon Foss**  
**Manager, Corporate**  
**Planning and Reporting**

---

**Matt McGlinchey**  
**Management Accountant**

### Report approved by:

---

**Gael Ferguson**  
**Group Manager**  
**Strategy and Partnerships**

---

**Warwick Read**  
**Group Manager**  
**Finance**

**AGENDA ATTACHMENTS TO REPORT SP-11-129**

- Appendix 1 Draft 2012-32 Long Term Plan - Part One
- Appendix 2 Draft 2012-32 Long Term Plan - Part Two
- Appendix 3 Draft 2012-32 Long Term Plan - Part Three