

Mayor and Councillors
COUNCIL

7 JUNE 2012

Meeting Status: **Public**

Purpose of Report: For Information

LONG TERM PLAN - OVERVIEW OF PROCESS TO CONSIDER SUBMISSIONS

PURPOSE OF REPORT

- 1 To outline to Council the process for considering the submissions received to the draft 2012-32 Long Term Plan and how it fits as part of the Council decision making process in determining the final 2012-32 Long Term Plan.

SIGNIFICANCE OF DECISION

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

BACKGROUND

- 3 The draft 2012-32 Long Term Plan was adopted on 5 April 2012 and publicly notified as being available for submissions on 16 April 2012. The submissions closed on 17 May 2012.
- 4 A total of 2,423 submissions have been received, 860 on the Draft Long Term Plan and 1,563 on the issue of water meters.
- 5 Council met on 29, 30 and 31 May 2012, to hear submitters who wished to speak to their submission.
- 6 A copy of each submission has been circulated to the Mayor, Councillors and Community Board Chairs. Each item raised by a submitter has been summarised, given an ID number, and then categorised within the database against each Activity in the Draft Long Term Plan.

CONSIDERATIONS

Issues

Responses

- 7 The 2,423 submissions on the Draft Long Term Plan were made in various formats. This was the first time the Council used the "*What Do you Think Form*" designed to obtain feedback from submitters on satisfaction with each proposed Activity and a number of "hot-topics". A total of 564 submitters used the form.
- 8 Some submitters used the Submission Form (or their own version) and also completed the "*What Do you Think Form*". Others elected to submit only one of these two items back to Council. A summary of the submitter satisfaction rates,

as measured by the returns on the “*What Do you Think Form*”, has been prepared elsewhere on the agenda. The results indicate that, in the main, submitters are generally happy with the levels of service being achieved. More detailed analysis of those submitters who were not satisfied will be undertaken to inform future monitoring and/or planning.

- 9 Sixty-nine of the 2,423 submissions received were classified as invalid as they did not provide any information on what was sought.

Key Matters Raised

- 10 The following table shows the total number of items raised by submitters broken down by Activity. The Water Management Activity has generated the most responses with the Supporting Social Wellbeing Activity being the next Activity most commented on.

Total Number of Individual Items Entered by Activity			
Activity	Received via the Draft LTP	Received via the Water Meter Process	TOTAL
Access and Transport	247		
Building Control and Resource Consent	8		
Coastal Management	138		
Community Facilities	205		
Development Management	152		
Economic Development	351		
Environmental Protection	146		
Governance and Tāngata Whenua	667		
Libraries, Arts and Museums	510		
Parks and Open Space	91		
Solid Waste	126		
Stormwater Management	122		
Supporting Environmental Sustainability	166		
Supporting Social Wellbeing	883		
Wastewater Management	2		
Water Management	330	1,997	2,373
Regional Amenities Fund	113		

- 11 The following table lists by Activity the key matters or themes submitted on. Additional commentary on these is provided in the appropriate separate reports on this agenda.

Activity	Themes
Community Facilities	Te Horo Hall
Libraries, Arts and Museums	Mahara Gallery
Governance and Tāngata Whenua	Rural Village differential
	Regional Amenity Fund
	Māori Representation
Economic Development	Draft Economic Strategy
	Clean Technology Park (see separate report)
Supporting Social Wellbeing	Youth Centre (see separate report)
Water Management	Water Meters (see separate report)

Affordability

- 12 The theme of affordability has emerged through the submissions, as it has in previous LTP reviews. Submitters have commented on pressures on household expenditure and in particular in low income and/or older households; the proportion of household expenditure that is expended on rates against what has been happening in terms of disposable income, along with comment on what the implications are for households. Comments regarding Council budget management touch on the affordability of the capital expenditure programme (particularly the Civic Administration Building and the Coastlands Aquatic Centre) in comparison to individual household budget management requirements; as well as on operational budgets.
- 13 Councillors were provided with a report detailing the results of an Affordability Impacts Review as a tool to use when making decisions on the content of the draft Long Term Plan. That report set out to assess the affordability impacts of potential rates increase of Council's Long Term Plan funding programme on Kāpiti Coast households that are experiencing significant levels of hardship and disadvantage. It identified the District's most deprived communities and vulnerable populations, before taking an in-depth look at potential rates impacts by applying a methodology aimed to examine affordability impacts on vulnerable populations over the next five years.
- 14 Kāpiti Coast District Council is the only Council to report on rates impacts on vulnerable households. It has done so since 2006. A copy of the Affordability Report is available from Council Service Centres and can also be viewed on the Documents page of the Council website www.kapiticoast.govt.nz under the heading Reports and Surveys. Kapiti Grey Power has raised some points about the methodology. These are addressed in the report on "Other LTP Submissions".

Managing Debt

- 15 The management of debt and Council's projected debt levels over the 20 year period were commented on by a number of submitters. There was some support for Council's approach to the management and level of debt. Concern was expressed by a number of submitters that Council's level of projected debt, given the current economic conditions both locally and globally, was not sustainable over the longer term.
- 16 Council has set strict financial parameters as part of its Financial Strategy to ensure it manages its debt within those limits over the 20 year period. As well as maintaining a debt repayment programme over the period of the loans (maximum period 30 years) Council has included an additional aggressive debt repayment from 2016/17 (Year 5) whereby an additional \$208million of debt is paid over the 20 year period.
- 17 By 2030/31 (Year 20) the projected level of debt is \$77million which is lower than the \$100million of debt at the start of the 20 year period. As well as the level of debt, some submitters are concerned about the higher level of interest rates that may prevail in the future.
- 18 Through its interest rate risk management strategy, Council endeavours to provide a level of certainty over interest as far out into the future as possible. Interest rate swaps are used to protect Council's interest rates for periods of up to 10 years ahead, to provide that certainty in interest costs.
- 19 In considering submissions that have financial implications Council needs to have regard to the impacts any approval may have on Council's debt levels.

Managing Rates

- 20 Although there were a number of submissions concerned about the projected level of rates and future rate increases, there were some submissions that supported Council's management of rates. Some ratepayers concerned about rating levels believed that rates increases should be no more than CPI or in some cases no more than 1% above CPI. Others suggested rates increases should be reduced to a level commensurate with the increases in levels of fixed incomes. There was also concern about the accumulative effect of the rate increases over the longer term.
- 21 Council in its Financial Strategy has set limits in the average districtwide rates increases for each five year period of the Long Term Plan. For each of the first three years it has set a limit of 6.5% for average districtwide rates increases. The average districtwide rates increase over the 20 years of the Long Term Plan is 4.9%. Council has given a clear signal to the community that it will not exceed the rate increase limits as set out in its Financial Strategy. Again, consideration of any proposals or requests for financial assistance needs to keep these rating parameters in mind.

Process

- 22 The presentation of the submissions for Council consideration has been structured as follows

2012 LTP Report Series to Council			
Meeting Date		Report Subject	Purpose of Report
7 June 2012	1	Long Term Plan – Overview of Process (<i>Note: this Report</i>)	Information Report to outline <ul style="list-style-type: none"> - the process of presenting the submissions to Council for consideration; and - introduce the key themes emerging from the consultation.
	2	Chief Executive’s Report	Decision Report: <ul style="list-style-type: none"> - provide additional information available to staff since the draft plan was adopted - consideration of changes sought to the LTP.
	3	Water Issues	Information Report identifying key matters from consultation.
			Decision Report commenting on key matters raised by submitters.
	4	Economic Development – Clean Technology Centre	Decision Report commenting on response to submissions on the proposed Clean Technology Park.
	5	Youth Centre	Decision Report commenting on key matters raised by submitters.
6	Other LTP Submissions	Decision Report commenting on: <ul style="list-style-type: none"> - other matters raised by submitters; - the cost implications of any funding requests. 	
28 June 2012	1	Adoption of Final Long Term Plan	Decision Report to adopt final 2012-32 Long Term Plan and Strike the Rates

Financial Considerations

23 There are no financial considerations with this particular report on process.

Legal Considerations

24 The Draft Long Term Plan meets the requirements of the Local Government Act 2002. Liaison occurred with Council Auditors, Ernst & Young to ensure compliance with the Local Government Act 2002.

Delegation

25 The Council has authority to make this decision.

Consultation

26 Consultation associated with adopting the draft Long Term Plan was undertaken via a special consultative procedure in accordance with the requirements of the Local Government Act 2002.

Policy Implications

27 There may be policy implications arising from the decisions made in relation to the submissions.

Tāngata Whenua Considerations

28 There are no tāngata whenua considerations with this particular report.

Publicity Considerations

29 The outcomes of the Council's deliberations will be communicated to submitters and the wider community, and published as the 2012-32 Long Term Plan.

RECOMMENDATIONS

30 That the Council notes as outlined in Report SP-12-567 the process for considering the submissions received to the draft 2012-32 Long Term Plan and how it fits as part of the Council decision making process in determining the final 2012-32 Long Term Plan.

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