

Chairperson and Committee Members
STRATEGY AND POLICY

20 JUNE 2019

Meeting Status: **Public**

Purpose of Report: For Information

**THE RE-INSERTION OF THE FOUR WELL-BEINGS BACK INTO
THE LOCAL GOVERNMENT ACT**

PURPOSE OF REPORT

- 1 The purpose of this report is to update the Strategy and Policy Committee (the Committee) on the passing of the Local Government (Community Well-being) Amendment Bill which re-introduces social, economic, environmental and cultural well-being into the Local Government Act (the Act).

DELEGATION

- 2 The Committee has the authority to consider this report.

BACKGROUND

- 3 The local government purpose of promoting community well-being was first realised in 2002, with the introduction of the social, economic, environmental, and cultural well-being of communities.
- 4 In 2012 the National Government amended the Act to provide for “local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and business”.
- 5 The Coalition Government has just passed Local Government (Community Well-being) Amendment Bill to reinstate the four well-beings into the Act, hence reversing the previous National-led Government changes in 2012.
- 6 The purpose of the Act is again to provide for “Local Authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.”

ISSUES AND OPTIONS

Issues

- 7 Since 2012, councils have largely continued to deliver their vision across the four well-beings as this has reflected the community’s view. This is true of our Council. The vision, long term goals and 10-year outcomes of Toitu Kāpiti, our 2018-38 long term plan, speak to all four well beings and we have continued to deliver a range of services and facilities that do the same.
- 8 The amendment bill provides official restoration of the four well-beings to local government.

- 9 The main impact of the amendment bill is that it provides elected members with a broader mandate to implement community activities by removing uncertainty as to whether or not certain activities fit within their purpose. This recognises that the economic focus of the 2012 amendments wasn't sufficiently broad to enable councils to meet a range of community needs.
- 10 The changes to the Act, signalled early by the current government and endorsed by the recent well-being budget ensure that decisions take into account the aspect of well-being. The financial management obligations have also been amended to require the overall impact of any funding demands on the community to take into account the future social, economic, environmental and culture well-being of the community.
- 11 That being said, all councils will still be subject to the statutory requirements of the long term plan and annual plan, and the requirement for an external audit.
- 12 The amendment bill removes the restrictive provisions placed on development contributions for community infrastructure by giving councils back the ability to collect development contributions in order to fund increased demand for community facilities, such as libraries, sports grounds and swimming pools resulting from developments.
- 13 Implementing any such changes will need to follow the requisite change processes, including consultation. The previous change resulted in approximately \$16 million being removed from development contributions. At this time, staff have not assessed whether or what community infrastructure costs should be reinstated as development contributions. Resultant changes will be determined and included in the 2020/21 Annual Plan onwards.
- 14 There is also assistance for councils by allowing NZTA funding to be brought forward without impacting the related take from development contributions.
- 15 Overall, the legislative changes will not have any immediate impact on the Council's work programme, budgets or policies. However, the current government has signalled in various speeches and communications that future changes are possible, for example: in the social wellbeing space. Officers and the entire local government sector will be monitoring this.

CONSIDERATIONS

Policy considerations

- 16 We have not undertaken a detailed review of the degree to which the four well beings are achieved through our current Long Term Plan. This is not currently allowed for in our policy work programme and we would need to reprioritise effort to deliver it.
- 17 Councils will however be required to amend their decision-making templates to include the well-beings. This work is currently underway.
- 18 SOLGM and private providers have begun to offer tools to measure well-being and we will be considering how to effectively make use of them to understand well-being in our District.

Legal considerations

- 19 There are no legal considerations.

Financial considerations

- 20 At this stage there are no immediate financial considerations arising from this report but, as noted, Officers will be reviewing development contribution forecasts.

Tāngata whenua considerations

- 21 We have not engaged with tāngata whenua in drafting this paper. We would work with iwi in any further exploration of the implications of the re-introduction of the four-well beings for our council.

Strategic considerations

- 22 While the passing of the bill has removed some uncertainties, it has not impacted the overall Council vision.

SIGNIFICANCE AND ENGAGEMENT

Significance policy

- 23 This matter has a low level of significance under Council's Significance and Engagement Policy.

Consultation already undertaken

- 24 No external consultation has taken place.

Engagement planning

- 25 An engagement plan is not required.

Publicity

- 26 This matter has been widely covered in the national media and further communication is not considered necessary at this time.

RECOMMENDATIONS

- 27 That the Strategy and Policy Committee notes the re-insertion of the four well-beings back into the Local Government Act as attached at Appendix 1 of this report (PP-19-835).

Report prepared by **Approved for submission** **Approved for submission**

Ian Clements
Corporate Advisor

Mark de Haast
Group Manager
Corporate Services

Janice McDougall
Group Manager
People and Partnerships

Appendix 1 - Local Government (Community Well-being) Amendment Bill