

2026/27 Annual Plan Public Council Briefing

5 February 2026

Outline of Today's Briefing

- Objectives
- Recap: Work done to date
- 2026/27 rates revenue cost drivers and rates reduction options
- Further information on Economic Development option
- Next steps

Objectives

- To summarise the work done to date for developing the 2026/27 Annual Plan.
- Recap the rate reduction options proposed and the Councillors steer of "support/not support in principle" provided on 18 December 2025.
- Discuss and agree the remaining steps to develop and adopt the 2026/27 Annual Plan in early June 2026.

Work done to date

- **SLT workshops October-November 2025:**
 - Major cost drivers updated (e.g. inflation, capex, depreciation, debt, interest costs)
 - Planned initiatives factored in (e.g. Local Water Done Well, Te Ara Whetu)
 - Other cost pressures factored in where appropriate (energy, insurance, living wage contracts etc.)
 - \$3.14 million of rates reduction options identified for Council consideration.
- **Councillor only briefings on 16 and 18 December 2025:**
 - Detailed overview of relevant local government reforms
 - Detailed overview of Council depreciation methodology
 - Detailed discussion on 26/27 budget cost drivers and considered possible rates reduction options. Supplementary information was provided on some options as requested.
 - Detailed overview the significance and engagement policy and overlaid the S&E criteria across all rates reduction opportunities to determine inform vs. Consult.
 - Presented key milestones and timeline to develop and adopt the 2026/27 Annual Plan in June 2026.

December Councillor only briefing material now on Council website.

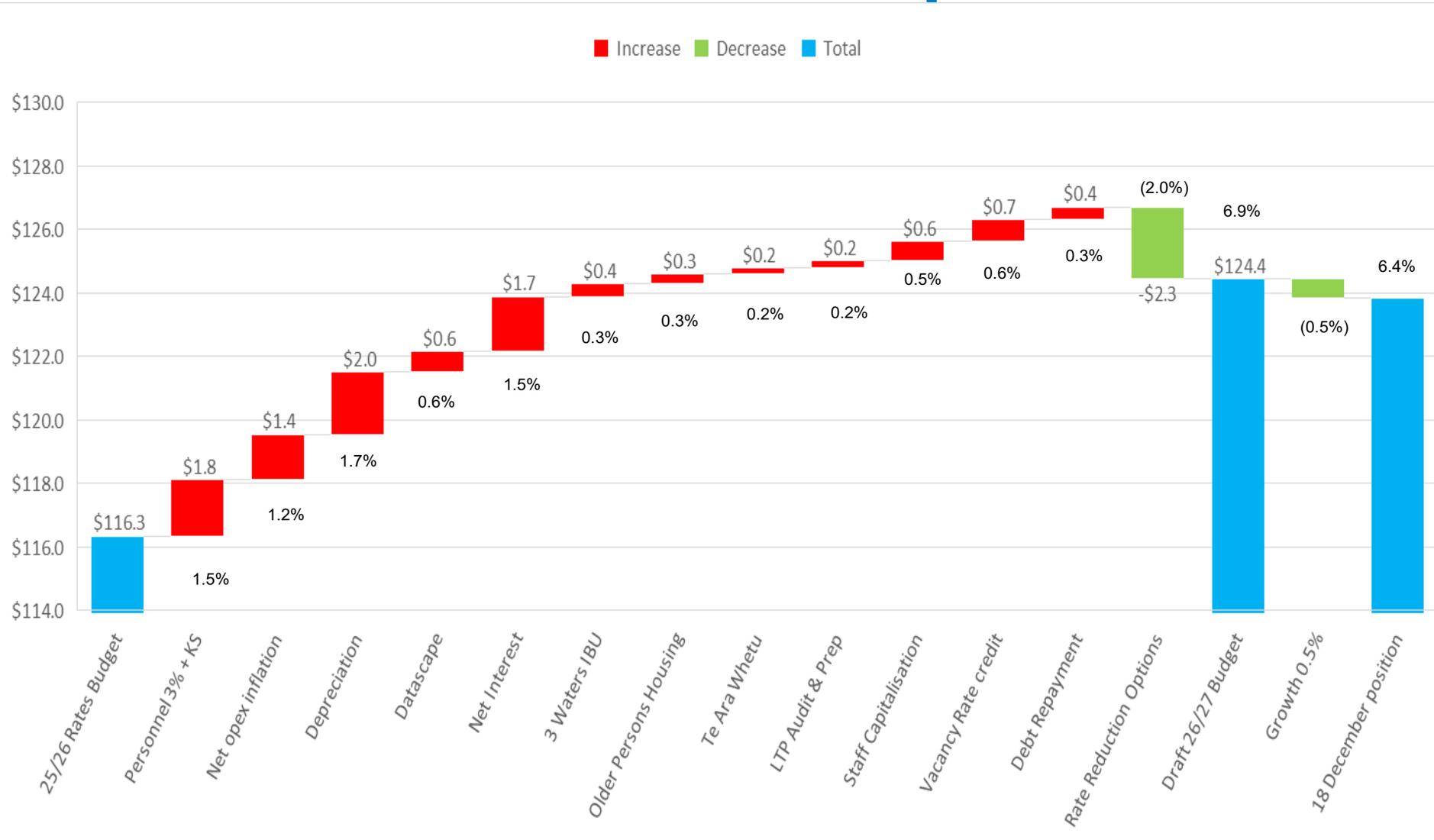
Work done to date cont..(2)

- Council considered each rate reduction option separately and provided Officers with a steer of "support / not support in principle" for each rates reduction option.
- In considering each rates reduction option, Councillors were provided the significance of each option (inform only vs. consult). No rates reduction option that was "supported in principle" requires formal consultation.
- Councillors did request the following regards the Economic Development rates reduction options:
 - three of the options to be formally considered by way of a report to Council on or before 12 March 2026 ; and
 - supplementary information for one option to be presented back at today's briefing.
- Councillors noted that their steer on "support / not support in principle" resulted in a **draft** rates revenue increase of 6.4% (after growth), when compared to 2025/26.

Work done to date cont..(3)

- "Supported in principle" to develop an information campaign for the 2026/27 Annual Plan to ensure transparency, including an information brochure to all ratepayers (either printed and posted, or provided electronically), together with the Quarter 3 rates invoice instalment.
- Agreed to establish an Annual Plan Focus Group (comprising the Mayor, Deputy Mayor, and Councillors Koh, Botica, Prvanov, and Cooper) to work with officers on the development of the information campaign and supporting materials.

2026/27 rates revenue cost drivers and rates reduction options



2026/27 Rates Reduction Options

Initiative	Value	Support / Not Support	Rates Reduction (\$)	Significance
Organisational changes (changes to FTE roles)	\$260k	Already Done by Officers	(\$260k)	Not significant
Reduce Datascape 2025/26 project close costs based on go-live date of 1/7/2025	\$400k	Already Done by Officers	(\$400k)	Not significant
Social Investment Fund reduce from \$350k to \$200k	\$150k	Support	(\$150k)	Not significant
District Planning reduced iwi consultation requirements and recovery of cost of private plan changes	\$200k	Support	(\$200k)	Not significant
Remove Civic Centre Security	\$100k	Support	(\$100k)	Not significant
Iwi capacity funding reduce from \$200k to \$150k	\$150k	Support	(\$150k)	Not significant
Do not reduce debt in 2026/27	\$400k	Support	(\$400k)	Not significant
Recover the cost of the EDKB via pre-app and startup fees charge	\$100k	Support	(\$100k)	Not significant
Major Events Fund	\$45k	Support	(\$45k)	Not significant
Apply to become DTO	\$180k	Support	(\$180k)	Not significant
Increased Fees and Charges	\$300k	Support	(\$300k)	Not significant
Options not supported – Refer slides 8 and 9	\$855k	-	-	-
7 Total	\$3.140m		(\$2.285m)	

2026/27 Rates Reduction Options (not supported in principle)

Initiative	Value	Significance
<p>Youth development grants reduce from \$300k to \$150k</p> <p><i>Rationale:</i> This option relates to youth development provision and contract with Zeal and other providers. Council's preference is for youth development provision being part of the LTP conversation.</p>	\$150k	High significance – consultation required
<p>Reduce other grants budgets</p> <p><i>Rationale:</i> A general review is underway for all Council grants. Councillor's preference is to consider this within the context of the review outcome.</p>	\$50k	Not significant but consider targeted communications
<p>Stop sponsorship of Gold Awards, business events & activities</p> <p><i>Rationale:</i> Councillors feel this as a positive investment that supports and uplifts local businesses in a tough economic climate and consider the saving to be minor.</p>	\$40k	Not significant but consider targeted communications
<p>Reduce funding for local business support (incl Work Ready Kapiti, internships, work experience opportunities, Chamber of Commerce, business sustainability initiatives)</p> <p><i>Rationale:</i> Councillors felt they needed to further consider the consequences of this option and requested more information. See slide 10</p>	\$160k	Not significant but consider targeted communications

2026/27 Rates Reduction Options (not supported in principle) cont..(2)

Initiative	Value	Significance
<p>Don't fund the new Economic Development trust and its subsidiary (the Economic Development LLC)</p> <p><i>Rationale:</i> Councillors noted a current Council resolution is in place to proceed with the new trust/operating arrangements, however, further information to be presented in a Councillor only briefing ahead of the March Council meeting to clarify next steps.</p>	\$295k	Not significant
<p>Do not progress alternative revenue stream identification</p> <p><i>Rationale:</i> Councillors noted this aligned to the options to proceed with the new trust/operating arrangements, and that further information will be presented in a Councillor only briefing ahead of the March Council meeting to clarify next steps.</p>	\$100k	Not significant
<p>Discontinue Tourism Advisory Board and visitor industry support \$60k</p> <p><i>Rationale:</i> Councillors noted this aligned to the options to proceed with the new trust/operating arrangements, and that further information will be presented in a Councillor only briefing ahead of the March Council meeting to clarify next steps.</p>	\$60k	Not significant but consider targeted communications
Total	\$855k	

Further information

Impact of \$160k reduction of funding for local business support

Initiative	\$000	Purpose	Outcomes to date	Impact of proposed reduction	
Work Ready Kapiti (WRK)	\$40	Empowering Kāpiti rangatahi to be work ready, connected with employers and confident in the workplace.	Rangatahi outcomes: <ul style="list-style-type: none"> • 138 employer meets • 75 with “work ready passport” • 48 received work experience placements 	High	Council funding would be discontinued. WRK would need alternative support for delivery of core programmes (our funding is around 15-20% of total WRK funding). Rangatahi disproportionately affected by current economic impacts would have reduced local support.
Start up work programme	\$35	Supporting high growth potential businesses to establish and grow in Kapiti.	<ul style="list-style-type: none"> • 20 businesses participating in the current programme. • In 2025, 2 Businesses competed in Start Up World Cup, following Kapiti ‘pitching’ session. 	High	Programme would be discontinued, unless external funding is secured. Lost opportunity to support new and high growth businesses, a noted priority in the ED strategy.
Pakihi Toitū o Kāpiti – Sustainable Business Programme	\$15	A local network and resource for businesses seeking to improve sustainable business practices.	<ul style="list-style-type: none"> • 73 businesses in the network. • Dedicated online resource established 	Low	Programme would be discontinued in its current form. Lost opportunity to support business to drive shared approaches to sustainable practice.
Support for local Business associations	\$50	Funding support for local business associations, including Kapiti Business Chamber, Waikanae and Otaki & Te Horo Business Assoc.	<ul style="list-style-type: none"> • 500+ member businesses across the various associations. 	Low	Business associations would need to seek alternative funding to support activities or generate revenue streams. However, these are membership based bodies, and should be sustainable without support.
Business Promotion and Attraction	\$20	Promotion of Kapiti as a business destination, including the attraction and facilitation of new businesses	<ul style="list-style-type: none"> • Delivery of first Kapiti Growth and Investment Event. \$2b pipeline of future investment 	Med	Programme would continue, however level of activity would be impacted. Research proposals would need to be managed from within other existing budgets.

Next steps

Date	Milestone
February – May 2026	Convene Annual Plan Focus Group and develop information campaign to run from early May 2026
February – April 2026	Finalise fees and charges for 2026/27
12 March 2026	Further Economic Development Councillor only briefing and reports to Council as requested
6 May 2026	Rates Q3 instalment with draft 2026/27 Annual Plan brochure in letterboxes 6 May – information campaign starts.
19 May 2026	Final 2026/27 Annual Plan public briefing (TBC)
11 June 2026	Annual Plan and Fees and Charges for 2026/27 adopted and rates set