

Mayor and Councillors
COUNCIL

20 MARCH 2014

Meeting Status: **Public**

Purpose of Report: For Decision

DRAFT 2014/15 ANNUAL PLAN

PURPOSE OF REPORT

- 1 To consider and formally resolve to adopt the Statement of Proposal for the 2014/15 Draft Annual Plan for public consultation between 26 March and 28 April 2014.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger Council's significance policy.

BACKGROUND

- 3 The Local Government Act 2002 (the Act) requires Council to adopt its 2014/15 Annual Plan by 30 June 2014.
- 4 Elected Members have reviewed and discussed the content of the provisional draft of the 2014/15 Annual Plan through a series of Council workshops held during February and March 2014. The workshops were open to the public and attended by representatives from the Kāpiti Coast Older Person's Council and Kapiti Coast Grey Power.

CONSIDERATIONS

- 5 During the workshop process individual Activity Managers made presentations to Elected Members that introduced their activity area and associated proposed operating and capital costs of delivery. Each Activity Manager detailed their proposed activity focus for 2014/15– outlining proposed changes, opportunities, issues and risk. They also outlined, where appropriate, any proposed budget changes that would contribute towards reducing the draft rate impact for 2014/15.
- 6 Activity Managers also answered questions around the detail of the presentation and a number of issues were highlighted for further consideration. Among those was an Elected Members request to look to make further reductions in the proposed average draft rates. The starting point was a rates increase of 6.80% per the 2012 Long Term Plan. Changes made to the 2013/14 budgets, both as part of the Annual Plan process, and during the year, caused this number to increase. The process of setting this Draft Annual Plan budget saw a range of savings proposed, bringing the proposed rates increase down to 4.95%. This includes an additional 0.29% (\$150,000) specifically to pay off debt.
- 7 All amendments and suggestions provided during those workshops have been incorporated and/or subsequent changes made to the content of the draft 2014/15 Annual Plan.

- 8 The development of an Annual Plan requires Council to publicly record its balanced budget considerations. Section 100, subsection 2 of the Act 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:
- 8.1 the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the 2012 Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - 8.2 the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their usual life; and
 - 8.3 the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - 8.4 the funding and financial policies adopted under section 102 of the Act.

Draft Annual Plan

- 9 The 2014/15 Draft Annual Plan is attached as Appendices' A and B to this Report Corp-14-1148. The Council now needs to consider the attached documents with a view to adopting the 2014/15 Draft Annual Plan for release for public consultation.
- 10 Following the conclusion of this meeting there may be a number of minor editorial changes required to be made to the 2014/15 Draft Annual Plan prior to consultation. It is suggested that delegated authority be given to the Mayor, the Deputy Mayor, the Chairs of the three Standing Committees and the Chief Executive to collectively make any required editorial changes that are identified at this meeting.

Financial Considerations

- 11 The financial considerations have been previously discussed in open workshops. The financial implications of the proposed 2014/15 year programme are fully documented in the 2014/15 Draft Annual Plan.

Legal Considerations

- 12 The 2014/15 Draft Annual Plan must be released for public consultation and comment in accordance with section 83 of the Act, being the Special Consultative Procedure. The development of this document has been consistent with the intent of the Act to increase citizen participation. All workshops have been advertised and have been open to the public.
- 13 The proposed fees and charges as detailed in Part 2 of the 2014/15 Draft Annual 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 Annual Plan consultation process to avoid duplication.

Delegation

COUNCIL'S POWERS

14 This Framework recognises the provisions of Clause 32, Schedule 7 of the Local Government Act 2002 which states:

32. *Delegations—*

- (1) *Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except—*
- (a) *the power to make a rate; or*
 - (b) *the power to make a bylaw; or*
 - (c) *the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or*
 - (d) *the power to adopt a long-term plan, annual plan, or annual report; or*
 - (e) *the power to appoint a chief executive; or*
 - (f) *the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or*
 - (g) *[Repealed]*
 - (h) *the power to adopt a remuneration and employment policy.*

Consultation

15 The consultation associated with adopting the 2014/15 Draft Annual Plan will meet the statutory requirements of the Act. It will also meet the requirements resolved by Council as follows in regard to fluoride dosing in water supplies.

CONSULTATION PROCESS FOR FLUORIDE DOSING IN WATER SUPPLIES (IS-13-1087)

MOVED (Cardiff/Ammundsen)

That the Council resolves to:

- *consult on the continued fluoridation of the Waikanae, Paraparaumu and Raumati water supplies via the draft 2014/15 Annual Plan consultation process;*
- *draw attention to fluoridation as a specific issue Council are consulting on through emphasis in the draft 2014/15 Annual Plan and associated consultation documentation.*
- *notify Ministry of Health and the Fluoride Action Network (NZ) of the intent to consult and facilitate community access to information via links from the Council's website; and*
- *seek statements from the Ministry of Health and the Fluoride Action Network for use in the consultative process.*

CARRIED unanimously

- 16 Consultation starts 26 March 2014 and the deadline for receiving submissions is 5.00pm, 28 April 2014.
- 17 The Council currently has three days set down, 20, 21 and 22 May 2014, to hear those submitters who wish to speak to their submission. In planning for these sessions provision will be made for hearing submitters on the same activity/topic, such as fluoride dosing in water supplies at the same time. However, it is not possible to finalise arrangements until after submissions close and the final number of submitters that wish to speak to what topic or topics is known.
- 18 The Act requires that the Council produce a Summary Document of the Draft Annual Plan and this will be published on the Council website on 26 March 2014 and in the Kapiti Observer on 27 March 2014. In accordance with the Council resolution both the Capital Coast District Health Board and Fluoride Action Network (NZ) Inc. have been offered the opportunity to provide a statement that reflects their opinion about fluoride for inclusion in the Summary Document.
- 19 Copies of the Draft Annual Plan will be available from Council via the website, on CD and in hardcopy. Copies will also be sent to specified agencies as required by the Act along with other agencies, such as councils in the Wellington Region and the Horowhenua District Council.
- 20 The Council will consider submissions on 5 June 2014 and adopt the 2014/15 Annual Plan and Levy the Rates on 26 June 2014.

Tāngata Whenua Considerations

- 21 Implicit in the delivery of the proposed 2014/15 work programme is the need to work with all three Iwi. Te Whakaminenga o Kāpiti contributed their thoughts (both in Māori and English) on the general future of the Kāpiti Coast to the 2012 Long Term Plan – pages 8-12 of Part One refer. They will be invited to make a submission to this process.

Publicity Considerations

- 22 A public notice will appear in the Kapiti Observer on Thursday 26 March 2014 advising that the Summary Document as required under section 89 of the Local Government Act 2002 has been published in the same edition of that newspaper.

Other Considerations

- 23 In addition to their involvement in the workshop process to develop the draft 2014/15 Annual Plan, the Local Government Act 2002 requires that Community Boards give formal consideration as to whether they wish to make a submission. A report outlining the opportunity to do so will be provided for the next each Community Board.

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 the 2014/15 year for the reasons set out in Part 2 of the 2014/15 Draft Annual Plan and also covered within this report.

- 25 That the Council gives delegated authority to the Mayor, the Deputy Mayor, the Chairs of the three Standing Committees and the Chief Executive to act as an Editing Sub-Committee for the Draft Annual Plan. They are collectively delegated the power to provide final approval of (a) any changes required by/or made at this 20 March 2014 Council meeting and/or (b) any minor editorial changes that staff identify (these would be limited to the likes of improving punctuation, sentence construction and formatting).
- 26 That the Council approves as the Statement of Proposal:
- the 2014/15 Draft Annual 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:
- 26.1 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 26 March to 28 April 2014;
 - 26.2 the Council will hear submissions on 20, 21 and 22 May 2014;
 - 26.3 the Council will consider submissions on 5 June 2014;
 - 26.4 the Council will adopt the 2014/15 Annual Plan and Levy Rates on 26 June 2014.

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Attachments:

Appendix A – 2014/15 Draft Annual Plan Part One

Appendix B – 2014/15 Draft Annual Plan Part Two