

Annual Plan 2022/2023

Meeting: Kaipara District Council
Date of meeting: 29 June 2022
Reporting officer: Michaela Borich, Strategic Planning Advisor and Graeme Coleman, Finance and Risk Manager

Purpose | Ngā whāinga

To adopt the Annual Plan 2022/2023.

Executive summary | Whakarāpopototanga

The total average rates increase proposed for next year is 4.86% (excluding water charges and allowing for 1% growth).

In the Long Term Plan 2021-31 (LTP), Council had planned for a 7.13% average rates increase. Council requested staff to look for further savings in response to the current economic situation.

A detailed review was taken of all support costs proposed in year two of the LTP. The review covered the costs for items such as printing and stationary, vehicle running costs, training and travel expenses, subscriptions, support fees and consumables. The review compared the spend over the last three years with that of the current year and what was proposed for FY23. As a result, savings of \$440k were identified that could be made that will not impact on Council's ability to deliver its services.

This report summarises the key changes and highlights financial and capital projects included in the Annual Plan 2022/23.

Recommendation | Ngā tūtohunga

That Kaipara District Council:

- a) Adopts the Annual Plan 2022/2023 (Attachment A).
- b) Delegates the Mayor and Chief Executive the authority to make minor editorial changes to the Annual Plan 2022/2023.

Context | Horopaki

Council is required to deliver an Annual Plan, adopted by the end of June each year.

Council has responded to the economic impact of Covid-19 by reducing the average rates increase to 4.86% from what was already approved at 7.13%.

The was achieved through;

- Savings in 3 Waters targeted rates activities (wastewater and storm water)
- Reduction in support costs
- Interest revenue on invested funds
- Interest expense on loan funds (targeted rates)
- Dargaville Library trust seed funding set aside in the LTP that is no longer required
- Rates collected in FY22 for the expanded waste collection areas will be used to offset increased costs in FY23
- Support expenditure savings from FY22.

Council agreed at the December 2021 Council meeting that there were no significant or material differences in this Annual Plan when compared against the LTP, so consultation was not required.

The draft Annual Plan 22/23 is provided at **Attachment A**.

Key projects included are:

- Upgrade pensioner housing at Fagan Plan
- Wood St Improvements
- Access to Coastal walkway (Breve Street)
- Kaiwaka Rangiora Road Park development
- Pahi Toilets.

Discussion | Ngā kōrerorero

Table 1, below, provides the key financial information for the Annual Plan 2022/2023 when compared against year 2 of the LTP.

Table 1: Key financial information

	LTP Year 2 (2022/2023)	Annual Plan (2022/2023)
	\$000s	\$000s
Rates take	45,200	44,831
Rates Increase	7.13%	4.86%
Total Revenue	76,443	83,976
Total Expenses	59,178	60,368
Capital Expenditure	27,265	36,172
Closing Debt 30 June	43,924	43,281

Debt is projected to decrease to \$43,281,000. Council remains well within the key debt ratios required by the Local Government Funding Agency and its own Treasury Policy ratios.

Our fixed assets are \$70 million higher than that of the LTP. This is because there was a larger increase in asset values from the revaluations for the 2020/21 Annual Report than was forecast when the LTP was compiled.

The government has proposed to allocate \$16 million through a *Better Off* support package later in the year as part of the 3 Waters reform programme. As there was not enough information on Council obligations at the time of the Annual Plan being adopted, no adjustment or inclusions have been made for this funding in this document.

Options

Option 1: Adopt the Annual Plan 2022/23 (Attachment A) and provide a delegation to the Mayor and Chief Executive to authorise any minor editorial changes.

Council is legislatively required to adopt the Annual Plan by 30 June. This option enables Council to meet its statutory requirements. Following adoption, Council can then set the rates for the year. This is the recommended option.

Option 2: Do not adopt the Annual Plan 2022/23 and seek material changes. If this option is taken, Council would not meet its statutory requirements. This would also likely mean delaying setting the rate for 2022/23. There could be possible reputation issues if this option is taken.

Financial implications

The Annual Plan sets out the budgets and work programme for the year.

Risks and mitigations

There is a risk that we don't meet our statutory obligations if the Annual Plan 2022/23 is not adopted.

Significance and engagement | Hirahira me ngā whakapāpā

Adopting the Annual Plan does not trigger the significance criteria outlined in the Council's Significance and Engagement Policy, and the public will be informed via agenda on the website. Council has determined that there are no significant or material differences between this Annual Plan and year 2 of the LTP so consultation was not required.

Next steps | E whaiake nei

Once the Annual Plan is adopted, it will be widely communicated to the Kaipara community. The document forms the workplan for 2022/2023.

Attachments | Ngā tapiritanga

	Title
A	Annual Plan 2022/2023