

Notice is hereby given that an extraordinary meeting of Horowhenua District Council will be held on:

**Date:** Monday 19 February 2018  
**Time:** 4.00 pm  
**Meeting Room:** Council Chambers  
**Venue:** 126-148 Oxford St  
Levin

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## Council OPEN AGENDA

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### MEMBERSHIP

<b>Mayor</b>	Mr Michael Feyen	
<b>Deputy Mayor</b>	Mr Wayne Bishop	
<b>Councillors</b>	Mr Ross Brannigan	
	Mr Ross Campbell	
	Mr Neville Gimblett	
	Mr Barry Judd	
	Mrs Victoria Kaye-Simmons	
	Mrs Jo Mason	
	Mrs Christine Mitchell	
	Ms Piri-Hira Tukapua	
	Mr Bernie Wanden	
<b>Reporting Officer</b>	Mr David Clapperton	(Chief Executive)
<b>Meeting Secretary</b>	Mrs Karen Corkill	
	Ms Sharon Bowling	

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**Horowhenua District Council Service Centre, 126 Oxford Street, Levin**  
**Foxton Service Centre/Library, Clyde Street, Foxton,**  
**Shannon Service Centre/Library, Plimmer Terrace, Shannon**  
**and Te Takeretanga o Kura-hau-pō, Bath Street, Levin**



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**1 Apologies**

**2 Public Participation**

The opportunity to submit and speak to these items will be available during the public consultation on the Long Term Plan.

**3 Late Items**

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

**4 Declarations of Interest**

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

**5 Announcements**

Audit New Zealand

Representatives from Audit New Zealand will be in attendance.



# LTP 2018-38 - Revenue and Financing Policy and Funding Impact Statement

File No.: 18/88

## 1. Purpose

To allow Council to adopt the Revenue and Financing policy and associated Funding Impact Statement.

## 2. Recommendation

- 2.1 That Report 18/88 LTP 2018-38 -Revenue and Financing Policy and Funding Impact Statement be received.
- 2.2 That this matter or decision be recognised as significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Draft Revenue and Financing policy be adopted for consultation as part of the LTP consultation process.
- 2.4 That the Funding Impact Statement be adopted and form part of the LTP supporting documentation for the LTP 2018 -2038 Consultation Document.
- 2.5 That, if necessary, the Chief Financial Officer, in consultation with the Chief Executive, be authorised to correct any minor errors or omissions in the LTP 2018-2038 Revenue and Financing Policy and Funding Impact Statement before they are publicly notified.

## 3. Background/Previous Council Decisions

- 3.1 Council is legally obliged to develop and adopt a Revenue and Financing Policy (RFP). The RFP sets out Council's policies on why and how funding sources are used to fund operational and capital expenditure. It is the first step in the process for setting rates, development contributions and Financial Contributions.
- 3.2 The policy must also show how the selection of funding sources complies with the funding policy process laid out in s101(3) of the LGA. The RFP is one of two policies that must be included in the LTP document.
- 3.3 The Funding Impact Statement (FIS) records the sources and applications of the Council's funds. It also informs the ratepayers exactly what types of rates and charges will be required and how these will be calculated. The FIS supports the Revenue and Financing Policy and are the second step in the rate setting process.
- 3.4 Council must develop and adopt a RFP. The RFP is where Council discloses any policies it may have regarding the selection of particular funding instruments. It should also explain the construction of Council's differential rating categories and the rationale for these. The overriding purpose of an RFP is to show who pays for what and why.
- 3.5 The FIS supports the RFP by providing predictable and certain estimates of future funding requirements. It should also tell ratepayers how the revenue and financing policy will affect them personally i.e. what rates and charges they are likely to have to pay. The FIS must be in sync with and give effect to the Revenue and Financing Policy. It cannot have rates and charges that are not laid out in the RFP.

## 4. Issues for Consideration

- 4.1 The RFP is a core foundation document for Council. The RFP sets out who pays for what and why. If a funding source is not stated in this policy you cannot use it. Such a document must be written in such a way that it covers all eventualities, is transparent, easily understood, robust (clean set of funding/financial principles underpinned by sound analysis), fair and equitable, durable and realistic.
- 4.2 Funding mechanism choice must be guided by s101(3) analysis and must be consistent with, and give effect to, the Financial Strategy and Infrastructural Strategy and any other strategic policy or decision of Council, e.g. the Property Strategy.
- 4.3 It is basic industry norm that to give effect to s101(3)(iii) (the intergenerational equity principle) that asset renewals tend to be funded from rates while new assets are funded from borrowing and those assets that service growth from either development or financial contributions.
- 4.4 The s101(3) analysis guides Council into assessing the level of private benefit and, therefore that portion of each activity that should be funded from fees and charges rather than rates. These proportions should be expressed as thresholds using ranges to avoid the absolute precision that is impossible to achieve using some funding sources that are influenced by the economic environment.
- 4.5 FIS is the next step in the rate setting process. A mistake in the FIS can be sufficient to invalidate a rate. This is so especially if that rate has not already been described in the Revenue and Financing policy. The FIS needs to completely and accurately describe the types of rate Council proposes to set. It should also describe how these rates will be calculated so a ratepayer can work out what rate they are likely to be levied.
- 4.6 The RFP must be consulted on, we choose to include it in the Consultation Document but it could have its own consultation process. The FIS does not need to be consulted on as it is giving effect to the RFP. The FIS however, is very prescriptive and part of it is set by regulation as to the form and content. It is a vitally important process in the rates setting process. Many rating systems have been overturned through the Courts by errors in the FIS.
- 4.7 There were only minor changes to the RFP where we needed to recognise that Rural Fire was no longer a Council activity, where we had new Community Outcomes and changed some of the Private Public good splits to ensure our current achievement was within the range for some activities. We also ensured that the proposed economic development trust was recognised.

## Attachments

No.	Title	Page
A	LTP 2018-38 - Revenue and Financing Policy and Funding Impact Statement ( <i>Under Separate Cover</i> )	



### **Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.



## Signatories

Author(s)	Doug Law <b>Chief Financial Officer</b>	
Approved by	David Clapperton <b>Chief Executive</b>	



# LTP 2018-38 - Financial Strategy, Financial Statements and Balance Budget Statement

File No.: 18/89

## 1. Purpose

To enable Council to adopt the LTP Financial Statements, Balance the Budget Statement (and resolution), and Financial Strategy

## 2. Recommendation

- 2.1 That Report 18/89 LTP 2018-38 - Financial Strategy, Financial Statements and Balance Budget Statement be received.
- 2.2 That this matter or decision be recognised as significant in terms of s76 of the Local Government Act 2002.
- 2.3 That in relation to both the 2018/2019, 2019/20 and 2020/21 financial years within the 2018/38 Long Term Plan, the Council resolves that it is financially prudent, after considering the matters set out in Section 100(2) (a)-(d) of the Local Government Act 2002, to set projected operating revenues at a level that are insufficient to meet projected operating expenses.
- 2.4 That Council adopts the Draft 2018/38 LTP financial statements, Financial Strategy, Prudential Benchmark Disclosure Statement and Balance the Budget Statement, as supporting information to the LTP 2018-2038 Consultation Document.
- 2.5 That, if necessary, the Chief Financial Officer, in consultation with the Chief Executive, be authorised to correct any minor errors or omissions in the LTP 2018-2038 Financial Strategy, Financial Statements and Balance Budget Statement before they are publicly notified.

## 3. Background/Previous Council Decisions

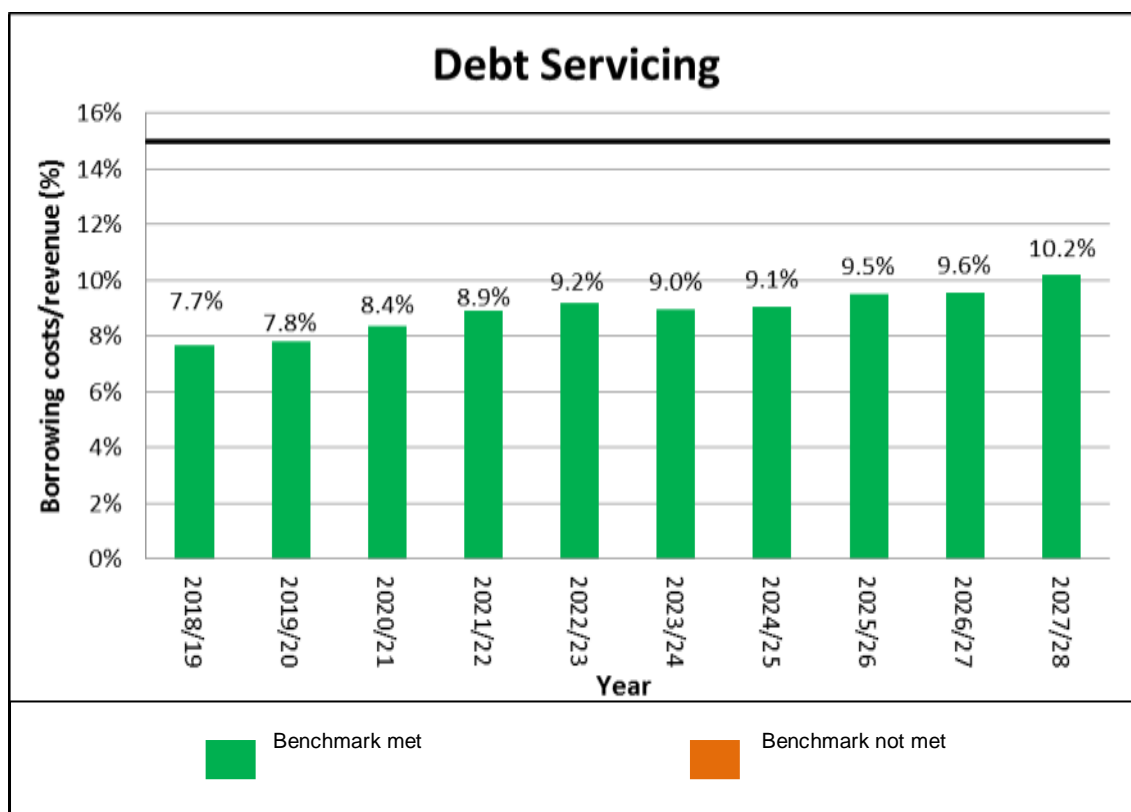
- 3.1 Council has in the past adopted a Draft LTP which included all the statements referred to in this report. The adoption of a draft LTP is no longer required, being replaced with the Consultation Document as the prime document for use in the consultation phase of the LTP. However, Council needs to adopt a finalised LTP document in June. The full LTP document is made up of several component parts, some of which are the subject of this report. These parts need to be adopted by council at this meeting and will be made available during the consultation period as supporting information to the Consultation Document. These statements will be reviewed following Council's final decisions following from the consultation period and form part of the final LTP.
- 3.2 This report introduces and discusses the Forecast Financial Statements (Cashflow Statement, Comprehensive Income Statement, Statement of Financial Position etc) as well as the Balance Budget statement and resolution, Prudential Bench marking graphs and the Financial Strategy.
- 3.3 Council has yet to review and approve the LTP Financial Statements although the important messages and trends coming out from these have been discussed as part of the Financial Strategy and Infrastructural Strategy reviews and briefings.

## 4. Issues for Consideration

- 4.1 The Forecast Statement of Comprehensive Income shows operational deficits in the first 3 years, although overall we show surpluses due to the annual revaluation increases on

infrastructural assets. Council will show predicted surpluses from year 4 which translates as just above break-even (101%) in the Balanced Budget prudential graph. The first 3 years of unbalanced budgets is now the only non-compliance with the Financial regulatory benchmarks.

- 4.2 The underlying message of the Financial Strategy remains substantially unchanged from the last LTP. That is for above normal rate increases in the first five years while council builds up rating levels to fund infrastructural asset renewals and to return Council to surpluses from year 4 onward. This increased funding of asset renewals from rates is also necessary to keep debt to within the 195% of operational income limit set within the strategy. The change for this LTP is that we are proposing large new infrastructural projects to enable growth. This has been the reason for the longer 20 year focus of this LTP and the need to raise debt limits to accommodate the debt necessary to enable these projects.
- 4.3 Council debt is predicted to peak at \$171m in 2036 with net debt at \$157m in the same year. This is because we have increased our cash holdings to around \$14m to help with the liquidity risk identified by S & P.
- 4.4 One of the new prudential bench marks, set by government regulation, is that borrowing costs should not exceed 10% of operating income. The LGFA, and Council's, benchmark is that borrowing costs will be less than 20% of operating revenue and 25% of rates revenue. However, because Statistics New Zealand projects that the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark for growth councils where it's planned borrowing costs equal or are less than 15% of its planned revenue. Last LTP we were in breach of this benchmark for the majority of the 10 years.



## Attachments

No.	Title	Page
A	Financial Strategy, Financial Statements and Balance Budget Statements	

	(Under Separate Cover)	
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**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

**Signatories**

Author(s)	Doug Law <b>Chief Financial Officer</b>	
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Approved by	David Clapperton <b>Chief Executive</b>	
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# Infrastructure Strategy 2018-2048

File No.: 18/86

## 1. Purpose

The purpose of this report is to seek Council's adoption of the draft HDC Infrastructure Strategy 2018-2048.

## 2. Recommendation

- 2.1 That Report 18/86 Infrastructure Strategy 2018-2048 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the HDC Infrastructure Strategy 2018-2048 be adopted as part of the Long Term Plan process as required by Section 101B of Local Government Act (LGA) 2002, and form part of the supporting documentation to the LTP 2018-2038 Consultation Document.
- 2.4 That, if necessary, the Group Manager – Infrastructure Services, in consultation with the Chief Executive, be authorised to correct any minor errors or omissions in the Infrastructure Strategy 2018-2038 before it is publicly notified.

## 3. Background/Previous Council Decisions

Council briefing on the draft HDC Infrastructure Strategy, 2018-2048 took place on 15 November 2017. The draft Infrastructure Strategy formed the basis of major expenditure input to the Financial Strategy in supporting the 2018-2038 Long Term Plan review.

## 4. Issues for Consideration

- 4.1 The draft Infrastructure Strategy document have been reviewed internally and also by the Audit New Zealand.
- 4.2 These reviews have led to some changes in the Infrastructure Strategy. These are:
  - 4.2.1 Minor corrections to formatting of tables and charts;
  - 4.2.2 Minor changes to Levels of Service Statements for clarity and strict compliance with the Department of Internal Affairs Mandatory Non-Financial Performance Measures;
  - 4.2.3 Replacement of all non-inflated cost estimates with inflated in line with the Financial Strategy. No underlying input estimates of Operational or Capital costs have been changed, the Strategy simply now reflects costs on an inflated basis.
  - 4.2.4 The budgets presented on 15 November 2017 as part of the briefing are almost the same
- 4.3 The Local Government Act 2002 Amendment Act 2014 Section 101B requires that Local Authorities, as part of the Long Term Plan, prepare and adopt an Infrastructure Strategy for a period of at least 30 years.
- 4.4 The Infrastructure Strategy must present the funding requirements for core infrastructure for a period of 30 years. The funding requirements must allow the Local Authority to meet the following three (3) goals;
  - Ensure adequate infrastructural capacity to meet the demands of current and future generations while being affordable for the community,

- Increase the reliability and resilience of the existing and future infrastructure, and
  - Ensure sustainable use of resources and protection of critical environmental values.
- 4.5 The Infrastructure Strategy 2018-2038 addresses core infrastructure related to water, wastewater, stormwater and land transport services.

## Attachments



No.	Title	Page
A	Draft Infrastructure Strategy 2018-2048 ( <i>Under Separate Cover</i> )	

### Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

## Signatories

Author(s)	Rohit Srivastava <b>Asset Planning Manager</b>	
Approved by	Gallo Saidy <b>Group Manager - Infrastructure Services</b>	



File No.: 18/84

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## Long Term Plan 2018-2038 Supporting Information

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### 1. Purpose

The purpose of this report is to present to Council for adoption a number of the supporting documents to the 2018-2038 Long Term Plan Consultation Document.

### 2. Executive Summary

- 2.1 This report provides an overview of a number of the supporting documents for Council's 2018-2038 Long Term Plan Consultation Document. The supporting documents covered in this report include Council's Activity Statements, Significant Forecasting Assumptions, a Statement on Council Controlled Organisations, a Statement on the Development of Maori Capacity to Contribute to Decision Making processes, a Summary of Council's Significance and Engagement Policy, and Community Outcomes.
- 2.2 It is a legislative requirement that these supporting documents be adopted prior to the adoption of the 2018-2038 Long Term Plan Consultation Document. A resolution is therefore required to adopt these supporting documents to allow for them to be available for consultation and used as supporting information to the Consultation Document. The recommended and preferred option is to adopt these supporting documents at this Council meeting to enable the adoption of the 2018-2038 Long Term Plan Consultation Document.

### 3. Recommendation

- 3.1 That Report Long Term Plan 2018-2038 Supporting Information be received.
- 3.2 That this decision is recognised as significant in terms of section 76 of the Local Government Act
- 3.3 That the supporting documents including Council's Activity Statements, Significant Forecasting Assumptions, a Statement on Council Controlled Organisations, a Statement on the Development of Maori Capacity to Contribute to Decision Making processes, a Summary of Council's Significance and Engagement Policy, Foxton Community Board Report (Foxton Pool Season Length), Remissions of Rates on Maori Freehold Land Policy and Community Outcomes (attached as Appendices to this report) be adopted and be made available to the public as Supporting Information for Council's 2018-2038 Long Term Plan Consultation Document.
- 3.4 That, if necessary, the Group Manager Strategy and Development, in consultation with the Chief Executive be authorised to correct any minor errors or omissions in any of the supporting documents before the 2018-2038 Long Term Plan Consultation Document is publicly notified.

### 4. Background / Previous Council Decisions

- 4.1 Section 93 of the Local Government Act 2002 requires the Council to have a Long Term Plan (LTP) that covers a period of at least 10 years and requires the plan to be updated every three years. Council has prepared a 20 year Plan that will outline the strategic direction of the District. With an increase of expected growth throughout the Horowhenua Region, a 20 year plan will enable Council to proactively plan for the future challenges and opportunities.

- 4.2 Over the last few months officers, in conjunction with Councillor briefings, have been busy developing a Consultation Document for the 2018-2038 LTP. In accordance with section 93C of the LGA the Council's Consultation Document must be presented in a concise and simple manner and cannot contain or have attached to it a full draft of LTP Supporting Information such as policies or strategies.
- 4.3 Given the requirement to keep the Consultation Document 'concise and simple' there are a suite of documents which officers have produced that have informed the 2018-2038 Consultation Document but which cannot be included in this document. A number of the more significant supporting documents such as the Financial Strategy and the Infrastructure Strategy have already been separately adopted by the Council (noting that both of these documents are to be re-presented to Council at this meeting to ensure that changes requested through the recent audit process have been incorporated into the adopted documents).
- 4.4 This report focuses on the 'miscellaneous type' supporting documents that enhance the understanding of the Consultation Document such as Council's Activity Statements, Significant Forecasting Assumptions, a Statement on Council Controlled Organisations, a Statement on the Development of Maori Capacity to Contribute to Decision Making processes, and a Summary of Council's Significance and Engagement Policy. It is necessary to adopt each of these supporting documents given that they do not get adopted through the adoption of the Consultation Document.
- 4.5 Some of these supporting documents, such as the Significant Forecasting Assumptions, have been presented and specifically discussed with Councillors at Council briefings last year, however, this has only been done for documents where considerable changes have been made in comparison to what was included in the 2015-2025 LTP. Other documents such as a Statement on Council Controlled Organisations, which have not been substantially changed but rather updated have not been presented in detail to Councillors previously, however, this report will outline any key changes that have been made to the documents.

## 5. Discussion

- 5.1 The supporting documents covered in this report are;
- Council's Activity Statements,
  - Significant Forecasting Assumptions for the 2018-2038 LTP,
  - Statement on Council Controlled Organisations,
  - Statement on the Development of Maori Capacity to Contribute to Decision Making processes,
  - Summary of Council's Significance and Engagement Policy,
  - Foxton Community Board Report (Foxton Pool Extended Season Trial),
  - Remission of Rates on Maori Freehold Land Policy, and
  - Community Outcomes.

Each of these documents including their purposes and proposed amendments will be briefly outlined in this section of the report.

### Activity Statements

- 5.2 Schedule 10(2) of the LGA 2002 requires Council to identify:
- “(a) the activities within the group of activities;*
  - (b) identify the rationale for delivery of the group of activities (including the community outcomes to which the group of activities primarily contributes);*
  - (c) outline any significant negative effects that any activity within the group of activities may have on the local community;*

- (d) include the information specified in clauses 4 and 5 -  
(i) in detail in relation to each of the first 3 financial years covered by the plan;  
and  
(ii) in outline in relation to each of the subsequent financial years covered by the plan.”

Schedule 10(2) also identifies the Groups of Activities that the Council must include in the above information on as well as noting that Council may treat any other Activity as a Group of Activities and thus include this information on that Activity as well.

- 5.3 The Activity Statements document (refer to **Appendix A**) outlines the Groups of Activities (Water Supply, Wastewater Disposal, Stormwater, Land Transport, Solid Waste, Community Facilities and Services, Property, Representation and Community Leadership, Community Support, and Regulatory Services), as well as the sub-activities that are undertaken by Council for the Community.
- 5.4 For each Group of Activities and the sub-activities that sit under them Council has outlined; what is involved in a Group of Activities and/or a sub-activity; the rationale for the Activity; intended levels of service, performance measures and targets; changes since the 2015-2025 Long Term Plan (LTP); key challenges that Council faces; significant negative effects associated with an activity; risks and assumptions; associated costs; and how the costs will be funded.
- 5.5 The Activity Statements have undergone an extensive review by Activity Managers and collated by officers to ensure that each statement contains the most up-to-date information on each Group of Activities or sub-activity. During this process all performance measures and targets underwent a full review. Some of the new performance measure and targets are mandatory and therefore Council is required to include them. Others have been changed to provide more meaningful measures to the Community of the services delivered. The performance measures included in the Activity Statements are what officers will be reporting on to Council throughout each of the next three years (until the next review is undertaken).

#### Significant Forecasting Assumptions

- 5.6 In accordance with Schedule 10(17) of the LGA 2002 Council is required to identify any significant forecasting assumptions that it has made in developing the LTP which underpin the financial estimates. Council must also identify any risks associated with these assumptions.
- 5.7 Officers have reviewed the significant forecasting assumptions that were included in the 2015-2025 LTP and amended the assumptions (refer to **Appendix B**) to better reflect what Council is proposing to undertake during this 2018-2038 period of this LTP and to ensure that we have identified all of the assumptions that we are legally required to identify. The amended significant forecasting assumptions were presented to Councillors at the Council briefing on 6 December 2017.
- 5.8 Since the significant forecasting assumptions were presented to Councillors at the briefing in December they have been independently audited by Audit NZ. The auditors have requested some minor amendments to some of the assumptions (primarily for clarity purposes). The amendments include a financial sensitivity analysis to be provided for LTP fundamental assumptions such as Population Growth, Inflation Costs, and Interest Rates. The analysis demonstrates the financial impacts that could occur if the assumptions Council made differ from the actual reality in the future.

#### Statement on Council Controlled Organisations

- 5.9 Council is required under Schedule 10(7) of the LGA 2002 to name any council-controlled organisations and any subsidiary of council-controlled organisations as well as identify –  
*“(i) the local authority's significant policies and objectives in relation to ownership and control of the organisation; and*

- (ii) the nature and scope of the activities to be provided by the council-controlled organisation; and*  
*(iii) the key performance targets and other measures by which performance is to be judged.”*

5.10 Officers have updated the Statement on Council Controlled Organisations (see **Appendix C**) from the statement included in the 2015-2025 LTP, so that Te Horowhenua Trust is no longer a Council Controlled Organisation following it being dissolved in 2016.

Statement on the Development of Maori Capacity to Contribute to Decision Making

5.11 In accordance with section 81 of the LGA 2002 Council is required to have processes in place to provide opportunity for and to foster/develop Maori capacity to contribute to Council's decision making processes. Under Schedule 10(8) of the LGA 2002 Council is required to include a statement of any steps it has taken, or will take, to foster the development of Maori capacity to contribute to the decision making processes of Council over the period covered by this LTP.

5.12 Officers have updated Council's Statement on Developing Maori Capacity to Contribute to Council's Decision Making processes (refer to **Appendix D**). The changes that have been made to this statement since the 2015-2025 LTP reflect Council's increased desire to develop closer and more meaningful partnerships and working relationships with the Maori community. These updates include the development of new partnership agreements with Iwi. The partnerships will help set the vision and direction for future initiatives in the District and lift the collective capacity and capability of each entity.

Summary of Council's Significance and Engagement Policy

5.13 Council is required under Schedule 10(11) to include a summary of its Significance and Engagement Policy in its LTP. Officers have prepared this summary (see **Appendix E**) so that it is in line with Council's Significance and Engagement Policy which was reviewed and then adopted by Council on 21 June 2017.

Foxton Community Board Report (Foxton Pool Extended Season Trial)

5.14 This report presented to the Foxton Community Board on 20 February 2017 is considered Supporting Information to a key challenge in the Consultation Document. The report outlines key information for the community to refer to regarding the use of the Foxton Pool (see **Appendix F**).

Remission of Rates on Maori Freehold Land Policy

5.15 In accordance with section (102)(4A) this policy must be reviewed every six years using a consultation process that gives effect to the requirements of section (82). The policy has been reviewed by the Chief Financial Officer as part of the LTP process and the amendments have been presented to Council at a briefing on 23 August 2017. The amendments to the remissions policy include improvements to simplify the application process (see **Appendix G**).

Community Outcomes

5.16 As set out in the Local Government Act 2002, Community Outcomes are what Council aims to achieve in meeting the current and future needs of the Community for good quality infrastructure, public services and performance regulatory functions. The new proposed Community Outcomes have been briefed and workshopped with Council in October 2017 and will be out for Public Consultation in the 2018-2038 LTP Consultation Document (see **Appendix H**).

## 6. Options

- Option 1:* Proceed with the adoption of the supporting documents for the 2018-2038 LTP Consultation Document.
- Option 2:* Delay the adoption of one or more supporting documents of the 2018-2038 LTP Consultation Document and specify the amendments that need to be undertaken before adoption (this would mean that the notification of the Consultation Document would also need to be delayed).
- Option 1:* Proceed with the adoption of the supporting documents for the 2018-2038 LTP Consultation Document.

This is the Officer's preferred and recommended option. If the supporting documents (as attached in **Appendices A-F**) are adopted today then officers can proceed to make these documents available to the public for their use as Supporting Information to the 2018-2038 LTP Consultation Document, which is to be publicly notified on 23 February 2018.

- Option 2:* Delay the adoption of one or more supporting documents of the 2018-2038 LTP Consultation Document and specify the amendments that need to be undertaken before adoption (this would potentially mean that the notification of the Consultation Document would also need to be delayed).

This option would only be appropriate if the Council considered that there needed to be fundamental changes to one or more of the supporting documents (as attached in **Appendices A-F**) to the 2018-2038 LTP Consultation Document. Depending on which document requires the significant changes to be made to it will effect whether the public notification of the 2018-2038 LTP Consultation Document needs to be delayed as well as, given that Supporting Information must be adopted prior to the adoption of the Consultation Document.

For example, if the Significant Forecasting Assumptions require significant changes then the public notification of the 2018-2038 LTP Consultation Document will need to be delayed as the assumptions inform a lot of projections and financial estimates of the Draft LTP documents. Whereas if the Statement on Council Controlled Organisations requires changes then notification of the Consultation Document need not be delayed as this statement does not affect information contained in the Consultation Document.

A resolution has been included to enable the Group Manager Strategy & Development in consultation with the Chief Executive to correct minor errors and omissions to any of the supporting documents covered in this report prior to the public notification of the 2018-2038 LTP Consultation Document. This enables the correction of minor errors or omission to these documents without delaying the public notification of the 2018-2038 LTP Consultation Document due to the need to bring the amended documents back to Council for adoption.

Option 2 would potentially result in additional costs. These additional costs would be associated with necessitating additional audit work. If the delay in adopting results in the consultation events needing to be rescheduled, there could be additional costs for rebooking the events. For the reasons set out above for each option, officers prefer Option 1.

### 6.1 Cost

This has been funded as part of the 2018-2038 LTP budget. This programme remains on track to be undertaken within the available budget.

#### 6.1.1 Rate Impact

The adoption of the supporting documents to 2018-2038 LTP Consultation Document will not of itself have a rate impact.

## 6.2 Community Wellbeing

The adoption of the supporting documents to the 2018-2038 Long Term Plan Consultation Document is in itself not considered to have any impact on Community Wellbeing.

## 6.3 Consenting Issues

There are no consents required or consenting issues arising.

## 6.4 LTP Integration

These documents are being produced as part of the 2018-2038 Long Term Plan.

## 7. Consultation

The adoption of the supporting documents and the public notification of the 2018-2038 LTP Consultation Document and Supporting Information triggers the start of a legally prescribed consultation process in accordance with Sections 83 and 93A of the LGA 2002. All members of the public will have the opportunity to make submissions and present their submissions at the Council hearing before any final decision is made by Council.

## 8. Legal Considerations

The supporting documents have been produced in accordance with relevant statutory requirements and processes. These documents have been produced to ensure that the Council will fulfil its obligations in relation to producing a Long Term Plan under the LGA 2002.

## 9. Financial Considerations

There is no financial impact in adopting the supporting documents to the 2018-2038 LTP Consultation Document to enable the public consultation on the 2018-2038 LTP Consultation Document to proceed. The Long Term Plan process is provided for within existing budgets.

## 10. Other Considerations

There are no other considerations.

## 11. Next Steps

- 11.1 Should the supporting documents be adopted by the Council they will be made available for public comment alongside the 2018-2038 LTP Consultation Document. The notification of the Consultation Document will start the formal submission period which will enable the public to comment on what Council is proposing as part of the 2018-2038 LTP which includes the supporting documents.
- 11.2 Officers anticipate that the Consultation Document will be publicly notified on 23 February 2018 with the submission period closing on the 26 March 2018. Once the submission period has closed Hearings will be held, officers will make recommendations on the submissions for Councillors, Council will then deliberate, issue their decisions, and adopt the 2018-2038 LTP (Proper) by 30 June 2018.

## Attachments

No.	Title	Page
	Long Term Plan 2018-2038 Supporting Information <i>(Under Separate Cover)</i>	
A	Activity Statements	

B	Significant Forecasting Assumptions	
C	Statement on Council Controlled Organisations	
D	Statement on the Development of Māori Capacity to Contribute to Decision Making	
E	Summary of Council's Significance and Engagement Policy	
F	Foxton Community Board Report (Foxton Pool Extended Season Trial)	
G	Remission of Rates on Māori Freehold Land Policy	
H	Community Outcomes	

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Author(s)	Nichole Mangione <b>Business Analyst - Strategic Planning</b>	
Approved by	David McCorkindale <b>Group Manager - Strategy &amp; Development</b>	





## Adoption of the 2018-2038 Long Term Plan Consultation Document

### 1. Purpose

The purpose of this report is to adopt Council's 2018-2038 Long Term Plan (LTP) Consultation Document for public consultation.

### 2. Executive Summary

- 2.1 As part of the development of Council Long Term Plans the Local Government Act 2002 requires Councils to use a Consultation Document to consult with the community. Adoption and notification of the Consultation Document triggers the start of the formal consultation period.
- 2.2 Council proposes to release the 2018-2038 Long Term Plan Consultation Document for public consultation on 23 February 2018. The consultation period for submissions will run through to 26 March 2018. A series of community events will be held during this time to allow the community to engage directly with Councillors and Council officers. Hearings of submissions are scheduled to occur 1, 2, and 3 of May, while deliberations are tentatively scheduled for 23 and 24 May 2018. The final adoption of the 2018-2038 LTP (Proper) is scheduled to occur 20 June 2018.

### 3. Recommendation

- 3.1 That Report 18/85 Adoption of the 2018-2038 Long Term Plan Consultation Document be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That the 2018-2038 Long Term Plan Consultation Document be adopted for public consultation.
- 3.4 That, if necessary, the Group Manager Strategy and Development, in consultation with the Chief Executive, be authorised to correct any minor errors or omissions in the 2018-2038 Long Term Plan Consultation Document before it is publicly notified.

### 4. Background / Previous Council Decisions

- 4.1 The 2018-2038 LTP Consultation Document is the compilation of approximately seven months of Council briefings and information that has been presented to Council. The Consultation Document is informed by several Council Policies and Strategies.
- 4.2 The documents informing the Consultation Document include but are not limited to the following:
  - Financial Strategy
  - Infrastructure Strategy
  - Revenue & Financing Policy
  - Council Activity Statements
  - Significant Forecasting Assumptions
  - Funding Impact Statement

- Council's Community Outcomes
  - Rates Remission Policy
  - Rates Remissions of Maori Freehold Land
- 4.3 Some of these documents have already been adopted by Council prior to this meeting; other documents such as the Revenue and Financing Policy have been the subject of Council briefings and are being presented at this meeting for adoption prior to this report. Legally they must be adopted prior to the adoption of the Consultation Document.

## 5. Discussion

- 5.1 Section 93B of the LGA sets out that:

“The purpose of the consultation document is to provide an effective basis for public participation in local authority decision-making processes relating to the content of a long-term plan by—

- (a) providing a fair representation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that—
    - (i) explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected; and
    - (ii) can be readily understood by interested or affected people; and
  - (b) identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices; and
  - (c) informing discussions between the local authority and its communities about the matters in paragraphs (a) and (b)”.
- 5.2 The information is designed to be presented in a way that is engaging and informative, which is the reason behind having two local six-year-old LTP Champions, Mia and Xander help put the 20 year Plan into perspective, that this plan is for both current and future generations.
- 5.3 The LTP individual supporting documents must all tell the same story. There needs to be dependencies and linkages between the documents that are well understood. The independent audit process has been closely checking to ensure there are no inconsistencies.
- 5.4 The Consultation Document focuses on three key challenges, two minor policy updates, and other additional topics which include a number of ideas and issues that Council is seeking community feedback on.
- 5.5 The three key challenges are:
- Property: The future of community halls.
  - Foxton Pool: Season length of the Foxton Pool.
  - Water Supply and Wastewater: Providing new drinking water supply and wastewater to our growing settlements.
- 5.6 The additional topics include:
- Shannon Community Centre
  - Water Sustainability
  - Infrastructure Strategy
  - Financial Strategy

- Revenue and Financing Policy
  - Remissions of Rates on Maori Freehold Land Policy
- 5.7 The key challenges and topics were identified through the LTP Pre-engagement Campaign (September-November 2017) by the community and supported by Council through a series of Council briefings in during November and December 2017. These are matters the community and Council most wanted to engage and consult with the community on.
- 5.8 All matters contained in the Consultation Document (and Supporting Information) are open to public submission. The usual LTP process of submissions, hearings, deliberations and final decisions by Council remains unchanged from previous LTP processes. Section 7 of this report goes into more detail about the details of the consultation process Council will be following for this LTP.
- 5.9 The Consultation Document and documented Supporting Information cover the background, options, and financial implications of the challenges and matters Council is consulting on. It is not the intention of this report to go into any detail on each of the key challenges or matters in the Consultation Document as that would be duplicating what is available in Appendix 1.
- 5.10 The information contained in the Consultation Document reflect the LTP community Pre-engagement outcomes in conjunction with the discussion, debate and direction provided by Council to officers over the last seven months through a number of Council briefings. The Consultation Document is to be read as Council's proposal, with their preferred option to address each challenge specified. If, for instance, there were no submissions on a particular topic it should be understood that the preferred option is the direction Council would be likely to proceed with.
- 5.11 Various documents making up the LTP or supporting the Consultation Document have all been presented to Council under separate reports and prior to seeking adoption of the 2018-2038 LTP Consultation Document. This has meant that the focus of past LTPs on rates increases, or balancing the budget have been addressed previously in the related document (e.g. Financial Strategy or Revenue & Financing Policy). While the matters of rate increases and balancing the budget are identified in the Consultation Document this report does not discuss the proposals or the implications instead leaving that to the Council report on the relevant document.
- 5.12 The Consultation Document content has been subject to an independent audit by Audit NZ and also a Hot Review Audit (which is essentially a quality control audit of the audit). The Hot Review audit is undertaken by a separate review panel and is designed to ensure there is consistency between the audits being undertaken across New Zealand. All Councils are required to go through the Hot Review Audit at this stage of the process. The audit opinion that will be presented to you at this meeting and will be included in the Consultation Document (a legislative requirement s93C(4) LGA) before the document is printed and released for public submission.

## 6. Options

The two options Council has are:

*Option 1:* Adopt the 2018-2038 LTP Consultation Document for public submission.

*Option 2:* Delay the Adoption of the 2018-2038 LTP Consultation Document and provide specific direction to officers on the changes required to the current version.

*Option 1:* Adopt the 2018-2038 LTP Consultation Document for public submission.

This is Officer's preferred and recommended option. If the 2018-2038 LTP Consultation Document is adopted today then officers can proceed to publicly notify the Consultation document on 23 February 2018 and make the documented Supporting Information available to the public for their use. The

scheduled submission period, public engagement events, hearings and deliberations would all be able to continue as scheduled.

*Option 2:* Delay the Adoption of the 2018-2038 LTP Consultation Document and provide specific direction to officers on the changes required to the current version.

Option 2 would be appropriate only if the Council considered that there needed to be fundamental changes to the 2018-2038 LTP Consultation Document. Delaying the adoption and public notification of the 2018-2038 LTP Consultation Document would potentially mean adjusting the timeframes for the scheduled submission period, public engagement events, hearings and deliberations. Depending on the length of delay it has potential to compromise the ability of Council to adopt the LTP (Proper) by the required date of 30 June 2018. Most likely it would have the effect of reducing the quality of service that officers are able to provide throughout the LTP process. For instance shorter timeframes would compromise the ability of officers to be able to provide draft recommendations to submitters 3-5 days before the hearing.

A resolution has been included to enable the Group Manager Strategy & Development in consultation with the Chief Executive to correct minor errors and omissions to the 2018-2038 LTP Consultation Document before it is publicly notified. This enables officers to correct minor errors or omissions to this document without delaying the public notification of the 2018-2038 LTP Consultation Document due to needing to bring the amended document back to Council for adoption.

The costs associated with both options would generally be the same. Although given the bookings that have already been scheduled for the consultation events, if these needed to change as a result of Option 2, then this could trigger additional costs. For the reasons set out above for each option, officers recommend Option 1.

## 6.1 Cost

The costs of producing, advertising, and distributing the Consultation Document are part of the Long Term Plan project costs. The project remains within budget.

### 6.1.1 Rate Impact

The adoption of the 2018-2038 LTP Consultation Document will not itself have a rate impact. It is acknowledged however, that the content of the Consultation Document does seek community feedback on the rate impact of Council's plans for the next 20 years.

## 6.2 Community Wellbeing

The adoption of the 2018-2038 Long Term Plan Consultation Document is in itself not considered to have any impact on Community Wellbeing. Although it is acknowledged that within the Consultation Document, Council is seeking feedback on the proposed Community Outcomes.

## 6.3 Consenting Issues

There are no consents required or consenting issues arising.

## 6.4 LTP Integration

Although not forming part of the LTP itself, the Consultation Document captures the key challenges and opportunities presented within the Long Term Plan and is the legally recognised basis for consulting on these issues.

## 7. Consultation

- 7.1 Following its adoption, the 2018-2038 Long Term Plan Consultation Document will be published in an accessible and user-friendly format that will be used for public consultation. The following is an outline of consultation dates for the Long Term Plan 2018-2038.

19 February 2018	2018-2038 Long Term Plan Consultation Document adopted
23 February 2018	Consultation Document publicly notified - Public Submissions Open
24 February 2018 3, 10,17 March 2018	Community Engagement Events
26 March 2018	Public Submissions Close
1, 2 & 3 May 2018	Hearings of Submissions
23 & 24 May 2018	Deliberations
21 June 2018	Long Term Plan (Proper) Adoption

- 7.2 All Horowhenua Residents and Ratepayers with mail addresses will receive an information pamphlet outlining when we are consulting on the LTP, how to find out more information, how to make a submission, and details on when/where to attend LTP events. All interested individuals and organisations will be able to access a copy of the 2018-2038 Long Term Plan Consultation Document online at [www.horowhenua.govt.nz/whatsourfuture](http://www.horowhenua.govt.nz/whatsourfuture), or alternatively hard copies will be available from the Council Office, Te Awahou Nieuwe Stroom, Te Takeretanga o Kura-hau-pō, or the Shannon Library.
- 7.3 Formal Consultation will be the second stage of engagement with the Community. In order to reach the wider Community members a communications campaign will be utilized to encourage residents and ratepayers to have their say and actively engage in the decision making process. Some engagement strategies to be used include, but are not limited to, mailer pamphlets, online advertisements, engagement web-page, Facebook posts, online videos, LTP stall at community events, local newspaper and magazine articles, and radio advertisements.
- 7.4 All those who make a submission to the Long Term Plan process will be given the opportunity to speak to their submission at the hearings. Depending on the number and nature of submissions received Officers intend on providing draft officer responses and recommendations to submitters speaking at a hearing. The purpose of sending out draft recommendations to submitters is to allow submitters to see how Officers have understood their written submission and to give them a chance to provide further clarification in their verbal submission. It is acknowledged and will be communicated to submitters that the draft recommendations made by Council Officers are recommendations only. The final decisions will be made by the Mayor and Councillors and may differ from the Officers recommendation.

## 8. Legal Considerations

The Long Term Plan process is guided by legislation and requires that the Consultation Document is adopted by Council to begin consultation under the Local Government Act.

## 9. Financial Considerations

There is no financial impact in adopting the 2018-2038 LTP Consultation Document for public consultation. The LTP process is provided for in existing budgets.

## 10. Other Considerations

There are no other considerations.

## 11. Next Steps

11.1 Should the 2018-2038 LTP Consultation Document be adopted then the design version of the Consultation Document will be finalised with the Audit Report included and then publicly notified on 23 February 2018. The public notification of the Consultation Document will start the formal submission period. The submission period would enable the public to comment on what Council is proposing as part of its 2018-2038 LTP which includes the documented Supporting Information.

11.2 Officers anticipate that the Consultation Document will be publicly notified on 23 February 2018 with the submission period closing on the 26 March 2018. Once the submission period has closed Hearings will be held, officers will make recommendations on the submissions for Councillors, Council will then deliberate, issue their decisions, and adopt the 2018-2038 LTP (Proper) by 30 June 2018.

### Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

## 12. Appendices

No.	Title	Page
A	Long Term Plan Document 2018-2038 for Consultation ( <i>Under Separate Cover</i> )	

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Approved by	David McCorkindale <b>Group Manager - Strategy &amp; Development</b>	
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