

Annual Plan Budget Workshop

11 February, 10am – 12noon

Chair: Cllr Lesley Soper

Opening item in Public, followed by Public Excluded and move back into Public at the end to summarise position

Proposed Timings

10am	Livestream commences Introduction – Slide 2	Chair/ Rhiannon
10.05am	Review of LTP, Project 1225 and Annual Plan position from Workshop 2 (Slides 3 – 10)	Michael
10.30am	Public Excluded Review of position from Workshop 2 (Slides 12 and 13)	Michael
10.45am	Additional information – Wachner Place Toilets and Community Wellbeing Fund (Slides 14 and 15)	Patricia/ Rhiannon
10.50am	Discussion of position	Chair
11.15am	Fees and Charges – areas of focus (Slide 117)	Rhiannon
11.20am	Fees and Charges proposals (Slides 18 - 28)	ELT
11.40am	Update – Consultation issues and next steps (Slides 23 -25)	Rhiannon
11.50am	Livestream recommences Summary position	Chair/ Michael
11.55am	Next Steps	Chair/ Rhiannon
12	Close	

2025/2026 Annual Plan

Council Workshop
11 February 2024



Purpose

- Review Savings Options from 28 Jan Workshop
- Review key proposed Fees and Charges changes
- Update on consultation issues
- Provide direction for 25 February Annual Plan Budget decision paper

Looking at the LTP – Change from Year 1 to Year 2

What drove the LTP Year 2 Rates

Inflation (As per estimated 11/23)	3.73%
Increased Capital Related Costs	
Programme - Debt interest & repayments	1.72%
Depreciation funding	5.39%
Operational changes (Detail next slide)	0.09%
Returning to a Balanced Budget:	
Rates smoothing – Shift rates in Years 1&2 to 3&4	(2.43%)
LTP Year 2 Rates	8.50%

What drove the LTP Year 2 Rates

Items within the 0.09% Operational changes – Approx \$70,000:

Returning Service Impact

Museum - Operating impact 25/26 1.06%

Regulation Impacts

Election Year 0.35%

Increase in ETS & waste levy 0.44%

NZTA draft indications adjustment 0.67%

National Public Transport Ticketing System 0.10%

Operational changes

Combined impact – efficiencies and savings and revenue changes (2.62%)

0.09%

Impact of Project 1225 on ongoing rates increases

Bringing on a new service (storage facility, tuatara facility, museum facility) incurs capital and operational costs (as a new service not included in inflation)

So far...

Capital: Planned increased borrowing to date to 2024/2025 - \$38 million capital less \$5 million subsidy approx. 2.58% total rates increase to date (includes increase up to 24/25 of 0.90% + 25/26 Impact of **1.68%**)*

Operating expenditure: (Arts and Museum activity - LTP) total rates increase 2.82% (includes increase up to 24/25 of 1.48% + 25/26 Impact of **1.34%**)*

Total 2025/2026: Approx. 3.02% Rates impact* (\$2.2 million)

To opening...

Since closure of the museum, following two consultations, total incurred and planned rates increases (capital and operational) to opening: **8.76%**

* Impact included in the LTP 8.5%

Moving from Year 2 LTP to 25/26 Annual Plan – What's changing?

Doing the sums – Starting Position

LTP Year 2 Rates Inc.

8.50%

Includes inflation assumption 2.2%

Includes 3W depreciation – Water - 100%/ Sewerage 80%/ Stormwater 80%

LTP Year 2 Unsmoothed rates increase

2.43%

LTP Year 2 Smoothing – rates were deferred into later years resulting in unbalanced budget

10.93%

0.94%

Annual Plan Updated inflation – 4.4% 3W, 3.0% Non-3W

1.53%

Insurance

0.10%

Interest expenses & debt repayments

(1.60%)

Other items – Officer Adjustments already made

2025/2026 Annual Plan – Econ. Env Updates

11.90%

0%

3W – Ringfencing - \$2.3 Million (3W rate increase 8.52%/ NW rate decrease (4.51%)

0.26%

3W - Ringfencing implementation cost

0.21%

3W – LTP Amendment Audit (potential)

1.78%

3W – Move towards 100% depreciation (100%/ 90%/ 90%)

0.39%

3W – Levies

0.22%

Councillor/ Mayoral Salary increase

14.76%

2025/2026 Annual Plan

– Regulatory Updates

→

24.07% 3W rates increase

→

9.82% NW rates increase

Doing the sums – Water Options

Context: Rates 'cap' of inflation – will be based on LGCI (3.0%) and not apply to 3w/ likely not apply to waste and potentially not to roading

Annual Plan Water Increase	24.07%
	(2.16%) NW Recommended Capital Programme Delivery rephasing Yr 1 and 2 into later years
	(1.79%) Increased fees and charges revenue
	0.36% Reconfirm LTP smoothing approach
2025/2026 AP Water – inc. Savings options	<hr/> 20.48%

Average 3W Rate Increase: \$220
Average 3W Rates 2025/2026: \$1297
Forecast Morrison Low Average Rates by 2033/34: \$3000*

*Note this is not an exact comparison due to the structure of our current rating compared to the Morrison Low modelling approach
*Still reviewing if Amended LTP required. If not this will be removed from 3W Numbers.

Doing the sums – Non-Water Options

Context: Rates 'cap' of inflation – will be based on LGCI (3.0%) and not apply to 3w/ likely not apply to waste and potentially not to roading

Annual Plan Non-Water with funding requests and organisational items	9.82%	
	(3.90%)	Reconfirm LTP smoothing approach
	0.28%	External Funding request – (Linked to existing Contracts PE)
	3.33%	Organisation Cost implication beyond Inflation (Contracts PE)
	1.50%	Organisation – User Pays policy review
	(0.99%)	Option - NW Capital Programme Delivery rephasing Yr 1 and 2 into later years
	(1.35%)	Option - NW Depreciation Adjustment – Roading 75%
	(2.61%)	Option - Organisational efficiency
	(0.28%)	Option - Decline Funding requests
Annual Plan Non-Water inc. Council Options above	5.80%	
	(2.10%)	Options brought by Officers in PE for Council to Consideration. In PE due to link to Commercial Contracts
Annual Plan Non-Water inc. Officer Options for Consideration	3.70%	

Public Excluded