

Report No.	20-53
Decision Required	

ANNUAL PLAN 2020-21

1. PURPOSE

- 1.1. This report is to provide Council with an update on the current status of the 2020-21 Annual Plan and proposed process to adopt.

2. EXECUTIVE SUMMARY

- 2.1. Council was set to adopt the Consultation Document and Supporting Information to the 2020-21 Consultation Document (more commonly referred to as the Draft Annual Plan 2020-21) for public consultation at its Council meeting on 24 March 2020. This meeting was cancelled in light of the COVID-19 event and the Annual Plan process suspended. At the Extraordinary Council meeting held 7 April 2020 Council authorised the Chief Executive to revise the document to reflect the social and economic condition of the region, recognising the financial impact of COVID-19. Council also resolved not to consult on the Draft Annual Plan 2020-2021 in light of the impacts of Covid-19 in the interests of public safety, time constraints, and no significant changes to the 2018-2028 Long-term Plan.
- 2.2. Options for a 0%, 1% and 2% average rates increase were presented to Council at a workshop held 21 April 2020 and management now seeks confirmation from Council on which average rate increase will be adopted for the 2020-21 Annual Plan.

3. RECOMMENDATION

It is recommended that Council:

- a. receives the information contained in Report No. 20-53.
- b. resolves that the Annual Plan for 2020-21 is either:
 - i. set at an average rate increase of 0%; or
 - ii. set at an average rate increase of 1%; or
 - iii. set at an average rate increase of 2%; or
 - iv. other as proposed by Council.
- c. authorises the Chief Executive to update the Supporting Information and Proposed Annual Plan Summary to reflect the proposed agreed average rate increase;
- d. confirms the timeframe for adoption of the 2020-21 Annual Plan.

4. FINANCIAL IMPACT

- 4.1. There is no financial impact of this item.
- 4.2. The proposed average rate increases will not be uniform across all ratepayers, particularly in those districts that have had a revaluation completed this year, namely Horowhenua, Manawatū and Whanganui.

5. COMMUNITY ENGAGEMENT

- 5.1. At the Extraordinary Council meeting held 7 April 2020 Council resolved not to consult on the Draft Annual Plan 2020-2021 in light of the impacts of Covid-19 in the interests of public safety, time constraints, and no significant changes to the 2018-2028 Long-term Plan.
- 5.2. Horizons has a communications plan seeking public feedback on the proposed 2020-21 Annual Plan. The Proposed Annual Plan Summary Document will be the primary tool to engage our communities, with the document available online as well as hard copy on request, the use of online channels, advertising and media.
 - Media releases
 - Summary Document available online or by post upon request
 - Social media posts
 - Supporting Documentation and feedback form available on Horizons' website

6. BACKGROUND

- 6.1. Council was set to adopt its 2020-21 Annual Plan for community consultation on 24 March 2020. Due to the COVID-19 Alert Level 4 response, the Regional Council meeting was cancelled and the Annual Plan process suspended. This initial Plan included a proposed average rate increase of 5.95%.
- 6.2. Most of the increases in the proposed 5.95% have been removed or funded from alternative means.
- 6.3. Increases in staff salaries, fuel and inflation have been removed.
- 6.4. There are increases in the amount of reserves usages in some areas including, Infrastructure Reserves to fund increased insurance premiums; and Biosecurity Reserves to maintain some levels of service.
- 6.5. Loan repayment periods have been extended for the One Plan and parts of the River and Drainage Schemes.
- 6.6. Rating for transport inflation and increased costs in Total Mobility has been removed.
- 6.7. Capital Expenditure for the installation of a boat ramp at Lake Horowhenua has been added with no net overall rate increase (funding reallocated within the freshwater budgets).
- 6.8. We are conscious that by revising some work programmes and using reserves and other alternatives to fund some activities to keep the average rate increase at zero this year, will put pressure on our 2021-22 Annual Plan budgets.

7. TIMELINE / NEXT STEPS

- 7.1. Once Council confirms the average rate increase for 2020-21, the Supporting Information and Annual Plan Summary Document will be updated and made available to the public.
- 7.2. Public feedback will be sought for a period of two weeks till 24 May 2020.
- 7.3. Management will collate all feedback received and present to Council for consideration.

29 April 2020

7.4. Dependant on the outcome of Councils considerations of the feedback received, the final Annual Plan 2020-21 will be adopted by 30 June 2020.

8. SIGNIFICANCE

8.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

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CHIEF FINANCIAL OFFICER

Craig Grant
GROUP MANAGER CORPORATE & GOVERNANCE

ANNEXES

There are no attachments for this report.