

LTP - Revenue & Financing Policy – December 2023

Meeting: Kaipara District Council
Date of meeting: 13 December 2023
Reporting officer: Sue Davidson, GM Sustainable Growth and Investment

Purpose | Ngā whāinga

To approve the Revenue and Financing Policy for inclusion in the LTP 2024-27.

Executive summary | Whakarāpopototanga

Council has had several meetings on the Revenue and Financing Policy. Details of changes made to the policy are outlined below. Key changes are the additional targeted rates for library and parks /pool and the community rate requested for the Mangawhai Museum. These will all go out for consultation.

Recommendation | Ngā tūtohunga

That the Kaipara District Council:

- a) Approves the Revenue and Financing Policy for the inclusion in the Draft LTP 2024-27 (Attachment A).
- b) Delegates the Mayor and Chief Executive the authority to approve any minor editorial changes that do not alter the intent of the policy.

Context | Horopaki

Every 3 years the Financial Contributions Policy must be reviewed as part of the LTP.

Briefings have been held with Council as follows;

- **21 September 2023 briefing:** Council discussed and gave guidance on the first steps of consideration to funding activities at the LTP briefing.
- **4 October 2023 Briefing:** Council heard from an external consultant Stephen Halliwell at the 4th of October 2023 briefing. This was where the Council held discussions on the bigger picture of changing the valuation from LV to CV. There was no appetite to investigate this further.
- **11 October briefing:** Council discussed and gave guidance at the 11th October LTP briefing on the additional Museum targeted rate and forestry rate. Elected members at this meeting indicated they wished to look at a differential for the urban areas as they were often being questioned about urban services not being used by the rural population.
- **8 November briefing:** Discussion around Parks/Pool and Library targeted rates.

Discussion | Ngā kōrerorero

Changes made as a result of Briefings

Changes made to the Revenue and Financing Policy through the briefings are as follows:

- Removal of reference to 3 Waters as per current legislation
- Addition of Mangawhai museum rate of \$20 per ratepayer (in same area as Mangawhai Harbour Restoration rating area)
- Waste targeted rate to be used for bins when introduced from 1 July 2025
- Pensioner Housing and Economic Development now added as sub activities and their funding inserted
- Cemeteries - Noted only receiving 60% fees for cemeteries but won't reduce percentage expected recovery from 70%
- Parks-Noted limited fees and charges as Council not the predominant owner of sports fields
- Animal Control-Increased fee recovery from 50% to 80% to reflect the increase in fees made 2 years ago
- Building control-Fee recovery has been 85% in 2023 only 65% as Council using consultants for processing and new building compliance manager. Lower recovery anticipated and reduced to 75%
- Resource Consents- Failed to meet 70% recovery as utilising consultants so overhead can't be recovered. Wait and reevaluate next year as currently recovery actually 60%
- Parks/pool and libraries-Targeted rates to be proposed as residential use these more. Guidance given of 60% Residential,40% Other split.

These (Parks/pool and library rates) are new targeted rates and Elected Members had shared they were often questioned by rural ratepayers why the costs were based on land value for what seemed more urban costs. Those with high land value bore the brunt of the general rates of Council as can be seen from the information below.

	General Rate Total	Land Value	Number Rating Units
Central	5,068,252	2,761,696,350	1,884
Dargaville	2,765,232	998,901,450	2,259
Infrastructure	18,619	9,280,000	12
Kaiwaka	2,890,880	1,635,444,900	1,142
Mangawhai	12,324,841	13,208,394,100	5,175
Maungaturoto	4,532,906	2,397,620,100	2,172
North	2,312,053	1,327,517,640	795
West Coast	4,431,402	2,397,939,300	1,995
Total	\$34,344,186	24,736,793,840	15,434

The graph (**Attachment B**) shows Kaipara District Council has very few targeted rates compared to other Councils.

Options

Option 1: Approve the Revenue and Financing Policy to go out for consultation as part of the Long Term Plan

Council has had to review some parts of the current policy and added 3 new rates. Note the targeted rate for libraries and parks/pool will be different for residential ratepayers and others. This has the advantage of ratepayers actually understanding what they are being charged for as it will appear as a separate line on the rates bill. It also allocates a fairer proportion of costs with the ratepayers that benefit from them.

This is the recommended option.

Option 2: Council does not adopt the policy

Council needs a new policy because 3 Waters is being removed from Local Government ownership and there have been changes to the legislation in terms of the considerations a Council has to make. Council has been through a robust process to finalise the type of rates and allocation of costs.

Policy and planning implications

The Revenue and Financing Policy is reviewed every 3 years and can be part of the LTP.
(Attachment A)

Financial implications

Ther proposals shift the burden of costs from one rating area to another when introducing a new rate for existing costs, but better reflect the benefits.

Risks and mitigations

Council has gone through a robust process of consideration and the policy will go out for consultation as part of the Long Term Plan.

Significance and engagement | Hirahira me ngā whakapāpā

The decisions or matters of this report are significant and will be consulted on as part of the Long Term Plan. Any feedback on the policy will come back to Council.

Next steps | E whaiake nei

The policy will be included in the Draft Long Term Plan.

Attachments | Ngā tapiritanga

	Title
A	Revenue and Financial Policy
B	Graph showing other councils targeted rates