

Introduction

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What is an Annual Plan?

An annual plan provides an overview of the Council's plans for a single year, showing what the Council plans to do, how much this will cost and how it will be funded. It is a 'slice' of the Council's 10 year or Long Term Plan (LTP).

Local Government Planning Cycle

All Councils are required to prepare an LTP and an Annual Plan under the Local Government Act 2002. An LTP is prepared and consulted on every three years. An Annual Plan is prepared in each of the intervening years. The LTP document also contains the annual plan for the first of the ten years it covers. The Annual Report for each year closes the planning loop by reporting back against the appropriate year in the Long Term Plan.

The LTP sets out the Council's financial and infrastructure strategies for the next 10 years and contains information on the actions the Council plans to take to achieve these, information about the levels of service the community can expect from Council activities and how performance will be measured, the projects that the Council plans to undertake over the next 10 years, and financial information including draft budgets, funding sources and changes to rates. An LTP is a public accountability document and provides a basis for the community to assess their Council's performance.

The current LTP was adopted by the Dunedin City Council on 29 June 2015 and covers the 10 years from 2015/16 – 2024/25.

Things have changed – new legislative requirements for Annual Planning

The Local Government Act 2002 was amended in 2014 bringing about changes to the nature of the Annual Plan. The Annual Plan is now an exceptions-only document focused on changes from the budgets and content for the year concerned as forecast and shown in the current LTP.

The consultation requirements have changed and require local authorities to focus their consultation only on significant or material changes from the LTP. The concepts of Significance and Materiality are described later in this section. If there are no significant or material changes from the LTP, the Council is not required to consult.

A draft annual plan document and summary document are not required any more. If consultation is undertaken a Consultation Document (CD) is prepared and must be solely focused on significant or material changes from the year concerned in the LTP.

There is no longer any requirement for local authorities to use the special consultative procedure, which involves a formal submission and hearing process, when consulting on an Annual Plan. Any consultation that is undertaken has to give effect to the principles of consultation stated in s.82 of the Local Government Act 2002.

Structure of the 2017/18 Annual Plan

This document focuses on the changes from the 2017/18 year (Year 3) in the LTP made in the course of revising, confirming and approving budgets for the 2017/18 Annual Plan.

It includes an outline of community engagement on the 2017/18 draft budgets and decision-making (Section 1), updates to financial statements and assumptions (Section 2), updates to the Funding Impact Statement (Section 3) and updates to fees and charges and Council grant pools (Section 4), all of which arise from budget changes.

Dunedin City Council Annual Plan Planning Process

Budgets for the next year are reviewed between September and November each year. These budgets, along with reports on issues and initiatives that may affect budgets, are presented to Councillors in January. The decisions made by Councillors at the January Annual Plan Council meeting determine the draft budgets for Annual Plan and identify the changes from the Long Term Plan. Significant or material changes will be consulted on with the community.

Introduction from the Mayor

Welcome to Dunedin City Council's 2017/18 Annual Plan.

This year's budget was handled a little differently from previously. The budget changes for the 2017/18 year were not significant enough to require formal consultation, so a submission and hearing process was not held. Instead the Council published an outline of its budgets and plans for 2017/18, and ran an engagement process based on that information. The community was invited to provide feedback online or in person at a variety of events. Additionally, as work had already started on the next Long Term Plan (LTP) it made sense to ask for early input to the LTP through the same process. This was a great advantage as it allowed any longer term, more complex issues to be diverted to the LTP.

However we did ask for specific feedback on one aspect of the 2017/18 budget – the level of funding to be applied to Te Ao Tūroa – The Natural World: Dunedin's Environment Strategy. This strategy was adopted in May 2016 and given initial funding of \$150,000 for the 2016/17 year. Funding of \$150,000 was budgeted for in 2017/18 – we wanted to know if there was support in the community for spending a further \$50,000 and speeding up work on implementing strategy actions. Te Ao Tūroa is one of the eight strategies working towards making Dunedin 'One of the World's Great Small Cities'. Each strategy is a foundation for service delivery; they are mutually reinforcing and they contribute to the overall lifestyle offering in Dunedin. For example, Te Ao Tūroa improves the economic potential of the city through its role in sustaining and enhancing the environment. Funding was increased to \$200,000 as a result of solid support received in feedback.

The update provided to the Council in January 2017 projected a budget increase of 2.99% in line with our financial strategy's 3% limit, and lower than the 5% previously forecast for 2017/18 in the LTP. The reduction reflected changes to the timing of capital expenditure for some Transport and Property projects to more accurately reflect the Council's capacity to deliver the projects. There were also increases in operational costs in Parks and Recreation activity following the renewal of major service contracts. The final budget meeting in May 2017, made some changes to budgets but the overall rates increase remained below the 3% limit.

A new project was added in May 2017. The Council gave in-principle support and funding of up to \$1 million for a proposal from Football South to build two full-sized all-weather artificial turf sports fields on Logan Park. The co-investment proposal envisaged \$420,000 from Football NZ/Federation International Football Association (FIFA) and fund-raising for the balance of the \$3 million total project cost from Lottery Grants, community trusts and local sporting and education bodies.

The Council's decision was taken within the Annual plan process rather than being deferred to the LTP, because the Football NZ/FIFA funding depended on obtaining local funding within the 2017/18 year. The Council's capital contribution will be debt funded but cashflow neutral due to savings in mowing and line marking costs from the grassed fields retired from use, and usage fees for the new turfs. Funding from the Council is subject to a number of conditions including successful fundraising. This is an exciting opportunity for the city to help provide an all-weather community facility for use by a number of sporting codes. The project meets several of Parks and Recreation and Economic Development strategy goals by partnering with others to improve the city's recreational offering. It also provides a facility capable of attracting national and possibly international events to the city.

This year's budget process did highlight several issues that made it challenging to meet the financial strategy rate increase limit. These were the Council's capacity to deliver capital expenditure as programmed and resulted in some changes to capital expenditure timing and increased maintenance costs. There is also a constant tension between maintaining the existing range of services, managing increased costs, investing in new initiatives and projects to take the city forward, and still staying within our limits for rate increases and debt. These issues are complex and will be major issues for the next LTP.

It was pleasing to receive wide support for the direction we are taking in this year's feedback, with many contributors agreeing that we are on track and telling us 'to just get on with it'. Thank you to everyone who contributed – members of the community, Councillors, Community Board members and staff.

Dave Cull
Mayor of Dunedin

Significance and Materiality

What do Significance and Materiality mean?

The significance and materiality of decisions are the key triggers for consultation.

Significance is defined in the Council's Significance and Engagement Policy (SEP), www.dunedin.govt.nz/significance-and-engagement-policy.

The requirements of Section 95A (5) of the LGA 2002 puts a focus on the Council's Significance and Engagement Policy (SEP) and introduces the concept of material difference. This sets a lower threshold for requiring an Annual Plan and consultation process.

It means the importance of an issue, proposal, decision or matter as assessed by the Council, in terms of its likely impact on, and likely consequences for:

1. Dunedin as a whole.
2. The parties and communities who are likely to be particularly affected or interested in the issue, proposal, decision or matter.
3. The financial and non-financial cost and implications, or the capacity of the Council to perform its role/functions.

An issue, proposal, decision or matter is material only if it could in its own right, or in conjunction with other differences, influence the decisions or assessments of those reading or responding to the consultation document.

Summary of Criteria for Determining Significance and Materiality

The criteria listed below are the factors that the Council considers when determining whether a change to the LTP is significant or material, or significant enough to trigger a formal audited amendment to the LTP.

Assessing Significance

Please refer to the Council's Significance and Engagement Policy, November 2014 for further information. www.dunedin.govt.nz/significance-and-engagement-policy

Factors that are considered in assessing significance:

- Is the project/programme already in the LTP?
- Is there a budget change? (Is this an increase or decrease?)
- What is the value of the change in the 2017 year?
- Does the budget change result in a change to service levels? (Is this an increase or decrease?)
- Importance to Dunedin
- Importance to the community
- Consistency with strategy, policy and previous decisions
- Impact on capacity and capability of the Council to meet legislative requirements
- Impact on capacity and capability of the Council to delivery existing work programme
- What are the opportunity costs of the project?
- How hard it would be to reverse the decision once it was made?

Assessing whether changes are Material

Note: Materiality in this context is not the same as the concept that is commonly used in financial reporting and can't always be reduced to a dollar value.

Factors to be considered:

1. Would this project/proposal cause a reasonable person to change their view of the affordability of the plan or of the service levels being provided?
2. Would this project/proposal cause a reasonable person to want to/not want to provide feedback on the proposal?

It should be noted that a decision may not be material in its own right but when considered cumulatively with other decisions it may become material.

Members of Council and Community Boards

Members of Council

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Community Board Members

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Steve Walker (Chair) M: 027 850 5603	Sarah Nitis (Chair) H: 484 7632 M: 027 5433 903	Paul Pope (Chair) H: 03 478 0630 M: 027 466 8446
Trevor Johnson (Deputy Chair) H: 03 471 0632 M: 027 284 8611	Joy Davis (Deputy Chair) H: 03 489 0611 M: 027 476 6047	Hoani Langsbury (Deputy Chair) H: 478 0906 W: 478 0352 M: 027 430 6025
Ange McErlane H: 472 7873 M: 0274 380 601	Martin Dillon H: 489 5277 M: 027 433 7800	Lox Kellas H: 478 0209 M: 021 191 5103
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Francisca Griffin H: 03 482 8483 M: 027 483 4707	Dean McAlwee H: 03 486 2001 M: 027 272 6132	Edna Stevenson M: 027 478 0543
Cr Aaron Hawkins M: 022 100 6634	Cr Mike Lord M: 027 438 2097	Cr Andrew Whiley M: 027 465 3222

Saddle Hill	Strath Taieri	Waikouaiti Coast
Scott Weatherall (Chair) H: 481 1766 M: 027 440 4700	Barry Williams (Chair) H: 464 3718 M: 027 477 2981, 021 899 673	Alasdair Morrison (Chair) H: 482 2505 M: 027 435 4384
Leanne Stenhouse (Deputy Chair) H: 481 1400 M: 021 117 5195	Joan Wilson H: 464 3473 M: 027 454 3620	Geraldine Tait H: 482 2517 M: 021 217 5492
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Cr Conrad Stedman M: 021 311 551	Cr Christine Garey M: 027 447 8876	Cr Jim O'Malley M: 021 525 547

Dunedin City Map – Central Dunedin and Community Board Boundaries



Council Committee Structure

