

STAFF REPORT

To: Chairman & Members, Corporate Services Committee

From: David Ward

Reference:

Date: 10 March 2005

Subject: **2005/2006 Annual Plan – First Draft Estimates**

Today's meeting will consider the first draft of 2005/2006 financial and activity estimates for each of our working committees.

Papers for this item will be forwarded to Committee members by fax on the evening of 21 March 2005.

To date, initial meetings have been held by the Environment and Planning and Engineering Services Committees to discuss their estimates for the 2005/2006 financial year. Community Services are scheduled to meet on 17 March 2005 to discuss their first draft.

At our meeting of 24 March 2005 we will consider the composite financial impact from each of the Committees. During the course of these discussions, Councillors should be mindful of the following issues:

- As a result of decisions to proceed with capital projects during the 2004/2005 financial year, we have automatically committed ourselves to a rating increase for the 2005/2006 financial year through debt servicing costs.
- During the course of the year, Council has made a number of policy-related decisions which will have an economic impact on subsequent years operations. We must be mindful when policy is being developed of administrative and related costs.
- When we consider levels of affordability, we should not always be guided by CPI figures. In a number of instances (eg Wai-iti Dam, recycling) a service is being provided at the request of the community and therefore affordability should not necessarily be an issue. In other words, consider why we are undertaking certain projects or providing stated levels of service – they are often at the request of our respective communities of interest.
- Less than 12 months ago, Council adopted asset management plans and incorporated these into our first LTCCP. Where items in the 2005/2006 draft Annual Plan are proposed as variations to the LTCCP, we must question why this has come about so soon after the adoption of our asset management plans and LTCCP.
- Are we confident that we will be able to complete all of those projects that we are undertaking and for which we are increasing projected rate. Check how we have progressed on rate-funded projects in the current financial year.

Council is scheduled to meet on 7 April 2005 to adopt its 2005/2006 draft Annual Plan incorporating the Funding Impact Statement. Depending on the progress that we make at today's meeting, we may need to schedule an interim meeting prior to that date.

The draft Annual Plan document will be made available to the public on 22 April 2005.

David Ward
Corporate Services Manager