

2016-2017 Annual Plan - legislative changes and approach

TO	Coromandel-Colville Community Board
FROM	Angela Jane - Governance Strategy Manager
DATE	9 September 2015
SUBJECT	2016-2017 Annual Plan - legislative changes and approach

1 Purpose of report

The purpose of this report is to communicate to the Community Boards the intended approach in developing the 2016-2017 Annual Plan and to advise Community Boards on the effects of the amendments to the governing legislation on the required content and processes.

2 Background

The main output of the 2016-2017 Annual Plan is to refine the year two budget within the 2015-2025 Long Term Plan, and produce an annual budget for the 2016-2017 year.

The intended approach to the 2016-2017 Annual Plan takes into account recent changes to the governing legislation, the Local Government Act 2002 (the Act), as well as feedback on the 2015-2025 Long Term Plan process from Community Boards, Councillors and staff.

3 Issue

Feedback was sought from the Community Boards after the 2015-2025 Long Term Plan process as part of a 'lessons learnt' exercise. One of the key points from this feedback was the need to convey the timeframes for developing budgets in a more meaningful way so that Community Board members understood their role in the process and the timing for their involvement. This report outlines the overall approach for the 2016-2017 Annual Plan and highlights the Community Board's opportunities to participate in the process. Each Community Board and their Area Manager has the flexibility on how to engage on the review of the budgets within the timeframes set out.

4 Discussion

Legislative changes

The Act was amended in 2014 and the 2015-2025 Long Term Plan operated under the new requirements. The changes were especially evident in how the consultation was run, through the development of an easy to read and publicly accessible consultation document rather than a draft plan. The 2016-2017 Annual Plan is the first annual plan affected by the amendments to the Act.

Changes to content

The main change to the content or output of the 2016-2017 Annual Plan is it must not duplicate any information already in the 2015-2025 Long Term Plan. Rather, it must only refer to the information, through references to page numbers and the like. This ensures that the effort of elected members, staff and the public put in to developing the long term plan is not duplicated in developing an annual plan.

Changes to consultation

The changes to the consultation on the annual plan are more comprehensive. Unless there

are significant or material differences from year two of the long term plan, there is no requirement to consult. If, through the budget review process, significance or materiality is identified, these differences are the only things included in the consultation.

If consultation is required, a consultation document similar to the one used for the long term plan is used instead of a draft annual plan. Because the consultation document only contains differences, previous decisions are not re-litigated. Council will not need to consider matters that have already been decided through the long term plan process and are not proposed to change.

The purpose of the consultation document is to:

- identify and explain significant or material differences between the annual plan and the long term plan
- identify significant new spending proposals and associated costs
- identify substantial delays to, or cancellation of, significant projects, and the associated implications.

The way in which the Council is able to consult is less restrictive than it has been previously, and the Council is able to proportionately tailor consultation to the issue. This tailoring is guided by the Council's Significance and Engagement Policy, available on the Council's website. We received feedback from Community Board members on the consultation methods employed for the Long Term Plan and these will be taken into account when the communication and consultation (if necessary) plans are developed later in the process.

Significance and materiality

These terms are defined in the Act and are developed through the Council's Significance and Engagement Policy. A project or matter could have significance if it:

- carries a large financial consequence,
- affects a large proportion of the community,
- impacts on present or future interests of the community (including Māori values and their relationship to land and water),
- affects the level of service of a significant activity, (where annual expenditure of the activity is \$1 million or more)
- has a high level of community interest, or
- has controversial consequences.

A difference in a project or matter could be material if it could influence the decisions of those reading or responding to the consultation document. Material differences can include omissions, additions, or delays of projects or matters.

Process

An outline of the main timeframes for developing the 2016-2017 Annual Plan follow:

Week of 21 September 2015	Community Boards meet and receive a report on the process for the 2016-2017 Annual Plan. Area Managers have this meeting to engage with CB members on reviewing the year 2 LTP projects and budgets and note any variations/new projects to feed into the 30 October deadline for project documentation.
30 October 2015	All year 2 project initiation documents (PIDs) and project budget working papers (PBWPs) are completed (reflecting Community Board intentions).
First two weeks of November 2015	Peer review by staff of project documentation.

Last two weeks of November 2015	October budget revision - budget managers reforecast their year end result for Year 1 budgets, with budget revision meetings in the first week of December. Year two budgets are built by Finance for tasking out to budget managers.
1 December 2015	Year two operating and activity budgets are sent to budget managers from Finance for the Annual Plan.
15 December 2015	Operating budgets to be completed and approved by the relevant Strategy Team member.
27 January 2016	All activity budgets to be completed and approved by the relevant Strategy Team member.
24 February 2016	Council workshop, summary of budget presented, significance and materiality conveyed.
15 March 2016	Council meeting, decision whether or not to consult.
<i>If no consultation</i>	
29 June 2016	Council adopts final Annual Plan (after March revisions taken into account in budget).
<i>If consultation</i>	
15 March 2016	Adopt consultation document for consultation.
March/April 2016	Consultation period. March budget revisions - budget managers reforecast their year end result for Year 1 budgets.
May 2016	Hearings/Community Board deliberations meetings.
29 June 2016	Council deliberations meetings. Council adopts final Annual Plan.

Due to the new legislative requirements, in order to make decisions on significance and materiality at the February Council meeting, any variations to year two of the 2015-2025 Long Term Plan budget must have rigour around them. As per the legislative guidance, these variations could be additions, omissions, delays, or changes to the year two budget. Therefore, all variations must be identified and developed by activity managers and other relevant staff by the end of October to ensure budgets can be updated in time for this meeting.

Attached to this report are the Community Board's current local capital expenditure budgets for year two (**Attachment A**). It is recommended that the Community Board discuss with their Area Managers at the September meeting the variations, if any, that they would like to have developed for the end of October deadline and for consideration in the 2016-2017 Annual Plan.

5 Suggested resolution(s)

That the Coromandel-Colville Community Board:

1. Receives the '2016-2017 Annual Plan - legislative changes and approach' report, dated 9 September 2016.
2. Communicate to their Area Manager any changes to the 2015-2025 Long Term Plan year two budget in preparation for reviewing the 2016-2017 Annual Plan budget.

References-Tabled/agenda attachments

Attachment A *Year two CAPEX budget from the 2015-2025 Long Term Plan.*

Attachment A

Attachment A: CAPEX for Year 2 2015-2025 Long Term Plan - Coromandel-C...