

**Elected Member Briefing (10-Year Plan) – 28 November 2017**  
*Commencing at 9.30am in Committee Room One*

<b>Topic</b>	<b>HCC Contact / Presenter(s)</b>	<b>Open / Closed</b>
Fees and Charges	David Bryant / Stephen Halliwell	Open
Engagement Approach	Julie Clausen / Sean Hickey	Open
<b>MORNING TEA</b>		
10-Year Plan Process Overview	Sean Hickey	Open
<b>MEETING ENDS</b>		

# 10-Year Plan Briefing Fees and Charges

28 November 2017



# Outline

- Policy Considerations in Setting Fees and Charges.
- Mayor's Recommendations
- Fees and Charges Schedule

Policy  
considerations

# Fees and Charges Policy

- Council's Revenue and Financing Policy determines how it uses the funding options available to it.
- The policy specifically establishes the high level

# Policy inconsistency

## Current Policy

- “User charges are **preferred** when a private benefit can be identified and it is efficient to collect the revenue.”

## Guiding Financial Principle

- **“When a private benefit can be identified and it is efficient to collect the revenue user charges will be **considered**.”**

# Revenue and Financing Policy (continued)

User charges are used for services where there is an identifiable benefit to an individual or group.

User charges are a broad group of fees charged directly to an individual or entity. It includes:

- Entry fees.
- Service charges.
- Hire.
- Rent.
- Lease.
- Licenses for land and buildings.
- Permits.
- Regulatory charges.
- Fines and penalties.
- Connection fees.
- Disposal fees.
- Deposits.
- Private works.
- Memberships.
- Planning and consent fees.
- Statutory charges.
- Retail sales.

# Revenue and Financing Policy (continued)

The price of the service is based on a number of factors, including:

- The cost of providing the service.
- The estimate of the users' private benefit from using the service.
- The impact of cost to encourage/discourage behaviours.
- The impact of cost on demand for the service.
- Market pricing, including comparability with other councils.
- The impact of rates subsidies if competing with local businesses.
- Cost and efficiency of collection mechanisms.
- The impact of affordability on users.
- Statutory limits.
- Other matters as determined by Council.

# Revenue and Financing Policy (continued)

Council's ability to charge user charges is limited by the powers conferred on it by many statutes and regulations.

As a general rule fees for statutory functions should be set at no more than the cost of providing the service.

In some cases legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) Council may set fees at greater than the cost of providing the service.

Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

# Revenue and Financing Policy (continued)

Where Council is charging for the sale of goods or services not required by statute, Council's preference is to charge a market price.

This includes:

leases, rents and licenses for land and buildings.

# Revenue and Financing Policy (continued)

Fees and charges may be set by Council at any time and are reviewed by Council annually.

A list of regular fees and charges is maintained on Council's website.

User charges revenue is allocated to the activity which generates the revenue.

# Funding Needs Analysis

This analysis is undertaken at an activity level and is required to lawfully collect revenues.

It is summarised in the Revenue and Financing Policy.

# Summary of Funding Needs Analysis 101(3)(a)

Table 1: Summary of funding sources by activity s.101(3)(a) only

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Parking Management	✓	x	x	x	x	x	x	x	x
Housing	✓	x	x	x	x	x	x	x	x
Building Control	✓	x	x	x	x	x	x	x	x
Cemeteries & Crematorium	✓	x	x	x	x	✓	x	x	x
Strategic Property Investment	x	✓	✓	x	x	x	x	x	x
Planning Guidance & Compliance	✓	x	x	x	x	x	x	✓	x
Animal Education and Control	✓	x	x	x	x	x	x	✓	x
Waste Minimisation	x	x	x	x	x	x	x	✓	x
Landfill Site Management	x	x	x	x	x	x	x	✓	x
Arts Promotion	x	x	x	x	x	x	x	✓	x
Partnership with Maaori	x	x	x	x	x	x	x	✓	x
City Planning	x	x	x	x	x	x	x	✓	x
Emergency Management	x	x	x	x	x	x	x	✓	x
Stormwater Network	x	✓	x	x	x	x	x	✓	x
Refuse Collection	x	✓	x	x	x	x	x	✓	✓
Sewage Treatment and Disposal	✓	x	x	x	x	x	x	✓	✓

Table 1 is an extract of part of the table from the R&F Policy

Key

Range Name	Range	Key
Unlikely	0	x
Minimal	0% - 20%	✓
Low	20% - 40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓
All	100%	✓

# Overall Consideration

## 101(3)(b)

Council is required, by section 101(3)(b), to consider the overall impact of the allocation of liability for revenue needs on the community.

- Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, due to poor service or to minimise risk.

Mayor's  
recommendations



# 10-Year Plan budget includes

- Artspost – reduction in commission (\$45,000)
- Aquatics - entry fee increases \$120,000
- Hamilton Gardens – new entry fee \$878,000
- Cemetery Fees – various \$214,000
- Zoo – entry fees \$195,000

Other Revenue  
Budget changes



# Staff budget changes

Overall revenue budgets have remained relatively static largely adjusted for changes in demand.

- Due to a drop in demand the following budgets have decreased:

– LIMs	(\$161,000)
– Parking	(\$366,000)
– Caro Street	(\$147,000)
– H3	(\$239,000)

# Staff budget changes

- Due to increased demand the following budgets have increased.
  - Planning and Guidance \$154,000
  - Plan Change recoveries \$243,000
  - Building Control \$167,000
  - Aquatics (no closure) \$284,000

# Staff budget changes

- Due to increased pricing the following budgets have increased.
  - Non-Domestic Water Supply Charges \$46,000

Fees and charges  
Schedule



# Questions on Fees and Charges Schedule



# 10-Year Plan Engagement



# A 4-stage approach



# Pre-draft budget communication

## When

- Up to 6 December 2017 10-Year Plan meeting

## Why

- Raise awareness of what the plan is and the process
- Briefings are open and the public will be interested
- Ensure clear, understandable information is available for informed early discussion

## How

- Mayoral statements
- 10-Year Plan webpage – timeline, statements and briefing information
- Media support (continues across the whole 10-Year Plan process)

# A 4-stage approach



# Pre formal consultation

## When

- February 2018 - March 2018

## Why

- Encourage the community and stakeholders to get involved
- Provide detail on budget areas of interest to them
- Enable them to present strong, informed submissions

## How

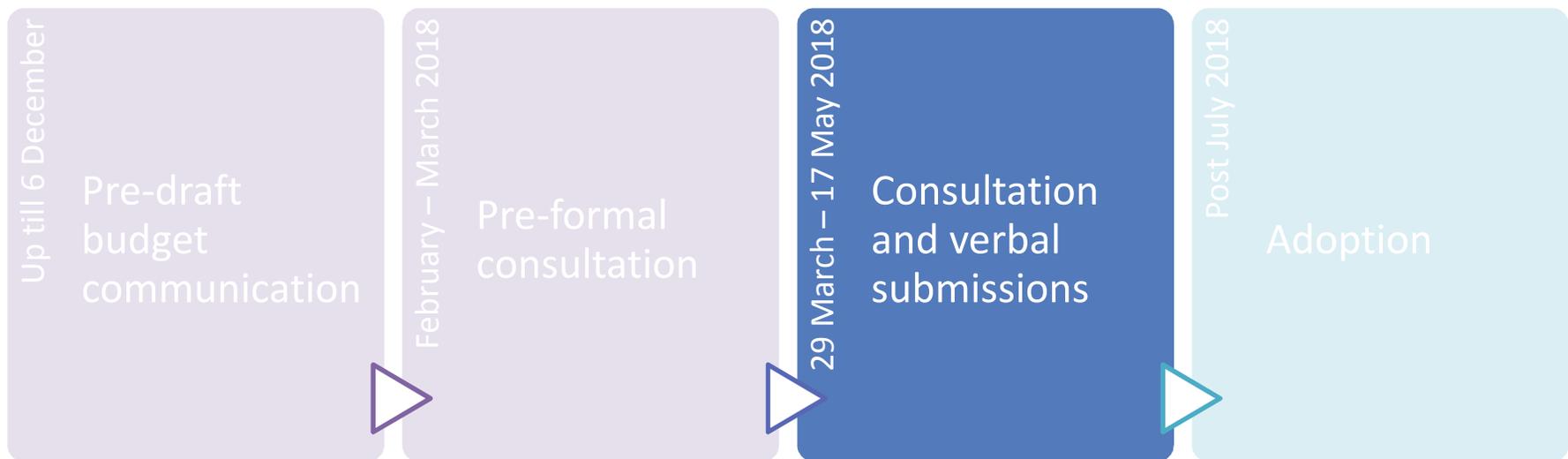
- Meetings hosted by lead organisations in sector/cluster groups
- Councillors to be invited by host organisation
- Information will be provided on the key areas of interest for the sector/cluster
- Presentation – how to prepare and deliver an effective submission

# Pre formal consultation

## Meeting feedback

- A list of the meetings, the sector/host details, the key areas of interest raised, and which Councillors were in attendance will be provided to Council at a briefing
- Councillors will have this information as another resource when they consider the submissions

# A 4-stage approach



# Consultation and verbal submissions

## **When**

- 29 March 2018 - 17 May 2018

## **Why**

- Provide the community and stakeholders with a formal process to provide their views to Council

## **How**

- Formal consultation period with verbal submissions
- Work through sector/cluster contacts to encourage submissions
- Actively out in the community with face-to-face opportunities
- A visible, multi-channel promotional campaign to build awareness and participation
- An accessible, simple feedback form

Campaign detail to be provided at a briefing in February. Consultation and final campaign delivered in early March

# A 4-stage approach



# Adoption

## When

- Post adoption - 28 June 2017

## Why

- Inform people of the decisions made for the future of their city
- Focus on action and next steps
- To bring the plan to life and provide a platform for future presentation of 10-Year Plan project delivery

## How

- Detail will be provided to Council post deliberations