

Adoption of the Draft 10 Year Plan, supporting information and the Consultation Document for consultation

**Attachment 1: Material Changes to 10 Year Plan 2021-31, Consultation Document and Three Waters Asset Management Plan 2021-31 Since Adoption for Audit (1 February 2021)**

Section	New page no.	Change	Reason for change
<b>10 YEAR PLAN</b>			
<b>Section 1: 10 Year Plan in a nutshell</b>			
Projects on the go	12	Information reworked to include more information about project timing and costs.	Audit recommendation
		Budgeted figures updated	Reflect financial model adjustments
<b>Section 4: Key Strategies</b>			
Financial Strategy	45	All rates and debt levels graphs and tables updated, as well as figures for resilience reserves	Reflect financial model adjustments
	46	<b>Growth and demand</b> Addition to bullet 5: “Based on current projections for climate change in the region, it is anticipated that growth will remain the more significant driver for land use change over the next 10 years (refer to the forecasting assumption on Land Use Change page 257)”	Audit recommendation
	47	<b>Building our resilience to natural disasters and unexpected events</b> Addition of “storm events and extreme weather events are likely to become severe and frequent due to the impact of climate change therefore, Council needs to ensure it has the financial means to respond to a natural hazard event”	

Infrastructure Strategy	55	All financial information updated	Reflect financial model adjustments
	56	Our Assets – Service performance and Condition section reworked and more detail added, especially in respect of asset condition and data reliability.	Audit recommendation
	70	Explanation of increases costs related to upgrade of Feilding Water Supply since last LTP	Elected member request
<b>Section 5: Keeping the District Humming</b>			
	85	An introduction section added which includes an explanation of Council’s intended change in approach to the customer satisfaction survey.	Audit recommendation
Multiple Activity Statements		Levels of service sections for some Community Facilities, Regulatory, Three waters and Solid Waste measures: Removed wording about “valid” complaints. Replaced with “excludes complaints that do not relate to the service Council provides”	Audit recommendation. “Valid” definition not sufficiently objective, departure from the wording of mandatory complaints measures.
All Activity Statements		All financial information, including Funding Impact Statements updated	Reflect financial model adjustments
District Development Activity Statement	108	Addition to Levels of Service 1, measure 1: % of Results Based Accountability Targets achieved	Appropriate to have a measure for this new approach. As Council is no longer funding events, looked into more relevant measures.
Stormwater Activity Statement	155	Addition to Stormwater Level of Service 1, Measure 1  *a flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor	Audit recommendation
Water Supply Activity Statement	143	All Water Supply levels of service and measures split per village/scheme, clarifications on individual differences added.	

Revenue and Financing Policy	<p>Funding Splits changes as per the Revenue and Financing Policy</p> <ul style="list-style-type: none"> <li>• Cemeteries 60-70% public, 40-30% private</li> <li>• Halls and Recreation Complexes 95-100% public, 5-0% private</li> <li>• Community development 95-100% public, 5-0% private</li> <li>• Governance and strategy 95-100% public, 5-0% private</li> <li>• Solid waste 35-45% public, 65-55% private</li> <li>• Wastewater 70-80% public 30-20% private</li> </ul>	
<b>Forecasting Assumptions</b>		
	<p>Addition of forecasting assumptions on</p> <ul style="list-style-type: none"> <li>• COVID-19</li> <li>• Achievement of Capital Works Programme</li> <li>• Useful Life of Assets</li> <li>• Transportation Funding – Assumption Three</li> </ul>	Audit recommendation
	<p>The following forecasting assumptions have had minor amendments to the wording to clarify meaning. This was at the request of Audit NZ and does not include any substantive changes to the intent of the forecasting assumptions previously adopted by Council.</p> <ul style="list-style-type: none"> <li>• Population Growth</li> <li>• Household Growth</li> <li>• Climate Change</li> <li>• Three Waters</li> <li>• Transportation Funding – Assumption Two</li> <li>• Impact of Inflation on Council Budgets – Assumption One</li> </ul>	

		<ul style="list-style-type: none"> <li>• Interest Rates – Assumption One</li> <li>• Valuations</li> </ul>	
Revenue and Financing Policy			
		<p>Change to funding splits for four activities (since Feb 1):</p> <p>Solid Waste Collection and Disposal - Now: 35-45% public, 65-55% private</p> <p>Governance and Strategy - Now: 95-100% public, 5-0% private (range due to occurrence of election year).</p> <p>Community Development - Now: 95-100% public, 5-0% private</p>	Allows for funding flexibility in these activities where income fluctuation can occur.
<b>CONSULTATION DOCUMENT</b>			
Throughout		Several instances of additional words focused on the message that, because of Council's investment in core infrastructure in recent years, there are no new major projects in this 10 Year Plan which is reflected in the rates projections for the later years of the plan.	Audit recommendation. Increased emphasis on the business as usual nature of the plan as the reason for no substantial consultation issues.
<b>Mayor's message</b>	5	Fully reworked.	Audit advised the comments on the Feilding town centre and Ōhakea water supply were not consistent with the wider message of the consultation document.
<b>Investing in future resilience/ Infrastructure Strategy</b>	12	This section moved from later in the document to go before the "Projects on the Go" section. Also expanded, with more information on asset condition, data reliability and capital deliverability.	Audit recommendation
<b>Projects on the go</b>	14-18	Reworked, including financial figures.	
<b>Challenges facing the District</b>			

	20	Climate Change Total rework of this section	Audit required more detail about expected impacts, Council's planned mitigation and asset resilience.
	25-26	"Taumata Arowai – Changing the way three waters is delivered" to replace previous heading "The Future of the Three Waters"	Clarifying the point of the section – it is more accurate to state that this section is about the new regulator than about the "future" as we are not aware of what changes may or may not take place.
	25	List of wastewater, water and stormwater projects added.	Audit recommended including evidence of Council investment to support the statement that Manawatū District Council is well placed to accommodate the expected increase in population.
Affordability	27	Addition Council has invested strongly in core infrastructure over the last ten years. <u>Other than a new water scheme currently under construction at Ōhakea which is mostly funded by central government there are no new critical, big-ticket items that Council needs to invest in in the near future.</u>	Recommended by Audit for clarity.
<b>How will Council receive money?</b>			
		Full page infographic - deleted	This infographic only addressed year 1. Audit recommended its removal to avoid confusion.
<b>Council decisions for your feedback</b>			
Proposal 1	28	EQPB infographic modification: <ul style="list-style-type: none"> <li>• <u>Around 60</u> <del>57</del> earthquake-prone buildings in the Feilding town centre</li> <li>• <u>Around 40</u> of those are classified as "priority buildings"</li> </ul>	The number of buildings in a given category can change slightly based on a range of factors. The numbers have been made more general and the explanatory asterisk

		<ul style="list-style-type: none"> <li>• <del>31</del> Around 30 of the “priority buildings”-of these have heritage status*</li> </ul> <p><u>*Information received by Council from building owners and structural engineers may result in a change in initial classification.</u></p>	has been added to allow for changes to specific numbers.
Proposal 1	30-31	Date range of options A + D in EQPB – changed from 2021-31 to 2021-28	The deadline for priority buildings will not go beyond 2028.
Proposal 2	32	Wider Considerations: There are other external funding agencies to which community organisations, initiatives and individuals can apply <u>however funding from these agencies is not guaranteed.</u>	Audit recommended that the risks of this proposal be made very clear to the reader.
Proposal 2:	34	Council’s key community and economic development contracts will be reviewed at the end of year one. This provides an opportunity to reconsider the distribution for years two onwards, but the overall budget would remain the same. Unless the budget allocated to Council’s contestable and on-application community grants and events grants is replenished it is unlikely that Council’s contestable and on-application community grants will be available in the foreseeable future. <u>Organisations who currently receive financial support from Council would need to find alternative sources of funding.</u>	Audit recommended that the risks of this proposal be made very clear to the reader.
Rates and debt levels	42	<p>Additions</p> <p>In relation to cemeteries, governance and emergency management <u>and the District Plan</u>, Council is proposing to weight the revenue source more towards the general rate which is calculated based on the capital value of each property <u>as it is recognised that all ratepayers have equal access to, and receive equal benefit from, these activities.</u> That means less revenue would be received from a uniform rate which keeps Council well under the limit of 30%.</p>	<p>The District Plan was left out of earlier version in error.</p> <p>Reason for change added.</p>

Rates and debt levels	32	<p>Addition of District Plan:</p> <p>2021(proposed): 100% rates (General Rate)</p> <ul style="list-style-type: none"> <li>• <b><u>District Plan</u></b></li> </ul> <p><u>The district planning activity of Council is funded completely by rates. Currently it is funded fully by the uniform targeted rate. Council is proposing to change this to a 76/24 split between a uniform annual general charge (a standard amount that each ratepayer is charged) and the general rate (determined by capital value).</u></p> <p><u>2018: 100% rates (UTR)</u></p> <p><u>2021 (proposed): 100% rates (UAGC 76%, General rate 24%)</u></p>	See previous note.
<b>THREE WATERS ASSET MANAGEMENT PLAN</b>			
<b>Section 1</b>			
Asset Condition and Performance	7-8	Updated information on asset condition and investment.	All updates and additions to the Three Waters AMP have been made as a result of questions and clarifications sought by the audit team.
		Updated section on asset information and data gaps	
Updated section on maintaining our critical assets			
Updated section on levels of service/network performance			
Updated table and graphs on funding of renewals			
	8	Updated condition grading table and explanatory paragraphs below	
		Update condition grading table	
		Insert confidence grading table	
		Inserted maps for wastewater 2021 and 31, and water supply 2021, 31 and 51.	

Confidence in Condition Data	11	Updated paragraphs on data confidence review and added additional data confidence table.
		Added additional information on condition of critical assets with condition of critical assets, annual operational and maintenance spend tables and further paragraphs.
		Added funding of renewals information with a table, graphs and further written explanations.
1.6	11	Removed bullet point reference to footpaths as not part of 3 waters assets
<b>Section 4</b>		
4.3.15	71	Replaced existing Useful Life of Assets assumption with updated version
4.3.17	73-74	Replaced existing Valuations assumption with updated version
4.3.21	78, 81	Inserted two new assumptions, Covid-19 and Achievement of Capital Works Programme.
<b>Section 7</b>		
10 Year Plan Budgets	207-207	Addition of financial forecast
<b>Section 8</b>		
8.2	209	Updates in the improvement plan Updates in table of confidence in asset valuations Updates to table: assessment of asset condition summary