



LTP 2021-31

**Revenue and Financing Policy
Review update report #3**

October 2020

Background - Revenue and Financing Policy

Two step process required by legislation

Step One:

For each activity consider:

- the community outcomes the activity promotes (and how the funding arrangements support that)
- who benefits from the activity
- whose actions created the need for expenditure
- the costs and benefits of funding the activity separately.



Step Two:

Taking the completed results from Step One, consider:

the overall impact on the social, economic, environmental and cultural well-being of the community.

Factors for consideration in Council judgement

‘Step two’ of the process requires Council to make a judgment call on how funding needs are met taking into account the four well beings.

Considerations include (but not limited to):

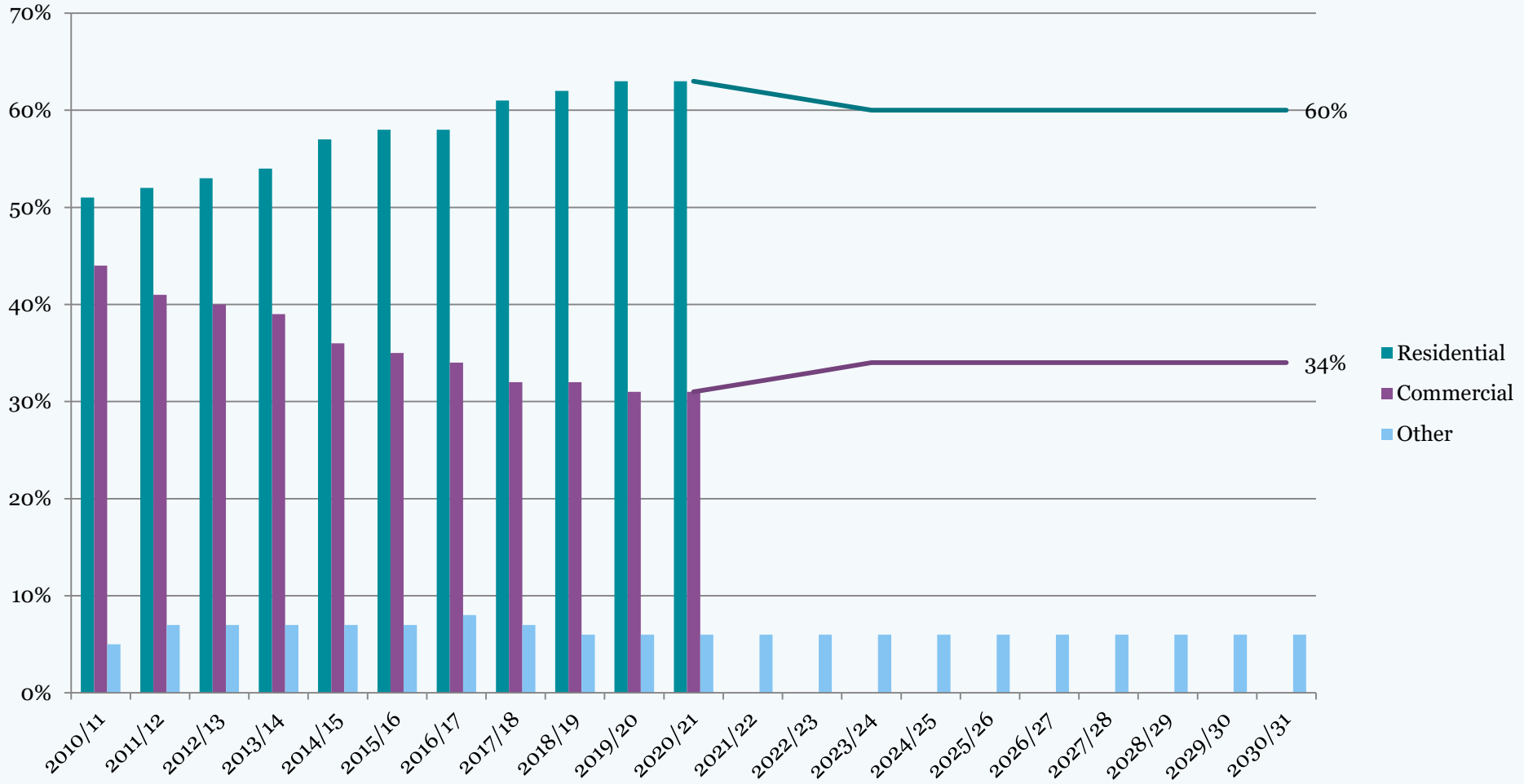
- Affordability of rates including COVID-19 context
- Transport – trip generation and vehicle types weighted towards higher commercial impact on costs
- Stormwater – Impervious area weighted towards higher commercial impact on costs
- Development in the City for the period 2010 to 2020
 - Residential building consents valued at \$841M
 - Non-residential consents valued at \$411M
- Economic indicators

Background

- 24 September
 - Step one Funding Needs Analysis endorsed by the subcommittee
 - Direction provided on areas for further work on rating differentials.
- 27 October –
 - Step two judgment considered by the subcommittee.
 - A 1% decrease per year for three years in the proportion of rates allocated to residential was endorsed by the subcommittee

General rate percentage allocation

Impact of endorsed change:



Today

- Draft Revenue and Financing Policy has been prepared based on previous decisions from the two step process.
- Draft Funding Impact Statement has been prepared to support the Revenue and Financing Policy
- Historical decision information has been provided.

The draft Policy will be consulted on as part of the LTP, subject to audit review.