

**Submission on the Annual Plan 2022/23**

**Marlborough District Council**

**Important Supplementary Information**

**Submitted by:** Peter CHAPMAN – Ratepayer

**Address:** 26 Brooklyn Drive  
Redwoodtown 7201  
Blenheim

**Phone:** 0275 434 184

**Email:** peterc334@hotmail.com

**Please note the following information was received after the 10<sup>th</sup> May 2022 from the District Secretary, MDC but is critically important in terms of your consideration of my recommendations per my original submission.**

I have edited the information so you are able to read my questions and the answers provided to me by the District Secretary: -

**Responses from the District Secretary dated 11<sup>th</sup> May 2022 are in bold italics:**

1. Thank you for your table below. It helps insofar as understanding the funding made available to DM for the 2021/22 period.
2. The data tables you sent earlier do not help me understand how the base line amount of \$506,000.00 is now \$987,237.00 based on any percentage increases you have been able to clearly demonstrate.
  - ***1 and 2 – note your views. Treasury suggest you review our previous emails where they consider the information has been provided.***
3. The table you provided (attached) indicates the annual increase as “inflation”
  - ***3 – Noted***
4. The Council minute from 9<sup>th</sup> June 2014 shows Councils agreement was to index increases to the CPI.
5. The CPI and Inflation rate are not one and the same. Please advise which it is?
  - ***4 and 5 – in more recent years it has been CPI. Earlier years were also CPI or forecast CPI. Unfortunately, with the departure of a key staff member, Treasury are unable to***

**confirm the methodology for the earlier years, however the overall increase has been less than the total movement in CPI.**

6. The Council minutes from June 2014 do not have an end date mentioned with respect to this annual increase and adjustment methodology.
  - **6 – simply a comment by you.**
7. Am I correct to assume there was not end date agreed to and that annual increases will continue ad infinitum hereafter?
  - **7 – yes unless Council changes the basis for funding.**
8. At an annual CPI of inflation rate adjustment compounded year on year the amount granted (of public money) will, in 10 years' time, be considerably out of kilter with DM's annual plan. By my calculations \$987,237.00 at an annual CPI of 2.5% = **\$1,263,746.83 irrespective of market conditions or any relationship to the plan presented by DM.**
9. Please confirm the above assumption based on the evidence you have provided to date is correct.
  - **8 and 9 – Treasury assess your base assumption as flawed, ie that the CPI adjustment applies to all funding provided to DM is inflated by CPI and so therefore the figure identified must also be incorrect.**
10. On receipt of your reply I will refrain (I hope) from having to ask for additional information. It is abundantly clear there is no demonstrable calculation showing how the base-line figure in 2014 is now that granted in 2021/22 despite your assurances such a measure is in place.
  - **10 – simply a comment by you.**

This completes the request.

**Tony Quirk**  
**District Secretary**

### **Summary and concerns:**

1. There remains confusion over whether the annual adjustments are indexed to the CPI of inflation.
2. If it were to be inflation, currently running at a 30-year high, it may well transpire DM's funding would be increased on a baseline figure of \$987,237.00 (2021/22) by as much as 6.9% taking the funding allocation for the 2022/23 year to \$1,055,356.00 irrespective of a Plan submission which I note is NOT included on the AP 2022/23 submission database on MDC's website.
3. The flawed indexation and funding methodology is open-ended unless revoked by Council.
4. By written admission of the District Secretary, certain key information and a clear and concise financial audit trail is unavailable on the basis that a "key staff member has left the organisation"

**5. It is of very real concern that Councils financial records should be compromised by the departure of a staff member.**

**6. I think Councillors will agree this alarming at best and demonstrable of weak processes and procedures that ought rightly to be independent of any particular person employed by MDC.**

**7. I ask that Councillors refer to my earlier recommendations and act accordingly to protect and see to it that public money is appropriated wisely, on the basis of actionable plans and that the CEO be instructed to review financial processes and procedures so the allocation of funds may be auditable.**