

Annual Plan update and Long Term Plan Overview

Council Briefing 5 March 2020

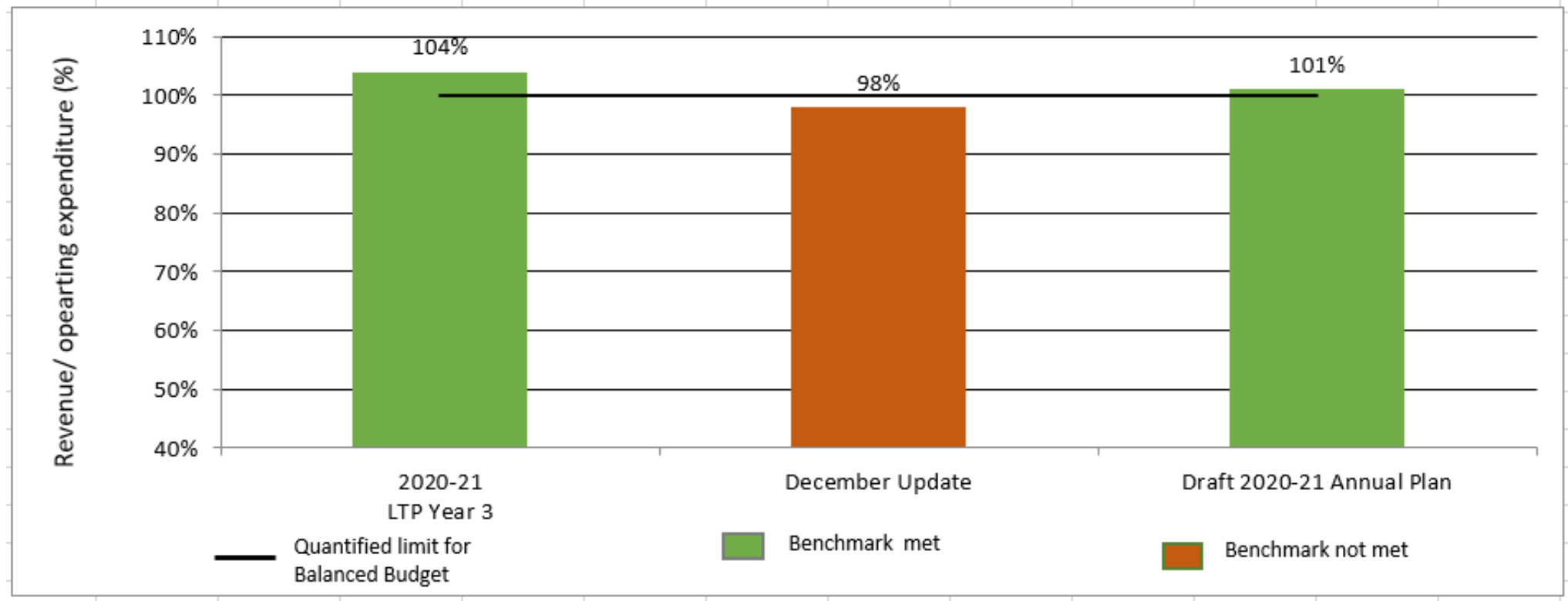
Agenda

- Annual Plan programme (capex/opex)
- Long Term Plan – overview and vision/strategic drivers

Recap

- Capital works programme of \$60m for 2020/21 (excluding Civic Centre / Whau Valley Water Treatment plant) accepting \$26.3m - \$40m carryforward
- Communication approach to build on the success of last year
 - Tell the story of Council's work
 - Let the community know what is planned for 2020/21
 - Build our connections with the community and educate about Council processes
 - Refinements to be made as a result of feedback (AP vs. LTP)
- Refinement of budget/carryforwards to be undertaken from February forecast
- Potential gaps to be discussed noting constraints

Annual Plan – Opex update



Annual Plan – Opex

Final review against February forecast (i.e. incorporating project opex). Currently achieving a balanced budget benchmark with \$1.5m headroom, but \$3.7m of our opex revenue from Springs Flat. Options are to:

1. Maintain headroom for unforeseen/budgeted events (i.e. Springs Flat not proceeding, or unscheduled events)
2. Look at opportunities to factor in known changes/community needs from some or all of the headroom (all not recommended)

If option 2 staff recommend the following cost pressures be considered:

Project Description	Amount (\$'000)
Additional City Safe Officers (continuation of current trial)	120
FN maintenance (roof)	100
Civic Arcade Rent (OMB tenants)	55
Geotechnical hazards, mapping, expertise and staff training	250
Identified Savings based on historical spend	(336)
Net impact on balanced budget headroom	189

Also a request from Athletics Whangarei for track resurfacing (\$300k from 2021/22 + \$246k underwrite)

Annual Plan – Capex

Largely timing differences as a result of forecasting but key projects / funding lines have been updated to reflect decisions and / or new information:

- NECT Light Tower unbudgeted spend (as per Agenda) and \$200k as a result of final tender costs
- Early Smoke detection (BWOF) Forum North \$200k

Maintain a \$62m programme (excluding Whau Valley and Civic Centre)

Discussion

We are seeking feedback on potential gaps noting:

- Constraints around capex (delivery)/opex (balanced budget)
- Materiality/significance cannot be triggered

Off the back of this Finance will run financials for the 02 April Briefing (update on 10 March if necessary)

Long Term Plan

‘the decision to adopt (and all of the policy and service decisions that lead up to adoption) are political decisions for the elected members to make. The advice that officials provide is an information source to the process, as is the feedback gathered through community engagement [but] the LTP is . . . the elected member’s document’

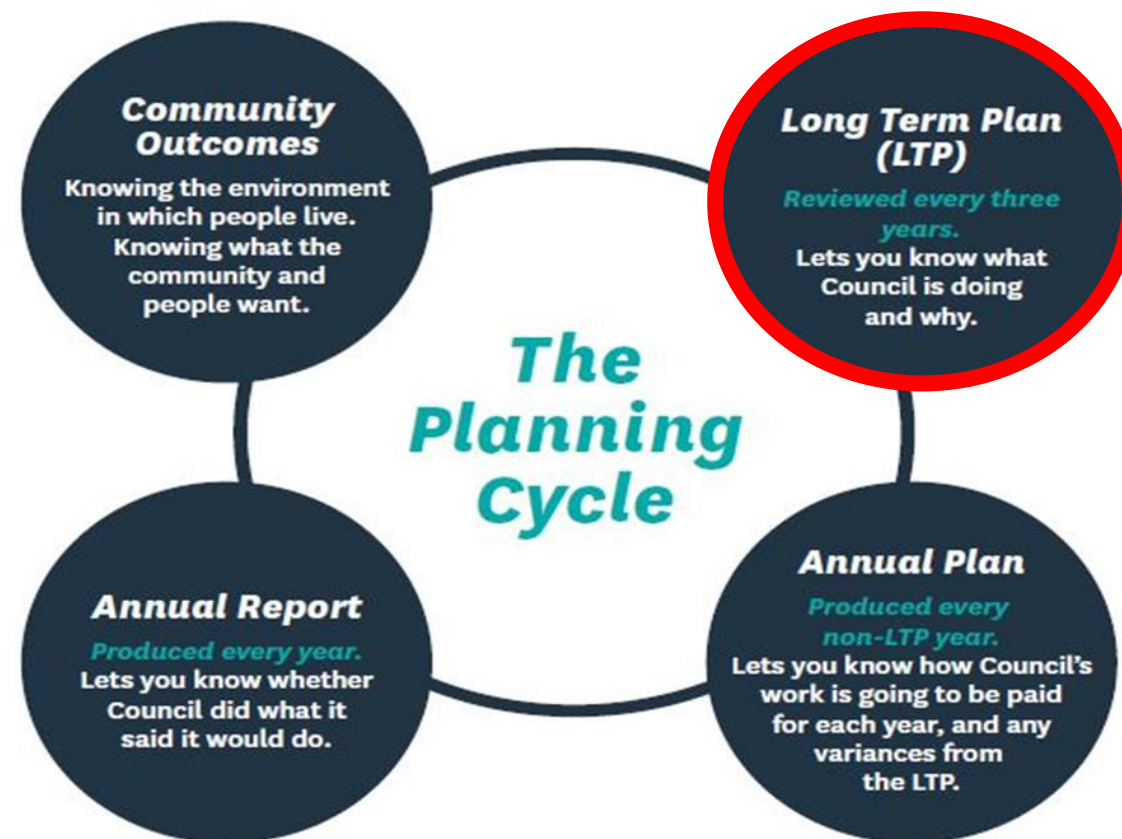
New Zealand Society of Local Government Managers - Living through the Long-Term Plan 2021

Long Term Plan overview

The LTP sets out what we will do over the next 10 years. It outlines:

- programmes and projects to be undertaken in 10 years (with more detail for the first three years)
- The levels of service and performance measures for our community across key council functions
- The financing and funding we will need to achieve what we want to do.

The Local Government Act sets out the parameters of what the LTP needs to include, as well as process we need to follow.



Long Term Plan journey

2008-2012

- Stalled with GFC, addressed urgent wastewater

2012-2015

- Significant use of property sales revenue to fund new/renewal of assets

2015-2018

- Catch-up rates increase to have annual revenues to fund both operating and capital expenditure

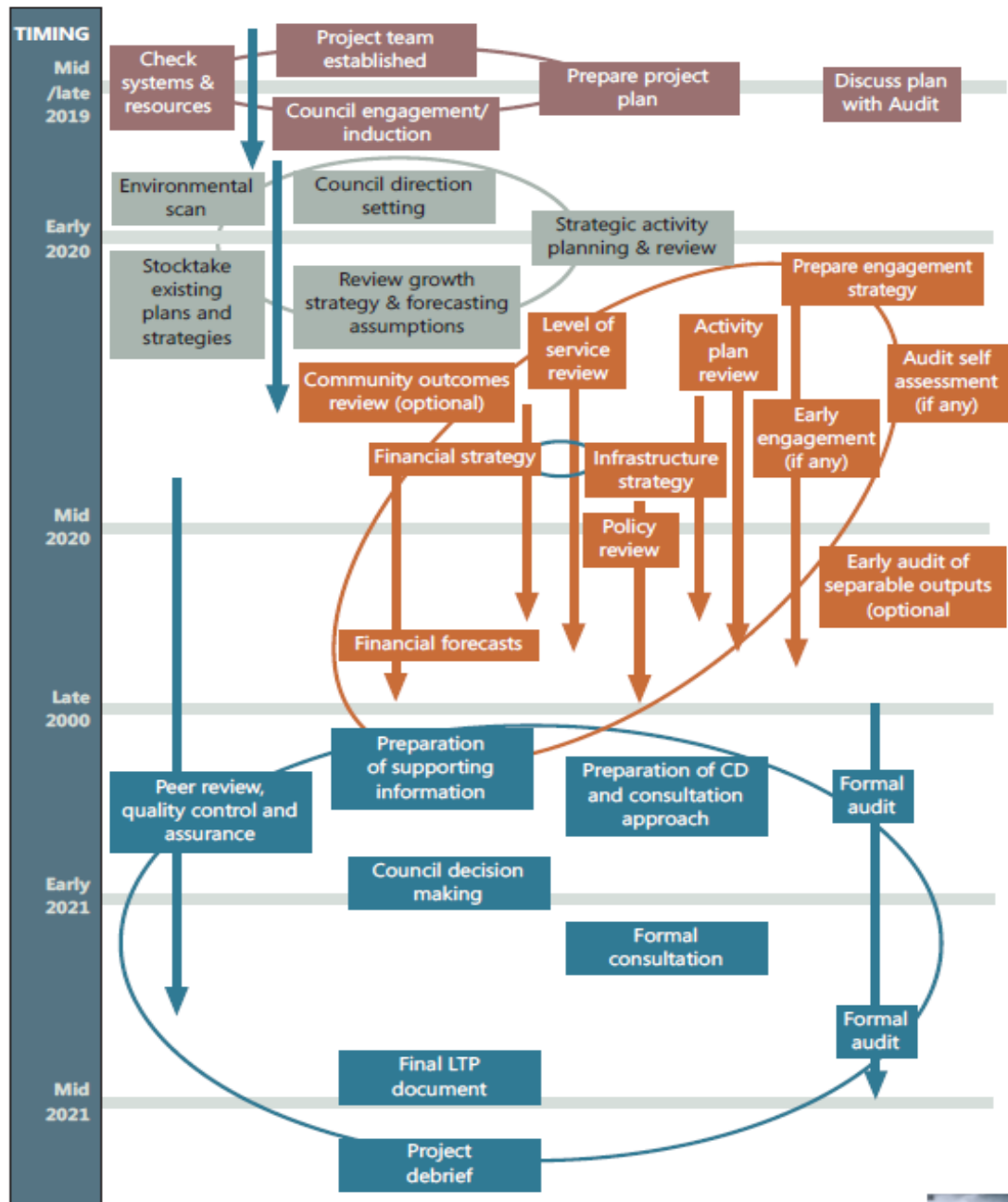
2018-2021

- Consolidating catchup, but balancing/managing growth and increasing community expectations

2021-2024 - ????



TOOL TWO: AN INDICATIVE LTP PROCESS MAP



Long Term Plan 'Flow Chart'

Long Term Plan building blocks

The development of the LTP is supported and directed by a number of documents and programmes of work.

These will be worked through with elected members for direction setting

Some will require early decision making...

Finance Strategy

Infrastructure Strategy

Revenue and Financing Policy

Forecasting assumptions and price level adjusters

Funding impact statements

Forecast financial statements and reserve funds

Scan of strategic issues and population growth model

Community outcomes and vision statement

Early engagement feedback and formal consultation submissions

Levels of service and performance measures

Capital projects and operational expenditure

Development Contribution Policy

Activity profiles

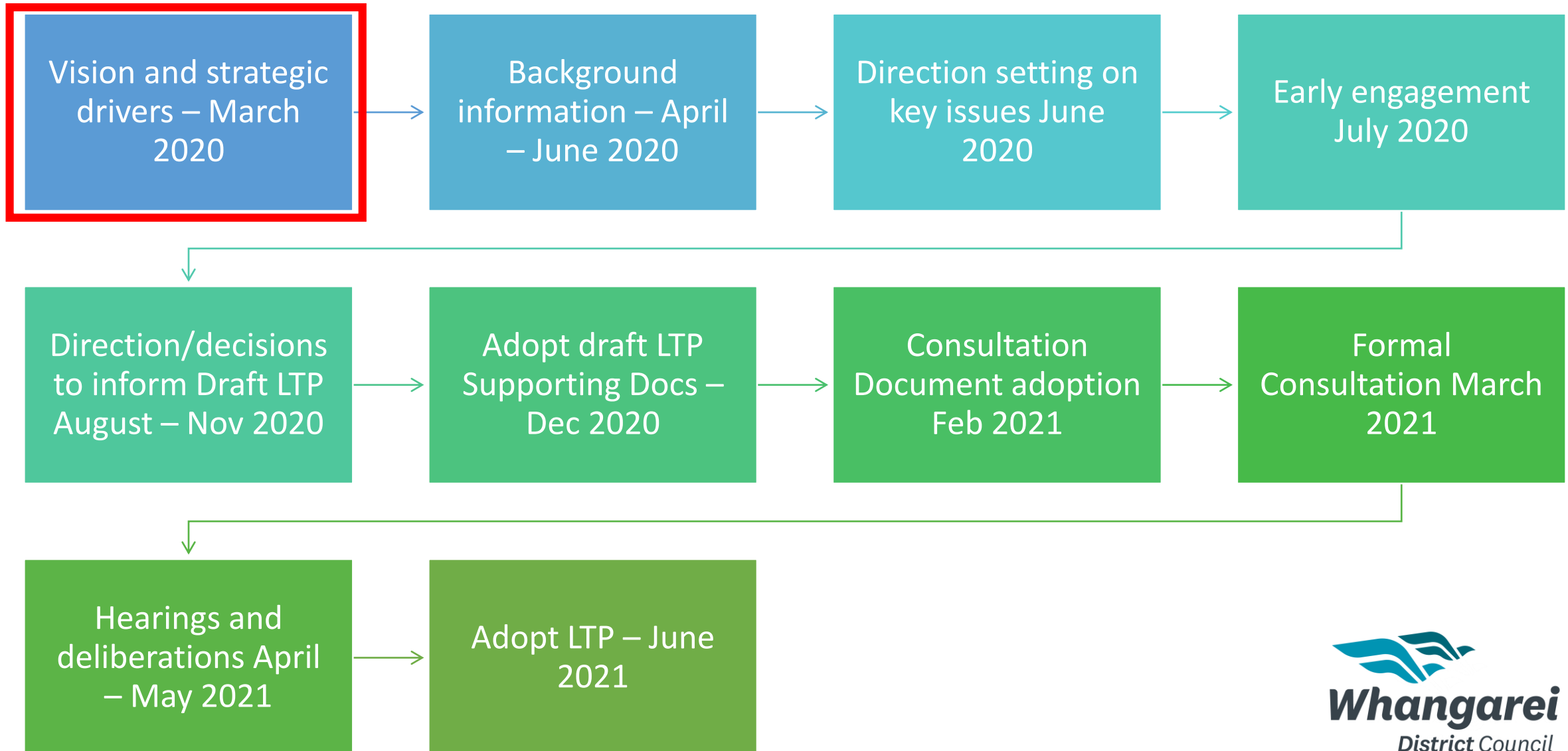
Audit NZ process and report

Asset Management Planning

Council controlled organisations

2021 – 2031 Long Term Plan

Long Term Plan timeline



Long Term Plan - Key early decisions

To drive the Long Term Plan and provide structure for any early engagement we will need direction and decision making on a number of issues

Staff will begin work on these issues and bring them to briefings and ultimately Council meetings for decision making

Issue	Direction
Rates	Whether to undertake a rates review?
Early engagement	Whether to seek feedback from our community prior to formal consultation, and what issues should frame any informal engagement?
Finance and Infrastructure Strategies	Early direction on the key assumptions underpinning our strategies (i.e. rates, debt levels, balanced budget, LoS etc)?

Briefing on 10 March

We will start the LTP process at the 10 March briefing to:

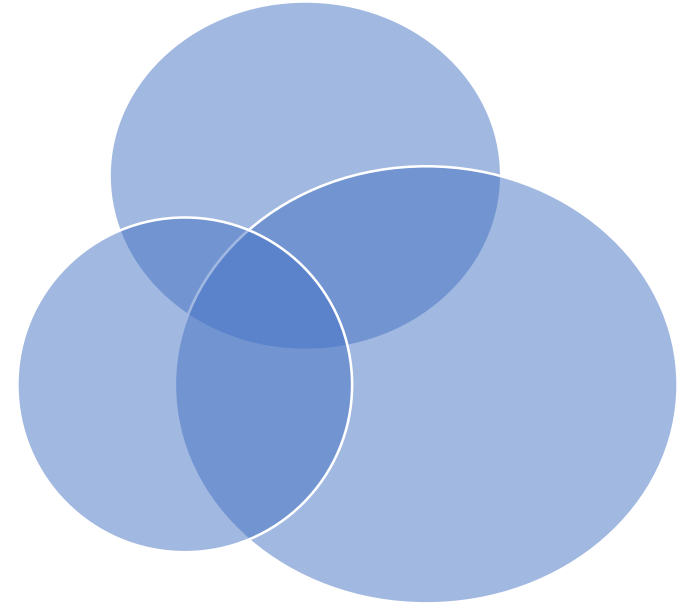
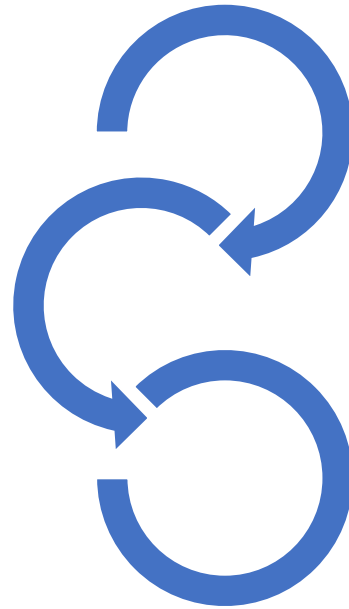
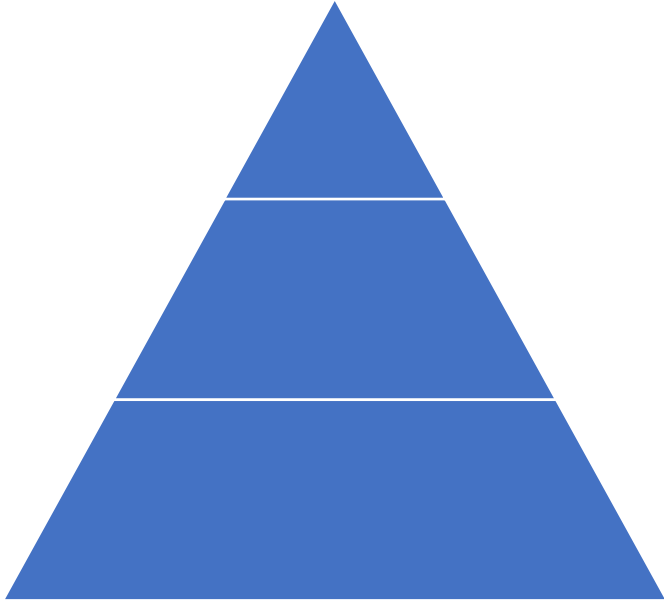
- Workshop the vision statement and strategic drivers for the LTP
- Discuss early engagement

Propose to get you started on the vision/strategic drivers discussion today . . .

Discussion

2018 – 28 LTP	Priorities for the 2019/22 Triennium for consideration through the LTP
Vision: <i>A vibrant, attractive and thriving District</i>	<ul style="list-style-type: none">• Transport (Roding and Public Transport)• Revitalising the City Core• Potential Northport expansion/Navy relocation• Sustainability (including waste minimisation)• Housing
Key Strategic Drivers: <ul style="list-style-type: none">• <i>Focus on core assets</i>• <i>Getting ready for the future</i>• <i>Making our District an even better place to live</i>	

Different approaches . . .



A (VERY) rough draft . . . ?



Raising the bar

Areas where we are seeking new or increased LoS:

- Public Transport
- Housing
- City Centre

Delivering on our commitments

Ensuring we continue to deliver on LoS:

- Rural and Urban Roads
- Sustainability (Incl Waste Management)

Getting the basics right

Core business:

- Asset Management / Physical assets
- Renewals
- Maintenance

Strategic Planning
and Engagement