

## Council Briefing Agenda

**Date:** Tuesday, 22 September, 2020

**Time:** 9:00 am

**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**Elected Members:** Her Worship the Mayor Sheryl Mai  
(Chairperson)

Cr Gavin Benney

Cr Vince Cocurullo

Cr Nicholas Connop

Cr Ken Couper

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Jayne Golightly

Cr Phil Halse

Cr Greg Innes

Cr Greg Martin

Cr Anna Murphy

Cr Carol Peters

Cr Simon Reid

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

**1. Apologies**

**2. Reports**

**2.1 LTP Priortisation**

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**3. Closure of Meeting**

## 2.1 LTP Prioritisation

<b>Meeting:</b>	Council Briefing
<b>Date of meeting:</b>	22 and 23 September
<b>Reporting officer:</b>	Dominic Kula (General Manager Strategy and Democracy)

### 1 Purpose

To prioritise the new project capital and operational requests that inform the draft 2021 - 31 Long Term Plan

### 2 Background

Through the course of this triennium staff have worked alongside councillors to capture their collective priorities for the LTP. This resulted in priorities being adopted by Council in February, before being reconfirmed with minor amendments as a result of COVID 19 at the May Council meeting.

Through the LTP process staff have then worked with councillors (through briefings on the 5, 12 and 25 August) to get an understanding of not only the 'big ticket items' that could fall under each priority, but the other projects or programmes that Council may want to consider through the LTP process.

A consistent point of discussion throughout this process has been the fact that we have significant constraints in terms of both our balanced budget benchmark (opex), and our ability to deliver (predominantly capex). As such difficult decisions and tradeoffs will need to be made, and staff have worked councillors through a suggested process for prioritisation to achieve this.

At the briefing of 17 September management also presented options for managing / enhancing capex delivery over the course of the next LTP. During the session it was stressed by some councillors that there are two components/steps they were seeking through the LTP process:

1. Determining 'what projects Council wants to deliver'
2. Working through 'how Council delivers projects', including the potential for different mechanisms for delivery

This session will enable Council to work through/prioritise new projects that it wants to deliver through the next LTP. This in turn will enable councillors to consider, and provide feedback on, how we may go about delivering projects differently.

A Briefing for Councillors to provide feedback on 'how Council delivers projects', including the potential for different mechanisms for delivery will therefore be scheduled for 29<sup>th</sup> September. During this session we will also seek councillor direction on the 'things we could stop doing'.

### 3 Discussion

### 3.1 BAU programmes

As discussed previously, existing funding required to deliver committed core business (i.e. through Levels of Service (LoS) required to maintain assets, undertake renewals and ensure we can meet growth demand) will not fall under the prioritisation process unless there is a desire to change levels of service in a particular area (i.e. under Transportation where increases to maintenance spend have been signalled as a priority).

### 3.2 Requests

In order complete a draft 2021-31 Long Term Plan by the end of the year, direction is needed from elected members on their priority projects and programmes. Without this we cannot progress with financial modelling.

The new requests include both CapEx and OpEx projects that have come from one or more of the following:

- **Requests from elected members from the briefings on the 5, 12 and 25 August**
- **Funding requests from the 2020-21 Annual Plan**
- **New requests from asset management plans (including those from the community where they are aligned)**

All new requests from asset managers have been reviewed to ensure to ensure that they:

- **Link to, or are supported by, a decision or direction from Council**
- **Are needed to implement a recently adopted policy or strategy**
- **Align to a project or commitment already underway**

### 3.3 Approach to prioritisation

The prioritisation process was discussed on the 17 September Briefing.

In advance of the briefing on 22 and 23 September elected members will be given a list of new requests, with key information on each project (**copies of the request lists will be distributed under separate cover once finalised**).

At the briefing, elected members will be asked to prioritise each new request using the following scoring approach:

**Out = 0 Points**

**Low Priority = 1 Point**

**Medium Priority = 2 Points**

**High Priority = 3 Points**

Each request must be scored, if it is not scored that request will receive a 0. With prioritization complete, staff will then collect the lists from Councillors and add up the scores and report back with prioritized list of projects. There will be an iterative process to identify which projects sit 'above the line' (can be funded/delivered) and those 'below the line' (can't be). We will then bring the full project list back, along with further discussion of financial parameters (if required)

Requests that did not align with a council priority/strategy will be provided to Council at the end of prioritization to see if there are any that you want to 'swap in'

In addition, some requests relate to direction that Council will make separately to the prioritisation process, or through future LTP processes. These include;

- **Parihaka Mast** where there is an existing BAU budget of \$900k and a workshop scheduled for 13 October to consider this matter.
- **Regulatory services** where there is a workshop to work through costs, the potential for enhanced services and options to pay for any changes (i.e. fees/cost recovery) on 07 October.
- **New Airport Evaluation** where there is \$5m for evaluation in BAU but no additional budget for land purchase provided for in the first round of requests that will be considered by Council. While land purchase is unlikely to be required in the first three years of the next LTP, and there is significant uncertainty around what form this could take, it is anticipated that this would be required in the 2024 – 2034 LTP (if the project is to proceed beyond the evaluation stages).

These requests will be included with those that did not align with a council priority/strategy, to be provided to Council at the end of prioritization.

### 3.4 Next Steps

Once prioritisation is complete, staff will work through the budgetary implications and report back to elected members on the budgetary impact of the prioritisation, and options on how to proceed to a complete programme/project list for review.

It is likely that this will be an iterative process, with direction required from councillors on projects and funding can that proceed within indicative financial parameters, or changes that could be made to financial parameters to provide for Councillors priority proposals.

In order stay on track for a draft LTP by the end of the year, we need to land on a prioritised list of projects. This list will inform the financial statements need to determine our financial envelopment and strategy.