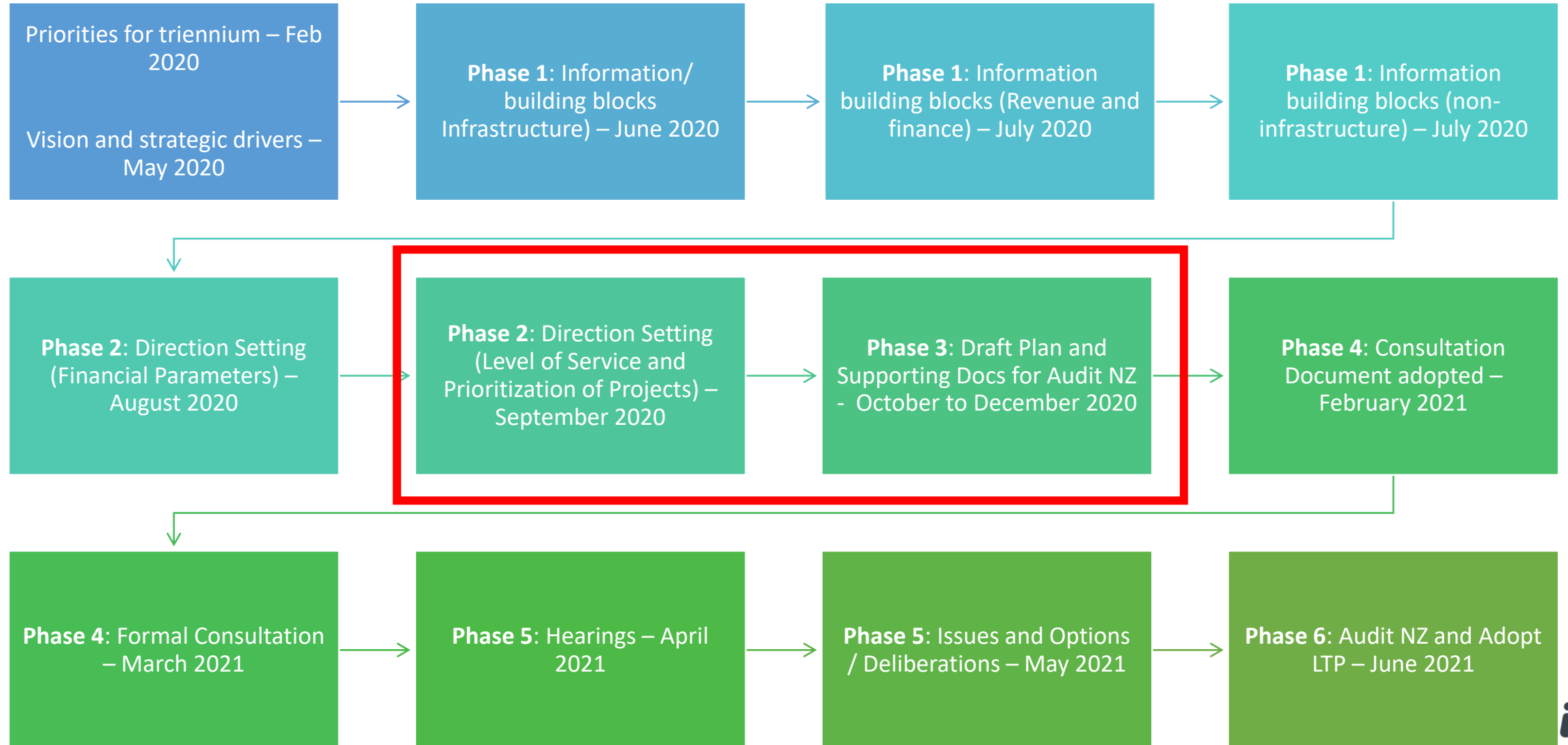


Long Term Plan Update

29 September 2020

Next Steps - LTP Process: Timeline



The plan . . .

Agenda for 29 September:

- Councillor led discussion on the approach to the delivery of capital projects
- Any functions or services Council should stop doing.

Councillor led discussion on capital delivery

Staff approach presented on 17 September (attachment 1 of your agenda). Councillors requested a dedicated discussion on capital delivery. This briefing has been set up in response to that request.

Some things to ponder:

- Opex is the key financial constraint, capacity (both internal and external) is the key capex constraint
- Consistency and predictability are critical for the market (i.e. the scale and timing of the programme)
- If funding is provided for delivery of services/assets by community/outside organisations – its opex
- Community delivery needs to meet standards / legislative requirements

Are there things we could stop doing?

Staff have considered this in the preparation of this LTP, and in response to the COVID 19 rates adjustment. We also looked at work undertaken through the 2015 LTP.

2015 'the District at a crossroads' – working group looked at options to reduce costs, increase capacity and minimize rates increases

No easy decisions (i.e. reduction in transfer station operating hours). 2015 LTP introduced a 'step change in rates', followed by LGCI + 2%.

Any change to LoS would need to be part of the Consultation Document.



Recap

	Capex	Opex
Transport	Seal Extensions, Port Kioreroa Intersection and Bridge 4 Lanning, Footpaths, Traffic Calming/Slow Streets, Bridge and Structure Renewals, Cycleways/Shared Paths (6)	Roadside cleanup (1) Increased maintenance spend
City centre revitalization	John St (early), James (later, with constraints), City Centre Cycleway Connections (3)	
Sustainability	Stormwater Treatment (1)	Weed/pest control and community support, climate change risk assessments, funding to support sustainability strategy, replanting of native trees/ETS credits (4)
Northport/Navy (treat separate)		Northport Advocacy/Corridor Plan (1)
Housing		Supporting conversion to innercity housing (1) Partnership with stakeholders (non cost)
Project/Grant funding	OTP Seawall, Public Toilets, Waipu Cycleway, FN H & S upgrade, Pohe Island lighting/CCTV (5)	Community Fund, Community Facilities Fund, Hihiaua, NECT Full Trust operating cost, Gomez Rd, match Govt Grants, Economic Development Initiatives, enhanced community development capacity (8) React to government reforms (non cost)

- Further review of key request programmes (consolidate where possible and bring back large lines)
- Initial priorities to be used for modelling based on LGCI + 2% + catchup, followed by LGCI+ 2%
- This will give an indication of debt (won't cap at this stage) and allow us to provide staff recommendations / options (particularly around opex)
- A commitment to play the issue/project, and discussion of a 'swap out' approach
- Large one offs that didn't make the cut (i.e. theatre options)?
- Bring back any unfunded items where there are risks/impacts

Large budget programmes

Within the prioritized list of projects, there were a number of large programmes:

Programme	Request	Comment (i.e. on amount and timing)
New Footpaths	\$200k p.a. (\$2m total)	BAU has already increased from \$400k p.a. to \$520k (avg) as a result of subsidy
Slow Streets	\$200k p.a. (\$2m total)	BAU has already increased from \$200k p.a. to \$300k as a result of subsidy
Sealing rural roads	\$4m p.a. (\$40m total)	\$850k p.a. uninflated in BAU
Bridges and structure renewals	\$18.9m total	LCLR programme line in BAU (\$500k first 5 yrs) + \$890k for a renewal in yr 2
Cycleways and Shared paths	\$48m total	BAU has funding for committed projects in years 6 & 8 (\$2.5m total)

Through prioritization councillors requested a review of the total allocated to these large programmes. Staff need direction on this in order to undertake financial modeling

Next steps

- Complete financial modelling and report back for review mid-October
- Then it will be a sprint to draft LTP by the end of the year requiring clear direction on a number of matters:
 - Development Contribution Policy
 - Revenue and Finance Policy
 - Performance measures/targets
 - Finance and Infrastructure Strategies