

# Informal Workshop Notes - Annual Plan 2023/24

## Regional Council

**Held:** 09:30am, Thursday 23 February 2023, Council Chambers, Regional House, 1 Elizabeth Street, Tauranga

**Chairperson:** Deputy Chairperson Jane Nees

**Present:** Cr Malcolm Campbell  
Cr Stuart Crosby  
Cr Toi Kai Rākau Iti  
Cr Matemoana McDonald  
Cr Kat Macmillan  
Cr Ron Scott  
Cr Ken Shirley  
Cr Paula Thompson  
Cr Lyall Thurston - Via Zoom  
Cr Andrew von Dadelszen  
Cr Te Taru White  
Cr Kevin Winters

**In Attendance:** Fiona McTavish - Chief Executive, Chris Ingle - General Manager Integrated Catchments, Namouta Poutasi, General Manager Strategy and Science, Reuben Fraser - General Manger Integrated Catchments, Karen Aspey - General Manager People and Leadership, Kataraina O'Brien - General Manager Strategic Engagement (via Zoom), Kumaren Perumal - Chief Financial Officer, Mark Le Comte - Principal Advisor Finance, Graeme Howard - Corporate Planning Lead, Michael Seabourne - Director, Public Transport, Elva Conroy - Acting Manager, Spatial Planning, Marion Henton - Senior Regulatory Project Officer, Claudia Cameron - Committee Advisor.

**Apologies:** Chairman Doug Leeder for absence.

### 1. Workshop Papers

#### 1.1 2023/24 Annual Plan Workshop - Overview

*Presentation: Annual Plan Workshop Presentation - 23 February 2023: Objective ID A4320681*

Presented by: Kumaren Perumal – Chief Financial Officer and Mark Le Comte –  
Principal Advisor, Finance

**Key Points:**

- Guidance was sought on the level of rates increases, the use of reserves, and which Service Improvement Proposals were to be included in the Annual Plan 2023/24
- Updated work on the budget has reduced the required targeted rates by \$1.4 million which reduces the real targeted rates increase from 16.3% to 12.3%
- No change to general rates (5% real increase) and Regional Fund reserve use in the paper
- Noted a deficit increase of \$4.5 million to \$6 million funded from reserves
- The current estimates excluded inflation and growth, which would result in a 8.35% adjustment.

## **1.2 2023/24 Annual Plan - Financial Overview**

*Tabled Document 1 - Tabled Document: Rotorua Indicative Rates Examples:  
Objective ID A4321198*

Presented by: Kumaren Perumal – Chief Financial Officer and Mark Le Comte –  
Principal Advisor, Finance

**Key Points:**

- There were projected increases to services within the 2021-2031 Long Term Plan (LTP)
- The Regional Fund could be utilised to fund budget deficits or fund specific projects to reduce the need for external debt. The Long Term Plan 2021-2023 estimated a Regional Fund balance of approximately \$35 million by the end of 2031
- The Quayside dividend was included in the revenue projection
- Any change to the financial strategy required consideration through the LTP and public consultation
- Figures were based on the 2<sup>nd</sup> quarter of the Arotake Performance Monitoring Report
- As the level of service for public transport was lower than contracted, repayments were being received on a monthly basis. Under-staffing of the transport team had led to the use of emergency procurement, which resulted in higher costs than predicted
- A share of the Emergency Relief Fund, of approximately \$200,000, was being sought
- Additional funding for flood resilience from Central Government was anticipated, but would not be known until after the May 2023 budget
- Stopbank improvements from Central Government were being advocated for, this would be a partnership of co-investment between BOPRC and Central Government. Projects would not be funded retrospectively
- The efficiency and effectiveness of Council operations were continually reviewed and were reported to the Risk and Assurance Committee
- The significance threshold had not been triggered, therefore, no public consultation was currently required for the Annual Plan 2023/24.

**Key Points - Members:**

- Acknowledged the impact of extreme weather events would likely impact Council reserves
- A review of targeted rates was requested during the LTP process, and more detailed figures were requested for the next Annual Plan Workshop
- A review of the financial strategy would be required during the LTP, as the ongoing use of the Regional Fund to balance the budget was no longer considered the most financially prudent strategy
- More information about the Toi Moana Fund was requested
- Pre-engagement on the LTP was an option, but the potential for public confusion must be avoided
- Engagement with the community around resilience and issue prioritisation was suggested, in particular climate change adaptation
- Supported increased educational communications with the community to explain the complexities faced when making decisions.

**Guidance Provided by Councillors:**

- Identified the need to be financially prudent and focus on the deliverability of proposed projects
- The need to protect the Regional Fund was emphasised
- Targeted rates could be used, but would be decided on a case by case basis once figures had been provided
- The public must be sufficiently informed if there was to be no formal consultation
- Consultation on fees and charges was required.

10.37 am the workshop **adjourned**.

10.57 am the workshop **reconvened**.

10.58 am Cr White **withdrew** from the workshop.

### **1.3 2023/24 Annual Plan – Service Improvement Proposals**

*Presentation: Spatial Planning - Service Improvement Proposal: Objective ID  
A4317671*

**Overview:**

- Translation of the strategic alignment was provided:
  - He taiao ora – A healthy environment
  - Te Mana O Te Wai – Freshwater for life
  - Kia haumarū, kia pakari to hāpori – Safe and resilient communities
  - Toitū te rohe – A vibrant region
- Good, medium and low deliverability projections were calculated by a panel of assessors who scored each proposal; projects focused on new areas of work tended to score lower on deliverability than projects where Council has been delivering similar work for many years.

#### **Spatial Planning – He tirohanga hononga, He ara mu**

Presented by: Namouta Poutasi – General Manager Strategy and Science and Elva Conroy, Acting Manager Spatial Planning

**Key Points:**

- The current Spatial Planning environment was very different to the previous year when direction was given: Ōpōtiki was now included within BOPRC regional spatial plan and there were increasing requests from partner Councils for BOPRC to provide sub-regional spatial plans
- Figures had been revised and the Strategy and Science budget had been redistributed, however, in order to meet tight statutory guidelines additional funding was required
- The requested funding was intended to be allocated for:
  - Acceleration of sub-regional and regional planning
  - Eastern Bay of Plenty: to enable the development of strategy, work streams, an industrial study and as a project partner contribution
  - Rotorua: to develop a Future Development Strategy, to support the submissions and hearings process and to develop storm water knowledge
  - To develop a regional profile to assess the inter and intra-regional flows of freight and people
- Funding was required whether or not BOPRC was a pilot RMA council
- Were \$500,000 made available, funding would be proportionally distributed to projects.

**Key Points - Members:**

- The importance of spatial planning was recognised, but the re-prioritisation of funds was supported over the use of Regional Fund Reserve
- A breakdown of how funds would be allocated between the three Eastern BOP regions was requested
- Acknowledged the importance of the Rotorua Future Development Strategy Project and BOPRC's support and involvement.

**Guidance Provided by Councillors:**

- Councillors supported the reprioritisation of the activity budget to fund \$500,000 but did not support the use of \$200,000 Regional Fund Reserve
- If an additional \$200,000 was sought via reprioritisation, staff were to bring back detail of the impacts to the next Workshop for consideration.

11.20 am Cr White **entered** the workshop.

**Catchments - Coast Care Baseline and Priority Biodiversity funding**

Presented by: Chris Ingle – General Manager Integrated Catchments

**Key Points:**

- Coast Care had not received funding through the most recent LTP
- The requested funding would be in addition to current Coast Care funding, with partners approached to provide corresponding funding increases
- Confirmed that this funding would support the practical work, 'on the ground'
- A reallocation of funds from existing projects would require staff investigation.

**Key Points - Members:**

- Acknowledged Coast Care, and the importance of dunes, in protecting communities during extreme weather events

- Appreciated the community involvement and action 'on the ground'.

**Guidance Provided by Councillors:**

- Strong support for Coast Care was acknowledged, but there was reluctance to use the Regional Fund Reserve if alternative funds were available via reprioritisation
- Requested staff provide further information into the impacts of reprioritisation on other projects for consideration at the next Workshop.

## **Rivers and Drainage - Making Room for the River**

Presented by: Chris Ingle - General Manager Integrated Catchments

**Key Points:**

- Noted that the low deliverability score was due to the proposal being a relatively new area of work
- This project was intended to help communities not covered by the Rivers Scheme, as committing BOPRC staff to projects outside of Rivers Scheme work was a challenge. There was potential to investigate a FTE position in the future.

**Key Points - Members:**

- Acknowledged the potential risk from rivers outside of the Rivers Scheme, particularly those with headwaters outside of the BOPRC region
- Supported this project as a pilot scheme and the opportunity to talk to landowners, partners (such as Waka Kotahi), and mana whenua - acknowledged the amount of potential work was large
- Supported the nature based resilience approach but noted appropriate communication with communities was key.

**Guidance Provided by Councillors:**

- Supported this project as a pilot, but required more information and a defined scope
- Recommended the use of the reprioritised \$87,000 to scope the project, and run as a pilot
- Use of the Regional Fund Reserve was not supported.

## **Transport - Rotorua Refresh**

Presented by: Mike Seabourne - Director, Public Transport

**Key Points:**

- With Waka Kotahi as a 50% funder, noted the importance to align with Waka Kotahi
- Reprioritisation work was already happening
- The Ministry of Education funded rural school buses, however as the Tauranga system had grown, the number of Ministry of Education funded buses had been reduced. Whether buses were provided by Tertiary Institution would need to be investigated
- Consultants were an effective staffing strategy for short term projects

- Highlighted that the first two weeks of the school year was a challenge as patronage numbers were unknown.

#### **Key Points - Members:**

- Noted the aspirational goals of the Regional Public Transport Plan (RPTP) endorsed by Council, and emphasised the need to provide funding to support those goals
- Queried the efficiency and effectiveness of the use of contractors and questioned whether unspent funds from current staff vacancies could be utilised
- Sought assurance that good initiatives were being protected, for example free bus fares for students.

#### **Guidance Provided by Councillors:**

- Supported option 1: to include additional operational expenditure of \$70,000 in the draft AP 2023/24 Budget, funded via the Rotorua Passenger Transport reserve.

### **Transport – Tauranga Bus Shelters**

Presented by: Mike Seabourne – Director, Public Transport

#### **Key Points:**

- There was potential to investigate the reprioritisation of funds via the security budget, as security risks had reduced
- Bus shelters would be used to show key messages and communications from BOPRC, not corporate sponsorship
- Considered this as a trial which, if successful, could be replicated outside of Tauranga.

#### **Key Points - Members:**

- Acknowledged that this gesture of support to Tauranga City Council would assist in relationship building, and would be an opportunity to investigate innovative solutions to bus shelters
- Questioned whether BOPRC could manage potential future expectations from partner Councils if this was rolled out further than Tauranga.

#### **Guidance Provided by Councillors:**

- Supported the proposal, however, expressed preference that funds came from reprioritisation prior to the use of Targeted Rates
- If the use of Targeted Rates was required, staff to outline potential impacts at the next Workshop, as Members did not want to see Targeted Rates increases.

### **Transport – Consultancy Support**

Presented by: Mike Seabourne – Director, Public Transport

#### **Key Points:**

- Funding would allow the delivery of the wider transport programmes which were currently under-staffed, and would allow for investigation into the use of new technology to increase staff efficiency

- Noted the Strategic Alignment analysis was lacking as this was an evolving proposal at the time of analysis.

**Key Points - Members:**

- Questioned whether a portion of the requested funding could be reallocated from the unspent budget from the current staff vacancies, or whether any aspects could be achieved in-house or through collaboration with partner Councils.

**Guidance Provided by Councillors:**

- More information was required on the breakdown of the proposal, and any potential re-prioritisation opportunities.

## **Rivers and Drainage – Safeguarding our Stopbanks**

Presented by: Chris Ingle – General Manager, Integrated Catchments and Kirsty Brown – Rivers and Drainage Assets Manager

**Key Points:**

- Increased damage to stopbanks had been discovered, and staff were conducting an urgent review into stopbank effectiveness post Cyclone Gabrielle
- Council was responsible for decisions regarding stopbanks, however any additional funding would be through the Rivers Scheme Authorities
- Whakatāne stopbanks were the pilot of the Safeguarding our Stopbanks project, and if successful the project would be rolled out to other rivers
- Acknowledged that the amount of required work was greater than anticipated
- Rivers Scheme Advisory Groups were kept informed of Council decisions on an ongoing basis.

**Key Points - Members:**

- Acknowledged the importance of and need for this project, particularly in light of the destruction caused by Cyclone Gabrielle
- Emphasised the importance of working together with Whakatāne District Council and the Rivers Scheme Advisory Group
- Concern was raised that the \$700,000 and \$900,000 Capital Expenditure between 2023/24 and 2324/25 would be new borrowing for the Rivers Scheme Group
- Recommended that Council needed to re-evaluate the risks from storms and dislodged slash, however acknowledged a national inquiry was underway.

**Guidance Provided by Councillors:**

- Supported the additional capital expenditure subject to support from the Rivers Scheme Advisory Group
- Supported the use of \$24,000 from the Targeted Rates Reserve, subject to support from the Rivers Scheme Advisory Group
- Did not support the use of \$6000 from the Regional Fund Reserve, and suggested sourcing that amount from elsewhere.

1.12 pm - Cr von Dadelszen **withdrew** from the workshop.

## **Rotorua Airshed – Support for homeowners to improve air quality**

Presented by: Reuben Fraser – General Manager, Regulatory Services and Marion Henton – Senior Regulatory Project Officer

### **Key Points:**

- The funding would provide staff with the ability to assist people to be compliant, in particular, people from low socio-economic backgrounds
- Landlords would not be assisted, only homeowners
- Approximately 30 homes would benefit per year.

### **Guidance Provided by Councillors:**

- Supported option 1: Include additional operational expenditure of \$50,000 in the draft AP 2023/24 budget to be funded via the existing Rotorua Air Targeted Rate Reserve.

1.20 pm Cr von Dadelszen **entered** the workshop.

## **1.4 Fees and Charges Policy**

Presented by: Mark Le Comte – Principal Advisor, Finance and Kumaren Perumal – Chief Financial Officer

### **Key Points:**

- Fees and charges recovered a percentage of activity costs as specified in the Revenue and Financing Policy
- The cost driver was staff time, however if cost recovery targets were not made, the shortfall would be required to be collected via rates increases or from reserve funds
- The Fees and Charges consultation material, and a report to confirm the public engagement approach to the Annual Plan 2023/24, were expected to be provided to Council at the March meeting for approval.

## **1.5 LTP Strategic Framework**

Presented by: Namouta Poutasi – General Manager, Strategy and Science

### **Key Points:**

- The proposed LTP process included Elected Members' early involvement
- The importance of setting the correct strategic direction was emphasised, and the use of workshops prior to the 1<sup>st</sup> LTP Workshop in April, to develop a strong context of the operating environment, was outlined.

### **Key Points - Members:**

- Emphasised the importance of Elected Members having the ability to guide workshop conversations, and the need for this to occur early in the development process
- Requested the workshops provide more than just an outline of legislative changes, and included scenario based, potential impacts of the changes.



**Guidance Provided by Councillors:**

- Members requested their early involvement in strategic planning, and to be able to discuss the strategic environment and key areas of focus in an informal setting.

13.34 pm – The workshop **closed**.