

Informal Workshop Notes - Long-Term Plan 2024-2034

Regional Council

Held: 10:00 am, Wednesday 10 May 2023, Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual Meeting)

Chairperson: Chairman Doug Leeder

Deputy 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 (via Zoom)
Cr Kevin Winters (via Zoom)

In Attendance: Fiona McTavish - Chief Executive; Namouta Poutasi - General Manager, Strategy and Science; Mat Taylor - General Manager, Corporate; Reuben Fraser - General Manger, Regulatory Services; Karen Aspey - General Manager, People and Leadership (via Zoom); Kataraina O'Brien - General Manager, Strategic Engagement (via Zoom); Chris Ingle - General Manager, Integrated Catchments; Kumaren Perumal - Chief Financial Officer; Olive McVicker - Corporate Performance Team Lead; Gillian Payne - Principal Advisor; Mark Le Comte - Principal Advisor Finance (via Zoom); Graeme Howard - Corporate Planning Lead (via Zoom); Steve Groom - Governance Manager (via Zoom); Angela Foster - Communications & Engagement Manager; Annabel Taylor - Manager, Special Projects; Jo Pellew - Rates Manager; Charlie Roddick - Kaitohutuhu Matua, Whenua Māori (Rates Specialist); Jodi Ellmers - Legal Counsel; Merinda Pansegrouw - Committee Advisor

Apologies: Councillor Toi Kai Rākau Iti - for lateness

1. Strategic Framework

*Tabled Document 1 - Tabled Item 1 5572 Strategic Direction Document 2023_24 v2:
Objective ID A4372299*

*Tabled Document 2 - Tabled Item 2 5572 Strategic Direction Document 2023_v4
LTP Workshop Amendments (002): Objective ID A4372303*

Presented by: Namouta Poutasi - General Manager, Strategy and Science.

Guidance Sought from Councillors:

Councillors were requested to consider the draft strategic framework that had recently been developed/updated by Councillors (Tabled Document 1). Once supported, this strategic framework would be used as the foundation for activity structure/policy development required as part of the draft Long-Term Plan 2024-2034 planning process.

Guidance provided:

- Supported having fewer goals rather than more
- Acknowledged that the Te Reo translation adjoining the English version would be translated by an accredited translator
- **Community outcome 1 - A healthy environment**
 - We maintain and enhance our physical environment and natural ecosystems for our communities and future generations. We support others to do the same
 - Goal 1 - The region's diverse range of physical environments and natural ecosystems are in a healthy state
 - Goal 2 - Enabling te mana o te wai through healthy and improving waterways and their ecosystems
 - Goal 3 - We use evidence based decision making - all work is informed by the best available science and mātauranga Māori
 - Goal 4 - We support communities to nurture our environment.

10:20am - Cr Toi Kai Rākau Iti **joined** the workshop.

- **Community outcome 2 - Future ready communities**
 - Our work in the Bay of Plenty guides and supports improved resilience to natural hazards and an equitable and sustainable transition to a low emissions future
 - Goal 5 - Communities are aware of and prepared for the impact of natural hazards and climate change
 - Goal 6 - We will empower communities to make sustainable choices and transition towards a low **carbon** economy
 - Goal 7 - We seek to provide nature based solutions as appropriate to enhance the environment and protect our communities
- **Community outcome 3 - Connected communities**
 - We help provide Connected and sustainable communities
 - Goal 8 - Communities are connected through an effective transport system, land use and urban design that improves wellbeing, liveability and environmental outcomes
 - Goal 9 - We foster strong communities through engagement in decisions that are important to them
 - Goal 10 - We have a diverse and supported network of volunteers
- **Community outcome 4 - Sustainable development**
 - We support and advocate for sustainable development

- Goal 11 - We support development and growth that takes into account the four **Well-beings** of people and communities the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations
- Goal 12 - Enable and advocate for climate resilient spatial plans that take a sustainable development approach
- Goal 13 - Regional infrastructure is resilient, efficient and integrated
- **Community outcome 5 - Te Ara Poutama**
 - Partnering with Tangata Whenua towards a prosperous and equitable regional future
 - Goal 1 - Supporting enhanced Māori participation in operational activities, and progressing new opportunities where they arise within existing operations
 - Goal 2 - Supporting Māori capacity and capability building to empower proactive relationships
 - Goal 3 - Ensuring an equitable approach to the four **Well-beings** and delivery of community outcomes
 - Goal 4 - Partner with Māori to enhance delivery and share decision making
- Enablers
 - Delivery - We deliver in an efficient and effective manner by identifying priorities and outcomes
 - Investment - We empower intergenerational wellbeing through prudent investment in our people and places
 - Partnership and engagement - We work with partners, stakeholders and the community to protect and enhance ecosystems for a better environment and economy
- How we work
 - We look to add value regionally
 - We seek integrated solutions and we collaborate
 - What we do, we do well
 - We provide great customer service
 - We honour our obligations to Māori
 - We innovate and are not afraid to do things differently
 - We use robust information, including technology and mātauranga Māori.

10:45am - The workshop **adjourned**.

11:20am - The workshop **reconvened**.

1. History of Māori Land and Rates Information Presentation

Presentation Māori Land History and Rating Information - Charlie Roddick and Jo Pellew- LTP Workshop - 10 May 2023: Objective ID A4371068

Presented by: Charlie Roddick, Kaitohutohu Matua, Whenua Māori (Rates Specialist), supported by Annabel Taylor – Manager, Special Projects and Jo Pellew – Rates Manager.

Key Points - Presentation:

- Historical facts of Māori land
- Barriers that Māori freehold landowners experience
- Context of rating Māori land
- Recent legislative changes / successful examples of Council working with landowners

- Draft Rates Remission policy road map.

Key Points - Staff:

- “History of Māori Land and Rates Information Presentation” would be shared with other territorial local authorities to ensure a unified/collaborative approach/understanding across the region
- Encouraged all to rethink/have a progressive approach approach to the development of an enabling policy
- Further information was available if required
- Emphasised the need for a “universal framework/approach” – particularly in terms of the way councils operated/approached rating; – consistent approach across councils to encourage trust, fairness and equity
- Since there was currently a disconnect, legislation needed to continue to evolve to be more user-friendly/easier to understand/explain.

Key Points - Members:

- Acknowledged the sadness surrounding the historical facts relating to Māori land
- Expressed sincere appreciation for the factual presentation, providing appropriate and timely background
- Supported that the presentation be shared with territorial local authorities/staff
- Concurred that emphasis should be placed on creating opportunity for growth/development going forward; ensuring an equitable approach to community outcomes
- Acknowledged the need for education at all levels – to understand and progress as it remained a complex topic; legislative requirements needed to be “translated” to be easier to understand/implement
- Apart from the reviewing of rating policies, supported further investigation into possible ways of helping/unlocking development opportunities
- Praised solutions found to address issues to date – supported that barriers be removed notwithstanding numerous challenges (successions)
- Encouraged staff to continue consulting with land owners and actively seeking solutions.

1:00pm - The workshop **adjourned**.

1:30pm - The workshop **reconvened**.

2. Performance Framework

*Presentation Performance Framework - LTP Workshop - 10 May 2023 PDF:
Objective ID A4371075*

Presented by: Kumaren Perumal - Chief Financial Officer and Olive McVicker - Corporate Performance Team Lead.

Key Points- Staff:

- Highlighted requirements for a performance framework (the organisation’s response to deliver to the community); greater detail/refinement to follow at forthcoming workshops

- Once the new strategic direction had been approved, council activities/appropriate levels of service would be aligned with the performance framework
- Key elements of the performance framework: levels of service/performance measures/targets
- Outlined the performance monitoring cycle: regular reporting/monitoring/assessing of performance against targets so as to assess accountability/visibility in terms of delivery to the community
- Next steps: identification of levels of service/alignment with an updated performance framework/development and alignment of a full performance monitoring framework – these would be considered by councillors at future workshops.

Key Points- Members:

- Noted that the process relating to Section 17A (Local Government Act 2002 - review of service delivery levels) would be addressed as part of the activity planning process for each business component (based on the strategic framework and the activities that would align with delivering the outcomes)
- Acknowledged that plans/outputs of activity plans would be considered at a future council workshop (including all Section 17A reviews if required)
- Requested clarification on how “contracting with communities” would be aligned with service delivery requirements. Noted that further activity planning processes would be shared with councillors in advance, particularly in instances where there might be implications/changes
- With reference to the seven benchmarks listed on page 15 of the workshop pack, requested that at a future workshop, the benchmark ranges be shared with councillors, with an indication of the current status and the forecasted position to be achieved through the draft Long-Term Plan 2024-2034 process
- Was concerned about the possibility of a lack of resources being available once the LTP2024-2034 process had been completed. Enquired about potential opportunities to have regular “check-ins” along the process – monitoring affordability/costs of delivery whilst developing the LTP2024-2034 . Noted that this would be incorporated in a proactive/timely manner and that councillors would continually be provided with modelling/implications.

3. Budget Setting Process

Presentation Budget Setting Process - LTP Workshop - 10 May 2023 PDF: Objective ID A4371095

Presented by: Kumaren Perumal - Chief Financial Officer.

Key Points - Staff:

- Highlighted three core components of the budget setting process: expenditure, financing and funding (as an iterative process)
- At the essence of the expenditure element was activity/asset management planning: councillors would be provided with guidance throughout the process; with continued input on matters relating to levels of service, performance measures, and targets

- Outlined the high-level budget setting process for the draft Long-Term Plan 2024-2034 - draft budget versions that would be prepared as part of the LTP process/applicable timelines.

Key Points - Members:

- Enquired about the timeline for looking at zero base budgeting; noted that year 4 of the most recent LTP, combined with the information from the 2023/24- annual plan, provided the required “zero base budgeting/reset base”
- Was concerned about past capital expenditure and being overly optimistic in planning, ultimately inflating the capital budget. Was interested in looking at options that were realistic/affordable/deliverable. Noted that mechanisms to ensure realistic delivery had been introduced as part of the annual plan review process. This disciplined approach to realistic capital spend would continue to be exercised through LTP 2024-2034 process.

2:00 pm – Cr Crosby and Cr White **withdrew** from the workshop.

4. Delivering Better Outcomes Jointly and Collaboratively in the Bay of Plenty

Presentation Delivering Better Outcomes Jointly and Collaboratively - LTP Workshop - 10 May 2023 PDF: Objective ID A4371121

Presented by: Kumaren Perumal, Chief Financial Officer and Gillian Payne, Principal Advisor.

Key Points - Staff:

- Outlined an initiative/approach being taken through the development of the draft Long-Term Plan 2024-2034 to support more collaboration and joined up delivery of outcomes with partner organisations and stakeholders
- Approach/methodology had been developed and shared with staff of other councils in the region
- Purpose was to look at collaborative opportunities/shared outcomes between Regional Council and neighbouring entities and leverage opportunities to combine resources and to achieve a benefit for the community
- Collaboration would leverage on existing LTP processes; looking at pragmatic/scalable initiatives
- Focus would also be on co-design/joint-designs.

Key Points – Members :

- Supported the initiative; acknowledged that it would be worth persevering as the process might initially be challenging – needed to focus on effective communication. Goodwill both ways would be key
- Approach needed to be disciplined and based on sound financial principles
- Acknowledged that success would be dependent on the level of agreement/approach between the chief executives and them driving the initiatives
- Noted that Tauranga City Council (TCC) would be a year ahead of other territorial local authorities in the Bay with the development of their Long-Term Plan 2024-2034; BOPRC Toi Moana staff had been working closely

with TCC staff to align processes accordingly and investigating co-design process opportunities.

5. Financial Strategy - Funding Levers

Presentation Financial Strategy - Funding Levers - LTP Workshop - 10 May 2023
PDF: Objective ID A4371103

Presented by: Mat Taylor - General Manager, Corporate.

Key Points - Staff:

- The Financial Framework Review (FFR) had been completed as part of LTP 2021-2031
- The FFR informed the development of the Financial Strategy and Financial Policies and several conceptual models including the funding levers and implications of changing settings (as a way to visualise the financial implications and trade-off decisions)
- Purpose of the diagrams depicted on page 33 of the workshop pack was to demonstrate the key impacts/consequences of particular decisions on rates/dividends/fees/charges and the “interconnectedness” of the system
- The strategic direction, once approved by Regional Council, would drive the financial strategy decision process/policy decisions
- Acknowledged the importance of going through the development process on a step-by-step basis, doing continuous modelling/implications so as to provide high level data/information to show the implications of each of the levers, individually and combined.

Key Points - Members:

- Highlighted the importance of clearly demonstrating the impact of Council’s borrowing throughout all modelling/financial implications
- Expressed the opinion that the current local government funding model needed to be reviewed to find a better/improved option for local government going forward – should be proactive and advocate/influence for the improvement of all
- Concurred that principles still needed to be agreed upon before commencing with detailed decision making.

6. Review of Revenue and Financing Policy

Presentation Revenue and financing policy - Legislative and strategic context - LTP Workshop - 10 May 2023 PDF: Objective ID A4371106

Presented by: Mat Taylor - General Manager, Corporate.

Key Points - Staff:

- Provided an overview of the process, considerations, and decision-making steps to follow if Regional Council were to make material changes to its Revenue and Financing Policy (RFP)
- Outlined the role and connectedness of the RFP to the Financial Strategy and other policies
- All modelling would be done through the RFP levers

- Assured councillors that the RFP would include a detailed and analytical review of policy options/settings to ensure the provisions of Sections 101-103 of the Local Government Act 2002 were followed and applied appropriately.

Key Points – Members:

- Requested a future workshop on targeted rates ratios/addressing disparities across all activities/applicable principles.

2:18 pm – Cr Crosby **re-joined** the workshop.

7. Section 77 Applicability

Presented by: Kumaren Perumal - Chief Financial Officer.

Key Points - Staff:

- Outlined how Council intended to give effect to the decision-making requirements set out in Section 77 of the Local Government Act (LGA) 2002 through the development of the draft Long-Term Plan 2024-2034
- Highlighted the interrelatedness with sections 78 and 79 and the five-step decision-making process.

Other Direction:

- In the context of looking at the Annual Plan/Long-Term Plan development, reminded of the following priorities for Rotorua: Lake Tarawera/Ohau Wall remedial work and Ngongotahā Flood Mitigation
- For the purpose of the Annual Plan development and public transport reprioritisation, reminded of the proposed Transport – On Demand Trial.

Conclusion

Next steps:

- Draft Long-Term Plan 2024-2034 to be presented to Council in December 2023 for consideration/approval for consultation
- Consultation on draft Long-Term Plan 2024-2034 to commence early 2024
- Invited members to ask any questions to seek clarity if required.

2.25 pm – The workshop **closed**.