

LTP – where are we at?

The current picture

Why are we here today?

- We need to have an honest conversation with you as those who are closest to council, representing our communities
- To share the magnitude of our collective challenge to deliver an affordable LTP which delivers on the future direction work done with some of you
- Because there will be some tough decisions to be made
- There will be affordability challenges
- So we are going to need your help to share these messages in a way that helps us collectively make sensible and informed decisions

Our World has changed since the last LTP (i.e. to year 4)

Assumption	Impact
Public expectations increasing	<ul style="list-style-type: none">• Water (Hastings)
Growth	<ul style="list-style-type: none">• More growth OR 'success' related activity than anticipated• Strain on operations incl. ability to get staff• Increased/bought forward capital works programme
Depreciation Method and Useful Lives of the councils assets & Revaluation Movements	Increased asset revaluations means that current estimates of depreciation no longer adequate. In excess of \$1m additional funding required
Dividend Income	Strada dis-banded. Loss of \$500k dividend
Ownership of a significant asset	Actively investigating the option of a Waters CCO
Cost Assumptions	Challenged in this growth environment

What does this mean?

- 3% - General rate increase anticipated at last LTP
- 6% - Additional General rate funding required (\$3m)
- 9% - just to stand still - no new direction and no investment 'in' the business
- All on top of our targeted rate pressures

What are we doing about it?

- Leadership team charged with bridging the gap
- Nothing off the table
- Have identified many JDI's and others requiring business cases
- So far \$400k
- We will be bringing suggestions to council
- Potentially includes increasing revenue/reducing costs/challenging LOS/invest now to save \$

Council Direction

Community Outcome	Descriptors
Sustaining Our Environment	We are a community that believes in environmental sustainability, we pursue and promote related ideas and manage regulatory process to safeguard and improve our district
Providing value for money	Residents/Ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.
Supporting our communities	<p>We consider the well-being of all of our people in all our planning and activities.</p> <p>We support and plan for the development of complete and connected communities.</p>
Building our economy	<p>We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry.</p> <p>We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.</p>
Working together with you	Our communities work with us so we are collectively focused on the right things at the right time

How is this different/more overt?

- We support and plan for the development of **complete and connected** communities
- We support others who leverage our location to ensure **tourism** brings benefits to a range of people in our communities
- Residents/Ratepayers get **value for money** because we find **innovative ways** to deliver strategic, timely **and fit for purpose infrastructure and services at the most effective cost.**

Some great wins...

Some big wins....

- Waikato District is on the map
- Pokeno growth
- Growth in tourism \$
- HIF - \$37m we weren't meant to get!
- Digital enablement (8 towns +)
- Civil defence outcomes
- Wastewater CIP Annual Plan
- Waters CCO activity
- Culture/leadership progress & commitment
- Regional initiatives
- Some haven't borne fruit yet – TIF, Fibre
- Proven agility

Delivered by...

- Stretched Staff
- Use of consultants
- Continuing to absorb!
- Inconsistent planning

What's important?

Town Planning

- Building Communities
- Growth planning – “joined up”
- Align implementation with strategies

Best Practice Project and Programme Planning

- Meet value propositions
- Value for money
- Right outcomes
- Best practice e.g. Asset management planning

Transition required...

- Take a break from adding new things not in strategy
- Allow some planning processes to catch up – ‘community planning’
- Internal connectedness – eg. ‘growth forum’
- Assess what we should Stop, Start, Continue from our current projects
- Develop a transition plan and communicate with affected communities

Summary

- Council continues to punch above its weight but want to be more consistent
- Council has landed on proposed new direction with you
- This includes some new focus areas – so needs attention in LTP
- Operations are currently stretched/stressed
- More capacity and \$ required for “internal” innovation – investment required
- Budget capacity required - \$3m gap
- Work being done to bridge gap (and some!)
- Pause and refocus:
 - Community planning – strategies at the right level
 - Doing the right thing - planning, engaging, value
- This will require us to stop – start – refocus (transition)
- May require conversations with communities
 - Transition
 - Current situation and test of way forward (LOS)

- We need you to be involved and come along on this journey

Questions?