


  
13. Ewha  
MANUKAU  
City Council

**LTCCP the New Zealand experience-  
More specifically the Manukau Experience**  
10 June 2009




13 YEAR PLAN  
**think of the possibilities**  
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Knowledge and Understanding Maatauranga me te moohiohanga    Achievement Whāinga ki toona tutukitanga    Accountability Whakatao Ika

  
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**Introduction/background**


- ◆ I am a strong advocate for long term plans
- ◆ Manukau is NZ's 3<sup>rd</sup> largest authority
- ◆ Turnover is \$350m per annum (Core )
- ◆ This is our second Audited LTCCP
- ◆ We are still learning
- ◆ Major focus becoming more about strategy rather than the document
- ◆ It is Councils tool to get politicians and the public to think about the major issues


  
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**What I will cover**


- ◆ Community Outcomes and Priorities
- ◆ The right debate
- ◆ Financial strategy
- ◆ Performance measurement framework
- ◆ Asset management plans/Service management plans
- ◆ Some "how to" lessons I have learned in 13 years of long term plans

  
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**Community outcomes/ priorities**

- ◆ Council process or community process?
- ◆ Once every six years
- ◆ A long process depending on size of community
- ◆ Cover the domains of quality of life
- ◆ Ensure the Council organisation can see a place for services
- ◆ Identify organisations which will contribute
- ◆ Identify priorities

  
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## The right debate



- ◆ It is not about the document
- ◆ It is about a planned response to issues
- ◆ You already know the strategic issues. Get them on the table early
- ◆ The document needs to support them it won't establish them
- ◆ For us there were 4 major issues
  - Affordability for the community
  - Sustainability of service levels/assets
  - Coping with growth
  - Environmental sustainability

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## Financial strategy



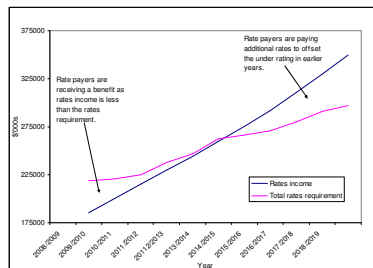
- ◆ We established that MCC under funds services by about 6%
- ◆ Our strategy is about how to get to sustainability
- ◆ Involves a push on efficiency within the organisation
- ◆ Involved long hours on capital programme
- ◆ With high growth we are able to grow revenue base to cover expenditure
- ◆ We do not have rates increases bouncing up and down

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## Financial Strategy – Draft LTCCP

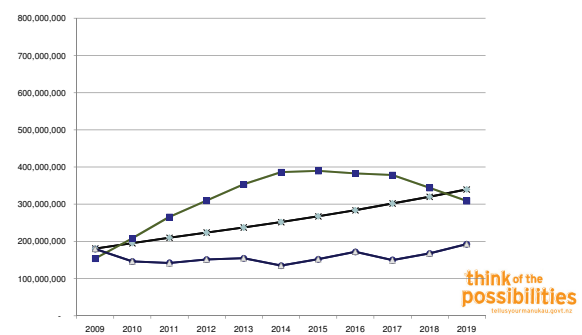


- ◆ To return to a sustainable basis, the rates increase was set at inflation plus 1.4% to cover historic underfunding, plus regional amenities levy.



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## Financial strategy



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## Performance measurement



- ◆ Consider the framework early
- ◆ NZ framework is
  - Community outcomes
  - Rationale for service
  - Levels of service
  - Performance measures
- MCC focused on:
  - Access
  - Satisfaction and quality of service
  - Sustainability for large asset services
- ◆ Measure at appropriate level in appropriate document

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## Asset management plans



- ◆ A key building block for the LTCCP
- ◆ Link to Service (Activity) Management plans
- ◆ Have LoS in technical and non technical terms
- ◆ Prepared for period longer than 20 years some longer
- ◆ Have finance staff do the financial modelling
  - Ensure mechanisms for modelling flow to main model
  - If asset services have clear strategy other services will not have a major impact
- ◆ Our rates level is primarily due to transport assets in a growing city

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## Some key learnings



- ◆ Remember it is your process and your document – make it work for your organisation
  - Project management is critical
  - Think about the linkages early
  - Plan the document early
  - Decide on how the document will be produced i.e. platform
  - Use templates for collection of information
  - Break templates down to lowest point
  - Focus on the big stuff
  - Get as much "boiler plate" information as possible done early

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## Some key learnings continued



- ◆ Data is critical/ most of your data will probably be stored in MS Word but make no mistake it is data
- ◆ Establish a naming convention
- ◆ Ensure data is captured and maintained in one place
- ◆ Don't confuse mark-up with data
- ◆ Financial modelling is tricky
  - Determine what your models will resolve to
  - Calculations will be iterative
  - Crucial calculations are debt, interest, rates, depreciation and overhead allocation

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## Some key learnings



- ◆ Spend a lot of time working through issues with Council
- ◆ Build up their knowledge as you go
- ◆ We determined that Council should see things three times before finalising plan, Activity, Group of activity then whole of Council. Time compressed and it didn't work out that way
- ◆ Allow a lot of time for Councillors
- ◆ Don't give them too much detail it will only create problems for you and for them
- ◆ Don't work in too much detail yourselves it will only tie you in knots

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## Final thought



*"Observations not only disturb what is to be measured they produce it."*

– Pascual Jordan one of the founders of quantum theory

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## Questions and discussion



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