



KOMITI ITI MAHERE Ā- NGAHURUTANGA / MAHERE Ā-TAU LONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

10 May 2024

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Friday 17 May 2024 commencing at 10.30am
(please note new start time)

The meeting will be livestreamed via Council's Facebook page.

Membership

	Mayor C Barry (Chair)
	Deputy Mayor T Lewis
Cr G Barratt	Cr J Briggs
Cr K Brown	Cr B Dyer
Cr S Edwards	Cr A Mitchell
Cr K Morgan	Cr C Parkin
Cr N Shaw	Cr T Stallinger
Cr G Tupou	

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Have your say

You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this by emailing DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY

KOMITI ITI MAHERE Ā-NGAHURUTANGA/MAHERE Ā-TAU LONG TERM PLAN / ANNUAL PLAN SUBCOMMITTEE

Chair:	Mayor Campbell Barry
Deputy Chair:	Deputy Mayor Tui Lewis
Membership:	All Councillors (11)
Quorum:	Half of the membership
Meeting Cycle:	Meets on an eight-weekly basis or as required during the LTP/ AP process
Reports to:	Council

PURPOSE:

To carry out all necessary considerations and hearings, precedent to the Council's final adoption of Long Term Plans (LTP) and Annual Plans (AP) which give effect to the strategic direction and outcomes set by the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee through setting levels of service, funding priorities, the performance framework and budgets.

Determine:

- Development of a framework and timetable for the LTP and AP processes.
- The nature and scope of engagement and public consultation required.
- Statements to the media.
- Such other matters as the subcommittee considers appropriate and which fall within its Terms of Reference.
- Informal engagement with the community, and the hearing of any formal public submissions.
- Consideration of submissions on Hutt City Council's Assessment of Water and Sanitary Services.

Consider and make recommendations to Council:

- Levels of service, funding priorities, performance framework, budgets, rating levels and policies required as part of the LTP or AP, excluding any policies recommended to Council by the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee.
- Consultation documents.
- Council's proposed and final LTP.
- Council's proposed and final AP.
- Final content and wording, and adoption of the final Hutt City Council Assessment of Water and Sanitary Services.

TE KAUNIHERA O TE AWA KAIRANGI | HUTT CITY COUNCIL

KOMITI ITI MAHERE Ā-NGAHURUTANGA / MAHERE Ā-TAU
LONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt
on
Friday 17 May 2024 commencing at 10.30am.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru
Whakataka te hau ki te
tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tio, he huka, he hau hū
Tihei mauri ora.

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with
a sharpened air.
A touch of frost, a promise of a
glorious day.*

2. APOLOGIES

No apologies have been received.

3. PUBLIC COMMENT

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have

5. RECOMMENDATIONS TO TE KAUNIHERA O TE AWA KAIRANGI
COUNCIL - 17 May 2024

- a) Long Term Plan 2024-2034: Analysis of Submissions

To be separately circulated.

- b) Progressing decisions on the final Long Term Plan 2024-2034 -
Financial aspects

Report No. LTPAP2024/2/112 by the Manager Financial Strategy and
Planning

7

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

- c) Development and Financial Contributions Policy 2024 Update

Report No. LTPAP2024/2/113 by the Manager Financial Strategy and
Planning

177

CHAIR'S RECOMMENDATION:

"That part (1) contained in the report be endorsed with new parts (2), (3)
and (4) to read:

- (2) based on feedback from within our consultation process, agrees to
Option 2 which would see Development Contributions increase over
a three year period;
- (3) supports the introduction of a Development Contribution remission
for registered Community Housing providers; and
- (4) asks the Policy, Finance and Strategy Committee to consider within
its workplan any further review of targeted Development
Contribution remissions to help support broader city outcomes."

- d) Petone Wharf update

Report No. LTPAP2024/2/114 by the Head of Parks and Reserves

247

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

- e) Update on Huia Pool refurbishment and decarbonisation project

Report No. LTPAP2024/2/115 by the Head of Aquatics

259

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

f) Proposed initiative to improve equity in access to aquatic services

Report No. LTPAP2024/2/120 by the Head of Aquatics

270

CHAIR'S RECOMMENDATION:

"That part (1) contained in the report be endorsed with a new part (2) to read:

(2) agrees to the proposed option of 'under 10s swim free where whānau have a Community Services Card'."

6. QUESTIONS

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

7. EXCLUSION OF THE PUBLIC

CHAIR'S RECOMMENDATION:

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

8. LONG TERM PLAN 2024-34 FINANCIAL ASPECTS -
SUPPLEMENTARY SAVINGS INFORMATION

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A)	(B)	(C)
General subject of the matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground under section 48(1) for the passing of this resolution.
Long Term Plan 2024-34 Financial aspects - Supplementary savings information.	The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)). The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (s7(2)(i)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

Kate Glanville
SENIOR DEMOCRACY ADVISOR



Long Term Plan/Annual Plan Subcommittee

06 May 2024

Report no: LTPAP2024/2/112

Progressing decisions on the final Long Term Plan 2024-2034 - Financial aspects

Purpose of Report

1. This report follows on from the public consultation process on the draft Long Term Plan 2024-34 and the hearings of public submissions.
2. The purpose of this report is to seek direction from Council and progress decisions following this public consultation process and ahead of the Long Term Plan 2024-34 being finalised in June 2024.

Recommendations

That the Subcommittee recommends that Council:

- (1) notes that the public consultation on the draft Long Term Plan 2024-2034 took place from 2 April to 3 May 2024;
- (2) notes the separate report included in the agenda which provides the results and analysis of the public consultation and related feedback;
- (3) considers the budget and policy matters as detailed in table 2 contained in the report, included in the consultation process, and provides direction to officers in the preparation of the final Long Term Plan 2024-2034;
- (4) considers the budget matters as detailed in tables 3, 4 and 5 and provides direction to officers in the preparation of the final Long Term Plan 2024-2034;
- (5) notes the latest projected debt and balanced operating budget results, as detailed in Section G and graphs 2 and 3 contained in the report;
- (6) agrees the fees and charges to be included in the final Long Term Plan 2024-2034, refer to Section F contained in the report;
- (7) notes that officers found cost savings and re-prioritised within the base budget to balance rising costs where possible, which is reflected in the proposed rates revenue increase of 16.9% (after growth);
- (8) considers the proposed rates revenue changes to be included in the final Long Term Plan 2024-2034 and provides direction to officers, refer to Section G and H contained in the report; and
- (9) considers any further direction and guidance to be provided to officers ahead of preparation of the final Long Term Plan 2024-2034 reports and advice to be considered by the Long Term Plan/ Annual Plan Subcommittee on 4 June 2024.

Acronyms

DLTP – Draft Long Term Plan 2024-2034

FLTP – Final Long Term Plan 2024-2034

LTP21 – Long Term Plan 2021-2031

AP24 – Annual Plan 2023-24

Capex – capital expenditure

Opex – operating expenditure

CCOs – Council Controlled Organisations (Urban Plus Ltd, Seaview Marina Ltd)

Rates SUIP – separately used or inhabitable part

WWL – Wellington Water Limited

Section A - Executive summary

3. Council progressed a formal public consultation for the DLTP, which took place from 2 April to 3 May 2024. Feedback and results of the consultation are contained in a separate report in this agenda.
4. Audit New Zealand completed an audit of the Consultation Document supporting the DLTP, together with auditing the underlying information. Details of the audit process and outcomes were reported to the Audit and Risk Subcommittee 30 April 2024. In summary the audit was successfully completed, and an unqualified audit opinion was issued, which included two “emphasis of matter” points raised on the
 - uncertainty over the delivery of the capital programme given the significant increase in the programme,
 - uncertainty over the three waters renewals forecasts and use of mainly aged based asset information.
5. Since Council adopted the DLTP for consultation, officers have been working through a review of the budgets to consider any final updates and changes required. There are a range of budget matters where Council direction is sought to progress the LTP.
6. This DLTP has been prepared in a challenging economic climate, including escalating cost pressures, high inflation, and workforce challenges. High inflation and an increased cost of living facing our community have also been important considerations in considering the setting of rates.
7. Council included a range of key consultation matters in the DLTP for public consultation. Following the feedback from the public consultation process, this report seeks Council direction on these matters (refer to table 2). Further

officer advice based on the feedback for this report will be presented to the Council at the meeting on 4 June 2024.

8. The report provides information on the latest financial modelling and projections for the LTP, based on a number of assumptions on updates to the final LTP. The Council agreed as part of the DLTP decisions to consult on a proposed rates revenue increase of 16.9% for 2024-25 (after growth). The projections that follow assume the rates increase for the duration of the FLTP as detailed in the table below. The changes are largely due to the impact of development contributions revenue reduction of \$21.3M based on project cost/growth component revisions. The rates increases presented below will need to be updated once all budget decisions are finalised for the FLTP.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DLTP	16.9%	12.0%	12.4%	11.5%	11.0%	11.0%	7.2%	7.2%	7.2%	7.2%
FLTP	16.9%	12.0%	12.4%	12.0%	11.5%	11.5%	7.2%	7.2%	7.2%	7.2%

9. The financial modelling in summary shows:

- Capex has increased by \$838M in the FLTP compared to AP24 (from \$1,790M to \$2,628M). This is largely due to increased budgeted costs for the three waters, RiverLink and transport projects. These projects will help ensure that our water and transport networks are resilient and will support growth taking place in the city.
 - Net debt is projected to peak against the limit in the FLTP at just over \$1B in 2028-29 compared AP24 projection of \$795M. This is largely due to the increased capital programme and cost pressures.
 - The DLTP projected a balanced operating budget to be achieved in 2028-29; this remains unchanged in the FLTP.
 - There are a range of financial risks which have been reported throughout the process to develop the draft plan. These include uncertainties related to the Governments policy statement on Land transport (GPS), uncertainties around changes to Water services legislation as well as risks related to the Council's Standard and Poor's Credit Rating.
10. This report provides further indicative rating impact analysis for 2024-25 based on the latest rating base data, with further updates to be completed before the plan is finalised. Based on the latest indicative information, the proposed rates rise equates to an average increase of \$10.81 per week per household or an average increase of \$562 per annum. Investment in three waters infrastructure makes up almost half (\$251) of this. The remaining \$311 covers cost increases for all the other services provided (including transport, parks, community facilities, rubbish, recycling etc).

11. As part of the preparation of the DLTP, council reviewed a range of policies, and these have been included in the public consultation process. This included the Revenue and Financing Policy, Rates Remission Policy, Rates Postponement Policy and Development Contributions Policy. Officers are seeking direction and decisions on finalising these policies (refer to Table 2).
12. As a part of the preparation of the DLTP, Council directed officers to increase the fees and charges set in the DLTP at a minimum to offset rising costs across business areas. Fees and charges were updated and included in the DLTP on this basis. Based on further reviews, a few changes are being proposed to fees and charges, refer to Table 4 for details. Officers recommend that the updated proposed fees and charges included appendix 2 are endorsed for inclusion.
13. Following direction and decisions by the Subcommittee at this meeting, officers will be preparing the LTP decision reports for 4 June 2024. The final Long Term Plan 2024-2034 will then be presented to Council on 27 June 2024 for adoption. Audit New Zealand will complete a final audit process ahead of the adoption of the final LTP.

Section B - High level plan for LTP 2024-2034

14. Table 1 sets out the timeline for the LTP process as agreed to by Council.

Table 1: High level plan

Activity	Date	Status
Initial planning	May 2023	Complete
Elected member hui to set initial priorities and objectives for the DLTP	31 May 2023	Complete
Council decisions on draft strategic framework, approach to early engagement and high level approach to DLTP	30 June 2023	Complete
Council decisions following feedback from early engagement and progressing decisions on key DLTP assumptions	30 August 2023	Complete
Council agreement on draft budgets, policies and strategies and any issues arising from asset management planning review process.	30 October 2023	Complete
Council agreement on updated budgets, policies and strategies, trade-off considerations.	27 November 2023	Complete
Council agrees DLTP budgets, policies, strategies and approach to consultation.	12 December 2023	Complete

Activity	Date	Status
External audit process by Audit NZ commenced.	5 Feb 2024	Complete
Council decisions on the draft consultation document and survey, further budget decisions and policy settings agreed.	20 Feb 2024	Complete
Council adopted DLTP and consultation material for the formal public consultation process	27 March 2024	Complete
Public consultation process	2 April to 3 May	Complete
Hearings of public submissions on the DLTP	15 - 16 May 2024	Complete
Council provides initial direction and progresses decisions to support the plan being finalised.	17 May 2024	Today
External audit of final LTP 2024-2034 commences	4 June 2024	Not started
Council meets to make final decisions	4 June 2024	
Council adopts the LTP2024-2034 and strikes the rates	27 June 2024	

Section C - Matters consulted in the draft plan requiring Council decisions

15. At the Council meetings to date, Council progressed a range of budget decisions to be included in the DLTP for public consultation. The public consultation process concluded on 3 May 2024 and Council has received the results and analysis of the consultation process.
16. Table 2 that follows, provides a summary of the key DLTP consultation budget matters. It includes updated financial content where applicable. Officers are seeking direction and decisions from Council in order to progress the finalisation of the plan. Officer advice for each item is detailed in the content that follows.

Table 2: Consultation matters requiring review and decisions

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
1.	<p><u>Three Waters capex programme</u> Based on advice from WWL, we need to increase our spend on water infrastructure in order to avoid greater water emergencies in the future and to enable them to fix more leaks as well as replace pipes to give us a reliable service now, and in the future.</p> <p>Consultation feedback analysis indicates 65.5% of submitters prefer Option 1 which is also the preferred option put forward for consultation.</p> <p>A thematic analysis of submitters' comments indicates broad opposition to water meters mainly owing to the cost of implementation. This sentiment was expressed in greater numbers by submitters who do not support either options 1 or 2.</p>	<p><u>Included in the DLTP:</u> Capex increase of \$674M over 10 years which includes \$78M for Water meters. Subsidy revenue increase of \$86M over 10 years One off opex of \$2.8M to address water leaks backlog in 2024-25 and \$18.1M over the period of the DLTP for water meters maintenance.</p> <p>Officers recommend that Council reconfirmed the proposed budget increase to be included in the FLTP.</p>	<p>Refer to previous reports as outlined in Table 1.</p> <p>Refer to the separate report with detailed feedback analysis.</p>
2.	<p><u>Petone assets</u></p> <p>These three Petone assets are in poor condition and need significant investment. We have a limited funding pool and the costs of repairing and maintaining these assets, now and in the future, are extremely high and we need to make tough choices about how best to utilise the available funding to fix them.</p> <p>Consultation feedback analysis indicates 38% of submitters prefer option 1 (council preferred option) while 33.9% prefer option 2.</p>	<p><u>Included in the DLTP:</u> <u>Library:</u> Capex increase \$8.4M (\$10M total project cost) <u>Grandstand:</u> Capex reduction \$5M (\$2.4M total project cost) <u>Wharf:</u> Capex reduction \$24M; \$6M increase in Opex (demolition costs)</p> <p>Officers recommend that Council considers the advice included in the separate report and provides direction to Officers on the budgets to be included in the FLTP.</p>	<p>Refer to previous reports as outlined in Table 1 and the separate report with further information on Petone Wharf.</p> <p>Refer to the separate report with detailed feedback analysis.</p>

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
3.	<p><u>Proposed new service for food organics and green organics collection service (FOGO)</u> The proposal aims to reduce waste overall for our growing city. The Government's Te Rautaki Para Waste Strategy (2023) aims to reduce the amount of organic waste that ends up in landfills. The strategy includes a target that by 2030, food scrap collections must be available to households in urban areas.</p> <p>Consultation feedback analysis indicates 55% of submitters prefer Option 2 - not to proceed with the new service whilst 38.6% supported the preferred option 1 of progressing the new service.</p>	<p><u>Included in the DLTP:</u> \$4.19M roll out costs split between opex and capex (MfE co-funding of \$2.52M, and remainder with HCC waste levy funds of \$1.67M)</p> <p>Capex increase of \$10.9M over 10 years Opex increase of \$48.3M over 10 years Offset by Targeted rates revenue increase of \$43.2M over 10 years</p> <p>Officers recommend that Council considers the feedback and provides direction to Officers on the budgets to be included in the FLTP.</p>	<p>Refer to previous reports as outlined in Table 1</p> <p>Refer to the separate report with detailed feedback analysis.</p>
4.	<p><u>Rates remission policy- Proposed rates relief for low-income households</u> This proposal aims to help those that need extra assistance with their rates, as cost-of-living pressures are generally felt more by the lowest income households.</p> <p>The proposal is effectively an uplift of \$250 onto the government funded Rates Rebates Scheme which provides for up to \$750 p.a. based on certain criteria.</p> <p>The Minister of Local Government informed us on the 18 April 2024 that the maximum rates rebate would increase from \$750 to \$790 for the financial year starting 1 July 2024. This means that the Council would have a lower portion to fund now to retain the uplift to \$1,000 p.a., reducing from \$250 to \$210 per household.</p>	<p>Included in the DLTP: Opex increase of \$1.8M over 3 years</p> <p>Final LTP: The updated opex impact would be \$1.5M after adjusting for the government revised Rates Rebate maximum level of \$790.</p> <p>The rates funding savings would be around \$84,000 per annum with the updated approach.</p> <p>Officers recommend that Council confirms the proposed budget change to be included in the FLTP and the HCC funded rates remission amount of \$210 in the Rates remission policy.</p>	<p>Refer to previous reports as outlined in Table 1.</p> <p>Refer to the separate report with detailed feedback analysis.</p>

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
	<p>Consultation feedback analysis indicates 59.9% of submitters prefer Option 1 which is also the preferred option put forward for consultation.</p>		
5.	<p><u>Assets review</u> Council has proposed changes to the way it manages community assets including optimisation of existing assets and increased cost recovery.</p> <p>Consultation feedback analysis indicates 42.7% of submitters agreed or strongly agreed with the approach, while 21.4% disagreed or strongly disagreed. However, 28.8% neither agreed nor disagreed and a further 7.2% said that they didn't know.</p>	<p>Included in the DLTP is: Additional capex of \$30.9M for delivery in line with Asset Management Plans, which assumes a saving of \$2M can be achieved through the new approach.</p> <p>Officers recommend that Council considers the feedback and provides direction to Officers on the proposed budget increase to be included in the FLTP.</p>	<p>Refer to previous report to LTP/AP subcommittee on 30 August 2023.</p> <p>Refer to the separate report with detailed feedback analysis.</p>
6.	<p><u>Development contributions Policy (DCP)</u> A key aspect of our Financial Strategy is that "growth pays for growth". Development contributions are the mechanism to collect funding towards growth related infrastructure.</p> <p>Consultation feedback analysis indicates 28.9% of submitters agreed or strongly agreed with the revised development contributions policy, while 19.5% disagreed or strongly disagreed. However, 36.6% neither agreed nor disagreed and a further 15% said that they didn't know.</p>	<p>Included in the DLTP is projected development contributions revenue budget of \$146M over 10 years.</p> <p>The development contribution charges, and associated budgets included as a part of the DLTP were based on information available at the time. Based on consultation feedback and a further review of projects, officer advice and options are being presented to Council for consideration in a separate report in this agenda.</p> <p>The details of project cost/growth component revisions are proposed for the final policy, together with options developed for transitioning the implementation of the new charges. Each option has varying levels on impacts to revenue and debt levels.</p> <p>Officers recommend that Council considers the options as outlined in the separate paper and provides direction to officers on the budget changes to be included in the FLTP</p>	<p>Refer to separate report on Development Contributions Policy matters included in the agenda.</p> <p>Refer to the separate report with detailed feedback analysis.</p>

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
7.	<p><u>Rates postponement policy</u></p> <p>The policy went through a major review during the Covid pandemic period. A further review was undertaken as part of the DLTP process, although Council agreed not to make any changes to the policy. The policy was included in the DLTP consultation process.</p>	<p>There is generally low uptake of this policy by ratepayers and the financial implications are minor.</p> <p>Officers recommend that Council agrees to reconfirm the Rates Postponement Policy with no changes.</p>	<p>Refer to report LTPAP_20022024</p>
8.	<p><u>Revenue and Financing Policy (RFP)</u></p> <p>A comprehensive review of the policy was undertaken as part of the DLTP and a range of updates were made.</p>	<p>The policy provides for the basis of the funding and expenditure of Council.</p> <p>Officers do not propose any changes to the policy following consultation.</p> <p>Officers recommend that Council agrees to adopt the Revenue and Financing Policy with no changes.</p>	<p>Refer to report LTPAP_20022024</p>

Section D - Proposed budget changes requiring Council decisions

17. Since Council adopted the DLTP for consultation, officers have been working through a review of the budgets to consider any final updates and changes required. This includes reviewing budgets to reflect latest information regarding:
- a) unavoidable increases (such as known rent reviews, contractual cost escalations and reviews, salary increases); and
 - b) known decreases (such as one-off items, items no longer required, known savings such as contract rate reductions); and
 - c) known changes to the timing of the projects/initiatives; and
 - d) known changes related to staff resourcing; and
 - e) latest forecast information for 2023-24 and flow on implications for 2024-25, including carry overs; and
 - f) other justifiable changes required to budgets, such as updates to forecast depreciation and interest cost of borrowings.

Forecast results for 2023-24

18. The third quarter performance results were reported to the Policy, Finance and Strategy Committee on the 7 May 2024. In summary the key aspects of the forecast results for 2023-24 which have flow on implications for the LTP are:
- a) Capex budgets : The delivery of our capital programme has been delayed due to a range of challenges such as resourcing constraints and project scope reviews etc. The third quarter forecast is projecting capital investment of \$188M for the year against an original Annual Plan budget of \$226M. The variance largely relates to Water Services projects (mainly Infrastructure Acceleration Fund Valley floor works), Transport (Micromobility) and RiverLink.
 - b) Opex budgets: there are a range of projects/initiatives which have been delayed and are proposed to be rescheduled to 2024-25. This includes the Development Stimulus funding.
19. There are a range of budget matters where decisions/direction is sought in order to progress the finalisation of the LTP in table 3, 4 and 5 as a result of:
- a) updates to unavoidable costs based on latest information.
 - b) projects which have experienced delays in 2023-24 and are proposed to be deferred to later years which impact the LTP.
 - c) updates to budgets due to new information that is now available that was not at the time of the drafting of the plan, including rephasing of spend based on latest information.
 - d) update to projects which has budget brought forward, approved per Chief Executive Officer delegation.
20. The more material unavoidable cost changes are summarised in table 3 below, however there are other changes based on procurement activity, corrections and minor changes identified through reviews which have also been updated into budgets.

Table 3: Key updates to unavoidable costs

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
1.	<p><u>Cost of bulk water from GWRC</u> For the DLTP, the advice from GWRC around the increases to bulk water costs was 2024-25 at 27% and the following year at 13% (from 13% and 7% respectively per AP24). These were driven by higher inflation costs, borrowing costs and costs for WWL opex to maintain levels of service.</p> <p>The final LTP budget has been updated based on GWRC advice which now suggests the rates are 27.5%; 11.2% and 6.3%(DLTP 3.3%) for the first three years.</p>	<p>Opex increase of Nil 2024-25 (\$2.9M over 10 years) offset by</p> <p>Revenue increase of Nil 2024-25 (\$1M over 10 years).</p> <p>Officers recommend that Council approves these budget changes.</p>	N/A
2.	<p><u>GWRC rates on HCC properties</u> Budgets have been updated based on advice from GWRC on the impact of their 19.8% average regional rates increase</p>	<p>Opex increase of \$0.18M 2024-25 (\$1.9M over 10 years)</p> <p>Officers recommend that Council approves this budget change.</p>	N/A
3.	<p><u>Naenae pool operational budget</u> As the new build of the Naenae pool is nearing completion, the detailed operational plans and associated budgets have been reviewed and updated based on latest information.</p>	<p>Net impact nil.</p> <p>Opex increase of \$0.1M in 2024-25 (\$6.9M over 10 years).</p> <p>Offset by revenue increase of \$0.1M in 2024-25 (\$6.9M over 10 years).</p> <p>Officers recommend that Council approves these budget changes.</p>	N/A
4.	<p><u>Building consent budget corrections</u> Further detailed bottom-up review of budgets has been completed based on latest information around operations which has identified more resourcing and processing costs for this activity. These operational changes are required in order to maintain the Council's IANZ accreditation. These increases are offset by additional revenue for areas identified where we have not been effective in capturing all revenue and we are taking steps to address this, for example implementation of a risk based BWO audit process which significantly increases the number of annual audits and hence revenue.</p>	<p>Net impact nil.</p> <p>Opex increase of \$2.1M in 2024-25 (\$20.6M over 10 years)</p> <p>Offset by revenue increase of \$2.1M in 2024-25 (\$20.6M over 10 years)</p> <p>Officers recommend that Council approves these budget changes.</p>	Appendix 1 Item 1

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
5.	<u>Vehicle fleet cost correction</u> Review of budgets based on actual expenditure for the financial year has resulted in changes to these budgets as some budgets were removed in error.	Opex increase of \$0.07M 2024-25 (\$0.7M over 10 years) Officers recommend that Council approves this budget change.	N/A
6.	<u>Change to interest rate assumptions</u> Financial impacts are based on DLTP budgets pre 17 May Council decisions; the actual cost of forecast interest will be dependent on the budgets included in the final LTP. Change to rate for FLTP: 2024-25 from 4.65% to 4.84% Average 10 year rate from 5% to 4.96%	Opex increase of \$1.2M 2024-25 (\$1.8M over 10 years) Officers recommend that Council approves these budget changes.	N/A

Table 4: Other budget matters requiring review and Council decisions

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
1	<u>Resource consent fee change</u> The DLTP proposes a fee of \$230 per hour for resource consents which has a fee and user charges recovery rate of 60-79% per the Revenue and financing (R&F) policy. Budget revisions have been carried out based on deficits realised to date and it shows that the proposed rate of \$230 per hour would likely not be sufficient to meet the operating cost recovery per the R&F policy. To progress with an hourly rate of \$230 would therefore be inconsistent with the policy direction set by Council. It would also result in increased reliance on rates which is not considered to be a viable option in the context of the overall rates increase that is proposed. It is therefore recommended that the hourly rate should be increased to \$255 per hour for resource consent processing and monitoring.	The change in fees is projected to increase revenue by \$0.2M in 2024-25 (\$2.4M over 10 years) *It should be noted that the revenue from resource consents is dependent on a number of volatile market conditions over which Council has no control e.g. levels of development activity, property values etc. which could result in the actual revenue received being different. Officers recommend that Council approves this budget change.	N/A

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
2	<p><u>Petone Parking fees</u></p> <p>Officers have been asked to provide further options on potential paid parking in Petone. The appendix referenced outlines two further options for consideration: Option 1 - first hour free Option 2 - remove paid parking on weekends</p>	<p>The options presented would both reduce the revenue from parking fees in Petone between: Option 1 - \$0.45M in 2024-25 (rates increase of 0.3%); \$5.02M over 10 years Option 2 - \$0.15M in 2024-25 (rates increase of 0.1%) \$1.71M over 10 years</p> <p>Officers recommend that Council considers the options and provides guidance to officers on the budget changes to be included in the FLTP.</p>	Appendix 1 Item 2
3	<p><u>Proposed initiative to improve equity in access to aquatic services</u></p> <p>This is a new initiative to improve equity in accessing aquatic services across the city, aligned to the opening of the new Naenae Pool. One of the outcomes the community is seeking from this pool is that it is accessible to the local community and the cost to use the facility is not a barrier to those on low incomes, young people and families. Aquatic Services operate and are funded as a network, so any new pricing initiative would need to be brought in across all six Council-run pools.</p>	<p>Revenue reduction of \$0.03M in 2024-25 (\$0.28M over 10 years). No rates impact.</p> <p>Some of the savings proposed such as the hardship rates remission saving could be used to offset the cost of this initiative.</p> <p>Officers recommend that Council considers the options and provides guidance to officers on the budget changes to be included in the FLTP.</p>	Refer to separate report in the agenda "Proposed initiative to improve equity in access to aquatic services"
4	<p><u>Aquatics paper: Huia Pool</u></p> <p>The higher costs of refurbishment and decarbonisation capex works are to be funded from contingent facilities fund and reallocation of funding from the decarbonisation programme.</p>	<p>Capex increase of \$5.05M (Total over 10 years from \$3.69M to \$8.74M) for Huia pool refurbishment and decarbonisation.</p> <p>To be offset by: \$0.94M reallocation from the decarbonisation programme and \$4.1M from the contingent facilities fund over 10 years.</p> <p>Officers recommend that Council approves these budget changes.</p>	Refer to separate report in the agenda

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
5	<p><u>Community hubs and libraries savings</u></p> <p>These savings proposals are included in a separate public excluded memo which is necessary to:</p> <p>protect the privacy of natural persons (s7(2)(a))</p> <p>enable Council to carry on, without prejudice or disadvantage, negotiations (s7(2)(i))</p>	<p>Included in DLTP: \$2.7M savings over 10 years.</p> <p>No net impact on budgets for the FLTP based on the proposed changes.</p> <p>Officers recommend that Council provides direction on these budget changes.</p>	Refer to separate public excluded memo.
6	<p><u>Integrated Transport Strategy (ITS) saving</u></p> <p>The second stage of the ITS was proposed to be done in 2024/25. The proposed budget covers costs to update the challenges the transport strategy faces and providing measures for the success indicators promoted in Stage One ITS.</p> <p>Work on the second stage of ITS will include setting targets for individual projects, and can be done by a cross-functional team without the need for a specific budget line, therefore a saving is proposed.</p>	<p>Saving of \$0.13M in 2024/25.</p> <p>Officers recommend that Council approves this budget change.</p>	
7	<p><u>Transport - Professional services cost savings</u></p> <p>The budget for professional services covers undertaking work that cannot be undertaken by the Transport team, typically because the work is specialist in nature, or the team is already at capacity. The proposal is to reduce the budget for professional engineering services.</p>	<p>Savings of \$0.05M in 2024/25 and \$0.5M over 10 years</p> <p>Officers recommend that Council approves this budget change.</p>	N/A
8	<p><u>Traffic Management for Riverbank market</u></p> <p>The site for the market is due to be moved as a part of the RiverLink project plan and new contract from 2025/26 will include the relevant traffic management costs which are currently being absorbed.</p>	<p>Savings of Nil in 2024/25 and \$0.6M over 10 years</p> <p>Officers recommend that Council approves this budget change.</p>	N/A

Table 5: Carryover and phasing changes of budgets requiring review and/or decisions

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
1.	<u>Petone 2040 rephasing</u> This project covers small scale interventions to enliven public spaces in Petone like artwork, planting etc. Delays in work programme due to internal resourcing challenges.	\$0.28M opex and \$0.23M capex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 3
2.	<u>Urban placemaking rephasing</u> Delays in work programme due to internal resourcing challenges.	\$0.3M opex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 4
3.	<u>Development Stimulus package rephasing</u> A carryover is sought to provide for remission of fees and rates for developments which are still to be completed within the agree overall timelines based on current information.	\$3.12M opex carryover from 2023-24 into 2024-25 and later years is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 5
4.	<u>Transport - Bridge Seismic strengthening Cuba St. Overbridge rephasing</u> Delays in work programme due to resourcing challenges internally and externally who have had to prioritise emergency works.	\$0.89M capex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 6
5.	<u>Transport - Substandard Roads upgrade rephasing</u> Carryover of budget is required to allow for planned works with a larger budget planned to be spent in 2024-25	\$0.58M capex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 7
6.	<u>Transport - Cross valley connections rephasing</u> Delays in work programme due to internal resourcing changes.	\$1M capex and \$0.5M subsidy revenue carryover from 2023-24 into 2024-25 and later years is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 8
7.	<u>Facilities seismic strengthening rephasing</u> Delays in work programme partly due to internal resourcing challenges and partly due to change to timing of works to coincide with other planned capital works through the FLTP to reduce the high impact expected on operations.	\$1.7M capex carryover from 2023-24 into 2024-25 and later years is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 9

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
8.	<u>Naenae pool and fitness centre</u> Rephasing to align to the re-scheduling of activities in the workplan while the overall project delivery timeframe remains the same.	\$4.05M grant revenue and 0.94M capex budget carryover from 2023-24 into 2024-2025 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 10
9.	<u>Point Howard Wharf</u> Delays to work due to consent which was more technical and time consuming than expected	\$2.78M opex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 11
10.	<u>Parks Building renewals</u> Buildings earmarked for demolition are currently in place on a heritage site and require a range of consents prior to demolition and will further require public notification.	\$1.02M capex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 12
11.	<u>Moera Library renewal</u> Delays to work due to consenting process and design works which took longer than expected. This is expected to be completed by 2025-26.	\$1.21M capex carryover from 2023-24 into 2024-26 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 13
12.	<u>Dowse heat pump</u> The scope of the project has changed since initial approval. In addition there have been a range of factors such as procurement process delays, resourcing challenges etc. that have delayed the project.	\$0.88M revenue and \$0.3M capex budget carryover from 2023-24 into 2024-2025 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 14
13.	<u>Go Digital Programme</u> The reason for the carryover/rephasing of the Programme's budget is the extra time required to ensure due diligence across procurement and contract negotiations for the CRM, Bookings, Pools and Fitness Projects, and Hybrid Cloud. The delivery of the HRIS/Payroll project has also been delayed and pushed into 2024/25.	\$2.12M opex carryover from 2023-24 into 2024-25 is being proposed. Officers recommend that Council agrees to the proposed budget change.	Appendix 1 Item 15

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
14	<p><u>District Plan</u></p> <p>The reason for the underspend relates to unanticipated legislation passed by the Government in 2021 that required Hutt City Council to put on hold its District Plan review process and bring forward a plan change to enable intensification in the City's residential and commercial areas (Plan Change 56). Plan Change 56 disrupted the work program for the multi-year District Plan review process</p>	<p>\$0.26M opex carryover from 2023-24 and \$0.35M from 2024-25 into the following two years is being proposed.</p> <p>Officers recommend that Council agrees to the proposed budget change.</p>	Appendix 1 Item 16
15	<p><u>105 Western Hutt Road Emergency Response Team Facility</u></p> <p>Several design changes have had to be made to ensure that the project remains within budget. These design changes have required a new resource consent approval to be sought from Waka Kotahi NZTA, due to the location of the building site and its proximity to SH2.</p>	<p>\$0.25M capex carryover from 2023-24 into 2024-25 is being proposed.</p> <p>Officers recommend that Council agrees to the proposed budget change.</p>	Appendix 1 Item 17
16	<p><u>Silverstream Landfill - Asbestos cell project and transfer station</u></p> <p>In light of an increase in waste volumes received over the last 6 months, other capital works have been prioritised in order to ensure that there is sufficient air space available for general waste so work on the asbestos cell has been temporarily paused, to free up constrained contractor resources. Improvements to the transfer station are still subject to a business case but may not be required if a proposal for a new resource recovery park by WM New Zealand at Manor Park goes ahead. However, their proposal is still at the consent stage, hence the improvement works have been delayed until there is more certainty on their need.</p>	<p>\$1.99M capex and \$0.5M revenue carryover from 2023-24 into 2024-25 is being proposed.</p> <p>Officers recommend that Council agrees to the proposed budget change.</p>	Appendix 1 Item 18
17	<p><u>Silverstream Landfill</u></p> <p>Acceleration of works has been required over the last year in response to increased waste volumes, despite increased waste diversion. Proposal is to bring forward funding from 2024/25 to enable continued construction progress during the remaining months of the construction season in 2023-24.</p>	<p>\$1.5M capex brought forward from 2024-25 into 2023-24.</p> <p>Officers recommend that Council notes the budget change which has been approved by the CEO as delegated.</p>	N/A

	Brief Description	Financial impact over the ten years of the LTP and officer recommendation	Further information
18	<p><u>Eastern Hutt Road Resilience</u></p> <p>While awaiting decision on the broader business case, the programme team identified a further two sites with considerable risk factors. Consequently, it was recommended that these sites be prioritised for early investigation and detailed design work. This approach will expedite project delivery, mitigate associated risks, and lead to a reduction in ongoing traffic management costs. Proposal is to bring forward funding from 2024/25 to enable starting this work in 2023-24.</p>	<p>\$1.4M capex brought forward from 2024-25 into 2023-24.</p> <p>Officers recommend that Council notes the budget change which has been approved by the CEO as delegated.</p>	N/A

Section E - Significant forecasting assumptions and financial risks

Risks

21. Specific financial risk factors identified through the LTP budgeting process have been brought to Council for decisions.
22. There are a range of risks with the assumptions made in the preparation of the DLTP, which may require funding solutions to be revisited and financial projections to be amended. Officers will continue to monitor and provide advice on specific risks as they arise.
23. Of particular note is the risk related to the Hutt City Council's Standard and Poors (S&P) credit rating. In August 2023, S&P revised the rating from an AA Stable outlook to AA negative outlook which was largely driven off the back of the Annual Plan 2023-24, which showed much higher debt levels. Over the last year we have seen S&P move most of the rated councils to a negative outlook, with the majority changed in February 2024 off the back of government decisions to repeal the water reform legislation. The development of the 2024-2034 LTP's across the sector are extremely challenging in the current economic context of high inflation and interest costs combined with the need to increase investment programmes and debt levels. There are significant risks across the sector that the credit ratings may be impacted unfavourably post the adoption of final LTPs. Government decisions on the reform programme are also expected to have impacts. The next Hutt City Council rating review is planned for August 2024.
24. Some of the risks highlighted by BERL for the economic outlook are:
 - low growth, high inflation environment to persist with NZ inflation being particularly stubborn.
 - input prices are still growing strongly for services – construction, finance and insurance, health, and education.
 - interest rates to remain elevated, with some easing on the horizon.

- insurance costs are increasing rapidly due to frequency of natural disasters.

Inflation

25. Inflation rates used in the plan are the Local Government Cost Index (LGCI) prepared by BERL for local government. These rates are prepared annually and were received in October 2023. The adjustors used are based on data to June 2023. Recent Consumer Price Index (CPI) information indicates that higher than planned for inflation continues to be a risk. Statistics NZ reported the March 2024 CPI annual change result of 4% which is higher than the Reserve bank NZ target of 1% - 3%.
26. The inflation risks for Council are in part managed through having contracts in place where possible for services and for projects/initiatives. This helps provide a level of certainty in the near to medium-term.
27. As part of the DLTP budgeting process officers worked hard to not exceed the budgets set in AP24. This was particularly challenging given the economic environment and rising cost pressures across a range of activities such as:
- increased funding for Three Waters operational and capital budgets as per advice from Wellington Water Ltd.
 - some increased funding for Transport capital projects and operational costs following procurement processes.
 - landfill, bulkwater and consenting activity cost pressures, partially mitigated through fee increases.
 - rubbish and recycling charges adjusted to reflect unavoidable higher disposal and collection costs.
 - increases to costs of interest and insurance.
28. Maintaining the rates revenue increase at levels set in the AP24 was not possible in the current inflationary environment, without incurring significant operating deficits (i.e., extending the balanced operating budget target beyond 2029-30) and increasing borrowings significantly to fund operating costs.

Savings

29. Cost savings and revenue opportunities of almost \$35M were identified and built into budgets for the DLTP. These remain unchanged in the FLTP.
30. Officers have re-prioritised within the base budget to balance rising costs and to minimise the impact on the rates revenue increase where possible. Further operational savings of \$0.4M over 10 years have been built into the budgets for the FLTP to offset some of the increasing costs.
31. Savings proposals which require a Council decision are detailed in Table 4 of the report. Any further savings would need to be achieved through service level reduction considerations.

Interest Rates

32. Alongside the current inflationary environment, we are seeing the Reserve Bank's moves to combat this through maintenance of the higher Official Cash Rate since May 2023. This has a flow on effect on Council's borrowing rates. Global uncertainty is contributing to the fluctuations and greater uncertainty in long-term borrowing rates.
33. Officers have sought advice from our external treasury advisors on the potential impacts on the Council's forecast costs of borrowings. The outcome of this advice has seen some adjustments to budgets as detailed in table 3. There are however ongoing uncertainties that actual costs in 2024-25 and future years may differ from these assumptions.
34. There is ongoing uncertainty about the new Government's local government reform programme. On 5 April 2024 the Minister of Local Government made announcements about the first steps of the rollout of the "Local Water Done Well" programme of reforms. This includes streamlined processes for establishing new water services Council Controlled Organisations, requirements for all councils to develop Water Services Delivery Plans and steps towards future economic regulation. All Councils in the Wellington region (plus Horowhenua District Council) have recently formally agreed to work together to develop a joint Water Services Delivery Plan and a future delivery model. This work is in the early stages and there is a high degree of uncertainty going forward across this.

Section F - Fees and charges

35. User fees and charges are an important aspect of how we fund Council facilities and services. Setting fees and charges at an appropriate level is important to pay for the cost of Council's activities and achieve a balanced budget.
36. The key aspects of the Council's Financial Strategy that were considered in reviewing fees are:
 - a) the importance of a balanced budget so that the projected operating revenue is set at a level to meet expected operating expenses; and
 - b) ensuring the distribution of benefits is fair. Where there are direct identifiable benefits, the proportion of costs associated with those benefits should be recovered by the users.
37. As part of the preparation of the DLTP, Council set the expectation that fees and charges set in the DLTP are increased to cover rising costs as a minimum. Fees and charges were updated and included in the DLTP on this basis.
38. Council approved the detailed listing of proposed fees and charges for inclusion in the DLTP for engagement. Changes to some fees and charges is detailed section D. It is important to note that the full detailed DLTP, including all the proposed fees and charges, was available to the public during the consultation period, and feedback has been received on this.

39. Officers recommend that proposed fees and charges to be included in the FLTP as per Appendix 2 are endorsed.

Section G - Summary financial overview

40. Indicative modelling presented below and included in the FLTP assumes Council makes decisions per Officer recommendation on Tables 2, 3, 4 and 5. The development contributions revenue reduction of \$21.3M based on project cost/growth component revisions as detailed in the separate report is factored into the projections. Where there are further options/decisions and no Officer recommendation is being made, these are not factored into the projections. Further information on RiverLink, Infrastructure Acceleration Fund projects and some changes to Three waters capital phasing will be reported to Council on 4 June and are not factored into the projections below.
41. The financial projections include slightly higher rates revenue increases compared to the DLTP, refer to table 6. Once all budget decisions are finalised the rates impacts for out years will need to be re-calculated. This will be presented at the meeting on 4 June 2024.

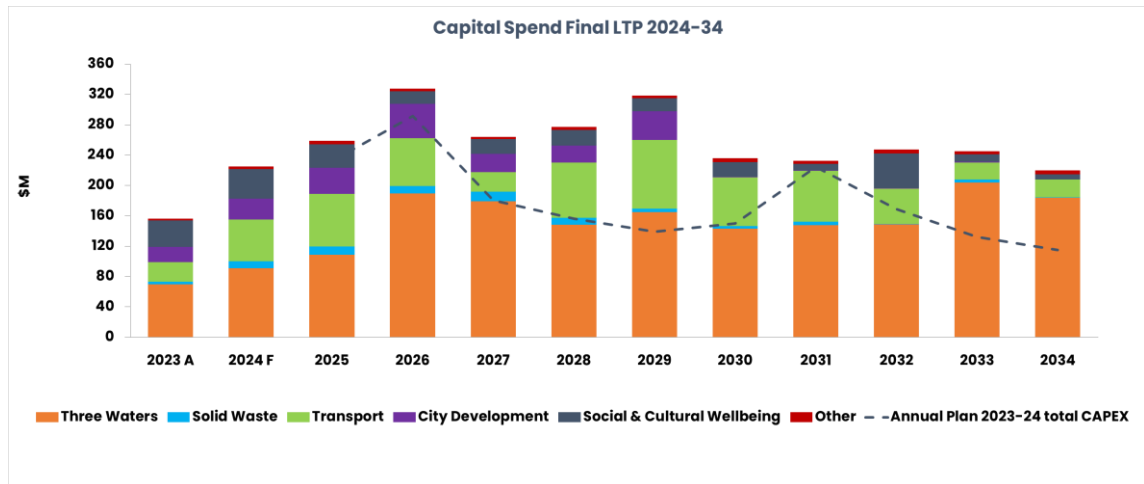
Table 6: Rates revenue increases (after growth)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DLTP	16.9%	12.0%	12.4%	11.5%	11.0%	11.0%	7.2%	7.2%	7.2%	7.2%
FLTP	16.9%	12.0%	12.4%	12.0%	11.5%	11.5%	7.2%	7.2%	7.2%	7.2%

Capital investment

42. Capex has increased by \$838M in the 10-year period of the FLTP compared to AP24 (from \$1,790M to \$2,628M). This is largely due to increased costs for three waters investment, transport projects and RiverLink. Projects rephased from 2023-24 to later years also have a minor impact on the budget.
43. This level of investment will contribute to a resilient city that can more effectively deal with the challenges of population growth and climate change, supporting both our residential and commercial ratepayers.
44. Continuous reviews are being conducted on capital program achievability and budgets updated to reflect any changes. Updated advice on this will be presented to Council on 4 June with any changes identified.
45. Detailed capital project lists by activity are attached as Appendix 3.
46. Graph 1 shows the updated capital programme in the FLTP, with a comparison to AP24.

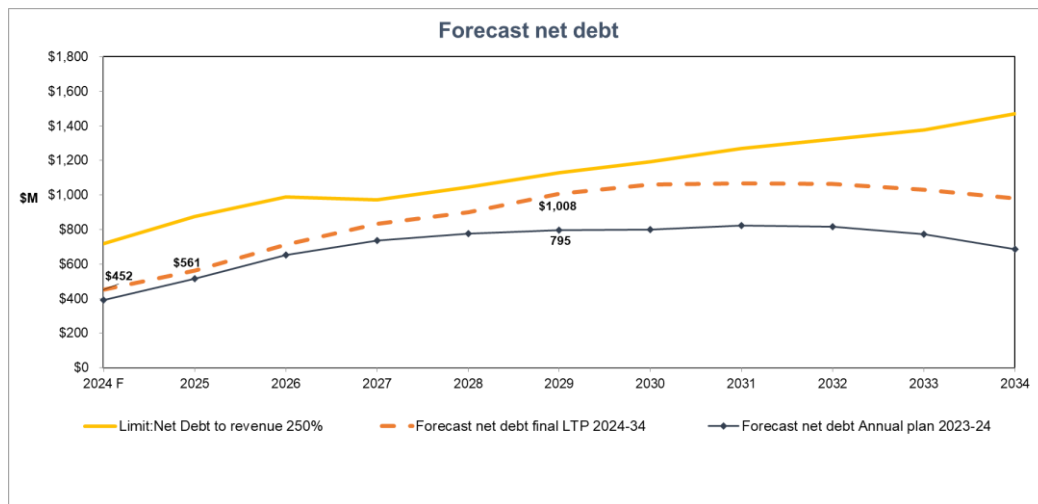
Graph 1 Capital investment plan, comparison of FLTP with AP24



Borrowings

47. Graph 2 shows the updated projected net debt to revenue in the FLTP, with a comparison to AP24.

Graph 2: Projected net debt to revenue, comparison of FLTP with AP24

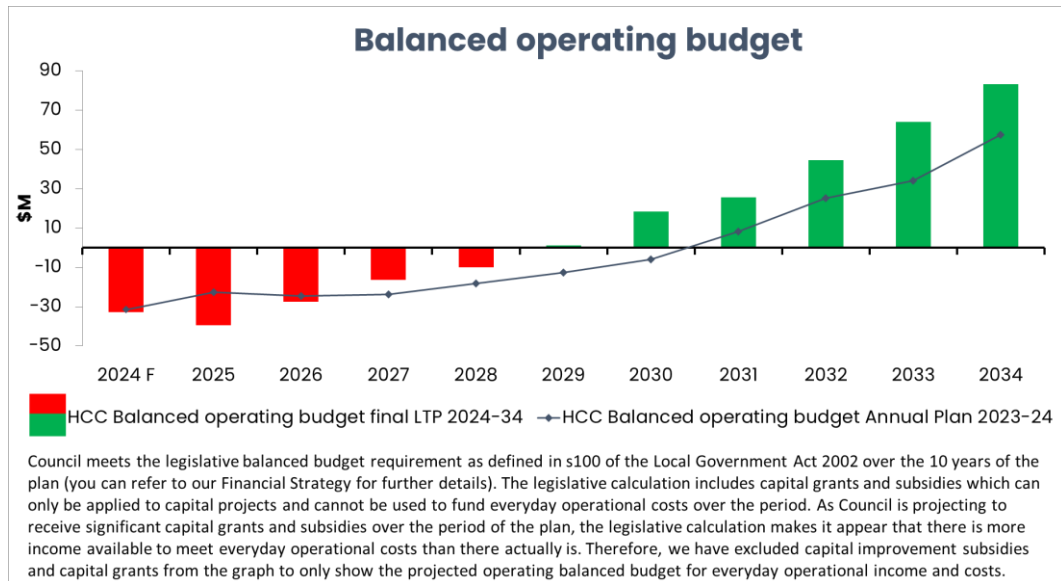


48. The change in the capital programme results in a corresponding adjustment in the level of borrowings required. Borrowing levels are maintained within the limits set in our financial strategy. Net debt is projected to peak at 224% against the limit in the FLTP at just over \$1B in 2028-29 compared to AP24 projection of \$795M. This is largely due to the increased capital programme together with offsets from assumed government co-funding.

49. The impact of changes to development contributions revenue as a result of changes to projects proposed by Officers in the separate report are factored into the debt projections. Once a decision is progressed on the transition option for development contribution charges, the revenue impact will need to be factored into the debt projections.

Balanced budget

Graph 3 Projected balanced operating budget target, comparison of FLTP with AP24



- 50. The balanced budget position in 2024-25 is projected to be a \$39.9M deficit compared to a deficit of \$22.7M in AP24. In AP24 we projected to achieve a balanced budget in 2030-31; we are now projecting to achieve this two years earlier, in 2028-29. This is largely due to the higher rates increases as well as savings and revenue opportunities that have been factored into budgets, offsetting the operating cost increases.
- 51. Graph 3 shows the updated projected balanced budget target in the FLTP, with a comparison to AP24.
- 52. The full draft Activity, Funding impact and Financial statements are included in appendix 4.

Section H - Rates Revenue and related policy

- 53. Officers are updating rates modelling ahead of the advice to be presented to the Subcommittee on 4 June 2024. This will reflect latest information from the rating database and projected rating impacts. It will include latest information about projected growth until 30 June 2024.
- 54. In total, there were 734 submissions in response to the question on the rates revenue increase with 53.9% of submitters disagreeing/strongly disagreeing with the proposal and 31.5% agreeing/strongly agreeing.

Targeted rates

- 55. As part of the DLTP, Council set the targeted rates for the 2024-25 year. It is proposed that these remain unchanged for the FLTP.

Rates revenue increase

56. Council agreed to include a rates revenue increase in the DLTP of 16.9% together with a growth-related rates revenue component of 1.1%. Officers recommended that the rates increase is retained at the same level for the FLTP. The rates projections in table 7 is indicative modelling based on these increases.
57. Affordability of rates is a key consideration of Council. The proposed rates rise equates to an average increase of \$10.81 per week per household or an average increase of \$562 per annum. Investment in Three Waters infrastructure makes up almost half (\$251) of this. The remaining \$311 covers cost increases for all the other services provided (including transport, parks, community facilities, rubbish, recycling etc.).

Table 7: Indicative rates impact for FLTP by property category

Property Category	1 July 2024 Capital Value	2023-2024 Rates	2024-2025 Rates	\$ Change annual	\$ Change Weekly	Change %
Average Residential	\$815,000	\$3,348	\$3,910	\$562	\$10.81	16.8%
Average Commercial Central	\$2,350,000	\$19,367	\$22,994	\$3,627	\$69.76	18.7%
Average Commercial Suburban	\$2,418,000	\$16,501	\$19,425	\$2,924	\$56.23	17.7%
Average Rural (no water or wastewater)	\$1,247,000	\$2,342	\$2,694	\$352	\$6.77	15.0%
Utilities	\$3,262,068	\$23,515	\$28,467	\$4,952	\$95.24	21.1%

58. The indicative rates increases by property category above are in the line with the DLTP estimates with the exception of the average commercial central category. There has been lower net growth (including demolitions) than estimated in this category (revised increase now of 18.7% or \$69.76 per week compared to 16.9% or \$63.04 in the DLTP). It is important to note that there will be further updates to property data before the final rates are set for 2024/25.
59. Officers are seeking direction from Council regarding the rates increase ahead of presenting final advice to Council on the 4 June 2024.
60. For those ratepayers experiencing financial hardship, the Council offers a range of support mechanisms for rates bills. This includes payment plans, rates rebate for those on a low income, and rates postponement for those experiencing financial hardship.

Section I - Next steps

61. Following direction and decisions by the Subcommittee at this meeting, officers will be preparing the final LTP decision reports for 4 June 2024.
62. The final LTP will be considered by Council on 27 June 2024 for adoption.

Climate Change Impact and Considerations

63. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
64. The LTP directly responds to the need to achieve emission reductions, by embedding emission reductions in a range of initiatives. For example, Council's investment in Naenae Pool includes that the new building would not use natural gas for heating and instead utilise alternative low-carbon energy sources. The LTP also includes a number of projects to reduce emissions, including the decarbonisation of Council facilities (including pools and the Dowse).

Consultation

65. Results of the consultation process are reported separately on this agenda.

Legal Considerations

66. The most relevant legislation includes the Local Government Act 2002, Local Government (Rating) Act 2002 and the Rating Valuations Act 1998. The LTP has been prepared to meet the legislative requirements.

Financial Considerations

67. Financial considerations associated with the draft and final LTP have been addressed in the report.

Appendices

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1	Detailed information to support budget decisions	32
2	Draft fees and charges LTP 2024-34	73
3	Draft capital projects listing for LTP 2024-34	129
4	Draft financials for Long term plan 2024-34	143

Author: Deepu Nunnian
Manager Financial Strategy and Planning

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Reviewed By: Jarred Griffiths
Director Strategy and Engagement

Approved By: Jo Miller
Chief Executive

Detailed information to support budget decisions

1. Building consent budget corrections
2. Petone Parking
3. Petone 2040
4. Urban Precinct Placemaking
5. Development Stimulus Package
6. Bridge Seismic strengthening Cuba St. Overbridge
7. Substandard Roads Upgrade
8. Cross Valley Connections
9. Facilities Seismic Strengthening
10. Naenae Pool
11. Point Howard Wharf
12. Parks Buildings Renewals
13. Moera Library Renewal
14. Dowse HVAC
15. Go Digital Programme
16. District Plan Review
17. 105 Western Hutt Road Emergency Response Team Facility
18. Silverstream Landfill asbestos cell and transfer station works

1. Building consent budget corrections

Request for updated budgets for Building control in the Long Term Plan																		
Business unit	Environment and Sustainability																	
LTP Activity	Regulatory services																	
Budget type	Operating																	
Requested by:	Richard Barton, Building Control Manager	3/05/2024																
Approved by director:	Alison Geddes	6/05/2024																
1	Background and reasons for the change in budgets																	
<p>Key reasons for changes to budgets are described below.</p> <p>Operational considerations and changes:</p> <ul style="list-style-type: none"> • A forecasting tool has been developed and used to predict consent processing and building inspection capability and capacity requirements giving more accurate data to build a budget against. • Review has been done of every revenue and cost item from the bottom-up. • Better understanding of actual costs to deliver services. • Inclusion of costs to develop and implement business improvement and support IANZ accreditation. • Some of the costs identified would be user paid and recovered through additional revenue. • Better information and understanding around revenue streams for areas identified where we have not been effective in capturing all revenue and we are taking steps to address this, for example implementation of a risk based BWOFF audit process which significantly increases the number of annual audits and hence revenue. <p>Economic environment considerations:</p> <ul style="list-style-type: none"> • High interest rates restricting demand for housing, no reduction in interest rates until late 2024/early 2025. • High immigration boosting demand for housing, especially in the main cities. • Significantly increase development contributions for new building may reduce number of consent applications. • Budgeted number of new consents equal to 2023/24 actuals. <p>The combined position of the Building Control Authority and Territorial Authority activities based on the updated budgets are as follows for 2024-25:</p> <table border="1"> <thead> <tr> <th></th> <th>DLTP Budget (000's)</th> <th>FLTP Budget (000's)</th> <th>Variance (000's)</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>\$4,936</td> <td>\$7,017</td> <td>2,081</td> </tr> <tr> <td>Operating Costs</td> <td>(\$7,367)</td> <td>(\$9,448)</td> <td>(2,081)</td> </tr> <tr> <td>Net Position</td> <td>(\$2,431)</td> <td>(\$2,431)</td> <td>-</td> </tr> </tbody> </table>				DLTP Budget (000's)	FLTP Budget (000's)	Variance (000's)	Revenue	\$4,936	\$7,017	2,081	Operating Costs	(\$7,367)	(\$9,448)	(2,081)	Net Position	(\$2,431)	(\$2,431)	-
	DLTP Budget (000's)	FLTP Budget (000's)	Variance (000's)															
Revenue	\$4,936	\$7,017	2,081															
Operating Costs	(\$7,367)	(\$9,448)	(2,081)															
Net Position	(\$2,431)	(\$2,431)	-															

2	Changes to fees
<p>Built in to the fees and the DLTP is an increase in the hourly charge out rate by 13.6% for commercial and 17.9% for residential related work.</p> <p>There are no further changes to fees as a result of this budget update.</p>	
3	Key assumptions, risks and mitigations
<p>Forecasting for the number of consents applications and inspections which drives a large proportion of the revenue is based on economic conditions remaining similar to what they are now. If revenue is reduced, costs will also reduce as use of contractors will not be required. Due to unavoidable overheads the net position would be less favourable. The introduction of new Development Contribution charges from the 1 July 2024 could have a significant downward effect on economic conditions.</p>	

Further budget information (\$M)

The figures in the following tables for the outyears are inflated.

Table 1: Operating revenue budgets

\$M	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Draft Long Term Plan 2023-2024	4.94	5.09	5.12	5.17	5.21	5.27	5.32	5.36	5.41	5.46	52.34
Final Long Term Plan 2024-2034	7.02	7.14	7.19	7.22	7.28	7.32	7.39	7.41	7.48	7.51	72.96
Variance	2.08	2.05	2.07	2.05	2.07	2.05	2.07	2.05	2.07	2.05	20.62

Table 2: Operating expenditure budgets

\$M	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Draft Long Term Plan 2023-2024	7.37	7.22	7.21	7.19	7.20	7.27	7.31	7.19	7.17	7.22	72.35
Final Long Term Plan 2024-2034	9.45	9.27	9.29	9.24	9.27	9.32	9.38	9.24	9.24	9.27	92.97
Variance	(2.08)	(2.05)	(2.07)	(2.05)	(2.07)	(2.05)	(2.07)	(2.05)	(2.07)	2.05	(20.62)

2. Petone Parking

Petone parking options		
Business unit	Transport	
LTP Activity	Transport	
Budget type	Revenue and operating	
Requested by:	Declan Millin	6/05/2024
Approved by director:	Jon Kingsbury	8/05/2024
1	Background	
<p>Officers have been asked to provide further options on potential paid parking in Petone.</p> <p>This paper outlines two further options:</p> <ul style="list-style-type: none"> • First hour free, paid parking seven days per week • Paid parking Monday to Friday only, with weekends free 		
2	Reasons to support the need for budget changes	
<p>These changes are to provide options to Council for the proposed implementation of paid parking in Petone.</p> <p>This paper outlines options to reduce the impact of the proposed implementation of paid parking in Petone, but still ensure that the costs of infrastructure are partly offset by its users.</p>		
3	Options for fees and budget impact	
<p>Option 1 - First hour free This option is to keep the proposed parking charges for 9am to 5pm, 7 days per week, but the first hour of parking would be free of charge.</p> <p>If this option is preferred, it will result in a reduction in estimated revenue of \$439,920.</p> <p>Option 2 - Petone remove paid parking in weekends. This option keeps the proposed 9am to 5pm paid parking in Petone, but it would only apply from Monday to Friday, making the weekends free for parking of 120 minutes.</p> <p>The Draft LTP 2024-34 (DLTP) estimated budget for Petone parking included weekend parking at \$149,000 per annum for weekends. This option removes the revenue for weekend parking of \$149,000 per annum.</p>		

	DLTP	Option 1: Petone 1st hr free	Option 2: Petone Mon-Fri 9- 5pm paid only
HCC Parking revenue	1,210,139	1,210,139	1,210,139
Petone Weekdays	748,800	382,200	748,800
Petone weekends	149,760	76,440	
Total parking revenue in 2024-25	2,108,699	1,668,779	1,958,939
Reduction to DLTP revenue	-	(439,920)	(149,760)
Indicative rates impact in 2024-25		0.28%	0.09%
4	Key assumptions		
	That costs of enforcement will be met through enforcement revenue and no other cost increases or changes are expected. The calculated revenue makes assumptions around levels of occupancy and behaviour change to determine the estimated revenue post fee change.		
5	Risks and mitigations		
	None		

Further budget information (\$M)

The figures in the following tables for the outyears are inflated.

Option 1 - 1st Hour FreeTable 1: Operating revenue budgets

\$M	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2023-2024	2.18	2.23	2.28	2.33	2.38	2.43	2.48	2.53	2.58	2.63	24.06
Final Long Term Plan 2024-2034	1.73	1.76	1.80	1.85	1.89	1.93	1.96	2.00	2.04	2.08	19.04
Variance	(0.45)	(0.46)	(0.48)	(0.49)	(0.50)	(0.51)	(0.52)	(0.53)	(0.54)	(0.55)	(5.02)

Option 2 - Weekends FreeTable 2: Operating expenditure budgets

\$M	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/3 3	2033/ 34	Total
Draft Long Term Plan 2023-2024	2.18	2.23	2.28	2.33	2.38	2.43	2.48	2.53	2.58	2.63	24.06
Final Long Term Plan 2024-2034	2.03	2.07	2.12	2.17	2.21	2.26	2.31	2.35	2.40	2.44	22.35
Variance	(0.15)	(0.16)	(0.16)	(0.17)	(0.17)	(0.17)	(0.18)	(0.18)	(0.18)	(0.19)	(1.71)

3. Petone 2040

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Urban Development	
LTP/AP Activity	Urban Design	
Project/Programme	Petone 2040	
Budget type (Capital/Operating)	Both Capital & Operating	
Requested by:	Lucie Desrosiers	Date 13/03/2024
Approved by director:	Jon Kingsbury	Date 02/04/2024
1. Brief description of the project		
Small scale interventions to enliven public spaces in Petone. These may involve street furniture, footpaths, planting, wayfinding, artworks, surface treatments, play opportunities and cultural expression.		
2. Reason for carryover		
Some work (new seating and rubbish bins for Jackson Street costing \$331,822) has been delivered this financial year as part of this project.		
Due to resourcing, the project was delayed until the Head of Urban Development and Urban Design Team Leader joined council in late 2023/early 2024. Work is now being progressed.		
The project requires engagement with the Petone Steering Group and developing initial high level designs into detailed design and construction packages. This work will take place in 2023/24 and the construction will follow in 2024/25.		
Cultural narratives from mana whenua have been commissioned (costing \$7k) and will be completed this financial year.		
3. Overview of project costs		
The project Petone 2040 Budget for 2023/24 is \$564,533 Capital and \$286,633 Operating.		
For Capital, the value of the works already delivered (seat and bins) is \$331,822, leaving \$232,712 unspent.		
For Operating, the cultural narratives already commissioned cost \$7,000, leaving \$279,153 unspent.		
Both unspent sums are proposed to be carried forward to next year.		
4. Key assumptions around delivery		
The team's current work programme remains valid.		
The team has capacity in the next financial year to undertake works to the value of the carry-over plus next year's budget.		

5. Risks and Mitigations

The works are small in scale and simple in construction, so the risks of non-delivery next year are limited.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated.

Table 1: Operating expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2023-2024	0.29	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.87
Final Long Term Plan 2024-2034	0.01	0.33	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.87
Variance	0.28	(0.28)	-	-	-	-	-	-	-	-	-	-

Table 2: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/3 4	Total
Draft Long Term Plan 2023-2024	0.56	0.22	0.22	0.23	0.23	0.24	0.24	0.25	0.25	0.26	0.26	2.96
Final Long Term Plan 2024-2034	0.33	0.45	0.22	0.23	0.23	0.24	0.24	0.25	0.25	0.26	0.26	2.96
Variance	0.23	(0.23)	-	-	-	-	-	-	-	-	-	-

4. Urban Precinct Placemaking

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Urban Development	
LTP/AP Activity	Urban Design	
Project/Programme	Urban Precinct Placemaking	
Budget type (Capital/Operating)	Operating	
Requested by:	Lucie Desrosiers	13/03/2024
Approved by director:	Jon Kingsbury	02/04/24
1. Brief description of the project		
Small scale and/or temporary interventions to enliven public spaces. These typically involve wayfinding, artworks, surface treatments, play opportunities and cultural expression.		
2. Reason for carryover		
Due to resourcing, the project was delayed until the Head of Urban Development and Urban Design Team Leader joined council in late 2023/early 2024. Work is now being progressed.		
Some simple projects can be delivered this financial year (circa \$73k in value) but the bulk of the works will take place during next financial year. This requires the balance of the 2023/24 budget to be carried forward to next year.		
3. Overview of project costs		
The total project budget for 2023/24 is \$403,267.		
The team can deliver works to the value of \$73,200 by the end of the current financial year.		
This leaves \$330,067 to be carried over to the next financial year.		
4. Key assumptions around delivery		
The materials and contractors needed to deliver our committed works this year are available.		
The team's current work programme remains valid.		
The team has capacity in the next financial year to undertake works to the value of the carry-over plus next year's budget.		
5. Risks and Mitigations		
The works are small in scale and simple in construction so the risks of non-delivery are limited.		

Further budget information (\$M)

The figures in the following tables for the outyears are inflated.

Table 1: Operating expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2023-2024	0.40	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.13	0.13	0.13	1.6
Final Long Term Plan 2024-2034	0.07	0.44	0.11	0.11	0.12	0.12	0.12	0.12	0.13	0.13	0.13	1.6
Variance	0.33	(0.33)	-	-	-	-	-	-	-	-	-	-

5. Development Stimulus Package

Request for carryover and rephasing (change in timing) of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Economy & Development	
LTP/AP Activity	City Development	
Project/Programme	Development Stimulus Package	
Budget type (Capital/Operating)	Operating	
Requested by:	James Lamb	Date 26/03/2024
Approved by director:	Jon Kingsbury	Date 02/04/2024
1. Brief description of the project		
<p>A historical initiative to encourage urban growth (intensification of housing; redevelopment of Wainuiomata Shopping Centre, Central CBD) remitting development fees and rates on certain types of development to enable population growth. The scheme was established to support the Council's Urban Growth Strategy 2012-2032, the goals of which was to build an additional 6,000 homes in the city to accommodate a population of at least 110,000 by 2032. The scheme itself ended in December 2018.</p> <p>The residual balance is for those developments that are still to be completed with the final agreement to be completed by 2027-28 or the liability will expire.</p>		
2. Reason for carryover and rephasing (change in timing)		
<p>A carryover of \$3.12M is sought to redistribute the remaining balance to provide for fees and rates that will be remitted in the future, based on current information on developments.</p> <p>All remaining projects are within agreed timeframes within the agreements (last agreement expires in August 2027) or are underway.</p>		
3. Overview of project costs		
<p>The remaining allocation of \$10.1m is phased to more accurately reflect the years that the fees and rates will be remitted, based on current information on developments.</p>		
4. Key assumptions around delivery		
<p>It is assumed the remaining qualifying developments will be completed within their agreed timeframes.</p>		

5. Risks and Mitigations
<p>There is a risk that some developments will not be completed within timeframes which would remove HCC liability to pay fees which may compromise some developments.</p> <p>We are currently re-engaging with owners and developers to more accurately determine when the fees and rates will be remitted.</p>

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Operating expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	6.66	2.79	0.34	0.31	-	-	-	-	-	-	-	10.10
Final Long Term Plan 2024-2034	3.55	3.27	2.98	0.15	0.16	-	-	-	-	-	-	10.11
Variance	3.12	(0.48)	(2.64)	(0.16)	(0.16)	-	-	-	-	-	-	(0.01)

6. Bridge Seismic strengthening Cuba St. Overbridge

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Transport	
LTP/AP Activity	Transport	
Project/Programme	Bridge Seismic strengthening Cuba St. Overbridge	
Budget type (Capital/Operating)	Capital	
Requested by:	Paul Hewitt	Date 27/03/ 2024
Approved by director:	Jon Kingsbury	Date 02/04/2024
1. Brief description of the project		
<p>This project is for an investigation seismic strengthening of the Cuba St overbridge, including traffic management and minor remedial works.</p> <p>The outcome of this project will inform if the bridge needs a rebuild.</p>		
2. Reason for carryover		
<p>Due to constraints on resources, both externally and internally having to deal with increased work programmes and prioritisation of emergency events, the delivery of the seismic strengthening of the Cuba street bridge will have begun but will not be completed by the end of 2023-24.</p> <p>The bridge structure does not present a current safety issue but needs to be strengthened in the medium term.</p>		
3. Overview of project costs		
<p>The project has a budget of \$1,337,700 and is forecast to deliver \$450,000 by 30 June 2024, therefore a carryover of \$887,700 is requested into 2024-25 to fund the completion of the project.</p>		
4. Key assumptions around delivery		
<p>This project is not eligible for Waka Kotahi subsidies.</p> <p>The project has commenced but will not be completed until the 2024-25 financial year.</p>		
5. Risks and Mitigations		

The seismic strength of the bridge is a risk until this project is completed.

There is no budget set aside for the bridge rebuild should this be required. If this is required it will need to be a decision for the Annual Plan as the assessment will not be completed in time for the adoption of the long term plan.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	1.34	-	-	-	-	-	-	-	-	-	-	1.34
Final Long Term Plan 2024-2034	0.45	0.92	-	-	-	-	-	-	-	-	-	1.37
Variance	0.89	(0.92)	-	-	-	-	-	-	-	-	-	(0.03)

7. Substandard Roads Upgrade

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Transport	
LTP/AP Activity	Transport	
Project/Programme	Substandard Roads Upgrade	
Budget type (Capital/Operating)	Capital	
Requested by:	Paul Hewitt	Date 27/03/2024
Approved by director:	Jon Kingsbury	Date 02/04/2024
1. Brief description of the project		
<p>The HCC roading network has a planned renewal programme to ensure the ongoing stability of the roading network.</p> <p>The substandard roads programme is a budget provision to repair substandard roads. This budget line is for roads that need to be rebuilt or need improvements. Although smaller reactive work could be carried out in any year as required, due to the nature of these works, the budget is usually required to be accumulated over two to three years to a level where major work can be undertaken.</p>		
2. Reason for carryover		
This budget is requested to be carried over to allow for planned works with a larger budget and is planned to be spent in 2024-25.		
3. Overview of project costs		
<p>There is an annual budget line for substandard road upgrades of \$0.3M until 2031/32 where it increases to \$0.7M per year thereafter.</p> <p>For 2023-24 the budget is \$0.6M representing a baseline budget, plus a carryover from 2022-23.</p>		
4. Key assumptions around delivery		
<p>This project is not eligible for Waka Kotahi subsidies.</p> <p>Emergency reactive works will not be required for this budget for the remainder for 2023-24.</p>		
5. Risks and Mitigations		
N/A		

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	0.58	0.30	0.31	0.32	0.33	0.33	0.34	0.35	0.70	0.71	0.73	5.00
Final Long Term Plan 2024-2034	-	0.88	0.31	0.32	0.33	0.33	0.34	0.35	0.70	0.71	0.73	5.00
Variance	0.58	(0.58)	-	-	-	-	-	-	-	-	-	-

8. Cross Valley Connections

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Transport	
LTP/AP Activity	Transport	
Project/Programme	Cross Valley Connection	
Budget type (Capital/Operating)	Capital	
Requested by:	Paul Hewitt	Date 27/03/2024
Approved by director:	Jon Kingsbury	Date 02/04/2024
1. Brief description of the project		
<p>The Cross Valley Transport Connections Programme Business Case was approved by the NZTA Board in August 2021.</p> <p>Hutt City Council has been working on a more resilient, higher capacity, multi-use east-to-west connection for many years.</p> <p>The programme has been split into three stages per the original business case:</p> <ul style="list-style-type: none"> • Stage one (2024-2027) involves design and construction of walking, cycling and accessibility active mode improvements on Petone Esplanade, Hutt Road and Ewen Bridge; bus priority improvements at key intersections and developing improved active mode and micromobility access plans to the Petone, Ava and Woburn train stations. • Stage two (2025-2028) involves the design and construction of improvements to the Gracefield interchange. • Stage three (2028 onwards) will look at a new east-west multi-modal transport corridor that caters for all users. <p>The design of stages two and three (2024 – 27) is proposed to be done together to ensure that the route is confirmed and can be designated at the same time.</p> <p>Construction of all stages is now proposed to be started from 2028.</p>		
2. Reason for carryover		
<p>The primary budget for the stage one design works begins in 2025-26 and it was assumed that some initial design works could be completed in 2024-25. Due to a restructure in the team, it has not been possible to progress these works while the Transport team is re-established.</p> <p>A carryover of the underspend budget is requested of \$1,030,000.</p>		
3. Overview of project costs		

The total estimated cost of this programme is expected to be \$187.7 million.
4. Key assumptions around delivery
This programme is subject to political priorities both at council and central government. Officers are working with NZTA on the scope and responsibility for different parts of the programme. Waka Kotahi subsidy of 51% is assumed throughout.
5. Risks and Mitigations
The level of congestion from vehicles and trucks on the Esplanade continues to increase, along with resulting emissions. This will continue until there is a viable alternative route.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Revenue budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	0.6	1.2	0.6	-	24.0	27.9	14.5	14.6	12.3	-	-	95.7
Final Long Term Plan 2024-2034	0.1	1.7	0.6	-	24.0	27.9	14.5	14.6	12.3	-	-	95.7
Variance	(0.5)	0.5	-	-	-	-	-	-	-	-	-	-

Table 2: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	1.2	2.4	1.2	-	47.1	54.7	28.4	28.6	24.2	-	-	187.7
Final Long Term Plan 2024-2034	0.2	3.4	1.2	-	47.1	54.7	28.4	28.6	24.2	-	-	187.7
Variance	(1.0)	1.0	-	-	-	-	-	-	-	-	-	-

9. Facilities Seismic Strengthening

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Assets and Facilities Maintenance	
LTP/AP Activity	Corporate Services	
Project/Programme	Facilities Seismic Strengthening	
Budget type (Capital/Operating)	Capital	
Requested by:	Alannah Laban	28/03/2024
Approved by director:	Jon Kingsbury	02/04/2024
1. Brief description of the project		
Seismic strengthening of the War Memorial Library		
2. Reason for carryover		
<p>Timing and resourcing are the main reason for carryover. This project has a high impact on operations as the seismic work requires closure of a minimum 20 weeks. Due to the closure period, planning has investigated combining this project with other proposed projects (that also require closure) to minimise the impact on users and staff. The outcome of those proposed projects is within the draft Long Term Plan. Regardless of the outcome of those proposed projects, this strengthening must take place.</p>		
3. Overview of project costs		
<p>Demolition & seismic strengthening construction - \$1.7M</p> <ul style="list-style-type: none"> • Strengthening to reinforced concrete walls • Additional seating to hollowcore floor units • Strengthening of brick infill wall • Strengthening of out-of-plane capacity 		
4. Key assumptions around delivery		
<p>Project Manager will be hired before end of April 2024.</p> <p>Earliest start date of September 2025.</p> <p>Library will be closed for duration of works. Staff to be relocated to other sites / possible temporary site.</p>		
5. Risks and Mitigations		

Project timelines have been reforecast to account for delays. Minimum 4 month lead in time to book in contractors.

Detailed design to be completed.

Research, peer reviews and some in-depth cost analysis have been undertaken.

This project and closure overview has been socialised to staff. Further engagement required for all affected staff.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	1.7	-	-	-	-	-	-	-	-	-	-	1.7
Final Long Term Plan 2024-2034	-	1.8	-	-	-	-	-	-	-	-	-	1.8
Variance	(1.7)	1.8	-	-	-	-	-	-	-	-	-	0.1

10. Naenae Pool

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Aquatics	
LTP/AP Activity	Connectivity, creativity, learning and recreation	
Project/Programme	Naenae Pool and Fitness Suite	
Budget type (Capital/Operating)	Capital	
Requested by:	Andrew Quinn	Date 03/04/2024
Approved by director:	Andrea Blackshaw	Date 03/04/2024
1. Brief description of the project		
Demolition of the old Naenae Olympic Pool and replacement with a new Pool and Fitness Centre including 50m main pool, deep leisure and toddlers pool, fitness centre, outdoor compound and carpark.		
2. Reason for carryover		
<p>High winds over the summer months have prevented crane operations and delayed roof completion. Adverse weather conditions and supply chain issues have also caused delay to other parts of the build, namely the timely completion of the building envelope which was initially scheduled to be completed in October 2023 and is now due for completion in April 2024.</p> <p>By resequencing workflow, increasing resources and opening new work faces, the momentum of the project has been maintained. The timing of expenditure has changed however which requires a carryover. Overall, the project is reported to on track to open in October 2024.</p> <p>The CIP grant funding is linked to project milestones some payments are now also expected to be received in the 2025 financial year.</p>		
3. Overview of project costs		
<p>The budget for the Naenae Pool project is capped at \$68M for the life of the project and is therefore uninflated.</p> <p>Crown Infrastructure Partners (CIP) is contributing \$27M per a contractual agreement and is also uninflated. .</p>		
4. Key assumptions around delivery		
Fit Out Commissioning and Practical Completion will be completed in August/September 2024.		
5. Risks and Mitigations		

There are currently sufficient contingency reserves to manage residual risks and potential contractor claims.

Further budget information (\$M)

The figures in the following tables for the outyears are uninflated.

Table 1: Revenue budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	17.55	2.70	-	-	-	-	-	-	-	-	-	20.25
Final Long Term Plan 2024-2034	13.50	6.75	-	-	-	-	-	-	-	-	-	20.25
Variance	(4.05)	4.05	-	-	-	-	-	-	-	-	-	-

Table 2: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	28.95	2.27	-	-	-	-	-	-	-	-	-	31.22
Final Long Term Plan 2024-2034	28.01	3.21	-	-	-	-	-	-	-	-	-	31.22
Variance	0.94	(0.94)	-	-	-	-	-	-	-	-	-	-

11. Point Howard Wharf

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Parks & Reserves	
LTP/AP Activity	Open Spaces, Parks	
Project/Programme	Point Howard Wharf	
Budget type (Capital/Operating)	Operating	
Requested by:	Arthur Nelson	2 April 2024
Approved by director:	Andrea Blackshaw	4 April 2024
1. Brief description of the project		
<p>This project is for the demolition of Point Howard Wharf which is a key project identified by Council through its pre-LTP engagement process. The project requires the entire demolition of the wharf. City Ports of Wellington have been engaged to undertake the demolition.</p>		
2. Reason for carryover		
<p>The consent was more technical and time consuming than initially thought. This has led to the contractor confirming that demolition will not be completed this financial year, hence deferral into next financial year. Issues identified leading to the extended time taken to get the consent included potential to damage underground aquifers and the likelihood of asbestos management being required in the structure.</p>		
3. Overview of project costs		
<p>The initial Point Howard Wharf budget was \$2.98M. It is anticipated expenditure for 2023/24 against budget will be approximately \$0.2M. It is proposed to carry over \$2.78M required from 2023-24 to 2024-25</p>		
4. Key assumptions around delivery		
<p>The contract for demolition has been lodged with City Ports Wellington and it is anticipated that it will complete the demolition accordingly for the sum identified. City Ports have indicated they will commence demolition in 2024-25.</p>		
5. Risks and Mitigations		
<p>The project was identified as a key requirement by Council. If the work program is subject to unanticipated costs these will be identified and reported as part of the contract reporting process. If the contractor were unable to demolish as a result of a yet to be identified factor eg financial bankruptcy, failure to gain the necessary consents, or other, a report outlining options would be presented back to Council.</p>		

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Operating expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	2.99	0.00	-	-	-	-	-	-	-	-	-	2.99
Final Long Term Plan 2024-2034	0.20	2.87	-	-	-	-	-	-	-	-	-	3.07
Variance	2.79	(2.87)	-	-	-	-	-	-	-	-	-	(0.08)

12. Parks Buildings Renewals

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Parks & Reserves	
LTP/AP Activity	Open Spaces, Parks	
Project/Programme	Parks Buildings Renewals - Building Demolition and Heritage Gardens Riddiford Park	
Budget type (Capital/Operating)	Capital	
Requested by:	Arthur Nelson	2 April 2024
Approved by director:	Andrea Blackshaw	4 April 2024
1. Brief description of the project		
<p>There is a current resolution to demolish the Gibbes Watson Conservatory (fernery), the Tutukiwi Orchid House, and Aviary at Riddiford Park.</p> <p>This project sees the demolition of the buildings in line with Council's resolution:</p> <ul style="list-style-type: none"> reinstatement of the Gibbes-Watson Conservatory with a fern-based landscape with educational signage indicating the relationship of the new landscape development to the ex-building; A similar hard landscape, garden and pergola will be developed on the footprint of the original Tutukiwi Orchid House, recognising the heritage value of the now-demolished site; and it is proposed to develop some associated public art at the former site of the Aviary. <p>Such changes will reduce long-term costs relating to operation, maintenance and renewals of the buildings as per the original intention of reducing costs and will provide improvement in the open space whilst recognising the heritage of the former buildings. This will likely reduce public anxiety around the proposed demolitions, reduce the likelihood of Heritage NZ challenging the demolition and expedite the process.</p>		
2. Reason for carryover		
<p>The buildings are currently in place on a heritage site and require a range of consents prior to demolition and will further require public notification. Rotary have approached Vic University to consider the buildings as part of an architectural remediation course. The University has agreed. The course concludes in around 3-month's time and it is unlikely all consents relating to demolition will be in place within the next 6 months. Consequently, the demolition and landscaping project has been delayed – hence the request to carry funding forward.</p>		

3. Overview of project costs
The initial Capital Parks Building budget was \$2.1M. It is anticipated expenditure for 2023-24 against budget will be approximately \$1.1M. It is proposed to carry over \$1.0M to complete the landscape and educational works relating to these heritage buildings described above.
4. Key assumptions around delivery
Consents are being worked on, but it is unlikely any will be achieved within the next six months. Initial conversations with Heritage NZ suggest that if the proposal is carried through they will unlikely raise further concerns. Officers will look to engage a consultant to complete the demolition and design process early on in 2024-25.
5. Risks and Mitigations
The buildings are of high interest to the local Rotarians and are likely of interest to the wider public. The site is a heritage site. Heritage New Zealand have indicated they would be unlikely to oppose demolition especially if appropriate interpretational signage and landscaping is installed to recognise the sites as having heritage merit. It is likely that such an approach would also reduce public concerns around the demolition.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	2.11	1.10	0.31	0.33	0.67	1.02	0.14	0.18	0.60	1.56	1.56	9.56
Long Term Plan 2024-2034	1.09	2.15	0.31	0.33	0.67	1.02	0.14	0.18	0.60	1.56	1.56	9.59
Variance	1.02	(1.05)	-	-	-	-	-	-	-	-	-	(0.03)

13. Moera Library Renewal

Request for carryover and rephasing of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Hubs & Library Services	
LTP/AP Activity	Connectivity, Creativity, Learning and Recreation	
Project/Programme	Moera Library Renewal	
Budget type (Capital/Operating)	Capital	
Requested by:	Joann Ransom	27 March 2024
Approved by director:	Andrea Blackshaw	2 April 2024
1. Brief description of the project		
Replacement of Moera Library has been agreed as cost is comparative to necessary repairs for the existing building.		
2. Reason for carryover		
The design phase and securing of resource and building consents taking longer than expected has delayed this project. Therefore, a carryover is required into financial years 2024-25 and 2025-26.		
3. Overview of project costs		
The project budget for the Moera Library Renewal is \$1.21M. This has been confirmed through the procurement and contracting phase.		
4. Key assumptions around delivery		
There is adequate resourcing to ensure this project is delivered. Therefore, the work for Moera Library is estimated to start in late 2024-25. This project should be completed in 2025-26.		
5. Risks and Mitigations		
Contingency for this project has been set at 10% only.		

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	1.21	0.02	0.06	0.03	0.01	0.00	0.01	0.00	0.00	0.00	0.00	1.34
Final Long Term Plan 2024-2034	-	0.44	0.91	0.03	0.01	0.00	0.01	0.00	0.00	0.00	0.00	1.40
Variance	1.21	(0.42)	(0.85)	-	-	-	-	-	-	-	-	(0.06)

14. Dowse HVAC

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Arts & Culture	
LTP/AP Activity	Connectivity, Creativity, Learning & Recreation	
Project/Programme	Dowse HVAC	
Budget type (Capital/Operating)	Capital	
Requested by:	Alannah Laban, Karl Chitham	27 March 2024
Approved by director:	Andrea Blackshaw	2 April 2024
1. Brief description of the project		
Replace the Gas boiler and associated systems with Heat pumps at the Dowse Art Museum.		
2. Reason for carryover		
<p>The scope of this project has changed since its initial approval. Significant factors have been identified affecting our ability to meet the existing timeframes:</p> <ul style="list-style-type: none"> • The project is currently paused until a project manager has been hired. • Procurement process to identify a suitable supplier for the heat pumps and installation works has not been able to progressed. • This project has a high impact on operations so the timing needs to be planned around exhibitions delivery schedules (in particular, works cannot be carried out while high value artwork loans are on display). 		
3. Overview of project costs		
<p>Project cost - \$0.88M Construction / Materials - \$0.68M Contingency 30% - \$0.2M</p> <p>Some of the project costs are recovered through revenue associated with the sale of carbon credits that Council has earned in relation to forests registered under the Emissions Trading Scheme. Therefore, as project costs are to be carried over, the revenue of carbon credits used for the project also won't be realised until next financial year. Hence, revenue of \$0.3M is to be carried over from Sustainability and Resilience.</p>		
4. Key assumptions around delivery		
<p>Project Manager will be hired before end of April 2024.</p> <p>Installation start date 3 March 2025.</p>		

Sequencing of plant / equipment replacement to minimise disruption to gallery spaces. No delays to exhibitions ending. Dowse Art Museum will remain open to the public throughout construction.
5. Risks and Mitigations
Project timelines have been forecasted to account for delays. Detailed design has been completed. Arts & Culture team confirmed exhibition timings. Existing HVAC systems kept operational during construction for critical gallery spaces.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated with the exception of Revenue which is the sale of carbon credits.

Table 1: Revenue budgets (uninflated)

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	0.30	-	-	-	-	-	-	-	-	-	-	0.30
Final Long Term Plan 2024-2034	-	0.30	-	-	-	-	-	-	-	-	-	0.30
Variance	(0.30)	0.30	-	-	-	-	-	-	-	-	-	-

Table 2: Capital expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	0.88	0.00	-	-	-	-	-	-	-	-	-	0.88
Final Long Term Plan 2024-2034	-	0.91	-	-	-	-	-	-	-	-	-	0.91
Variance	0.88	(0.91)	-	-	-	-	-	-	-	-	-	(0.03)

15. Go Digital Programme

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Office of the CE	
LTP/AP Activity	Corporate services	
Project/Programme	Go Digital Programme	
Budget type (Capital/Operating)	Operating	
Requested by:	Megan Connew-Simmons	Date: 4 April 2024
Approved by director:	Lyndon Allott	Date: 4 April 2024
1. Brief description of the project		
<p>Te Kōhao o te Ngira (the Programme) was established in consultation with the Council Leadership Team (CLT), to transform Hutt City Council (HCC) through the integration of digital technology into all areas of the business. This will fundamentally change how we operate to deliver value to people in our city. The Programme was initially scheduled to run from 2020 - 2024 but due to the addition of projects to the programme and the timing of projects, the programme has now been extended to June 2025.</p> <p>The Programme is HCC's investment in transforming council's operating systems, the way we work, and how citizens engage with HCC. This Programme is council's response to the growing expectations of our customers for a council that is innovative and effective; and that delivers services when and where people need them.</p> <p>The Programme aims to deliver the following outcomes:</p> <ul style="list-style-type: none"> - People experience with Council improves - Modern, agile adaptive Council - Better use of information <p>Through improved services and information, the Programme will provide a better experience for anyone who lives in, or visits Hutt City by having:</p> <ul style="list-style-type: none"> - New ways for the public to communicate and interact with Council - Simplified online forms to make our customer's lives easier - Open data and information practices - A place where customers can view all their Council services and interactions. <p>The Programme is made up of 42 projects. These projects include 25 business projects and 17 technology foundation projects. To date 25 projects have been completed.</p>		
2. Reason for carryover		
<p>The reason for the carryover/rephasing of the Programme's budget is the extra time required to ensure due diligence across procurement and contract negotiations for the CRM, Bookings, Pools and Fitness Projects, and Hybrid Cloud. The delivery of the HRIS/Payroll project has also been delayed and pushed into 2024/25.</p>		

<p>This has meant these projects start dates with the providers have been delayed meaning costs associated with establishing and delivering these projects have been pushed further into the 2024/25 Financial Year.</p> <p>Lessons learnt from previous projects has also meant that the programme has recognised the importance of change management and communication in ensuring the successful adoption and utilisation of new customer systems and processes. The programme has allocated more time and resources for change activities, such as stakeholder engagement, training, support and feedback.</p> <p>The programme has also increased its focus on project set up and discovery, to ensure projects are well defined, scoped, resources and aligned with the strategic objectives and staff/community needs.</p> <p>The above projects are all complex and involve multiple stakeholders (including external stakeholders), business process change and systems integration. They have required a thorough discovery and design phase to understand the current state, the desired future state and the gaps and opportunities for improvement.</p>
<p>3. Overview of project costs</p>
<p>A request has been made through the LTP process for an additional \$3.16m (through a transfer of capital budget to operating Budget) to complete the existing projects within the programme.</p> <p>A carryover of \$1.17m from the 2023/24 into the 2024/25 financial year is requested to enable the completion of key projects within the programme.</p> <p>If the carryover was not approved the alternative option is to reduce the number of projects within the programme. Due to the significant number of ageing systems, which includes our core Property and Rating system, reducing the programme's delivery would introduce a significant risk of system failure and reduced level of service.</p>
<p>4. Key assumptions around delivery</p>
<p>Existing systems (Confirm and Intelli-leisure) will be decommissioned and budget reallocated.</p> <p>The LTP bid and carryover is only for the completion of the current Go Digital programme, any further projects will need to have funding allocated separately.</p>
<p>5. Risks and Mitigations</p>
<p>Failing of existing systems - if the current work programme is stopped or reduced, it will result in a number of current systems and hardware not being replaced or updated. This will increase the risk of system outages, resulting in additional security, privacy and support risks including an inability for the system to be used by staff and citizens.</p> <p>Mitigation: prioritise high-risk systems to ensure they are completed within the existing budget.</p> <p>Increase in manual processes - if current systems are not replaced or updated then there is a risk that more manual work arounds will need to be put in place for staff to ensure existing systems are</p>

fit for purpose, affecting staff productivity and potentially resulting in additional privacy and security risks.

Mitigation: change to process to implement manual work arounds.

Programme outcomes and benefits realisation – if the programme does not complete all the projects on its current work programme then programme outcomes, benefits and goals will not be fully realised resulting in adverse programme credibility and project adoption impacts.

Mitigation: highlight work and success of programme to date.

Increase in technology debt – if the programme does not complete all the projects in its work programme, then there is a risk that our current systems will require greater investment in the future. The mitigation/replacement work required will result in greater implementation and adoption costs in the future.

Mitigation: prioritise high-risk systems to ensure they are completed within the existing budget.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated

Table 1: Operating expenditure budgets

\$M	2023 /24	2024/ 25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Draft Long Term Plan 2024-2034	3.97	4.13	1.23	1.05	-	-	-	-	-	-	-	10.38
Final Long Term Plan 2024-2034	1.85	5.55	2.03	1.05	-	-	-	-	-	-	-	10.47
Variance	2.12	(1.41)	(0.79)	-	-	-	-	-	-	-	-	(0.09)

16. District Plan Review

Request for carryover and rephasing of budgets from 2023/24 to 2023/24 AP to 2024/34 LTP		
Business unit	Planning	
LTP/AP Activity	City Development	
Project/Programme	District Plan	
Budget type (Capital/Operating)	Operating	
Requested by:	Tim Johnstone, Head of Planning	Date: 25 March 2024
Approved by director:	Alison Geddes	Date: 28 March 2024
1. Brief description of the project		
<p>The District Plan is a requirement under the Resource Management Act 1991 (RMA). The RMA requires Council to monitor, review and change the District Plan in response to national and regional policy direction and to address significant resource management issues in the city.</p> <p>In 2019 Council resolved to undertake a full review of the District Plan. The process for carrying out this review must be carried out in accordance with the requirements of the RMA.</p> <p>It is a multi-year project that is currently anticipated to be completed in 2026 / 2027.</p>		
2. Reason for carryover		
<p>There is an expected underspend of \$257,587 in the 2023/2024 financial year.</p> <p>The reason for this underspend relates to unanticipated legislation passed by the Government in 2021 that required Hutt City Council to put on hold its District Plan review process and bring forward a plan change to enable intensification in the City's residential and commercial areas (Plan Change 56).</p> <p>Plan Change 56 caused a delay to the overall District Plan review process with associated impacts on the year by year budget. This Plan Change was not factored into the District Plan review process and the associated budget when this was established in 2019. This has resulted in the underspend for 2023/2024, and the need to rephase the overall budget spread in the future years until 2026 / 2027.</p> <p>Plan Change 56 disrupted the work program for the multi-year District Plan review process in the following ways:</p> <ul style="list-style-type: none"> • It has delayed the notification of the Proposed District Plan by 12 – 18 months. • The original District Plan review process (prior to Plan Change 56) would now have Council at the hearings stage following notification of the District Proposed District Plan in 2022 / 2023. 		

- The hearings process is a costly part of the District Plan review process involving months of public hearings, with associated venue costs, payment of independent hearing commissioners, and costs for Council in providing expert witnesses to attend the hearings.
- As a result of the delays caused by Plan change 56 the notification of the Proposed District Plan will now take place in late 2024, which means the hearings cost referred to above will now be incurred in the 2024 /2025 and 2025 / 2026 years.

3. Overview of project costs

Given the uncertain nature of the District Plan review process it is difficult to predict with certainty how much will be spent on a per year basis. However, it is certain that there will be significant costs associated with the overall process, and particularly in relation to the hearing costs that are anticipated to be incurred in 2025.

A summary of the main costs associated with the process include:

- Internal staffing
- Use of external expert consultants
- Hearing costs, including costs of panel members
- Comms and engagements costs
- Legal costs
- Eplan costs.

It is noted that there is no proposed increase in budget and this request is only to rephrase the current budget allocation for the District Plan review process.

It is also noted that when the new District Plan becomes fully operative then the budget will reduce to the normal anticipated costs for monitoring and administration of the District Plan.

4. Key assumptions around delivery

- Notification of Proposed District Plan in late-2024
- Hearings throughout 2025
- Decisions and resolution of appeals 2026 – 2027
- New District Plan fully operative in 2027

5. Risks and Mitigations

The main risks relate to uncertainty associated with the new coalition Government and potential changes in National's direction and the additional work that may result. There is little that can be done to mitigate these risks other than continuing to monitor, assess and respond to future policy announcements.

Further budget information (\$M)

The figures in the following table for the outyears are inflated

Table 1: Operating expenditure budgets

\$M	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
Draft Long Term Plan 2024-2034	1.44	1.34	0.88	0.15	0.15	0.21	0.16	0.16	0.23	0.17	0.17	5.05
Final Long Term Plan 2024-2034	1.19	0.99	1.19	0.47	0.15	0.21	0.16	0.16	0.23	0.17	0.17	5.08
Variance	0.26	0.35	(0.32)	(0.32)	-	-	-	-	-	-	-	(0.03)

17. 105 Western Hutt Road Emergency Response Team Facility

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Emergency Management	
LTP/AP Activity	Sustainability and Resilience	
Project/Programme	105 Western Hutt Road ERT Facility	
Budget type (Capital/Operating)	Capital	
Requested by:	Anthony Robinson	27.03.2024
Approved by director:	Jarred Griffiths	03.04.2024
1. Brief description of the project		
<p>The project aims to deliver a fit-for-purpose building that will support team operations, providing suitable shelter and facilities for members during team operations and training events. Additionally, it will serve as a space to support wider civil defence operations within Hutt City. The building will house a training room with facilities, an office, and gear storage</p>		
2. Reason for carryover		
<p>Several design changes have had to be made to ensure that the project remains within budget. These design changes have required NZRT-18 (project manager/partner) to seek new resource consent approval from Waka Kotahi NZTA, due to the location of the building site and its proximity to SH2. An application was submitted in November 2023.</p> <p>NZRT-18 are actively working with HCC resource consent and building teams to address these challenges and ensure there are no further roadblocks.</p>		
3. Overview of project costs		
<p>Project cost: \$250K, project is expected to be delivered within budget with a slight adjustment for inflation.</p>		
4. Key assumptions around delivery		
<p>The consent is expected to be received in 2023-24.</p> <p>NZRT-18 has confirmed they have capacity to complete the project within 2024/25.</p>		
5. Risks and Mitigations		

To ensure that the project remains within budget and is completed successfully, NZRT-18 are leveraging the skills of their team which includes a Construction Project Manager, to effectively manage the project and adhere to budgetary constraints. NZRT-18 are continuously reviewing costs to ensure they can complete the project within budget. Any cost overrun would be managed through rescoping and design changes.

Further budget information (\$M)

The figures in the following tables for the outyears are inflated.

Table 1: Capital expenditure budgets

\$M	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Draft Long Term Plan 2024-2034	0.25	-	-	-	-	-	-	-	-	-	-	0.25
Final Long Term Plan 2024-2034	-	0.26	-	-	-	-	-	-	-	-	-	0.26
Variance	0.25	(0.26)	-	-	-	-	-	-	-	-	-	(0.01)

18. Silverstream Landfill asbestos cell and transfer station works

Request for carryover of budgets from 2023/24 AP to 2024/34 LTP		
Business unit	Climate and Solid Waste	
LTP/AP Activity	Solid Waste	
Project/Programme	Silverstream Landfill asbestos cell and transfer station works	
Budget type (Capital/Operating)	Capex	
Requested by:	J Scherzer	Date 24/4/2024
Approved by director:	A Geddes	Date 24/4/2024
1. Brief description of the project		
<p>Various capital works are under way at Silverstream landfill, to continually expand airspace and/or to carry out improvements. This includes two projects: (1) Construction of an asbestos cell, and (2) resource recovery improvements at the transfer station.</p>		
2. Reason for carryover		
<p><u>Asbestos cell:</u> In light of an increase in waste volumes received over the last 6 months, other capital works (Slope 11 construction, Phase 3 enabling works) have been prioritised in order to ensure that there is sufficient air space available for general waste. Hence, work on the asbestos cell has been temporarily paused, to free up constrained contractor resources. This means that the works originally intended for the current financial year will need to be carried out in the next financial year.</p> <p><u>Transfer station resource recovery improvements:</u> Improvements to the transfer station are still subject to a business case, but may not be required if a proposal for a new resource recovery park by WM New Zealand at Manor Park goes ahead. However, their proposal is still at the consent stage, and hence, the improvement works at Silverstream transfer station have been delayed until there is more certainty on their need. More certainty on the way forward is expected in the third quarter of the 2024 calendar year.</p>		
3. Overview of project costs		
<p><u>Asbestos cell:</u> A total of \$2.5M was budgeted for works during 2023/24. Only about \$0.5M worth of works was able to be completed before work had to be paused to reprioritise constrained contractor resources temporarily. This means that the balance of \$2.0M needs to be carried over to complete this work during the 24/25 construction season.</p>		

Transfer station: A total of \$0.5M is to be carried over, for utilisation once decisions have been made on a potential new resource recovery park at Manor Park, as proposed by WM New Zealand.

4. Key assumptions around delivery

Availability of contractor resources are currently constrained in light of a significant work programme to deliver other landfill works, in particular Slope 11 and the enabling works for Phase 3.

5. Risks and Mitigations

There is currently still sufficient air space available in the existing asbestos disposal area, which means that construction of the asbestos cell can be delayed in the short to medium term. From a consenting perspective, there are no requirements to complete construction in the short term.

Further budget information (\$M)

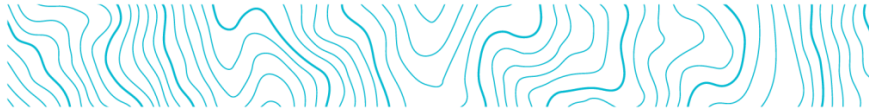
The figures in the following tables for the outyears are inflated

Table 1: Capital expenditure budgets (Asbestos cell)

\$M	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Revised Annual Plan 2023-2024	2.49	-	-	-	1.75	-	-	-	-	-	-	4.24
Long Term Plan 2024-2034	0.49	2.06	-	-	1.75	-	-	-	-	-	-	4.3
Variance	1.99	(2.06)	-	-	-	-	-	-	-	-	-	(0.07)

Table 2: Capital expenditure budgets (Transfer station)

\$M	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Revised Annual Plan 2023-2024	0.5	-	-	-	-	-	-	-	-	-	-	0.5
Long Term Plan 2024-2034	-	0.5	-	-	-	-	-	-	-	-	-	0.5
Variance	0.5	(0.5)	-	-	-	-	-	-	-	-	-	-



Fees and charges

The following is a consolidated list of Council's fees and charges. All fees and charges include Goods and Services Tax (GST).

Animal Services

Registration fees

Registration type	2023/2024 Fee	2024/2025 Fee
Entire dog - paid by 31 July	\$168.00	\$174.00
Neutered dog - paid by 31 July	\$129.00	\$133.00
Entire dog - paid after 31 July	\$223.00	\$231.00
Neutered dog - paid after 31 July	\$184.00	\$190.00
Responsible Dog Owner (RDO) status	\$84.00	\$87.00
Responsible Dog Owner (RDO) status - paid after 31 July	\$223.00 \$184.00	\$231.00 (Entire) \$190.00 (Neutered dog)
Classified "Dangerous" dog - paid by 31 July	\$184.00	\$190.00
Classified "Dangerous" dog - paid after 31 July	\$263.00	\$272.00
Disability assist dogs	Free	Free
Working dogs	\$84.00	\$87.00
Working dogs (Secondary dogs)	\$40.00	\$45.00

Impounding and Sustenance Fees for Registered dogs

Offence	2023/2024 Fee	2024/2025 Fee
First impounding	\$108.00	\$112.00
Second impounding in same registration year	\$173.00	\$180.00
Daily sustenance fee (per day, per dog)	\$26.00	\$27.00
After hours call out	\$44.00	\$46.00
Seizure fee	\$87.00	\$90.00

Impounding and Sustenance Fees for Unregistered dogs

Offence	2023/2024 Fee	2024/2025 Fee
First impounding	\$130.00	\$135.00
Second impounding in same registration year	\$216.00	\$223.00
Daily sustenance fee (per day, per dog)	\$26.00	\$27.00
After hours call out	\$44.00	\$46.00

Offence	2023/2024 Fee	2024/2025 Fee
Seizure fee	\$130.00	\$135.00

Additional Services

Infringement fees set in the Dog Control Act 1996 apply.

Service	2023/2024 Fee	2024/2025 Fee
Microchipping	\$44.00	\$46.00
Replacement Registration Tag	\$13.00	\$14.00
Responsible Dog Owner Property Inspection Administration Fee	\$70.00	\$72.00
Dog Boarding (dangerous dogs/emergency situations only)	\$40.00 per day	\$42.00 per day
Euthanasia at owner's request - Up to 20 kg	\$185.00	\$192.00
Euthanasia at owner's request - 21 to 40 kg	\$230.00	\$238.00
Euthanasia at owner's request - 41 kg +	\$275.00	\$285.00
Dog disposal/surrender fee (plus sustenance fee if required)	\$54.00	\$56.00
Licence fee for keeping more than 2 dogs	\$70.00	\$72.00
Requested dog pick-up/delivery	\$70.00	\$72.00
After-hours collection fee (Dog disposal/surrender)	\$84.00	\$90.00

Archives

There is no charge for inspecting physical items on-site at Council offices.

Please note: Researchers can use their own camera to take images when inspecting physical items on-site at Council offices.

Search Fees

For information on a topic where we search the Archives on your behalf

Service	2023/2024 charges	2024/2025 charges
First hour of research	Free of charge	Free of charge
For each additional half hour of staff time or part thereof	\$40.00	\$40.00

Reproduction Fees

Reproductions are provided as high-quality, scanned images via email.

Reproductions are subject to the physical condition, type of item and any copyright conditions.

Reproduction	2023/2024 charges	2024/2025 charges
Scanning A3 and A4 - up to 20 pages	Free of charge	Free of charge

Reproduction	2023/2024 charges	2024/2025 charges
Scanning A3 and A4 – over 20 pages Fee per half hour of staff time or part thereof	\$40.00	\$40.00
Reproduction of items larger than A3 are charged based on size, original format and physical condition.	Charges will be notified and agreed before reproduction is carried out.	Charges will be notified and agreed before reproduction is carried out.

Boat sheds

Description	2023/2024 charges	2024/2025 charges
Boat shed	Independent valuation on a square metre basis	Independent valuation on a square metre basis

Cemetery fees and charges

Plot purchase and maintenance

Service	2023/2024 charges	2024/2025 charges
Child (1 to 12 years)	\$798.00	\$798.00
Infant (under 1 year)	\$176.00	\$176.00
Ashes	\$715.00	\$715.00
Ashes garden, Taitā and Wainuiomata	\$1,155.00	\$1,155.00
Memorial tree plots, Block 18	\$1,160.00	\$1,160.00
Ponga trail, Block 19	\$930.00	\$930.00

Interment fees

Service	2023/2024 charges	2024/2025 charges
Adult	\$968.00	\$968.00
Child (1 to 12 years)	\$627.00	\$627.00
Infant (under 1 year)	\$176.00	\$176.00
Ashes	\$132.00	\$132.00

RSA Veterans

Service	2023/2024 charges	2024/2025 charges
Burial plot purchase	Free	Free
Burial interment fee	\$968.00	\$968.00
Ashes plot purchase	Free	Free
Ashes interment fee	\$132.00	\$132.00
Ashes interment (memorial wall)	\$132.00	\$132.00

Disinterments and re-interments

Service	2023/2024 charges	2024/2025 charges
Burial (body)*	Price on enquiry	Price on enquiry
Ashes**	Price on enquiry	Price on enquiry
Re-interments Note: Re-interments are to be charged as for interment fees.	Price on enquiry	Price on enquiry

Special fees and charges

Service	2023/2024 charges	2024/2025 charges
Outside district fees**	\$1,298.00	\$1,298.00
Outside district fee children under 12**	\$1,138.00	\$1,138.00
Outside district fee RSA**	\$1,298.00	\$1,298.00
Outside district fee ashes**	\$930.00	\$930.00
Casket larger than standard	\$286.00	\$286.00
Extra depth (90cm)	\$231.00	\$231.00
Weekend interment - casket	\$495.00	\$495.00
Weekend interment - ashes	\$242.00	\$242.00
Plaque/Memorial fees	\$97.00	\$97.00
Plot cancellation fee	\$63.00	\$63.00
Transfer of exclusive right	\$63.00	\$63.00
Breaking of concrete	Actual cost	Actual cost
Search fee: Per entry (up to 30 minutes)	\$29.00	\$29.00

Note: Reimbursement for unused plots is calculated at the rate originally paid for the plot.

*These figures are indicative only and the actual cost may differ depending on the nature of the disinterment.

**Applies to all plot purchases, where deceased has lived outside the city for the last five or more years.

Encroachment on Hutt City Council land

Service	2023/2024 charges	2024/2025 charges
Application fee (new applications)	\$324.00	\$335.00
Application fee (alterations to existing use)	\$324.00	\$335.00
Change to current licence holder	\$108.00	\$111.70
Gardens	\$124.00	\$128.20

Service	2023/2024 charges	2024/2025 charges
Garage (per car park)	\$139.00	\$143.75
Drainage reserve	\$62.00	\$64.10
Pavement	\$62.00	\$64.10
Commercial	Assessed by Council at a market rate	Assessed by Council at a market rate

Note: Council is currently reviewing its Encroachment Policy, including the annual licence fees. The fees noted above for gardens, garage (per car park), drainage reserve, and pavement are the current fees. Council reserves the right to alter the licence scope and fee in link with any future Encroachment Policy adopted by Council

Engineering records and land information services		
Print Size/Service	2023/2024 charges	2024/2025 charges
A0	\$6.00 - 80 gsm bond \$9.00 - 95 gsm coated	\$6.00 - 80 gsm bond \$9.00 - 95 gsm coated
A1	\$3.00 - 80 gsm bond \$5.00 - 95 gsm coated	\$6.00 - 80 gsm bond \$9.00 - 95 gsm coated
A2	\$2.00 - 80 gsm bond \$3.00 - 95 gsm coated	\$2.00 - 80 gsm bond \$3.00 - 95 gsm coated
A3	\$1.30 - 80 gsm bond \$1.40 - 95 gsm coated	\$1.30 - 80 gsm bond \$1.40 - 95 gsm coated
A4	\$1.00 - 80 gsm bond \$1.00 - 95 gsm coated	\$1.30 - 80 gsm bond \$1.40 - 95 gsm coated
Geospatial team - hourly rate	\$79.00 per hour	\$79.00 per hour

Resource consents

All fees include GST and are payable under section 36 of the Resource Management Act 1991.

Our fees are divided into three parts and will be invoiced in stages.

- Application Deposit
- Intermediate Invoices
- Final Invoice

The resource consent Application Deposit covers only part the cost of processing your application and is a deposit for work that will take place.

Monthly Intermediate Invoices are sent if your application is approved and cover fees for:

- additional processing fees
- consultants’ , advisors’ and specialists’ fees covering a range of expertise e.g. heritage, geotechnical, ecological, noise control, traffic management etc
- Costs related to public notification and hearings, such as venue hire, photocopying, catering and postage
- monitoring fees while the work is underway, including site visits, research, photos, communications and administration

The Final Invoice takes into account the deposit already paid, any further payments for the services mentioned above and any discounts owed to you.

Consents that run over statutory timeframes will be discounted in accordance with provisions in Section 36AA of the Resource Management Act.

Non-complying, discretionary, restricted discretionary and controlled applications

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
Pre-application meetings		\$220 per hour with Resource Consents planner or manager of planning \$150 per hour with business support		\$25530 per hour with planner, engineer or monitoring officer \$150 per hour with business support

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
		including administration and planning technician time Consultants charged at actual cost		including administration and planning technician time Consultants charged at actual cost
Notified application - hearing required	Processing: up to 50 hours	\$11,000.00 Additional fee of \$1,000.00 for applications requiring notification in a daily newspaper	Processing: up to 50 hours	\$11,500.00 <u>\$12,750.00</u> Additional fee of \$1,000.00 for applications requiring notification in a daily newspaper
Limited notification	Processing: up to 35 hours Business Support: 1 hour Monitoring : 1 hour	\$7,920.00	Processing: up to 35 hours Business Support: 1 hour Monitoring : 1 hour	\$8,430.00 <u>\$9,330.00</u>
Non-notified resource consent	Processing: up to 9 hours Business Support: 1 hour Monitoring : 1 hour	\$2,350.00	Processing: up to 9 hours Business Support: 1 hour Monitoring : 1 hour	\$2,450.00 <u>\$2,700.00</u>
Non-notified resource consent - residential additions and alterations	Processing: up to 5 hours Business Support: 1 hour Monitoring : 1 hour	\$1,470.00	Processing: up to 7 hours Business Support: 1 hour Monitoring : 1 hour	\$1,990.00 <u>\$2,190.00</u>
Boundary deemed	Processing: up to 3 hours	\$810.00	Processing: up to 3 hours	\$840.00 <u>\$915.00</u>

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
permitted activities	Business Support: 1 hour		Business Support: 1 hour	
Marginal or temporary activity exemptions	Processing: up to 3 hours Business Support: 1 hour	\$810.00	Processing: up to 3 hours Business Support: 1 hour	\$840 915.00
All additional processing or monitoring time by planner, engineer, or monitoring officer		\$220.00 per hour		\$255 30.00 per hour
All additional business support time		\$150.00 per hour		\$150.00 per hour
Hearing commissioner time shall be recovered for time spent in hearings and deliberating		<p>Council Commissioners :</p> <p>Chair: \$116.00 per hour</p> <p>Members: \$93.00 per hour</p> <p>Independent Commissioners :</p> <p>Chair: Actual Cost</p> <p>Member of hearing panel: Actual Cost</p>		<p>Council Commissioners :</p> <p>Chair: \$116.00 per hour</p> <p>Members: \$93.00 per hour</p> <p><i>Note: the above fees are set in accordance with <u>Local Government Members Determination</u></i></p> <p>Independent Commissioners :</p>

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
				Chair: Actual Cost Member of hearing panel: Actual Cost
Fast Track - non-notified consents only - issued within 10 days Note: conditions apply, applications will be accepted on a case-by-case basis		Two times the normal fee Additional processing time: \$440.00 per hour		Two times the normal fee Additional processing time: \$460 510.00 per hour
Fast Track - non-notified consents only - issued within 5 days Note: conditions apply, applications will be accepted on a case-by-case basis		Three times the normal fee Additional processing time: \$660.00 per hour		Three times the normal fee Additional processing time: \$690 765.00 per hour

Subdivisions (including unit title and cross lease)

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
Pre-application meeting		<p>\$220 per hour with planner, engineer or monitoring officer</p> <p>\$150 per hour with business support including administration and planning technician time</p> <p>Consultants charged at actual cost</p>		<p>\$230-255 per hour with planner, engineer or monitoring officer</p> <p>\$150 per hour with business support including administration and planning technician time</p> <p>Consultants charged at actual cost</p>
Notified application - hearing required	Processing: up to 50 hours at the senior rate	<p>\$11,000.00</p> <p>Additional fee of \$1,000.00 for applications requiring notification in a daily newspaper</p>	Processing: up to 50 hours	<p>\$11,500<u>12,750.00</u></p> <p>Additional fee of \$1,000.00 for applications requiring notification in a daily newspaper</p>
Limited notification	Processing: Up to 35 hours Monitoring: 1 hour	\$7,920.00	Processing: Up to 35 hours Monitoring: 1 hour	\$8,280 <u>9,180.00</u>
Subdivision consent including land use consent for up to three lots	Processing: Up to 17 hours Business Support: 1 hour Monitoring: 1 hour	\$4,110.00	Processing: Up to 17 hours Business Support: 1 hour Monitoring: 1 hour	\$4,290 <u>4,740.00</u>

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
Subdivision consent including land use consent for four or more lots	Processing: Up to 27 hours Business Support: 1 hour Monitoring: 1 hour	\$6,310.00	Processing: Up to 27 hours Business Support: 1 hour Monitoring: 1 hour	\$6,590 <u>7,290</u> .00
Subdivision consent	Processing: Up to 13 hours Business Support: 1 hour Monitoring: 1 hour	\$3,230.00	Processing: Up to 13 hours Business Support: 1 hour Monitoring: 1 hour	\$3,370 <u>3,720</u> .00
Certificate under section 223 and/or 224 of the RMA	Processing & Administration: Up to 3 hours Business Support: 1 hour	\$810.00	Processing: & Administration: Up to 3 hours Business Support: 1 hour	\$915 <u>840</u> .00
Certificate under section 226 of the RMA	Processing: Up to 6 hours Business Support: 1 hour	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour	\$1,530 <u>1,680</u> .00
Section 241 and 243 RMA application	Processing: Up to 6 hours Business Support: 1 hour	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour	\$1,530 <u>1,680</u> .00
Rights of way	Processing: Up to 6 hours Business Support: 1 hour	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour	\$1,530 <u>1,680</u> .00
Rights of way sealing fee	Processing: Up to 2 hours Business Support: 1 hour	\$440.00	Processing: Up to 2 hours Business Support: 1 hour	\$64 <u>60</u> .00
All additional processing or		\$220.00 per hour		\$253 <u>0</u> .00 per hour

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
monitoring time by planner, engineer or monitoring officer				
All additional business support time		\$150.00 per hour		\$150.00 per hour
Hearing commissioner time shall be recovered for time spent in hearings and deliberating		<p>Council Commissioners :</p> <p>Chair: \$116.00 per hour</p> <p>Members: \$93.00 per hour</p> <p>Independent Commissioners :</p> <p>Chair: Actual Cost</p> <p>Member of hearing panel: Actual Cost</p>		<p>Council Commissioners :</p> <p>Chair: \$116.00 per hour</p> <p>Members: \$93.00 per hour</p> <p><i>Note: the above fees are set in accordance with Local Government Members Determination</i></p> <p>Independent Commissioners :</p> <p>Chair: Actual Cost</p> <p>Member of hearing panel: Actual Cost</p>

Other Fees

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
Sec 139A Existing Use Certificate application	Processing: Up to 6 hours Business Support: 1 hour	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour	\$1,680.00 \$1,530.00
Certificate of Compliance	Processing: Up to 6 hours Business Support: 1 hour	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour	\$1,530.00 \$1,680.00
Outline plan or waiver	Processing: Up to 6 hours Business Support: 1 hour Monitoring: 1 inspection	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour Monitoring: 1 inspection	\$1,530.00 \$1,935.00
Section 10 waiver, section 37 waiver, section 125 extension, section 126 cancellation, sections 127 & 128 review (non-notified) RMA	Processing: Up to 6 hours Business Support: 1 hour	\$1,470.00	Processing: Up to 6 hours Business Support: 1 hour	\$1,530.00 \$1,680.00
Certificate of Use under the Sale and Supply of Alcohol Act 2012	Business Support: Up to 2 hours	\$300.00	Business Support: Up to 2 hours	\$300.00
Sealing fee (for urgent applications for registrable instruments)		\$220.00		\$255.00 \$255.00
Certificate under Overseas	Processing: Up to 3 hours	\$660.00	Processing: Up to 3 hours	\$765.00 \$765.00

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
Investment Act 1973				
Cost of disbursements i.e. venue hire, photocopying, catering, postage, public notification		Actual cost		Actual cost
Independent consultants, advisors, specialists		Actual cost invoiced monthly		Actual cost invoiced monthly
Discharge or withdrawal of registrable instruments		Legal costs: Actual cost Officer's time: \$220.00 per hour		Legal costs: Actual cost Officer's time: \$25530.00 per hour
Processing request for removal of building line	Processing: Up to 1 hour	\$220.00 Additional time: \$220.00 per hour Disbursements: Actual cost	Processing: Up to 1 hour	\$25530.00 Additional time: \$25530.00 per hour Disbursements: Actual cost
Approval, variation or revocation of easements		Legal costs: Actual cost Officer's time: \$220.00 per hour		Legal costs: Actual cost Officer's time: \$25530.00 per hour
Bond preparation and/or release	Processing: 2 hours by	\$440.00 Additional	Processing: 2 hours	\$510460.00 Additional

Application type	2023-2024 Processing & Administration	2023-2024 Fee	2024-2025 Processing & Administration	2024-2025 Fee
	senior/team leader	time: \$220.00 per hour Disbursements: Actual cost		time: \$25530.00 per hour Disbursements: Actual cost

Environmental Sustainability Initiatives

Initiative	Processing & Inspections included	2023-2024 Fees	Processing & Inspections included	2024-2025 Fee
Eco Design Advisor home assessment & advice	2 hours	Free		Free
Advice on building to Home Star or PassiveHouse requirements	2 hours	\$1,500.00 Additional time: \$180.00 per hour		Free Additional time: \$180.00 per hour
Consents for: <ul style="list-style-type: none"> Domestic solar hot water heating panels Solar water heating systems Hot water heat pump systems Hot water systems, i.e. wetbacks associated with wood pellet stoves or low-emission wood burners 	First 5 hours processing 1 monitoring inspection	Free Additional time and inspections: standard charges for the category of consent will apply		Free Additional time and inspections: standard charges for the category of consent will apply

Initiative	Processing & Inspections included	2023-2024 Fees	Processing & Inspections included	2024-2025 Fee
All additional monitoring inspections		\$180.00 per hour		\$180.00 per hour

Resource consent terms and late payment

Initial and additional fees

Fees must be paid before applications are processed and work undertaken by Council. Further charges will be invoiced if additional time is spent processing requests and/or disbursements.

Terms of payment

Payment of additional fees is due by the 20th of the month following invoice processing.

Late payment will incur:

- an additional administrative fee (lesser than 10% of the overdue amount or \$300.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Building consents

Application Fees

Our application fees cover our initial administration and processing time and the specified number of inspections.

Our application fees include GST.

They don't include:

- additional administration, processing and inspection fees
- disbursement costs
- consultants' fees (at cost)
- the BRANZ levy (\$1 per \$1,000 for works valued at \$20,000 and over) SUBJECT TO CHANGE
- the Ministry of Business, Innovation and Employment levy (\$1.75 per \$1,000 for works valued at \$20,444,650,000 and over). ~~NOTE THESE ARE UNDER REVIEW BY MBIE CURRENTLY subject to change~~

- We'll let you know the details of these additional fees once the application process is complete.

Building consent fees list for the financial years 2022-2023 and 2023-2024

Hardcopy Consents

Your approved consents will be sent electronically unless you request a hardcopy.

Additional fees will apply in the following situations:

- Consent applications submitted in hardcopy
- Hardcopy issued of approved Minor Works Consent
- Hardcopy issued of approved Residential Consent
- Hardcopy issued of approved Commercial Consent

Building Consent Applications

Application Type	2023-2024 Processing & Inspections included	2023-2024 Fees	2024-2025 Processing & Inspections included	2024-2025 Fees
Pre-application meetings		Residential: \$195.00 per hour Commercial: \$220.00 per hour		Residential: \$230.00 per hour Commercial: \$250.00 per hour
Digital lodgement fee		\$50.00	Not charged for Free standing and inbuilt wood burners, minor works building consents, schedule 1 exemptions, extension of time requests and code compliance certificates applications	Residential: \$100.00 (below \$500,000 value of work) \$175.00 (incl and above \$500,000 value of work) Commercial: \$250.00 (below \$500,000)

Application Type	2023-2024 Processing & Inspections included	2023-2024 Fees	2024-2025 Processing & Inspections included	2024-2025 Fees
				value of work) \$500.00 (incl and above \$500,000 value of work)
Free standing and Inbuilt fire Fast Track - five days	up to 1 hour processing, 0.5 hours admin and 1 hour inspection time	Residential: \$465.00 Commercial: \$515.00	1.5 hours processing, 1 hour inspection time and 0.5 hour administration time	Residential \$657.50 Commercial \$707.50
Minor works (minor drainage)	up to 1.5 hours processing, 0.5 hours admin and 2 hours inspection time	Residential: \$757.50 Commercial: \$845.00	up to 2 hours processing, 0.5 hours admin and 2 hours inspection time	Residential \$1,002.50 Commercial \$1,082.50
< \$5000	up to 3 hours processing, 0.5 hours admin and 2 hours inspection time	Residential: \$1,050.00 Commercial: \$1,175.00	up to 3 hours processing, 0.5 hours admin and 2 hours inspection time	Residential \$1,232.5 Commercial \$1,332.5
To \$10,000	up to 5 hours processing, 0.5 hours admin and 2 hours inspection time	Residential: \$1,440.00 Commercial: \$1,615.00	up to 5 hours processing, 1 hour admin and 2 hours inspection time	Residential \$1,775.00 Commercial \$1,915.00

Application Type	2023-2024 Processing & Inspections included	2023-2024 Fees	2024-2025 Processing & Inspections included	2024-2025 Fees
To \$19,999	up to 5.5 hours processing, 1.5 hours admin and 3 hours inspection time	Residential: \$1,882.50 Commercial: \$2,095.00	up to 5.5 hours processing, 1.5 hours admin and 3 hours inspection time	Residential \$2,202.50 Commercial \$2,372.50
To \$50,000	up to 7 hours processing, 1.5 hours admin and 4 hours inspection time	Residential: \$2,370.00 Commercial: \$2,645.00	up to 7 hours processing, 1.5 hours admin and 4 hours inspection time	Residential \$2,777.50 Commercial \$2,997.50
To \$100,000	up to 8 hours processing, 1.5 hours admin and 5 hours inspection time	Residential: \$2,760.00 Commercial: \$3,085.00	Up to 8 hours processing, 1.5 hours admin and 5 hours inspection time	Residential \$3,237.50 Commercial \$3,437.50
To \$200,000	up to 10 hours processing, 1.5 hours admin and 6 hours inspection time	Residential: \$3,345.00 Commercial: \$3,745.00	Up to 10 hours processing, 1.5 hours admin and 6 hours inspection time	Residential \$3,927.50 Commercial \$4,247.50
To \$300,000	up to 11 hours processing, 1.5 hours admin and 7 hours inspection time	Residential: \$3,735.00 Commercial: \$4,185.00	Up to 11 hours processing, 1.5 hours admin and 7 hours inspection time	Residential \$4,387.50 Commercial \$4,747.50
To \$500,000	up to 12 hours processing, 2.5 hours admin and 8 hours	Residential: \$4,275.00 Commercial: \$4,775.00	Up to 12 hours processing, 2.5 hours admin and 8 hours inspection time	Residential \$5,012.50 Commercial \$5,412.50

Application Type	2023-2024 Processing & Inspections included	2023-2024 Fees	2024-2025 Processing & Inspections included	2024-2025 Fees
	inspection time			
To \$1,000,000	up to 16 hours processing, 2.5 hours admin and 8 hours inspection time	Residential: \$5,055.00 Commercial: \$5,665.00	up to 16 hours processing, 2.5 hours admin and 8 hours inspection time	Residential \$5,932.50 Commercial \$6,412.50
To \$2,000,000	up to 20 hours processing, 2.5 hours admin and 9 hours inspection time	Residential: \$6,030.00 Commercial: \$6,775.00	Up to 20 hours processing, 2.5 hours admin and 9 hours inspection time	Residential \$7,082.50 Commercial \$7,662.50
Over \$2,000,000	up to 22 hours processing, 3 hours admin and 10 hours inspection time	Residential: \$6,690.00 Commercial: \$7,415.00	Up to 22 hours processing, 3 hours admin and 10 hours inspection time	Residential \$7,855.00 Commercial \$8,495.00
Schedule 1 exemption - minor works including exemption for blown insulation	up to 1 hour processing and 1 hour admin	Residential: \$345.00 Additional time: \$195.00 per hour Commercial: \$370.00 Additional time: \$220.00 per hour	Up to 1 hour processing and 1 hour admin	Residential: \$395.00 Additional time: \$230.00 per hour Commercial: \$415.00 Additional time: \$250.00 per hour

Application Type	2023-2024 Processing & Inspections included	2023-2024 Fees	2024-2025 Processing & Inspections included	2024-2025 Fees
Schedule 1 exemption - all others	up to 4 hours processing and 1 hour admin	Residential: \$930.00 Additional time: \$195.00 per hour Commercial: \$1,030.00 Additional time: \$220.00 per hour	Up to 4 hours processing and 1 hour admin	Residential: \$1,085.00 Additional time: \$230.00 per hour Commercial: \$1,165.00 Additional time: \$250.00 per hour
Certificate for Public Use	up to 2 hours processing, 1 hour admin and 1 hour inspection time	Residential: \$735.00 Additional time: \$195.00 per hour Commercial \$810.00 Additional time: \$220.00 per hour	up to 2 hours processing, 1 hour admin and 1 hour inspection time	Residential: \$855.00 Additional time: \$230.00 per hour Commercial \$915.00 Additional time: \$250.00 per hour
Fast Track - processed within 10 working days (conditions apply - applications will be accepted on a case-by-case basis only)		Two times application fee Additional time: Residential: \$390.00 per hour Commercial: \$440.00 per hour		Two times application fee Additional time: Residential: \$460.00 per hour Commercial: \$500.00 per hour

Application Type	2023-2024 Processing & Inspections included	2023-2024 Fees	2024-2025 Processing & Inspections included	2024-2025 Fees
Extension of time		Residential: \$292.50 Commercial: \$330.00		Residential: \$460.00 Commercial: \$500.00
Notice to fix		Residential: \$195.00 Additional time: \$195.00 per hour Commercial: \$220.00 Additional time: \$220.00 per hour		Residential: \$230.00 Additional time: \$230.00 per hour Commercial: \$250.00 Additional time: \$250.00 per hour
Owner supplied information		\$195.00 per hour		\$230.00 per hour
PIM	up to 2 hours processing and 1 hour admin	Residential: \$540.00 Additional time: \$195.00 per hour Commercial: \$590.00 Additional time: \$220.00 per hour	up to 2 hours processing and 1 hour admin	Residential: \$625.00 Additional time: \$230.00 per hour Commercial: \$665.00 Additional time: \$250.00 per hour

Building Consent fee terms and late payment

Initial Fees and Additional Fees

Initial fees can be paid anytime from the invoice being received and must be paid before approved applications are issued by Council. The processing of your

application will continue when you receive the invoice. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of Payment

Payment of additional consenting, administration, disbursements and consultants' fees shall be paid before application is issued. Additional inspection fees shall be paid before Code Compliance Certificate is issued.

Late payment will incur:

- an additional administrative fee – lesser of 10% of the overdue amount or \$357.50
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Other Fees

Fee type	2023–2024 Fees	2024–2025 Fees
Restricted Building Work (for works \$20,000 and over)	\$97.50	\$115.00
BCA Accreditation Levy (for works \$20,000 and over)	Residential: \$55.00 Commercial: \$75.00	Residential: \$65.00 Commercial: \$80.00
Code Compliance Certificate (Application Fee for all building work included in an issued building consent)	Residential: \$195.00 Commercial: \$220.00	Residential: \$510 (includes 1.5 hours of processing, 1 hour of administration) Additional time: \$230 per hour Commercial: \$1,040 (includes 3.5 hours of processing, 1 hour of administration) Additional time: \$250 per hour
All additional processing and admin (per hour) – except where a different rate is listed	Admin only: \$150.00 Residential: \$195.00 Commercial: \$220.00	Admin only: \$165.00 Residential: \$230.00 Commercial: \$250.00
Building inspections – minimum charge of 1 hour per inspection	Residential: \$195.00 Commercial: \$220.00	Residential: \$230.00

Fee type	2023-2024 Fees	2024-2025 Fees
		Additional time: \$230 per hour Commercial: \$250.00 Additional time: \$250 per hour
Amendment to building consent including B2 durability modification	Residential: \$540.00 (includes 2 hours processing and 1 hour admin) Additional time: \$195.00 per hour Commercial: \$590.00 (includes 2 hours processing and 1 hour admin) Additional time: \$220.00 per hour	Residential: \$625 (includes 2 hours processing and 1 hour admin) Additional time: \$230.00 per hour Commercial: \$665 (includes 2 hours processing and 1 hour admin) Additional time: \$250.00 per hour
Section 72 - building on land subject to natural hazards	Residential: actual cost Commercial: actual cost (Processing time covered in initial fee)	Residential: actual cost Commercial: actual cost (Processing time covered in initial fee)
Section 75 - building on two or more allotments	Residential: actual cost Commercial: actual cost (Processing time covered in initial fee)	Residential: actual cost Commercial: actual cost (Processing time covered in initial fee)
Structural checking fee	Actual cost	Actual cost

Certificate of Acceptance (COA)

Value of works	2023-2024 Fees	2024-2025 Fees
Works under \$100,000	\$1,200.00 + normal building consent fee + levies for MBIE	\$1,300.00 and normal building consent fee

Value of works	2023-2024 Fees	2024-2025 Fees
	Additional time: Residential: \$195.00 per hour Commercial: \$220.00 per hour Additional processing time will be charged at the end of the process	and any levies required e.g. For MBIE Additional time: Residential: \$230.00 per hour Commercial: \$250.00 per hour Additional processing time will be charged at the end of the process
Works \$100,000 and over	\$3,500.00 + normal building consent fee + levies for MBIE Additional time: Residential: \$195.00 per hour Commercial: \$220.00 per hour Additional processing time will be charged at the end of the process	\$3,800.00 and normal building consent fee and any levies required e.g. For MBIE Additional time: Residential: \$230.00 per hour Commercial: \$250.00 per hour Additional processing time will be charged at the end of the process

Compliance Schedule (CS) & Building Warrant of Fitness (BWOFF)

Fee type	2023-24 Processing included	2023-2024 Fees	2024-25 Processing included	2024-2025 Fees
BWOFF Registration: 1-2 specified systems	0.5 hours	\$97.50	0.5 hours	\$115.00
BWOFF Registration: 3-8 specified systems	1 hour	\$195.00	1 hour	\$250.00
BWOFF Registration: 9 or more specified systems	1.5 hours	\$292.50	2 hours	\$500.00
BWOFF/CS audit		\$195.00 per hour		\$250.00 per hour

Fee type	2023-24 Processing included	2023-2024 Fees	2024-25 Processing included	2024-2025 Fees
New CS or Amendment to CS	1 hour	\$220.00 Additional time: \$220.00 per hour		\$250.00 per hour
Notice to fix	1 hour	\$195.00		\$230.00 per hour residential \$250.00 per hour commercial
Residential cable car	0.5 hours	\$97.50		\$115 per hour
Additional time - except where a different rate is listed		\$195.00 per hour		\$250.00 per hour

Building Warrant of Fitness fee terms

Registration fees must be paid between the Building Warrant of Fitness renewal date and the 20th of the following month.

Late Payments

If payment is not received by the 20th of the month following the renewal date of your Building Warrant of Fitness, the following will apply:

- an additional administrative fee - lesser of 10% of the overdue amount or \$357.50
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Building Warrant of Fitness Inspection fee terms

Terms of payment

Payment to be made before the 20th of the following month.

Late payment

If payment is not received by the 20th of the month following, the following will apply:

- an additional administrative fee - lesser of 10% of the overdue amount or \$357.50
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Earthquake Prone Buildings

06 May 2024

Report no: LTPAP2024/2/113

Development and Financial Contributions Policy 2024 Update

Purpose of Report

1. The purpose of this report is to seek direction from Council and progress decisions on the development and financial contributions policy 2024 following the public consultation process and ahead of the Long Term Plan 2024-34 being finalised in June 2024.

Recommendations

That the Subcommittee recommends that Council:

- (1) notes the separate report which provides the results and analysis of the public consultation and related feedback;
- (2) considers the proposed options for development contribution charges as detailed in the report (including Table 1 and Table 3) and provides direction to officers in the preparation of the final Development and financial contributions policy 2024;
- (3) considers a remission for Community Housing Providers as detailed in Section D and provides direction to officers; and
- (4) considers any further direction and guidance to be provided to officers ahead of preparation of the final Long Term Plan 2024-2034 to be presented to the Long Term Plan/ Annual Plan Subcommittee 4 June 2024.

Acronyms

DCP – Development Contributions Policy

DLTP – Draft Long Term Plan 2024-2034

LTP – Final Long Term Plan 2024-2034

LTP21 – Long Term Plan 2021-2031

RFP - Revenue and Financing Policy.

LGA – Local Government Act 2002

EHU - Equivalent Household Unit

IAF – Infrastructure Acceleration Fund

WWL – Wellington Water Limited

Section A - Executive summary

2. Council progressed a formal public consultation for the DLTP, which included the draft DCP 2024. This took place from 2 April to 3 May 2024. Feedback and results of the consultation are contained in a separate report.
3. Since Council adopted the draft DCP 2024 for consultation, officers have been working through a review process to consider any updates and changes required to the capital programme, growth assumptions and development contributions revenue.
4. There has also been ongoing engagement and feedback on the draft DCP 2024. Concern has been expressed by developers about the proposed development contribution charges. As a result of this feedback, further options and advice are being presented for consideration by Council (refer to Tables 1 and 3). The report provides information on the latest financial modelling and projections for the charges and revenue for the LTP based on the above (refer to Table 4).
5. A proposed partial remission of development contributions for registered Community Housing Providers is also presented in this report for consideration by Council (refer to Section D).
6. Following direction and decisions by the Subcommittee at this meeting, officers will be preparing the final DCP 2024 and LTP decision reports for 4 June 2024. The final Long Term Plan 2024-2034 will be presented to Council on 27 June 2024 for adoption.

Section B - Feedback around delays due to volumes

7. There has been concern expressed that the huge volume of consents lodged pre 1 July 2024 would result in delays and increased costs for developers.
8. Officers expect that there will be an influx of resource applications submitted prior to 1 July 2024, when any increase in development contributions will take effect. However, it is unknown what level of applications are likely to be submitted at this stage. It is acknowledged that the market conditions are different from when changes were made to DCs in 2021, but it is nevertheless expected that there will still be an influx of resource consent applications submitted prior to July 2024. This is anticipated to have some negative impact on resource consent processing times and a need to use additional consultant resource to manage the increased workload.
9. To mitigate this risk as far as possible, the Resource Consents team has been preparing for these changes and carrying out the following actions:
 - a) communications with the development community through the Customer Advisory Group (CAG) and the development industry newsletter (Kohanga) to raise awareness of the changes.

- b) targeted consultation with regular resource consent customers with key messaging that incomplete applications will not be accepted, and that applications should be submitted as early as possible to avoid the risk of incomplete applications being rejected.
 - c) conversations with the Development Engineering team, Wellington Water, and external consultants to ensure the necessary resourcing and expertise are in place to support the increased workload.
10. It is also noted that a number of process improvements have been implemented across Council's consenting teams and that processing timeframes have been steadily improving over the last 12 months. In addition, there is now more internal resource in the resource consents and development engineering teams compared to 2021.
11. Overall, it is considered that Council is better placed now compared to when the last set of DC policy changes were made in 2021 in relation to managing the increased workload that is expected.

Section C - Feedback on proposed higher charges to be implemented from 1 July 2024

12. Through the LTP consultation, concern has been expressed by developers around the high development contributions charges being proposed in the DC policy for consultation. Refer to Appendix 1 for further details of Faisander group et al submission.
13. A further review of the projects, growth costs and policy remission mechanisms has been carried out. As a result of this, officers have prepared further options and advice for Council to consider.
14. The options developed are based on:
- a) project review: WWL team was asked to review the projects and growth assumptions and update their advice for any new information or changes. This includes a revision of IAF projects growth cost allocation.
 - b) project review: removal of RiverLink, and Subdivision transport improvement projects from the policy schedule due to uncertainties around these projects and timing.
 - c) Option 1: (a) and (b) above plus charges phased as per the proposal included in the developer letter from Faisander group et al for the Valley floor catchment.
 - d) Option 2: (a) and (b) above plus 1/3 of the proposed increase charged in year one, 2/3 in year 2 and full charge in year 3 – midway option between what developers are proposing and full charge. This is for the Valley floor catchment.
 - e) Option 3: (a) and (b) above plus 20% reduction of charges in year 1 in the Valley floor catchment.
15. These options and the resulting impact on charges as well as revenue are detailed below.

Project changes

16. The proposed project changes are summarised in Table 1. These are expected to reduce revenue from development contributions by approximately \$2.3m in 2024-25 (\$21.3m over 10 years). At the time of issuing this report, WWL had completed their review of project costs and growth assumptions.

Table 1 – Proposed project changes for final Development Contributions Policy

Project	Change	Reason	Catchments affected	Impact on charge per EHU (GST inc)	Est revenue loss years 1-10 (GST exc)
IAF stormwater project	Reduce % attributed to growth from 27% to 18%	27% highest end able to be attributable to growth. Higher risk of successful challenge. 18% more defensible and in line with what was submitted with IAF application. Project costs included in DC model were already inflated.	Valley Floor	-\$3,587	-\$6.9m
IAF Wastewater project	De-inflate project costs within DC model	Project costs included in DC model were already inflated.	Valley Floor	-\$466	-\$0.9m
RiverLink related projects (Eastern Access route, Promenade and Streetscape improvements, and foot bridge)	Remove RiverLink related projects from DC calculations	There is some uncertainty about the scope of these works and final construction plans are yet to be determined. Funding from Waka Kotahi is yet to be confirmed and may alter the work programme. Charging development contributions for these projects could be delayed until the	City Wide	-\$529	-\$1.9m

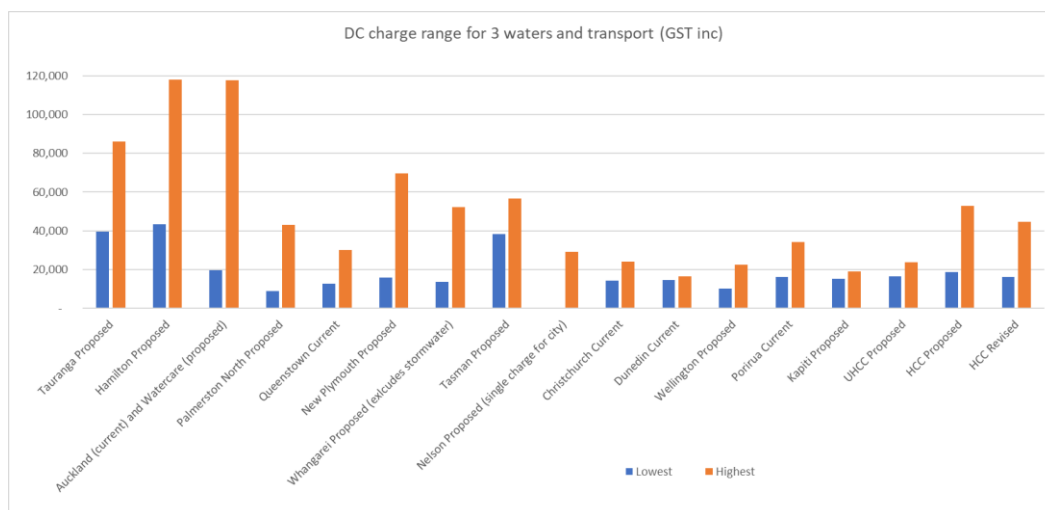
Project	Change	Reason	Catchments affected	Impact on charge per EHU (GST inc)	Est revenue loss years 1-10 (GST exc)
		next review of the DC Policy.			
Subdivision Road improvement	Remove from DC calculations	There is uncertainty of funding from Waka Kotahi on these works. It is recommended that the DC charges for this are paused until the next DC policy review when there will be better certainty of the funding and also scope of the works.	City Wide	-\$2,065	-\$7.5m
Eastern Reservoir	Change costs included in model for project	Cost coding error - pipeline costs included. Both changes together lower the charges.	Valley Floor	+\$2,676	\$6m (i.e. increase in revenue)
Eastern Reservoir Pipeline	Change costs included in model for project	Cost coding error - reservoir costs included. Both changes together lower the charges.	Valley Floor	-\$3,722	-\$9.6m
Black Creek	Reduce project cost from \$25.5m to \$17.4m and increase percentage attributed to growth from 30% to 37%	Wellington Water have recommended including only part of Black Creek Project in DC 181 calculation and have provided updated % for growth as a result.	Wainuiomata	-\$758	-\$0.5m

17. The impact of these changes on the proposed development contributions charges are outlined below (GST inclusive).

Table 2 – Updated charges following proposed project changes

	Eastbourne	Stokes Valley	Valley Floor	Wainuiomata	Western Hills	Rural
Charges per 2021 DCP	\$7,802	\$6,954	\$14,779	\$26,000	\$8,257	\$2,497
Charges in draft 2024 DCP	\$19,736	\$18,608	\$53,003	\$41,955	\$19,233	\$5,275
Base revised charges (post projects review)	\$17,142	\$16,014	\$44,752	\$38,603	\$16,639	\$2,681
Revised charges year 1 - Option 1	\$17,142	\$16,014	\$17,343	\$38,603	\$16,639	\$2,681
Revised charges year 1 -option 2	\$17,142	\$16,014	\$26,470	\$38,603	\$16,639	\$2,681
Revised charges year 1 - option 3 (Recommended)	\$17,142	\$16,014	\$35,802	\$38,603	\$16,639	\$2,681

18. In the graph below, Hutt City Council's (HCC) development contributions per the draft DCP for three waters and transport are compared to several other Council charges.
19. 11 councils (including HCC) in the sample have proposed new charges, as has Watercare. Together with Auckland's current transport charges, the average of the highest proposed DC charges is approximately \$53k (GST inc.), and the average of the lowest proposed charges is approximately \$21k (GST inc.).
20. Several of the Council's that have not proposed changes to their charges alongside their LTPs have indicated that they will be doing so later this year.



Valley Floor transition options

21. Submitters have argued that transitioning to the new charges is needed. They consider that the new charges will stall most new developments, at least in the short term and argue a transition reduces these risks and:
 - recognises the current economic climate and enables higher charges to come in as conditions recover.
 - provides time for the developers to assess new development proposals with these charges in place.
 - reduces the likelihood of an influx of consents by 1 July 2024 overwhelming HCC's ability to process consents.
22. Officers acknowledge that the combination of increased costs for building and construction, higher interest rates, together with reduced house and section values appears to be affecting the current feasibility of some developments in Hutt City. The Valley Floor charges in the draft DCP increased by approximately \$36,000 (GST inc), and the other catchments by approximately \$10,000 - \$13,000 (GST inc).
23. Three options have been outlined below for consideration should the Council be interested in transitioning to the new development contribution charges for the Valley Floor catchment. The fourth option is to not transition the new charges. The Valley floor is the focus of this options assessment as the proposed increase, and charges, are the highest for this catchment.
24. The charges used as a starting point in this assessment are assumed to be the revised changes outlined above (ie after accounting for the specified project changes). That means the starting point for the Valley Floor charges has fallen from \$53,003 to \$44,752 (GST inc) - a reduction of \$8,251 per EHU.
25. The revenue loss estimates assume that development levels would not be materially affected (reduced) by higher proposed charges. This may not be realistic in the short term, so the actual foregone revenue may be lower. Longer term, officers consider the market is likely to return to long run development levels even with the new charges. The revenue losses would need to be funded from additional debt, paid for by rates over time.

26. Officers recommend option 3. This provides some recognition of the current economic environment and increases the charge when most economic commentators suggest the economy will start to recover. Together with the reduction in charges brought about by project changes means developers will face significant lower charges on the Valley Floor that the draft DCP proposes.
27. Officers strongly advise against option 1, as requested by some submitters. This significantly delays in the introduction of the new charges, resulting in a significant transfer of costs to ratepayers. It would be over 4.5 years before the full charges are in place, which seems overly long given economic recovery forecasts.

Table 3 - Valley floor catchment options for transitioning to new development contributions charges

Description	Charges per HUE (incl. GST)	Approximate DC revenue loss \$m (excl. inflation)	Pros	Cons
Option 1: As suggested by developer group				
<ul style="list-style-type: none"> Retain current charges for 18 months 25% of increase from 20 Dec 2025 50% of increase from 20 Dec 2026 75% of increase from 20 Dec 2027 100% of new charges from 20 Dec 2028 	1 July 2024: \$17,343 20 Dec 2025: \$24,195 20 Dec 2026: \$31,048 20 Dec 2027: \$37,900 20 Dec 2028: \$44,752	24/25: \$2.1m 25/26: \$2.6m 26/27: \$2.1m 27/28 \$1.3m 28/29: \$0.5m Total: \$8.6m	<ul style="list-style-type: none"> Strongest recognition of current economic conditions and scale of increase proposed. Keeps cost of development in valley floor lower for a significant period, helping the feasibility of development generally, and specifically in the IAF area 	<ul style="list-style-type: none"> Significant departure from growth pays for growth cost philosophy for over 4 years Significant rates impact May impact IAF agreement to recover growth costs from development Distorts price signals to market – esp. cost of developing in Valley Floor Vs Wainuiomata May have longer term impact on revenue Makes policy more complicated

Description	Charges per HUE (incl. GST)	Approximate DC revenue loss \$m (excl. inflation)	Pros	Cons
Option 2: Transition over 3 years				
<ul style="list-style-type: none"> 1/3 of increase from 1 July 2024 2/3 of increase from 1 July 2025 Full charges from 1 July 2026 	1 July 2024: \$26,470 1 July 2025: \$35,598 1 July 2026: 44,752	24/25: \$1.4m 25/26: \$1m Total: \$2.4m	<ul style="list-style-type: none"> Some recognition of current economic conditions and scale of increase proposed. Keeps cost of development in valley floor lower for 2 years. 	<ul style="list-style-type: none"> Departure from growth pays for growth costs philosophy for 2 years Significant rates impact May impact IAF agreement to recover growth costs from development Short term distortion of price signals to market – esp cost of developing in Valley Floor Vs Wainuiomata * Makes policy more complicated
Option 3: One year reduction of 20%				
<ul style="list-style-type: none"> One year reduction of 20% Full charges from 1 July 2025 	1 July 2024: \$35,802 1 July 2025: \$44,752	24/25: \$0.7m Total: \$0.7m	<ul style="list-style-type: none"> Some recognition of current economic conditions and scale of increase proposed. Departure from growth pays for growth costs philosophy is moderate and short term Small impact on rates compared to options 1 and 2 	<ul style="list-style-type: none"> Moderate impact on rates Risk that higher charges in current economic conditions will materially reduce development undertaken in the short term
Option 4: No transition, introduce new charges from 1 July 2024				

Description	Charges per HUE (incl. GST)	Approximate DC revenue loss \$m (excl. inflation)	Pros	Cons
<ul style="list-style-type: none"> No transition - introduce new charges from 1 July 2024 	1 July 2024: \$44,752	\$0	<ul style="list-style-type: none"> Maintains full integrity of growth for growth philosophy No cost to rates 	<ul style="list-style-type: none"> Will likely lead to an influx of consents in June No recognition of current economic conditions and scale of increase proposed. Risk that higher charges in current economic conditions will materially reduce development undertaken in the short term

Section D - Remissions for Community housing providers

28. There have been specific remission queries from Community housing providers (CHPs). A high level comparison has been done to other councils across the country and has found:
29. The majority of sampled councils did not have any policy provisions supporting social or community housing (11 out of 16 considered). None of the Councils in the Wellington region had social or community housing remissions or discounts in their DC policies (although they may provide support in other ways).
30. Of the five Councils that did provide support through their DC policies (or related policies noted in their DC policies):
- all required registration as a community housing provider to be eligible.
 - three provided complete remissions/rebates (Tasman, Nelson and Christchurch).
 - two provided some discretion about the level of remission / grant (Hamilton, Tauranga)
31. Tauranga and Christchurch established related policies and funds to cover the cost, and refers to them as grants and rebates respectively, rather than as remissions. See <https://www.tauranga.govt.nz/community/grants-and-funding/grant-for-dcs-on-community-housing>. And <https://ccc.govt.nz/consents-and-licences/development-contributions/development-contributions-rebate-schemes>.

32. Christchurch requires a restrictive covenant in favour of the Council on the property title to pay back rebate if the property is no longer used for social or community housing (claw back).
33. Officers recommended an approach as follows:
- a) *A standard DC remission of 40% will apply to registered CHPs.*
 - b) *Further DC remission of up to 60% subject to the below:*

Hutt City Council has economic, environmental, cultural and social wellbeing goals for its people and place. These are included in a number of plans and policies including our Climate Action Plans, Procurement Strategy and Waste Management and Minimisation and Bylaw 2021. Council invites registered CHPs who want to build in our city and who are seeking a remission (of up to 60%), where it is needed to make a build viable, to consider the ways in which they could contribute to our wider goals and purpose of a city that thrives. Examples of information to be provided include but are not limited to:

 - i. utilising electricity, or renewable sources of energy for space heating, water heating and cooking facilities;*
 - ii. Council wants to significantly reduce waste going to landfill. As such, the development could demonstrate a significant reduction in construction and/or demolition waste (see the waste minimisation plan requirement in the HCC Waste Management and Minimisation Bylaw 2021);*
 - iii. the application of agreed building quality standards including Homestar 6 across all developments (or similar/higher standard) or Passive house;*
 - iv. achieving wider outcomes by using local labour and committing to education and training opportunities and further career development opportunities for their workforce.*
 - c) *CHPs receiving a remission must agree to a restrictive covenant in favour of the Council being placed on the property title to pay back the remission (plus interest costs) if the property is no longer used for social or community housing (claw back).*
34. Officers consider that any shortfall in funding based on any remissions, rebate or grant scheme would be funded through higher debt levels. Officers favour full transparency in any such scheme with these costs being funded from a specific account for this purpose.
35. It is difficult to estimate what this cost and debt impact would be as it depends on the nature of the scheme, and how many developments would be eligible each year. However, to give some guidance, a \$500,000 fund per annum could be established initially. This would be funded from debt, given the associated development contributions revenue impacts debt levels.
36. There is a lot of uncertainty as to the uptake of this policy. Further review of this policy could be undertaken through the Annual Plan 2025/26 to better understand the impacts and consider whether any further amendments to the policy be considered.

Section E - Reduction in demand due to infrastructure put in place by developers

37. Several developers have argued that they should pay less because they must install either wastewater pump stations or stormwater detention on their development sites, which add costs to development. These devices smooth the demand placed in the respective reticulation networks by discharging less during peak times. However, they do not materially affect overall discharge volumes from individual properties and are required by nearly all new developments in Hutt City. Their use is considered by Wellington Water when planning their upgrade programme. Their use does not reduce the need for these works, or their scope. Consequently, a reduction or discount for their use would fundamentally undermine the funding of Council's growth projects.
38. It is also important to note that the most significant individual element of the wastewater charges for most of the city relates to Seaview Wastewater Treatment Plant Capacity upgrades. These make up nearly 80% of the district wide wastewater charges. These upgrades are based on overall daily loads and the wastewater pump stations required by new developments do not reduce daily loads, only diurnal (morning and afternoon peak) loads.
39. In the case of stormwater, discharge from a property is also not the only relevant benefit bestowed by Council stormwater upgrade works. Properties also receive flood protection, and occupiers can move unimpeded around the city during most storms.
40. For these reasons, officers do not recommend providing discounts because developments must install detention or pump stations to service their development.
41. The current and draft DCP does have provisions that provide for special assessments to be made when a development is expected to give materially less demand for a particular service than is anticipated in the policy. For example, a commercial building is expected to use 50% less water because all devices are water saving and grey water is reused. This provides a fair basis for assessing those developments that materially generate less demand on a network.

Section F - Next steps

42. Following direction and recommendations by the Subcommittee at this meeting, officers will be preparing the final Development contributions policy 2024 for 4 June 2024.

Section E - Climate Change Impact and Considerations

43. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
44. Development Contributions have no direct bearing on Council's or city's emissions or natural environment. It does, however, help provide infrastructure support via funding for growth in the city, which puts pressure on existing systems such as transport, increasing congestion. However, Council is obligated to meet expected growth under the National Policy Statement on Urban Development.

Section F - Consultation

45. Results of the consultation process are reported separately.

Section G - Legal Considerations

46. The most relevant legislation includes the Local Government Act 2002, Local Government (Rating) Act 2002 and the Rating Valuations Act 1998. The LTP has been prepared to meet the legislative requirements.
47. The draft DCP 2024 was reviewed by an external legal specialist.

Section H - Financial Considerations

48. A full list of projects and programmes proposed to be funded by development contributions is included in Schedule 1 of the draft 2024 DCP (appendix 1). Please note that some of these have changes as discussed earlier in the report.
49. Development contributions currently generate \$3M to \$4M in revenue per annum, with the majority of this revenue associated with three waters. The revised charges will generate significantly more revenue in the future, assuming growth increases as forecast, ranging between \$10-\$12M per annum on average. It will take several years to rise to the higher end of this range because the current charges apply to any developments that have submitted a compliant application before 1 July 2024. The additional revenue from development contributions will result in reduced debt incurred by Council to fund growth related capital expenditure.
50. The revenue impacts of the revised charges and options are presented below in Table 4. The draft LTP included a DC revenue projection of \$146M over 10 years, whilst the revisions proposed in the report, and assuming option 3 is selected, would result in a projected revenue reduction of about \$22M to \$124M. Debt levels would be increased by the equivalent amount and would require adjustments to rates increases from about 2026-27 to offset this loss of revenue. The broader report on the agenda entitled "LTP - Financial aspects" provides further details on rates increases related to changes in debt levels.

Table 4 – revised Development contributions revenue projections

	2024-25	2025-26	2026-27	2027-28	2028-34	10 year total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021 DCP	2,542	3,231	3,958	4,389	31,311	45,430
Draft 2024 DCP	9,222	11,795	13,440	14,101	96,966	145,524
Base revised 2024 DCP (post projects review)	6,849	10,268	11,723	12,218	83,193	124,250
Revised 2024 DCP - Option 1	4,704	7,632	9,532	10,774	82,667	115,309
Revised 2024 DCP - option 2	5,418	9,261	11,723	12,218	83,193	121,813
Revised 2024 DCP - option 3 (Recommended)	6,148	10,268	11,723	12,218	83,193	123,550

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Author: Deepu Nunnian
Manager Financial Strategy and Planning

Author: Dwayne Fletcher
External Author

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Reviewed By: Jarred Griffiths
Director Strategy and Engagement

Approved By: Jo Miller
Chief Executive

Report no: LTPAP2024/2/114

Petone Wharf update

Purpose of Report

1. To update the Subcommittee on Petone Wharf options for the Long Term Plan (LTP) 2024/34.

Recommendations

That the Subcommittee recommends that Council:

- (1) notes the additional information provided in this report including costings provided by Rockbond;
- (2) considers the five options presented for progressing a Long-Term Plan decision on Petone Wharf; and
- (3) decides which option and budget to progress to the final Long Term Plan 2024/34.

Background

2. The draft LTP includes two options for the future of key Petone assets, both of which propose demolishing Petone Wharf.
3. Previously Council has budgeted \$23.9M for full refurbishment of the wharf in the 2023/24 Annual Plan. In the 2024/25 Annual Plan, the project was pushed out 2029/30 to help manage financial pressures.
4. In preparation for the LTP 2024/34 officers were directed to undertake work with the community to consider more affordable options. In September 2023 as part of the Pito One Project, a local firm Morden estimated that refurbishment of 150 metres of the shoreward/approach wharf in heritage materials would cost an estimated \$21M, and in modern materials \$19M.
5. While the wharf is a landmark structure and has been enjoyed by the community for many years, Council was of the view that, given current financial pressures, including the need to plug a \$35.9M shortfall for built and green assets in the draft LTP, refurbishing the wharf was not affordable. Its preference was to prioritise funding in other key Petone and city assets - a new resilient, multi-purpose facility on the current library site and earthquake strengthening and refurbishment of part of the Petone Recreation Grandstand.

6. In making this decision Council considered:
 - a) the significant short term and ongoing cost of maintaining the wharf;
 - b) the low amenity value of the wharf;
 - c) the fact that the wharf would remain a vulnerable structure;
 - d) the complexity and risks of the projects including:
 - experience from similar projects where the full extent of work required is not known until rebuild or removal was underway;
 - that replacing piles had the potential to become a significant and difficult issue from consent and cost perspectives, and;
 - that a significant risk remained until a resource consent for rebuild or removal was approved, and the consent conditions were known.
7. On 1 February 2024 the Mayor and officers received a presentation from the Save Petone Wharf (SPW Group) group who oppose demolition and proposed an alternate plan of using the budgeted \$6M for a programme of maintenance and repair over several years to re-open the wharf.
8. The SPW Group advised they had been working with local company Rockbond who had advised the group that 'for an estimated \$5-6M the entire wharf could be opened and would be safe for pedestrian use. This includes the remediation of all piles that require the PileMedic technology to bring them back up to or greater than their original strength. It also includes repair or replacement of other members in the wharf structure that have deteriorated, such as cross braces and longitudinal stringer beams.' The group advised that Rockbond 'guaranteed that they can complete the work required to bring the wharf up to safe strength within this estimate'.
9. On 20 February 2024 the Long Term Plan/ Annual Plan Subcommittee received a presentation from the SPW Group and had the opportunity to ask questions. Later that day the Chief Executive and officers met with Jeremy Lough and Kingsley Holt from Rockbond who provided further information on their proposed approach to the wharf. They advised that detailed costing was yet to be carried out. Officers provided more detail and discussed some of the challenges. The meeting ended with an agreement that Rockbond would undertake detailed costings for their proposal and, at the request of officers, would also provide costings for a full refurbishment of the wharf, using the proposed technology.
10. Following the meeting officers sent Rockbond further information to help inform their costings. A proposal was received from Rockbond on 6 May 2024.

11. Council would not usually publicly release this sort of document. However, given the high level of public interest officers asked Rockbond to consider whether they would be comfortable with the document being made publicly available. Rockbond have asked that it not be made publicly available due to commercial sensitivity.

12. The proposal outlines two options - one to 'get the Wharf strengthened to the point it is safe to open for public use' and one to 'get the complete wharf strengthened to a 25+ Year design Life'. The proposal suggests the project could be carried out in two phases over a five-year period, so if progressed both would be budgeted for in the LTP 2024- 2034. No costings for a full refurbishment were provided, which means further work may also be required over the next ten years as the asset ages and deteriorates.

13. The Rockbond options are summarised below:

1. Cost (approx.) to get the wharf strengthened to the point it is safe to open for public use	\$5,550,000
2. Cost (approx.) to get the complete wharf strengthened to a 25+ Year design Life	\$8,974,000

14. The Subcommittee should note:
 - a) prices do not include GST;
 - b) these are 'initial proposal' costings based on the current visual state of the wharf and estimates are subject to an initial engineering/dive report;
 - c) a 15% contingency has been included. Council's current approach is to carry out an additional Quantitative Risk Assessment (QRA) and given the risks involved in this project that would likely be set at P95 and would add an estimated additional 20% to both costings.
 - d) cost for resource consent has not been included as Rockbond are of the understanding that this would not be required. Previous estimates for refurbishment provided to Council have included up to \$1M for this and it had been expected to take up to 12 months. Given recent experience with Point Howard wharf, officers are of the view that resource consent is likely to be required.
 - e) the estimates do not provide for the need to dispose of asbestos or hazardous or contaminated piles or other waste.
 - f) the estimates do not include replacement of the deck. The proposal notes that the top side of the deck, including the concrete slab on the Head (apart from selected repairs) is 'largely in good condition, with many years of life'. However, this would need to be replaced at some stage, possibly also within the term of the 2024/34 LTP.

15. The Rockbond proposal is considerably less detailed than other proposals received on the wharf project in recent years, no doubt in part due to the limited time available. If elected members decide to progress one of these options officers recommend increasing budget to include resource consent and QRA costs. Rockbond Option 2 would then require a budget of \$12M. The Resource Consent could then require further elements which may need to be budgeted for. Additional budget would also need to be provided in the LTP 2024-2034 for appropriate maintenance and ongoing proactive and reactive repair and renewals. These cannot be quantified based on current information available.
16. On 22 April 2024 officers were contacted by GK Shaw who advised they would make a submission on Petone Wharf for the LTP and requesting a meeting. They have done maintenance work on Hutt City Council wharves since the 1990s and rebuilt Rona Bay wharf in 2018. They were also keen to discuss other ideas on how the wharf can be re-opened. Officers met with GK Shaw on 2 May 2024 and provided the same information that had been provided to Rockbond.
17. At the meeting Francis O'Riley from GK Shaw advised that, based on similar work it has recently undertaken, total refurbishment of the wharf would likely be in the region of \$24M which is in line with previous estimates from other providers. Mr O'Riley said that if a more affordable option was being sought, Council could reduce the overall area of the wharf to reduce refurbishment costs and/or take an incremental approach to the refurbishment by phasing work over a five to 10 year period.
18. Mr O'Riley confirmed that the figure would likely be the same over that period (ie \$24M plus interest) but that the smaller scope of works annually might prove more affordable. Should Council elect this option the wharf would be opened incrementally as repair work was completed. Risk and liability relating to the phased replacement, rather than a one-off approach, would need to be agreed between the parties.
19. During the consultation period officers have also been contacted by another company involved in previous work on the city's wharves raising concerns that there is a perception Council is considering a proposal without a formal procurement process with Rockbond. Officers have given the assurance that should Council change its decision and decide to partially repair or rebuild the wharf, there will be a fair tender process in line with our Procurement Policy.

Discussion

20. Rockbond proposes using Pile Medic technology which was presented to elected members in February. To date Council's wharves have been strengthened and repaired using traditional FRP (Fiber Reinforced Polymer) jacket methodology. Both methodologies serve the same purpose of strengthening and repairing damaged piles but use different techniques and materials.

21. The cost and efficiency of each method can vary depending on factors including the size and location of the pile and the extent of the damage. As an estimate for a full refurbishment using Pile Medic technology has not been provided officers are unable to make a 'like for like' comparison on full refurbishment costs. There are mixed views in the industry on whether Pile Medic technology is the most appropriate approach for this project and the local environment.
22. The key difference between the Rockbond proposal and previous options considered by Council is that it proposes an incremental repair rather than a complete refurbishment of the asset.
23. Guided by Council's Asset Management Policy, elected members need to consider the whole of life costs in determining whether an asset still represents good value for money.
24. The table below outlines the pros and cons of taking an incremental approach:

Pros	Cons
<p>Incremental repairs involve lower upfront costs compared to full or partial refurbishment and costs and risk can be spread over a longer period.</p> <p>Incremental repairs could see sections of the wharf re-opened more quickly than a full or partial refurbishment and it may be possible to open the wharf while smaller works are still underway.</p> <p>In this case, the incremental repairs approach would see the asset saved from demolition.</p>	<p>While individual repairs may be affordable in the short term, the cumulative cost of multiple repairs over time may potentially exceed the cost of a one-off refurbishment.</p> <p>Relying solely on incremental repairs may lead to neglect of underlying issues, resulting in more significant problems down the line.</p> <p>Over time, the asset will deteriorate if only incremental repairs are performed, potentially becoming unsafe and/or unsightly, affecting its appearance and appeal. Council would need to understand its potential liability in a phased approach and insure appropriately for accidental collapse, storm damage or other unforeseen circumstances.</p> <p>Extending a project over a long time period (5-10) years would expose Council to a number of risks including the risk of the company leading the work disbanding and the risk of greater issues being discovered when there has already been significant sunk cost.</p> <p>Incremental repairs could lead to regular closures of the wharf for planned and reactive work.</p>

25. Five options are presented for consideration by Council in Appendix 1.
26. Should Council agree to progress a repair or partial refurbishment of the wharf, officers recommend an independent report is produced to consider the merits of different approaches and the risks involved. This would also provide more certainty around budget required over the lifetime of the asset both for incremental repair and for ongoing maintenance and renewals. This would need to be considered in the 2025/26 Annual Plan.
27. While the Options presented in Appendix 1 include all three Petone assets presented in the Draft LTP consultation options, elected members have the option to separate these out and consider investment in the library building and/or grandstand individually.

Climate Change Impact and Considerations

28. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
29. Currently sea level is rising at about 3mm per year in the Wellington region and this is expected to accelerate in the near future due to climate change. Petone is particularly vulnerable as the land there is also sinking. Petone is expected to be impacted by coastal inundation and flooding from extreme weather events in the future.
30. Because of this, Council needs to consider investment in the community beyond just the renewal of existing assets, looking at the likely impact of climate change and how this will affect community needs.

Consultation

31. Council has consulted on two options as part of the Draft LTP 2024/25.

Legal Considerations

32. There are no legal considerations to consider. Councillors should note some uncertainty around whether resource consent is required for each option.

Financial Considerations

33. The financial impact of the capital investment options is summarised below, this does not include any impact of operating costs needed to maintain the assets.

	<u>AP</u> <u>23-</u> <u>24</u>	<u>DLTP</u> <u>Option</u> <u>1</u>	<u>DLTP</u> <u>Option</u> <u>2</u>	<u>FLTP</u> <u>Option</u> <u>3</u>	<u>FLTP</u> <u>Option</u> <u>4</u>	<u>FLTP</u> <u>Option</u> <u>5</u>
Petone Grandstand	7.4	2.4	5.0	2.4	2.4	2.4
Petone Library	1.6	10.0	10.2	5.0	5.0	5.0
Petone Wharf	23.9	6.0	4.8	5.6	9.0	20.8
Total capex	33.0	18.4	20.0	13.0	16.4	28.2
Debt impact	-	14.6	13.0	20.1	16.6	(9.8)
Indicative Rates impact	-	Assumed to be debt funded				0 2024-25; 3% over 10 years

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Author: Arthur Nelson
Head of Parks and Reserves

Author: Deepu Nunnian
Manager Financial Strategy and Planning

Reviewed By: Andrea Blackshaw
Director Neighbourhoods and Communities

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Approved By: Jo Miller
Chief Executive

Report no: LTPAP2024/2/115

Update on Huia Pool refurbishment and decarbonisation project

Purpose of Report

1. To update the Long Term Plan/Annual Plan Subcommittee on increased costs for two workstreams relating to Huia Pool and a proposal for covering the shortfall.

That the Subcommittee recommends that Council:

- (1) notes the increased cost of the Huia Pool refurbishment and decarbonisation projects;
- (2) notes the options provided by officers;
- (3) agrees to option 1 - progressing the projects in 2024/25 as planned; and
- (4) agrees to fund this by reallocating \$0.9M from lower-priority projects within the decarbonisation programme and reducing the Assets Maintenance and Renewals contingency fund to \$670k over the 10 years of the Long Term Plan.

For the reason that this is considered the best option to maintain current aquatic service levels to maintain community wellbeing.

Executive Summary

2. Council has agreed to and budgeted for a significant refurbishment of the Huia Pool and Fitness Complex in 2024/25. This includes replacing the moveable floor in the main pool and replacing gas boilers with electric heat pumps as part of Council's decarbonisation programme. Some of this work was scheduled to start in 2019 but has been delayed until the new Naenae Pool opens in late 2024.
3. The plan is currently to close Huia Pool for 6-8 months in 2024/25 to undertake all works required. Once complete, Huia Pool will likely last until at least 2040, with only minor additional investment required in the intervening years.
4. The total budget available for this project in the draft Long Term Plan is \$3.7 million. In preparation for this work, detailed costings have now been undertaken. They show the budget required is now \$8.8M, due to a number of factors summarised below and detailed in this paper.

Table 1

Workstream	Existing Budget	Latest estimate	Comments
Huia Pool refurb	\$2.9M	\$4.9M	Original estimates were high level and costs have increased since they were done. Additionally, this includes other renewals which were not budgeted for but are now required.
Huia Pool Decarbonisation	\$1.8M	\$3.9M	Original estimates were high level and focused on heat pump components only. They did not include associated project costs for installation.

5. The shortfall for the Decarbonisation workstream can be partially off-set by \$0.9M via the reallocation of funding from lower-priority projects within the decarbonisation programme, however overall additional funding of \$4.1M would still be required in 2024/25.
6. Officers propose off-setting the remaining \$4.1M by reducing the Assets Maintenance and Renewals contingency fund over the 10 years of the Long Term Plan – currently \$1.1M pa, reduce to \$670k pa, provides \$4.1M to bring forward.
7. Officers have considered two other options outlined below.
8. Elected members could choose not to agree to the increase in budget for these projects and direct officers to progress priority works within existing budgets in 2024-25. They would then need to consider additional budget for remaining work in the 2025/26 Annual Plan. They would also be asked to note the possible risk of equipment or machinery failure at Huia in the interim.
9. Given the significant cost increase in the overall project, elected members could choose to pause the Huia Pool work and consider the broader context of aquatic services across the city. This is discussed later in the report.

Background

Huia Pool Refurbishment

10. With the new Naenae Pool opening later this year, it was agreed that any significant upgrades or changes at the Huia Pool should be carried out when the new pool opens. This was to enable staff currently at Huia to transfer to Naenae while the works are under way, to avoid double-staffing costs.
11. The Huia Pool refurbishment consists of multiple maintenance works that impact on each other. These works are replacements of the moveable pool floor, rollout channels, pool concourse and the pH dosing system. The Childrens Pool filter also requires upgrading and the spa pools require essential maintenance.

12. Huia's moveable pool floor was due to be replaced in 2019. The decision was made to postpone these works when Naenae Pool had to be closed to reduce operational impact. The existing floor has already experienced cracking and received short term resin repairs until replacement is possible.
13. The main pool rollout channels have previously not been identified in the Long Term Plan and Asset Management Plan. This is a high-risk issue as they have major leaks (approximately 5 m³ per day). These leaks waste heated pool water, resulting in further costs to treat fresh water. The leaks go through to the pool service tunnels and have created an environment that is causing corrosion, water damage and extra maintenance costs to the plant equipment in these areas.
14. There is synergy in replacing the rollout channels when the moveable pool floor is being replaced so the preference is to carry out these two pieces of work at the same time. The same companies that supply a new moveable pool floor will supply and install new rollout channels. Efficiencies in doing both replacements at once will result in overall cost savings.
15. The pool concourse has not previously been identified for a full replacement. Maintenance has been localised when issues arise. Issues have been steadily increasing, as well as the ongoing challenge to retain suitable contractors for maintenance.
16. The cost of CO₂ chemicals in the pH dosing system have increased exponentially from when the original system was installed. The increasing ongoing operational cost is not sustainable, and the new best practice is shifting away from CO₂.
17. The Childrens Pool filter is nearing the end of its life and replacement reduces the handling of hazardous chemicals by our staff.
18. Both the public and private spa pools currently do not meet standards. This is being mitigated by staff monitoring usage, however this is very difficult to do with the public spa pool and there is an increasing health and safety risk if the issues are not addressed. As part of the project planning, consideration will be given to whether the private spa pool should be retained due to high cost and low use, and the availability of the public spa.

Huia Pool Decarbonisation

19. In the context of its emission reduction targets, Council previously approved funding for the decarbonisation of the Huia aquatic facility, through replacing the gas boilers with heat pumps (refer LTPAP2020/6/31799 to the Long Term Plan/ Annual Plan Subcommittee on 21 December 2020, page 99 and 135). The funding approval in turn was based on a business case considered by the Community and Environment Committee on 19 November 2020 (refer CEC2020/6/278, page 64 and 68). The timing of funding for the works was aligned with other major upgrade works planned for the facility (detailed above).

20. High level design work was completed earlier in 2024, and the cost estimates prepared by a QS have now been received. Estimated costs for the replacement of the heating systems (or renewal of current systems) have come in significantly higher than previously estimated.
21. The costs for this change have been estimated at \$3.9M This includes contingencies of about \$1.3M, so the risk of the total funding requirement increasing in the future is low. The current budget for this work is \$1.8M. This means that there is a shortfall in funding of about \$2.1M.
22. Replacement of a like for like fossil gas-based heating solution was initially considered with the thought that this might reduce upfront cost. However, a detailed net present value analysis shows that the benefits of removing gas and moving to heat pumps significantly outweighs costs, despite the higher upfront costs of doing so.
23. To address the shortfall in upfront capital expenditure, funding allocated to other gas phase-out projects could be reallocated. Three opportunities with a total value of \$0.9M have been identified to do so in decarbonisation budget lines, as follows:

Table 2

Account	Activity	Area	Budget	Reallocate
C00419	Decarbonisation of Parks facilities	Parks	\$1.28M	\$0.3M
C00421	Decarbonisation Stokes Valley Pool Misc	Facilities	\$0.12M	\$0.12M
C00422	Decarbonisation of Wainuiomata Pool	Facilities	\$0.48M	\$0.48M
TOTAL				\$0.9M

24. The justification for re-allocating funds for each case is as follows:
- a. Parks - funding was allocated at a high level for all current built assets, as a result of a review on the likely costs for future decarbonisation of those assets, some savings have been identified.
 - b. Stokes Valley Pool - phase out of gas for the non-pool related equipment is no longer required, as the works were carried out last year with existing BAU funding.
 - c. Wainuiomata Pool - there is \$30M in draft Long Term Plan for full renewal of pool which will cover relevant heating systems.
25. This reallocation of funding will partially off-set the cost increase, however overall additional funding of \$4.1M would still be required in 2024/25 for the full programme of work.

Discussion

Broader context of aquatic services

26. Given the significant cost increase in the overall project, elected members could choose to pause the Huia Pool work and consider the broader context of aquatic services across the city.
27. Lower Hutt is well endowed with swimming pools with what will soon be three indoor and three outdoor facilities. This is above the national benchmark per capita.
28. As the indoor facilities stand now, the all-year round facilities are accessible to Lower Hutt residents, by way of cycling, public transport and private vehicle. Three indoor pools are a good balance as it allows a relatively equal distance from facilities across the network. This is especially relevant for the Swim City, Learn to Swim classes.
29. They are also self-supporting in terms of being able to close any one at any time for servicing but still have adequate swimming space available.
30. Population growth for the city is expected to put us at 150,000 residents in the next 30 years with the biggest growth in the Central Valley, the Western Hills and Wainuiomata.
31. Currently \$30M is budgeted to redevelop Wainuiomata Pool in 2030/31 when it is expected to be near the end of its asset life. This should be sufficient for a like for like replacement and decarbonisation. This is a significant investment for a pool that is only open 14 weeks of the year. Given current levels of provision across the city are above national benchmarks, and Council's fiscal constraints, there would not be a strong case to extend the season as it would increase operational costs significantly.
32. At this juncture there could be the opportunity to explore what the network looks in thirty to forty years' time, working from the basis that there is a need for no more than three all season pools. The current plan is to refurbish Huia and consider options for Wainuiomata in the next few years.
33. Given the increased cost for Huia, another option could be not to refurbish Huia and instead investigate whether redeveloping Wainuiomata as an indoor pool would be a better investment to meet future community need. If this was the way forward, Huia would be decommissioned in the not-too-distant future and work on a new Wainui pool would need to start in the next 2 or 3 years, with budget brought forward in the Long Term Plan.
34. The new Naenae Pool will have greater capacity than the previous pool and would still be within a reasonable travel time for many people living on the valley floor.
35. An all-season pool in Wainuiomata would still need to accommodate a significant amount of current Huia activity, including schools and learn to swim, and this would mean a longer journey for those users. Huia's central location means it is also well-used by people on their way to or from work. These aspects would all need to be considered in the 30/40 year view.

36. If this option is not put forward now, it could be considered again at a future junction when decisions are made about Wainuiomata or when Huia is closer to end of life (in the early 2040s).
37. On balance, officers' preference is to continue with the Huia refurbishment due to current financial and resource pressures, the risk of delaying work on Huia and the short time frame that would be available to consult the community on what would be a significant change.

Options

38. Three options have been identified. In all options the approach will be to replace the existing heating system with heat pumps.

Option 1 (recommended)

- agree to progress the Huia Pool refurbishment and decarbonisation projects as planned in 2024/25;
- agree to fund this by reallocating \$0.9M from lower-priority projects within the decarbonisation programme and reducing the Assets Maintenance and Renewals contingency fund to \$670k over the 10 years of the Long Term Plan.

Option 2

- not agree to the increase in budgets and direct officers to progress priority works within existing budgets in 2024-25;
- consider additional budget for remaining work in the 2025/26 Annual Plan;
- note the possible risk of equipment or machinery failure at the old Huia facility in the interim.
- if funding is approved at a later time, Huia would have to shut again for allow for the completion of works.

Option 3

- pause the Huia Pool project for 12 months to consider the broader context of aquatic services across the city;
- defer funding decisions until the 2025/26 Annual Plan.
- note the need to manage a possible risk of equipment or machinery failure at Huia in the interim.
- staffing budget impacts (when both Huia and Naenae are open).

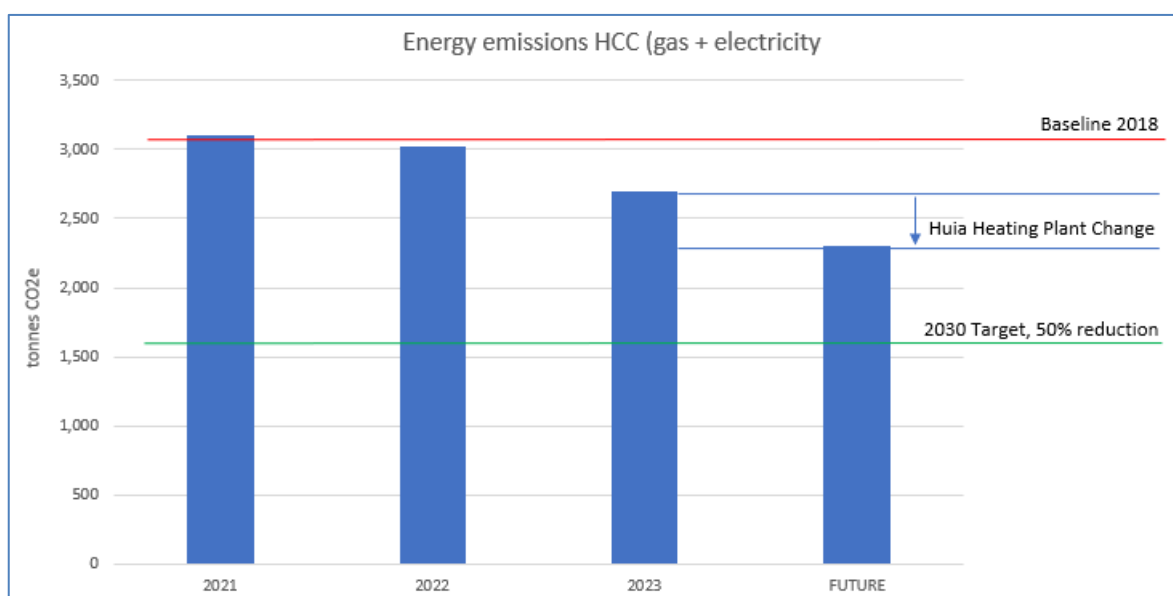
39. More detail on these options is provided below:

Table 3

Option 1
<ul style="list-style-type: none"> • Presents the lowest risk for health and safety, machinery and equipment failure and water loss. • Presents the lowest risk to service interruption. • Requires one significant period of closure for all works. • Requires additional capital funding which can be funded within existing draft Long Term Plan budgets. • Financial and operational efficiencies is carrying out all work at once. • Would reduce emissions associated with the use of natural gas by about 36% and Council's energy emissions (associated with its facilities) by about 15% by end of 2025.
Option 2
<ul style="list-style-type: none"> • Some risk to health and safety, machinery and equipment failure and water loss due to delaying some work. • Some risk of service interruption and additional cost for ongoing repairs. • Requires two significant periods of closure to complete works over several years. • Does not require additional funding in the draft Long Term Plan but will require additional funding in future years. There would also be additional costs associated with doing this work in separate stages. • Will take longer to achieve emission reductions as work would be phased, with the initial focus on the old Huia Pool, and with the heating plant upgrade for the hydrotherapy pool in the new Huia facility carried out at a later stage.
Option 3
<ul style="list-style-type: none"> • Would enable consideration of broader context of delivery of aquatic services in the city, to ensure we are making best long-term investment decisions. • Higher risk to health and safety, machinery and equipment failure and water loss due to delaying all work. • Higher risk of service interruption and additional cost for ongoing repairs. • Does not require additional funding in the draft Long Term Plan but may require additional funding in future years. • Will take longer to achieve emission reductions. • If a change of direction was considered, there would be a short time frame for consultation with the community on what would be a significant change, which may impact trust in Council.

Climate Change Impact and Considerations

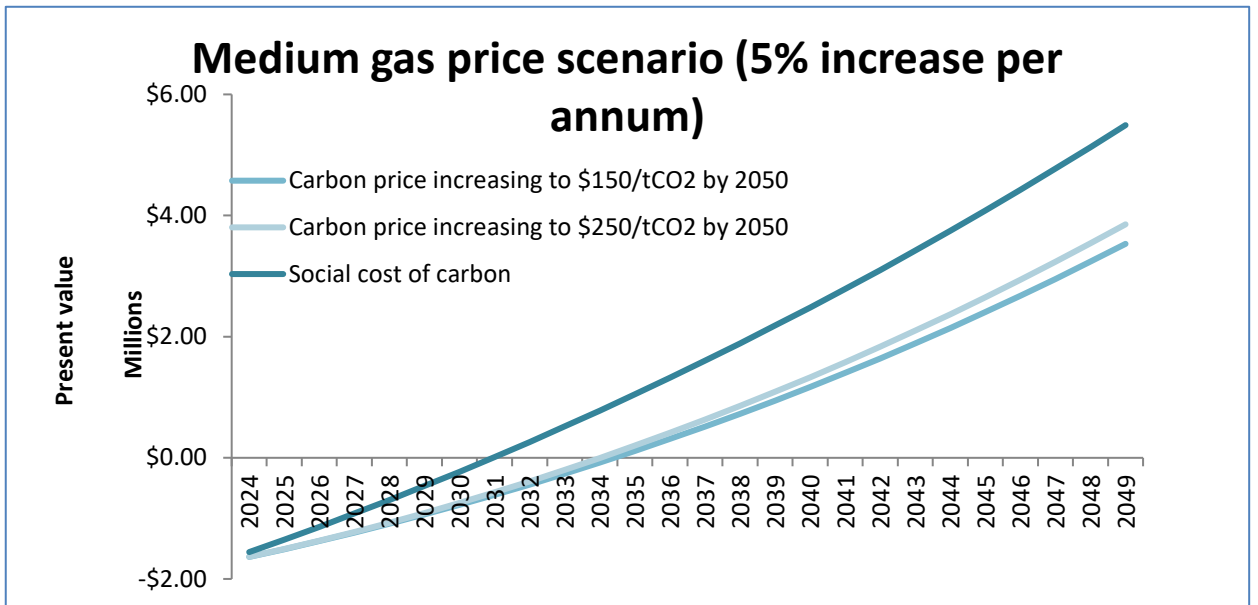
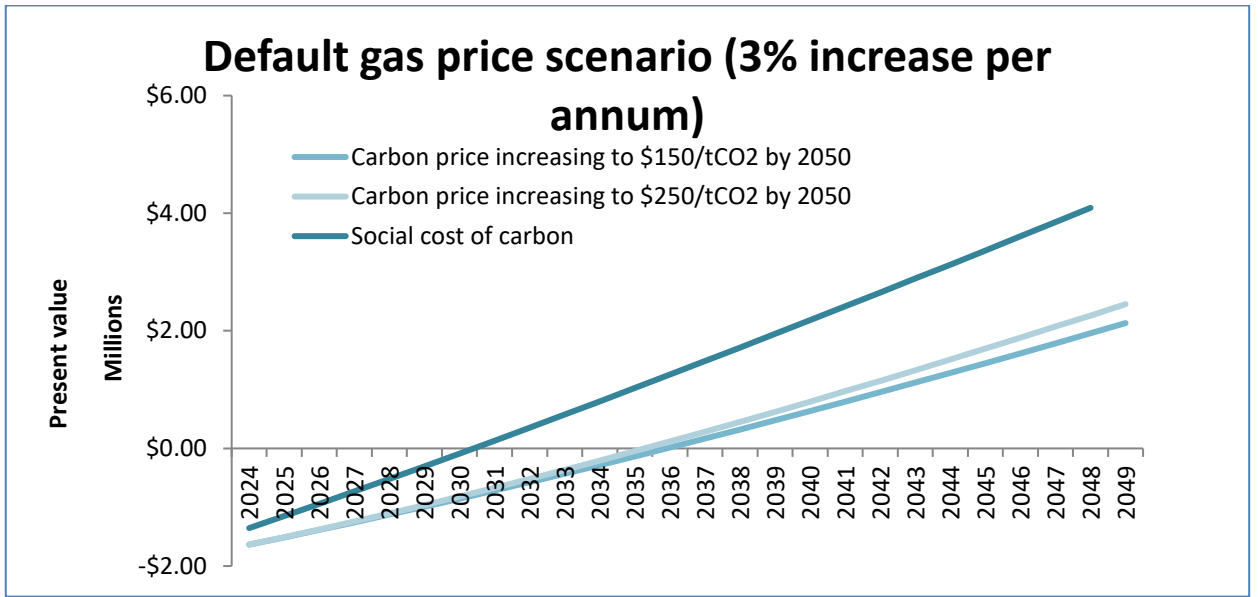
40. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
41. A key part of the project is the removal of gas and change to heat pumps. Realising this change would reduce emissions associated with the use of natural gas by about 36% and reduce Council's energy emissions (associated with its facilities) by about 15%.
42. The figure below shows the effect of the Huia project on Council's energy-related emissions from facilities.



43. Without this heating plant change, considering the scale of change, it would not be possible to achieve Council's carbon target in relation to emissions associated with energy use (50% reduction in energy emissions by 2030).

Decarbonisation benefits and costs

44. Officers have updated the original business case for the Huia Pool heating plant changes from November 2020 (refer CEC2020/6/278, page 64 and 68), to incorporate revised cost estimates, and updating other assumptions, such as future carbon price pathways and future gas price pathways. To ensure the robustness of results, sensitivity analysis has been carried out for two gas price pathway assumptions, and three carbon price pathway scenarios.
45. Net present value (NPV) is used to indicate whether it is worthwhile undertaking the investment. A positive value indicates that the benefits outweigh costs.
46. The result shows that, for the 20 year assessment period and by about 2045 (the lifetime of the heat pump option), NPV is positive in all tested scenarios.



47. The results indicate that NPV is relatively sensitive to changes in gas prices, and the cost of carbon. Overall, considering the increasing urgency regarding emission reductions, and upward price pressure on gas prices in relation to supply, the investment’s decarbonisation benefits outweigh the costs.

Consultation

48. There has been no further external consultation on this matter. Both projects are included in the draft Long Term Plan which has been consulted on.

Legal Considerations

49. There are no legal considerations.

Financial Considerations

50. Financial Tables for option 1

Table 1 – Net Capital Changes

\$M	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	Total
DLTP	1.60	3.42	1.78	1.54	1.42	3.48	1.39	1.46	1.39	1.56	19.03
FLTP	9.68	0.96	0.86	1.02	1.01	1.46	0.96	1.03	0.96	1.11	19.05
Variance	8.08	(2.47)	(0.92)	(0.51)	(0.40)	(2.02)	(0.42)	(0.43)	(0.44)	(0.45)	0.02

Table 2 – Draft Capital budget per named project

\$M DLTP	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Other Pool Projects	0.29	2.09	0.53	0.26	0.11	0.38	0.15	0.19	0.11	0.24	4.35
Contingent Facilities Management Fund	1.09	1.11	1.14	1.16	1.19	1.21	1.24	1.26	1.29	1.31	12.01
Decarbonisation Energy Conversion (Parks)	0.22	0.22	0.11	0.00	0.12	0.61	0.00	0.00	0.00	0.00	1.28
Decarbonisation Energy Conversion (Huia Pool)	0.00	0.00	0.00	0.00	0.00	0.79	0.00	0.00	0.00	0.00	0.79
Decarbonisation Energy Conversion (Stokes Valley Pool)	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Decarbonisation Energy Conversion (Wainuiomata Pool)	0.00	0.00	0.00	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.49
DLTP	1.60	3.42	1.78	1.54	1.42	3.48	1.39	1.46	1.39	1.56	19.03

Table 3 – Proposed Capital budget per named project

\$M FLTP	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	Total
Other Pool Projects	4.86	0.00	0.00	0.26	0.11	0.38	0.15	0.19	0.11	0.24	6.30
Contingent Facilities Management Fund	0.72	0.73	0.75	0.77	0.79	0.80	0.82	0.83	0.85	0.87	7.93
Decarbonisation Energy Conversion (Parks)	0.22	0.22	0.11	0.00	0.12	0.27	0.00	0.00	0.00	0.00	0.95
Decarbonisation Energy Conversion (Huia Pool)	3.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.88
Decarbonisation Energy Conversion (Stokes Valley Pool)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Decarbonisation Energy Conversion (Wainuiomata Pool)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FLTP	9.68	0.96	0.86	1.02	1.01	1.46	0.96	1.03	0.96	1.11	19.05

Appendices

There are no appendices for this report.

Author: Iain Brown, Head of Aquatics

Author: Alannah Laban, Head of Assets and Facilities Management

Reviewed By: Andrea Blackshaw, Director Neighbourhoods and Communities

Reviewed By: Jon Kingsbury, Director Economy & Development

Reviewed By: Jenny Livschitz, Group Chief Financial Officer

Approved By: Jo Miller, Chief Executive

23 April 2024

Report no: LTPAP2024/2/120

Proposed initiative to improve equity in access to aquatic services

Purpose of Report

1. To propose a new initiative to improve equity in accessing aquatic services across the city, aligned to the opening of the new Naenae Pool.

Recommendations

That the Subcommittee recommends that Council:

- (1) notes officers were asked to provide options for elected members to consider which would provide better equity in access to aquatic services;
- (2) considers the options outlined in this paper and provides further guidance;

For the reason(s) that one of the outcomes the community is seeking from the new Naenae pool is that it is accessible to the local community and that the cost to use the facility is not a barrier, in particular for young people and families.

Background

1. The Whakatupu Ngaengae Project (pool, community centre and park) has been informed throughout by the voice of the community - through the initial engagement report, through the Community Advisory Group established as a result of that work and through ongoing engagement. This has included input into the design of the Pool and co-designing the community centre and park.
2. One of the outcomes the community is seeking from the new pool is that it is accessible to the local community and that the cost to use the facility is not a barrier, for young people and families. Officers have been asked to consider options on how this could be achieved.

How aquatic services are funded

3. Council provides and maintains six swimming pools (once Naenae has reopened) in the city as part of its portfolio of recreational facilities. These services are provided to promote health and enjoyment and stimulate the community's interest in different recreational opportunities. These services are mainly funded by general rates, with fees and charges set at a level which reflects individual benefit. Council's Revenue and Finance Policy determines the target funding band for this activity to be 'medium' for operational costs,

which is 40–59%. This means fees and charges for aquatics need to be set at level which enables cost recovery of at least 40%.

4. In recent years cost recovery levels have fallen below this, and adjustment have been made in the draft LTP to move closer to the 40% requirement. Currently, the cost recovery rate for 2024/25 is 36%.
5. Ideally any future reduction to fees and charges for particular user groups would be off set where possible by increases to other users to maintain or improve this balance.
6. In the draft LTP, pool entry charges are set at \$5 for a person under 16, \$7 for an adult, \$5.30 for a senior and \$25 for a family pass (two adults and up to 4 children).

Discussion

7. In developing options, officers have considered the following:
 - a) the priorities in Council’s draft LTP and the principles guiding the Neighbourhoods and Communities approach, including supporting equity by ensuring our services and spaces are affordable for everyone;
 - b) insights captured in 2023 through engagement with pool users, which identified cost as a significant barrier to access, particularly for large families and low-socio economic communities.
 - c) initiatives run by other Councils and pool operators to achieve similar outcome;
 - d) existing aquatics initiatives that support equity, including:
 - Splash Time – Informal classes for parents and children aged 4 months – 5 years old. Held twice a week, 20 maximum per session. Instructor is provided, cost is pool entry
 - Sensory Sessions: Informal sessions for children with high needs in Hydro. Lights dimmed; curtain drawn. Instructor is provided, cost is pool entry
 - Ahuru Mowai Trust- Providing sensory time for children with Autism : Free Pool Entry
 - Women only swimming nights
8. Aquatic Services operate and are funded as a network, so any new pricing initiative would need to be brought in across all six Council-run pools. This would provide a consistent service offering across the city and would avoid one pool being inundated because of preferential pricing.
9. The operational aspects of any change need to be considered to ensure they are not significantly increasing cost or complexity of service delivery and meet health and safety requirements. Initiatives that differentiate between Lower Hutt residents and non-residents would be challenging to administer currently, but should be achievable in the future once new customer service technology is bedded in.

Options

10. Officers have considered a number of initiatives. The following option is put forward for consideration (other options considered are detailed later in the paper):

For whānau with a Community Services Card, children under 10 swim for free

11. Where whānau have a Community Services Card (CSC), pool entry for children under 10 would be free at all our pools (including summer pools). Nationally, 17.4% of the population have a community services card. This would remove the cost barrier for a significant number of whānau and their tamariki in our community and would be year-round so would include school holidays. Given our largest pool (Naenae) is in the north-east suburbs, this would significantly improve access for low-socio-economic communities.
12. Currently we do not hold data that enables us to calculate the revenue impact of this with certainty. However, we estimate this initiative would result in lost revenue of approx. \$56K pa. This can be partly offset by slight increases to other fees as proposed below:

Charge	Proposed in draft LPT	Proposed for this initiative
Adults	\$7	\$7
Seniors	\$5.30	\$5.50
Student	\$5.00	\$5.50
Zoom tube	\$4.50	\$5.50

13. The impact of this initiative would mean revenue budgets would need to be reduced by \$28k pa and \$280k over ten years in the LTP.
14. At the same time, we would be increasing the age at which children need to be supervised at our pools from up to 8 years old to up to 10 years old. The aquatics team has been contemplating this move for some time, following similar moves by other operators around the country. This would assist in managing the new pricing as those under 10 years old would have to be accompanied by an adult and limits the number of children one adult can bring in (up to 4), due to the need for active supervision.
15. Free entry for under 10s would be for general pool entry only and would not include children attending for swimming lessons, school visits or aquatic sports, which are all charged through different models.
16. The initiative would be monitored for 6 months to see how it impacts pool use and to determine how many of our pool users are from Lower Hutt and how many are from other parts of the region (through an entry point survey).
17. At this point we would consider whether in future (from July 1, 2025) it should be restricted to Lower Hutt residents only. By that point officers will understand the actual impact on revenue, pool use and pool capacity. Officers will provide advice on how this would be operationalised at that time. This could be done through working with MSD or through the new

technology coming into our pools as part of the Customer Service Excellence project if it proves practical from an administrative point of view.

18. Below are other options put forward for consideration:

19. Option	20. Comment
Under 5's swim free	This is currently the approach taken by Wellington and Christchurch Councils. It removes the barrier of cost to access pools when children are at the 'water confidence' stage. It would mean a revenue loss of an estimated \$125k pa.
All under 10s swim free	This would result in a revenue loss of \$323k pa which would require a more significant increase in other fees as a partial offset, as well as reduced revenue of \$164k pa. While this provides equity for some in the community, it also further subsidises some whānau for whom cost is not a barrier. This would reduce the level of cost recovery overall.
Under 16s swim free	This is currently the approach taken by Auckland Council. It would result in revenue loss of an estimated \$450k pa. Unfortunately, the Auckland experience has shown there was a corresponding increase in anti-social behaviour in some pools, and they have seen a drop off in attendance by other users due to this. This has also required them to employ more staff to manage behaviour. This would reduce the level of cost recovery overall.
Gifting ten trip cards to children learning to swim through school programme	This would see 26,000 children aged 5-12 given 10 free swims each year. This would remove cost associated with opportunities to practice what students are learning in the school lessons and embed skills. We are unable to quantify revenue loss but anticipate it would be significant.
25% Community Services Card discount on Learn to Swim classes	This would reduce the cost of Learn to swim for Community Service Card holders so would focus on increased equity. It would result in \$109k pa in lost revenue. 17.4% of the national population are eligible for CSC. However, given the full price of LTS is \$17.50 per lesson, this would still make it unaffordable for many people and there is limited capacity to increase LTS offering.

Climate Change Impact and Considerations

19. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

20. There are no significant climate change impacts to note.

Consultation

21. There has not been any community consultation on this proposal however it has been proposed due to feedback received from the community around the need for greater equity in access to aquatic services. Depending on which option is progressed, there may be minor changes to the fees and charges for swimming that were consulted on in the draft LTP.

Legal Considerations

22. There are no further legal considerations.

Financial Considerations

23. Financial considerations are outlined in the paper.

24. The net operating impact per year:

\$M	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Draft Long Term Plan 2024-2034	(4.47)	(5.37)	(5.49)	(5.62)	(5.74)	(5.86)	(5.98)	(6.10)	(6.21)	(6.33)	(57.17)
Final Long Term Plan 2024-2034	(4.44)	(5.34)	(5.47)	(5.59)	(5.71)	(5.83)	(5.95)	(6.07)	(6.19)	(6.30)	(56.89)
Variance	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.28)

Appendices

There are no appendices for this report.

Author: Iain Brown
Head of Aquatics

Author: Aaron Sergent
Management Accountant

Author: Andrea Blackshaw
Director Neighbourhoods and Communities

Reviewed By: Andrea Blackshaw
Director Neighbourhoods and Communities

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Approved By: Jo Miller
Chief Executive