

HUTT CITY COUNCILLONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt on

Tuesday 27 October 2020 commencing at 2.00pm

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PRESENT:

Mayor C Barry (Chair)	Deputy Mayor T Lewis
Cr D Bassett (until 6.03pm)	Cr J Briggs
Cr K Brown	Cr B Dyer
Cr S Edwards	Cr D Hislop
Cr A Mitchell	Cr S Rasheed
Cr N Shaw	Cr L Sutton

APOLOGIES:

Cr C Milne

IN ATTENDANCE:

Ms J Miller, Chief Executive  
 Ms A Blackshaw, Director Neighbourhoods and Communities (part meeting)  
 Ms H Oram, Director Environment and Sustainability (part meeting)  
 Ms A Welanyk, Director Transformation and Resources (part meeting)  
 Mr K Puketapu-Dentice, Director, Economy and Development  
 Mr M Boggs, Director Strategy and Engagement (part meeting)  
 Ms J Livschitz, Chief Financial Officer  
 Mr B Cato, Chief Legal Officer (part meeting)  
 Ms W Moore, Head of Strategy and Planning (part meeting)  
 Mr B Hodgins, Strategic Advisor (part meeting)  
 Mr M Sherwood, Head of Parks and Recreation (part meeting)  
 Ms C Ellis, Head of Chief Executive's Office (part meeting)  
 Mr K Chitham, Head of Museums (part meeting)  
 Mr G Craig, Head of City Growth (part meeting)  
 Ms L Edwards, Acting Head of Promotions and Events (part meeting)  
 Mr D Koenders, Manager, Financial Strategy and Planning (part meeting)  
 Mr D Simmons, Traffic Asset Manager (part meeting)  
 Ms L Kernot, Road Asset Manager (part meeting)  
 Mr J Pritchard, Principal Research and Policy Advisor (part meeting)  
 Ms H Stringer, Financial Transaction Services Manager (part meeting)  
 Ms A Andrews, Business Analyst - Rates and Finance (part meeting)  
 Ms J Stevens, Consultant (part meeting)

Ms K Glanville, Senior Democracy Advisor  
Ms H Clegg, Minute Taker

## PUBLIC BUSINESS

### 1. OPENING FORMALITIES - KARAKIA TIMATANGA

Kia hora te marino	<i>May peace be wide spread</i>
Kia whakapapa pounamu te moana	<i>May the sea be like greenstone</i>
He huarahi mā tātou i te rangi nei	<i>A pathway for us all this day</i>
Aroha atu, aroha mai	<i>Let us show respect for each other</i>
Tātou i a tātou katoa	<i>For one another</i>
Hui e Tāiki e!	<i>Bind us together!</i>

### 2. APOLOGIES

RESOLVED: (Mayor Barry/Cr Mitchell) **Minute No. LTPAP 20601**

*"That the apology received from Cr Milne be accepted and leave of absence be granted."*

### 3. PUBLIC COMMENT

Comments are recorded under the item to which they relate.

### 4. CONFLICT OF INTEREST DECLARATIONS

Cr Hislop declared a conflict of interest in relation to the Business Incubator Funding/Start Up Hub matter in Item 5iii) Long Term Plan 2021-2031, Financial aspects and took no part in discussion or voting on the matter.

Cr Dyer highlighted he had previously undertaken contract work for Love Wainuiomata, however he was no longer involved with the organisation.

### 5. RECOMMENDATIONS TO COUNCIL - 27 October 2020

i) Long Term Plan Amendment - Recycling and Rubbish Collection  
(20/1136)

Mr Andrew Clarke, Audit New Zealand (Audit NZ) was in attendance for the item.

The Strategic Advisor elaborated on the report.

In response to questions from members, Mr Clarke provided a brief overview of the process to date. He explained that if a significant change to a Long Term Plan (LTP) was proposed then a prescribed legislative process needed to be followed. He said that Audit NZ had audited the consultation document for the proposed amendment to Council's LTP prior to its release. The amended LTP, as a result of the consultation process, would then be audited. He added this was to the extent that none of the amendments had a material effect on any aspect of the initial audit.

In response to a further question from a member, Mr Clarke confirmed Audit NZ had a narrow lens and could only assess the legalities of the consultation process. He said the audit did not assess the potential roll-on effects of the proposed LTP amendment.

In response to questions from members, the Strategic Advisor agreed to revise the wording of the document in relation to the beneficiaries of the Solid Waste proposal (eg if it was a user pays system) and provide a clearer explanation of the proposed fortnightly recycling collection. He also agreed to alter the wording for the Green Waste item to better reflect the explanation of the viability of the service.

Mayor Barry confirmed that any proposed amendments to the document would be audited by Audit NZ prior to public release.

**RECOMMENDED:** (Mayor Barry/Deputy Mayor Lewis)

**Minute No. LTPAP 20602**

*"That the Subcommittee recommends that Council:*

- (i) notes that the 2018-2028 Long Term Plan has been amended to incorporate the decisions made by Council on 15 September 2020 regarding future recycling and rubbish collection services in the city;*
- (ii) notes that the Amendment to the 2018-2028 Long Term Plan has been progressed through an external audit review process;*
- (iii) adopts the Amendment to the Long Term Plan 2018-2028, attached as Appendix 1 to the report;*
- (iv) receives the audit opinion from Audit New Zealand following the adoption of the Amended Long Term Plan 2018-2028; and*
- (v) agrees for officers to undertake minor editorial changes to the Amendment to the Long Term Plan 2018-2028, as agreed at the meeting."*

- ii) Long-Term Plan 2021-2031 - purpose, vision, and engagement topics (20/1207)

The Director Strategy and Engagement elaborated on the report. He explained that Mana Whenua would be consulted first and then stakeholders and the public.

In response to a question from a member, the Director Strategy and Engagement agreed to include a glossary of Maori terms used throughout the report.

Mayor Barry commended officers for incorporating all information obtained from the many discussions held over the past year.

**RECOMMENDED:** (Mayor Barry/Cr Edwards) **Minute No. LTPAP 20603**

*“That the Subcommittee recommends that Council:*

- (i) notes the results of the Councillor hui on 21 September 2020 in relation to the themes, direction, and strategic drivers;*
- (ii) notes that the hui themes, direction, and strategic drivers have informed the further analysis conducted by officers;*
- (iii) notes that the further analysis was guided by the hui facilitator to ensure continuity between the ideas generated at the hui and the suggested purpose, vision, and topics for Long Term Plan engagement;*
- (iv) agrees to the suggested purpose, vision, and themes for Long Term Plan engagement;*
- (v) notes that a high level Stakeholder Management Plan for the Long Term Plan has been developed;*
- (vi) notes that officers have assessed the Council’s Significance and Engagement Policy, including its use in several recent consultations; and*
- (vii) agrees that the Significance and Engagement Policy will be retained without change.”*

For the reason that having agreed to develop a 30 year plan for the city, the Long-Term Plan 2021-2031 is Council’s first opportunity to begin setting the purpose, vision, and priorities for Te Awakairangi. It is an opportunity to partner with Mana Whenua, and alongside our communities, to develop our thinking about the kind of city we aspire to be and can be.

Agreeing a purpose, vision, and priorities will help inform Council’s engagement with our people on both the LTP and its City Plan.

### **PRECEDENCE OF BUSINESS**

In accordance with Standing Order 10.4, the Chair accorded precedence to Item 5v) Three Waters Investment 2021-2031 Long Term Plan.

This item is recorded in the order in which it was listed on the order paper.

iii) Long Term Plan 2021-2031, Financial aspects (20/1205)

Speaking under public comment, **Mr Matt Young** congratulated Council on the proposal to allocate more funding to the traffic safety budget. He queried why officers were only recommending half the Waka Kotahi suggested amount. He explained he was a regular cyclist and walker around the city and that safety for all road users should be a critical focus of the Long Term Plan (LTP). He considered the Annual Plan 2020-2021 traffic safety measures were ambiguous and unambitious.

In response to questions from members, Mr Young believed Council should be encouraging different modes of transport. He queried why the graffiti budget was within the Traffic Safety budget. He considered there was a long way to go for the city to have fully integrated and linked walkway and cycling systems. He requested more funding to ensure transport projects were connected.

Cr Hislop declared a conflict of interest in relation to the Business Incubator Funding/Start Up Hub matter in Item 5iii) Long Term Plan 2021-2031 and took no part in discussion or voting on the item.

Mr Philip Jones from PJ and Associates was in attendance for the item.

The Chief Financial Officer elaborated on the report.

Members discussed Table 2 outlined in the officer's report with discussion points noted below:

Dowse Museum

In response to questions from members, the Head of Museums explained that as there had traditionally been very low visitor numbers on statutory holidays, closing the museum on Mondays was not anticipated to create an impact to the community. He added that the proposed public education programmes were not a new initiative. He said the programmes were evolving post-COVID19 and schools required exclusive use spaces. He advised the Bellbird café would remain open on Mondays.

Dowse Museum Collections Store Refurbishment

In response to questions from members, Head of Museums explained that art collections in storage were often added to and that they appreciated in value as time went by. He acknowledged that over half of the museum's inventory was currently in storage. He clarified that the current storage venue was operating at capacity. He advised that the refurbishment would provide for tours of the operating facility allowing for more accessibility and education of the collections.

The Chief Executive added that the storage venue posed a high risk if a major event occurred and that the issue needed to be urgently

addressed.

Cr Brown left the meeting at 3.02pm.

In response to further questions from members, the Head of Museums advised that during refurbishment, the collections could be temporarily stored at The Dowse in a showing space which was already climate controlled and secure. He acknowledged discussions had been held with Council's officers from Archives and that several sets of shelves from Archives would be repurposed for The Dowse collection.

Cr Brown rejoined the meeting at 3.04pm.

#### Huia Pool Moveable Floor

In response to questions from members, the Head of Parks and Recreation explained that the work had been deferred until the Naenae Pool was re-opened to reduce impact to the community. In regard to the source of the mechanism, he advised that this would be investigated closer to the time of the project commencing and agreed to source locally where possible.

In response to questions from members concerning the need for a moveable floor, the Head of Parks and Recreation explained such a mechanism provided greater flexibility in how the facility operated. He advised the proposed Naenae Pool would also have a small area of moveable floor. He added that if the feature was not replaced at Huia Pool, an expensive re-concreting project would have to occur as the pool would be a uniform 2.5m deep. He said this depth was too deep for many of the users and the programmes offered.

#### Activating Naenae Town Centre

In response to questions from a member, the Director Neighbourhoods and Communities advised that funding would be extended until the Naenae Pool project plan was completed. She said additional information on timings of the project would be available in the next three months. In regard to the success of the current assistance package for the Naenae centre, she explained there had been a good recovery in economic spending in the centre. She agreed to circulate details to members.

#### Extend Partner Programme - Love Wainuiomata

In response to questions from members, the Head of City Growth explained that Love Wainuiomata reported to each Wainuiomata Community Board meeting. The Director Environment and Sustainability added that no Community Board members were members of Love Wainuiomata. The Head of City Growth further explained that most of the work Love Wainuiomata undertook was operational in nature and Council undertook the capital works.

In response to questions from members concerning the activities of Love Wainuiomata, the Head of City Growth agreed to invite the group to the a relevant committee meeting to provide an update on their activities.

He acknowledged members' concerns that different parts of the city received funding in different ways (eg Jackson Street Programme, Love Wainuiomata, Team Naenae Trust).

Mayor Barry explained that different communities required different approaches as they responded to their own different needs.

Cr Brown advised Love Wainuiomata undertook important work and highlighted the support provided over COVID-19.

Extend partner programme – Business incubator funding/Start-up Hub

The Head of City Growth explained the programme was continuing to evolve over time and that details of the final version would be available prior to the draft LTP being approved.

In response to questions from members, the Head of City Growth explained the programme assisted start-up businesses with operational and staffing costs, management of events and support services. He confirmed that Hutt Valley Chambers of Commerce was not involved and that Technology Valley did not receive any funding. He advised that measuring success was difficult and that anecdotally the programme was successful. He explained that setting a requirement for businesses to remain in the Hutt Valley was difficult, as the viability of a business generally depended on investors who could be based elsewhere. He added similar models were used elsewhere in New Zealand and throughout the world.

In response to questions from members regarding the possibility of cost recovery, the Head of City Growth explained this could be phased in over time. The Chief Executive advised that the Callaghan Institute was supportive of the start-up initiative and was currently undergoing its own review. She added officers would work with Callaghan Institute to ensure the innovation space happened in Lower Hutt.

Cr Briggs expressed support for the initiative. He noted that more innovation in the city would be beneficial overall.

Cr Dyer expressed support for the initiative. He queried whether cross overs were possible with Technology Valley and the Naenae Spatial Plan.

Deputy Mayor Lewis was supportive of the initiative. She stressed that linkages with Callaghan Institute were important.

Cr Rasheed expressed support for the initiative. She added that it lifted the reputation of the city. She expressed disappointment that Technology Valley no longer received funding and hoped that it would continue to operate.

The meeting adjourned at 3.37pm and resumed at 3.54pm.

### Wise Street Extension

Mayor Barry declared he owned property within the Wise Street area.

In response to a question from a member, the Head of City Growth explained that the graphics contained in the officer's report were not to scale and that approximately 40-50 houses could be accommodated within each of the four blocks of land. He added the identified land was proposed to be intensively developed.

In response to questions from members concerning development contributions, the Head of City Growth advised all developments were subject to the requirements of the Lower Hutt District Plan. The Chief Financial Officer added that the development contributions would be recalculated for the next Annual Plan, with the amount of borrowing required adjusted accordingly. She clarified that the contributions were paid by a developer at the time of subdivision development and were based on the number of houses to be constructed. She added that cost recovery would occur overtime.

In response to further questions from members, the Head of City Growth advised that if funding for the project was not approved, development of the area would be difficult. He added Council had already given an undertaking that it would provide the infrastructure to the land and developers were proceeding with their plans. He clarified that this was the only area in this situation, as a proposal to develop land in upper Kelson was not proceeding.

### Transport – Road Resurfacing

In response to a question from a member, the Road Asset Manager explained that roads were on a scheduled cycle for resurfacing and were normally resurfaced every three to four years. She added that recent surveying showed additional resurfacing works was required.

### Transport – roading network improvements

In response to questions from members, the Road Asset Manager explained that chip seal was the ideal road surface as it provided texture and waterproofing. She added that some roads were not suited to chip seal and were asphalted instead.

### Transport – funding for bridges

In response to questions from members, the Road Asset Manager clarified that there was money allocated for maintenance of the Melling Bridge. This did not include funding for any upgrade. She explained that seismic testing of all bridges in the city had been conducted several years ago. She said any remedial work had been completed except on the Cuba Street bridge which would be undertaken in 2021.

### Transport – traffic safety

The Traffic Asset Manager agreed that the traffic safety measures currently outlined in Council's Annual Plan were outdated. He advised that officers were currently developing updated measures to better align

with Waka Kotahi's key performance indicators and ones which were easier to quantify. He explained that graffiti had historically been allocated to this budget. He said that while a more ambitious traffic safety target might be desired, in reality the crash incidence rates had been trending up since 2013. While not ideal, a decreasing trend was a 'win'. He added that speed was a major factor in crashes, followed by alcohol, driver inattention, driver error and failing to give way. As a consequence, he advised that the priority was now speed management. He further advised that due to budgetary constraints and a constricted contractor availability market, the full Waka Kotahi recommended expenditure was not being sought. He noted the amount requested represented a significant increase on previous years and that Waka Kotahi usually contributed 51% of the cost to the projects.

Cr Bassett left the meeting at 4.16pm.

In response to further questions from members, the Traffic Asset Manager advised that if funding from Waka Kotahi was not secured, the year's programme would need to be re-evaluated. He further advised that a significant amount of pedestrian safety education was currently carried out in schools and that statistics showed many pedestrian/vehicle incidents occurred at or near pedestrian crossings. He added that new road safety measures for pedestrians included building raised crossings.

Cr Bassett rejoined the meeting at 4.21pm.

In response to questions from a member regarding the safety of Western Hills roads, the Traffic Asset Manager advised these roads were covered by another budget (Substandard Roads). He said the traffic safety budget did not provide for safe pedestrian ways on these roads. He further advised that any changes to the Substandard Roads budget would be reported to the appropriate committee. He added if any changes were recommended they would be able to be incorporated into the draft LTP document prior to its approval.

In response to a question from a member regarding transport connectivity throughout the city, the Traffic Asset Manager advised this was covered by another budget (Cycleway Network Improvement). He said that once the Beltway Project was completed, there would be more funds available to address connectivity issues.

#### Major Events Fund

The Director Strategy and Engagement advised that the HighLight: Carnival of Lights brand had been sold. He said to temporarily fill the void, officers had initially suggested the city hosted a yet to be determined major event.

The Chief Executive advised that due to budgetary constraints, officers were now not recommending the funds be approved.

In response to questions from members concerning the HighLight event, the Director Strategy and Engagement advised negotiations were on-going with the new event owners as to possible venues and timings of any future events.

In response to questions from members, the Chief Executive confirmed that officers were investigating local events and how best to enable local communities to organise a local event. The Acting Head of Promotions and Events added that consultation with the public was yet to commence regarding how to best celebrate the diverse culture of the city. Members suggested Matariki and Waitangi Day celebrations would be good events.

In response to questions from members concerning the consequences of not having a Major Events Fund, the Chief Executive advised it was a Council decision to prioritise how monies were allocated. She said that adding \$150,000 to the budget would not enable the HighLight event to occur as it cost approximately \$750,000. The Chief Financial Officer advised that the LTP should not have significant items added to it.

Mayor Barry added that in the future, partnership arrangements with event organisers could enable major events to be staged in Lower Hutt.

Deputy Mayor Lewis added that empowering communities to take the lead was a good idea.

A number of members expressed disappointment that the HighLight event was not occurring next year. Members asked for more information with regard to the costs and benefits of staging one major event compared with several smaller community based events.

#### Upgrading the flag infrastructure across the city

In response to questions from members, the Acting Head of Promotions and Events advised she would report back with current cost details of paying a third party to remove the flags. She added the process was expensive and cumbersome and required specialist equipment which the proposed new system did not require. She confirmed that only the flags system had been investigated as a means of increasing the vibrancy of the city. She added the proposed new flags could be designed with local artist input with designs aimed at promoting local suburb and community pride. She clarified that all Council owned flags were located on Council owned poles.

#### Footpath renewals

In response to questions from a member, the Traffic Asset Manager advised that recently Waka Kotahi had announced footpath renewals would be eligible for a subsidy and that work was progressing with a three year application to the subsidy fund. He added that this budget was focussed on improving the mobility issues of footpaths, however did not include footpath access to and from mobility carpark spaces.

In response to questions from members regarding e-scooters, the Traffic Asset Manager advised discussions were currently being undertaken with Lime Scooters and that footpath conditions were one aspect of the discussion.

In response to questions from members regarding the amount of funding requested, the Traffic Asset Manager advised an additional \$1M was being requested and Waka Kotahi was anticipated to contribute 51% to any approved projects. He believed that this amount would suffice for the staggered footpaths renewals schedule and that traditionally footpath renewals were a difficult project to attract contractors. He clarified that there were no preferred contractors. The Road Asset Manager advised that due to COVID-19, contractors were trying to catch-up with delayed jobs. She added that major infrastructural projects such as Transmission Gully were using most contractors in the region.

The Director Economy and Development advised that the Transport Strategy would include the public's expectations concerning footpaths. He added that the current procurement process was under review.

<b>RESOLVED:</b> (Mayor Barry/Cr Mitchell)	<b>Minute No. LTPAP 20604</b>
<i>"That the Subcommittee recommends that Council:</i>	
<i>(i) considers the budget matters as detailed in table 2 of the officer's report;</i>	
<i>(ii) endorses officer recommendations for items 1-15 and 17-19 as detailed in table 2 of the officer's report; and</i>	
<i>(iii) requests that officers provide further information regarding item 16: Major Events Fund as detailed in table 2 of the officer's report."</i>	

- iv) Long Term Plan 2021-2031 Rating Policy Review update report #2 (20/1140)

Speaking under public comment, **Mr Max Shierlaw** expressed concern that a comprehensive analysis of Step 1 for the Rating Policy Review had not been carried out. He explained that the Council in 2012 had undertaken extensive research to arrive at the 60%/40% split for the differential for rates. He considered it was erroneous to continue with that figure, given the potential changes to the residential and commercial composition of the city over the past eight years.

Mr Philip Jones from PJ & Associates was in attendance for the item.

Cr Brown left the meeting at 5.08pm.

The Manager, Financial Strategy and Planning elaborated on the report. He advised that any changes would be phased in over a three year period.

Cr Brown rejoined the meeting at 5.09pm.

In response to questions from members, Mr Jones explained that officers had completed a Step 1 analysis and outlined the requirements of Section 101(3) of the Local Government Act (LGA). He stressed that detailed work was not required and Council had considered the five aspects required of s101(3). He explained that consideration would now turn to Step 2.

In response to questions from members, the Chief Financial Officer advised that officers had revisited the 2012 information concerning the 60%/40% differential rates split and had re-modelled the database based on that information. She clarified that officers had assessed the end stage anticipated by the 2012 decision. Mr Jones added that the 2012 data was not complete and was based on broad assumptions. He further added that officers had considered factors including whether there was a significant increase in the number of residential units in the city compared to business properties. He advised officers concluded that the basic proportional mix of residential to business ratio had not drastically altered over the past eight years.

Cr Hislop left the meeting at 5.23pm.

In response to questions from members that the information was based on 2012 data, Mr Jones reiterated that Step 1 had been completed and that High Court rulings reinforced that rates were a means to service groups of properties. He added that Council needed to be satisfied it had investigated the overall impact of rates on the community, including affordability issues. He believed the Step 1 analysis showed this to be the case. He further added if Council believed this to be the case, it would be difficult to argue against the process if challenged in court.

Cr Hislop rejoined the meeting at 5.25pm.

Mr Jones advised that officers had concluded that the 60%/40% differential split was appropriate and reasonable to use moving forward, bearing in mind the challenge of the property revaluation exercise. He added it was the officers intention to provide a future rating system which minimised large rates increases. The Chief Financial Officer added that Simpson Grierson would review work undertaken prior to the document being released for consultation.

In response to further questions from members concerning the rationale for the 60%/40% rates differential, Mr Jones advised that the current proposal was to charge a percentage of the rates to the business category and another to the residential category to arrive at the 60%/40% split. He added this was a different methodology than was used in 2012. He said the results were the same and that it was a sound principle. Mayor Barry added that this was a very subjective area.

In response to questions from a member, the Manager, Financial Strategy and Planning advised that any proposed changes to the rural rates would be staged. He clarified the reason for proposing to include Queensgate in the general commercial rates was due to the complex having been identified as a standout business. Mr Jones advised that identified standout businesses received significantly reduced rates and that the effects of any proposed rates policy changes were required to be specifically assessed against them.

Cr Rasheed suggested a review of the process as she believed an expert opinion should form the basis for a Council decision. She said Council should be supporting the business community. She added that she would expect information concerning exactly where rates were spent and asked for the complete 2012 report to be distributed to members.

Cr Edwards supported the 60%/40% split in lieu of no other alternative being available.

Cr Dyer expressed concern with adopting the 2012 data.

Mayor Barry stated that the current rates differential system did not provide for large movement in rates especially when revaluations were undertaken. He believed a compromise had been reached and that members needed to be mindful of future Council investments. He noted that business property owners did not always pass rate decreases onto their tenants, however did so with rate increases. He looked forward to the results of the public consultation and reminded members of Council's Financial Strategy.

Cr Shaw left the meeting at 5.48pm.

Cr Brown expressed concern for the Wainuiomata residents who had faced large rate increases due to revaluations this year. She said that a

rebalance was required.

Cr Shaw rejoined the meeting at 5.50pm.

Cr Bassett stated it was important to listen to the public and to engage efficiently with all stakeholders.

Cr Sutton left the meeting at 5.51pm.

Cr Briggs said that for the past 10 years residential ratepayers had effectively subsidised commercial rate payers. He looked forward to the results of public consultation and wanted to ensure that future planning for all would be undertaken.

Cr Sutton rejoined the meeting at 5.53pm.

The Chief Executive advised that no exact science existed for devising rates differentials and that many factors contributed to financing policies. She repeated that recent Council directives of more user pays, better equity and better reflection of intergenerational obligations had influenced the work completed to date. Mr Jones added that all councils grappled with this issue as it was very subjective.

Cr Mitchell commented that it did appear there had been analysis undertaken by officers.

The Chief Financial Officer reiterated any proposed changes would be phased in over a number of years and that the recommended approach would help to alleviate large annual fluctuations.

**RECOMMENDED:** (Mayor Barry/Deputy Mayor Lewis)

**Minute No. LTPAP 20605**

*"That the Subcommittee recommends that Council:*

- (i) notes the decisions of the Long Term Plan/Annual Plan Subcommittee on the 24 September 2020 and that this report has been prepared in response to those decisions;*
- (ii) notes the 'step two' process which requires Council to apply its judgement and includes considerations of the overall impact on the current and future social, economic, environmental, and cultural wellbeing of the community as noted in the report;*
- (iii) agrees with the new definition of the Rural differential rating category to be included in the rates funding impact statement and the revenue and financing policy for consultation as part of the Long Term Plan 2021-31, refer section C of the report;*
- (iv) agrees to the Rates Remission Policy being updated to include a remission to allow an implementation for ratepayers changing from Rural to Residential to take place over two years;*
- (v) agrees with combining the Business Central and Business Queensgate differential rating categories;*
- (vi) agrees to the removal of the Business Accommodation differential rating category, by merging into either Business Central or Business Suburban differential rating categories depending on location;*
- (vii) agrees to the Rates Remission Policy being updated to include a remission to allow an implementation for ratepayers changing from Business Accommodation to Business Central to take place over two year years;*
- (viii) agrees to the use of a fixed multiplier for the smaller differential rating categories of Rural and Community Facilities alongside the use of a percentage proportion for the Residential, Business and Utility categories;*
- (ix) agrees to a 60% General Rate percentage allocation amount to be applied to the residential rating category with the proportionate change to commercial categories;*
- (x) agrees to implement the change to the General Rate percentage allocation over a three year period, refer paragraph 53 of the report; and*
- (xi) notes that officers will report back to the subcommittee on 30 November 2020 with the draft Revenue and Financing Policy and Rates Funding Impact Statement updated for the Council decisions made."*

Cr Dyer and Cr Rasheed requested that their dissenting voted be recorded.

v) Three Waters Investment 2021-31 Long Term Plan (20/1174)

Ms Nicola Chisnall, Principal Advisor Asset Strategy and Mr Eugene Stansfield, Principal Advisor Regional Priorities, Wellington Water Limited (WWL) were in attendance for the item.

The Strategic Advisor elaborated on the report.

In response to a question from a member, Mr Stansfield advised that the proposed increase in capital expenditure was modest for the first three years and that allowances for gaining more resources had been made.

In response to a question from a member, Mr Stansfield acknowledged the risks involved if Councils in the region provided differing responses to the required infrastructural spend due to affordability issues. He added that WWL was investigating different delivery models, especially in the renewals area. He said that more efficiencies could be found to enable large infrastructural programmes to proceed.

In response to a question from a member regarding the significantly reduced figures for the modified option in Table 1 of the report, Mr Stansfield explained WWL was cognisant of the equitability and affordability limits of each Council. He added the 'Sustainability' item provided for more funding to be allocated to detecting and mending leaks. This could have flow on effects at reducing expenditure needs in other areas. He further added that there was a capex placeholder allowance provided for universal metering. With regard to Urban Waterways, he advised that this was no longer a top priority. He said that work would continue to investigate how to better understand ways to positively impact water quality.

In response to a question from a member regarding water meters, Mr Stansfield advised more information would be provided in due course. He said the first stage of a business case for regional water meters undertaken by Greater Wellington Regional Council had been completed. He added that if water usage could not be reduced through existing means, metering would have to be considered.

In response to a question from a member regarding the 3 Waters reform, the Strategic Advisor explained that if monies were received from the government for 3 Waters, the cost to the ratepayer could be reduced, or the cost could remain the same, with increased expenditure possible. He clarified that the budget only included monies which were certain and that as more information came to light the draft Long Term Plan would be updated.

In response to a question from a member concerning the effect a potential increase to the debt-to-revenue limit might have on the Standard and Poors rating, the Chief Financial Officer advised it could result in a slight downgrade. She said the rating level was the result of

detailed assessment of a number of influences and factors to assess the sustainability of a local authorities finances.

In response to a question from a member regarding evidence of big gain areas in water reduction, Mr Stansfield agreed to report back as to which strategy provided the best water use reduction rates. The strategies included education, water metering with charging or water metering without charging. He added that many initiatives to assist in reducing water consumption were currently under investigation. The Strategic Advisor added that education was currently being undertaken with limited success. He said that identification and fixing of leaks would be an ongoing operation due to the age of the networks.

In response to a question from a member, Mr Stansfield advised that currently WWL had limited leakage knowledge of the networks and that network meters were being installed to aid in detecting leaks. He added that it was believed many leaks occurred on private property, and that domestic water metering would provide a clearer picture of the situation.

In response to questions from a member, Mr Stansfield advised WWL was comfortable with the revised mid-option and recognised the affordability issues of Council. He said the option presented a significant increase in 3 Waters funding. He added that the area still at most risk was the growth requirement across the city. He further added that open and frank discussions had been undertaken with the relevant officers and the collaboration between Council and WWL was operating very well.

Cr Briggs expressed support for the recommendations understanding that the effect on rates was significant, but that to do nothing was not an option, and would result in higher expenditure being required in later years.

Cr Hislop suggested officers investigate using extensive means to educate the public in water reduction and alternative ways to use and store water.

Mayor Barry thanked officers involved for their work to date. He stated that 3 Waters was currently a basic core function of Council and that it was imperative to get it right. He acknowledged the detailed reporting that had been received, with all information presented in a coherent and transparent manner.

**RECOMMENDED:** (Mayor Barry/Cr Briggs) **Minute No. LTPAP 20606**

*“That the Subcommittee recommends that Council:*

- (i) agrees to include the proposed modified mid investment option in the draft Long Term Plan 2021-2031, refer paragraph 8 of the officer’s report;*
- (ii) agrees to increase the debt to revenue limits in the Council’s financial strategy to 250% due to significant challenges of the three waters investment, refer paragraph 17 of the officer’s report; and*
- (iii) asks officers to prepare suitable information for early engagement with the community to socialise future three waters investment requirements.”*

The meeting adjourned at 6.03pm and resumed at 6.15pm.

Cr Bassett left the meeting at 6.03pm.

vi) Draft Heritage Policy - engagement and consultation (20/1223)

The Head of Strategy and Planning elaborated on the report. She advised she had circulated an updated draft of the draft Heritage Policy. She highlighted the updated draft did not present any material changes.

In response to a question from a member regarding the inventory of heritage buildings and places, the Head of Strategy and Planning advised the previous inventory would be used as a base of information. She said the process was being undertaken by a consultant reporting to Council's District Plan Review team. She added the consultant had been involved in the original inventory 12 years ago.

In response to questions from a member regarding the conservation incentive funding requested, the Head of Strategy and Planning advised it was difficult to assess if this amount was adequate as the fund depended on demand and could finance a variety of areas. She added there had not been many applications to the fund since it was initiated. The Director Environment and Sustainability advised it was yet to be determined who would be responsible for administration of the fund and that currently it was overseen by Council's Urban Designer.

In response to a question from a member regarding the difficulties expressed with consulting with Māori, the Head of Strategy and Planning advised that officers were working with Council's Kaitātari Tumuaki Māori | Principal Māori Advisor. She said the local Rūnanga had indicated it was happy with the direction the review was taking. She added officers were contacting all seven marae in the city to request feedback.

In response to a question from a member, the Chief Financial Officer advised that if the monies were not spent in a financial year, they could be carried over, or reallocated to another budget.

The Head of Strategy and Planning advised that public engagement for the Heritage Policy Review and the District Plan Heritage Chapter Review was due to commence with a webinar on 29 October 2020.

Deputy Mayor Lewis thanked officers for their work on the process to date. She suggested the full amount of \$150,000 remain in the budget, as it signalled that Council took heritage values seriously. She added that it was possible to have development whilst preserving heritage. She expressed support for the recommendations.

Cr Shaw expressed support for the recommendations. She noted that heritage was extremely important.

Cr Hislop expressed support for the recommendations. She noted that there were many parts of the city with heritage values.

Cr Dyer expressed support for the recommendations. He suggested that the fund be better advertised.

**RECOMMENDED:** (Mayor Barry/Cr Dyer) **Minute No. LTPAP 20607**

*"That the Subcommittee recommends that Council:*

- (i) notes the briefing on the draft Heritage Policy on 7 October 2020;*
- (ii) notes that work on the Heritage Policy 2008 review started in early 2019 and included engagement via a Citizen's Panel survey and kanohi ki te kanohi community engagement undertaken by Cuttriss Consultants Ltd supported by officers;*
- (iii) notes the links between the Heritage Policy and the District Plan review and that the District Plan review of the Heritage chapter will be guided by the Heritage Policy's vision and objectives;*
- (iv) notes having an agreed Heritage Policy will help to focus community discussion and engagement on the review of the District Plan's heritage chapter;*
- (v) notes that the draft policy has financial implications for the 2021-31 LTP with its proposal that \$150,000 is invested in conservation incentives for built heritage and sites of significance. This could include:*
  - (a) Connecting heritage building owners/kaitiaki with specialist heritage advice and support;*
  - (b) Resource and building consent waivers and rates rebate – a heritage rebate already exists in the Rating Policy which is currently under review;*
  - (c) Fund building and sites of significance conservation related work for listed heritage buildings and sites of significance; and*
  - (d) Further developing heritage programmes, activities and services providing access to and celebration of heritage;*
- (vi) notes that \$150,000 per annum is the amount originally budgeted when the "Built Heritage Conservation Incentives" were agreed to as part of the 2008 Heritage Policy;*
- (vii) notes there is currently a budget of \$57,000 per annum in the LTP for funding conservation incentives for built heritage and sites of significance;*
- (viii) notes the additional funding of \$150k p.a. would be funded from rates and over ten years of the LTP would total \$1.5M;*
- (ix) agrees to progress the draft policy to community engagement and consultation and final approval; and*
- (x) notes the engagement and consultation will begin 28 October and end on 2 December 2020."*

6. QUESTIONS

There were no questions.

There being no further business the Chair declared the meeting closed at 6.29 pm.

C Barry  
MAYOR

**CONFIRMED as a true and correct record**  
**Dated this 8th day of December 2020**