

HUTT CITY COUNCILKOMITI ITI MAHERE Ā-NGAHURUTANGA / MAHERE Ā-TAU
LONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

Minutes of a meeting held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt on
Wednesday 18 May 2022 commencing at 9.34am

PRESENT: Mayor C Barry (Chair) Deputy Mayor T Lewis (Deputy Chair)
Cr J Briggs Cr B Dyer
Cr S Edwards Cr D Hislop
Cr A Mitchell Cr N Shaw
Cr L Sutton

APOLOGIES: Cr Barratt, Cr Brown, Cr Milne and Cr Rasheed

IN ATTENDANCE: Ms J Miller, Chief Executive
Ms A Blackshaw, Director Neighbourhoods and Communities
(via audio-visual link)
Mr J Griffiths, Director Strategy and Engagement
Ms H Oram, Director Environment and Sustainability (via
audio-visual link)
Mr K Puketapu-Dentice, Director, Economy and Development
(via audio-visual link) (part meeting)
Ms J Livschitz, Group Chief Financial Officer
Mr D Koenders, Manager Financial Strategy and Planning
Mr G Craig, Head of Business and Economy (via audio-visual
link)
Mr M de Boer, Principal Advisor, Strategic and Business
Planning (via audio-visual link)
Mr P Simpson, Neighbourhood Hubs Manager North
Ms A Dowdle, Senior Communications Advisor (via audio-
visual link)
Ms A Gordon, Senior Policy Advisor (via audio-visual link)
Mr H Singh, Advisor Strategic Planning and Business (via
audio-visual link)
Mr J Kingsbury, Head of Transport (via audio-visual link)
Ms K Crandle, Head of Parks and Reserves (via audio-visual
link)
Mr K Chitham, Head of Museums (via audio-visual link) (part
meeting)
Ms P Rotherham, Head of Planning (via audio-visual link)
(part meeting)
Ms T Lemessa, Manager Neighbourhood Hubs South (via
audio-visual link) (part meeting)
Mr J Lamb, Senior Advisor Business and Economy (part
meeting)
Mr J Scherzer, Head of Climate and Solid Waste (via audio-
visual link) (part meeting)

Ms M Laban, Head of Connected Communities (via audio-visual link) (part meeting)
 Mr I Velasco, Urban Design Team Lead (via audio-visual link) (part meeting)
 Mr T Biggin, Project Manager – Riverlink (via audio-visual link) (part meeting)
 Mr D Kerite, Head of Regulatory Services (via audio-visual link) (part meeting)
 Ms K Pascall, Policy Planning Manager (via audio-visual link) (part meeting)
 Mr S Keatley, Community Assets & Project Manager (via audio-visual link) (part meeting)
 Ms M Simmons, Programme Manager, Go Digital (via audio-visual link) (part meeting)
 Ms K Stannard, Head of Democratic Services (via audio-visual link)
 Ms J Randall, Democracy Advisor
 Ms G Rackley, Democracy Administrator (via audio-visual link) (part meeting)
 Ms K Glanville, Senior Democracy Advisor

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

<p>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.</p>	<p><i>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.</i></p>
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2. APOLOGIES

RESOLVED: (Mayor Barry / Cr Mitchell)

Minute No. LTPAP 22201

“That the apologies received from Cr Barratt, Cr Brown, Cr Milne and Cr Rasheed 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

There were no conflict of interest declarations.

5. RECOMMENDATIONS TO TE KAUNIHERA O TE AWA KAIRANGI | COUNCIL - 18 May 2022

- a) Feedback analysis of engagement on draft 2022-2023 Annual Plan (22/991)

Speaking under public comment, **Mr Phil Gibbons, Chief Executive of Nuku Ora** highlighted that sports and recreation providers were struggling to get funding. He advised the current sports and recreation system was no longer meeting the needs of communities and the system needed a new model. He noted there was an opportunity to strengthen partnerships and create solutions with Council, Mana Whenua, other organisations and communities.

In response to questions from members, Mr Gibbons stressed the importance of reducing costs for providers and providing relief for the volunteer workforce. He said Nuku Ora had formed a partnership with regional Rūnanga to develop a plan to help Māori to become more active.

The Principal Advisor, Strategic and Business Planning elaborated on the report.

In response to a question from a member, the Principal Advisor, Strategic and Business Planning confirmed he would respond to Annual Plan submitters.

Cr Hislop noted that footpath standards were an ongoing concern. She said Council's strategy was to encourage walking and help people with disabilities.

The Chair asked officers to report to the next Long Term Plan/ Annual Plan Subcommittee on the city's footpath programme. He also asked that the matter be added to the Infrastructure and Strategy Committee's forward programme.

Deputy Mayor Lewis suggested officers report on incentivising warm dry houses in Lower Hutt. She highlighted the report should focus on occupiers with disabilities and the ageing population.

The Chief Executive suggested the new triennium would be an opportunity to investigate ways to incentivise social, affordable and accessible housing. She advised the investigation would include ways to use development contributions and homestar 6/7 as incentives. The Chair agreed and asked officers to consider these matters in the new triennium.

Cr Edwards noted Council's Integrated Transport Plan provided a clear direction for more active transport modes. He expressed hope that the

new Council would prioritise active transport modes.

Cr Mitchell agreed Council should prioritise active transport modes. He added public safety in roading projects was essential. He suggested officers ensure operational requests or comments from public submissions were directed to the appropriate teams.

Cr Briggs suggested feedback from submissions were forwarded to Greater Wellington Regional Council (GWRC). He emphasised the importance of Council continuing to work well with GWRC.

Cr Dyer suggested officers investigate ways of working on a joint transport model with GWRC. He noted that this would improve public and active transport.

The Chair agreed that the feedback from submissions should be forwarded to GWRC.

The Chief Executive said the submission from Nuku Ora would be considered during the asset review work. She agreed to ensure submissions went to the appropriate teams to inform their work plans.

RECOMMENDED: (Mayor Barry/Cr Edwards) **Minute No. LTPAP 22202**

"That the Subcommittee recommends that Council:

- (1) notes the engagement activity during the 2022-2023 draft Annual Plan engagement period 12 April to 3 May 2022;*
- (2) notes and receives the summary analysis of feedback received and related appendices; and*
- (3) notes the direction and guidance provided to officers at the meeting ahead of preparation of the final Annual Plan 2022-2023 reports and advice to be presented to the Long Term Plan/Annual Plan Subcommittee 7 June 2022."*

For the reason of considering residents feedback prior to the adoption of the final Annual Plan on 30 June 2022.

b) Potential Targeted Initiatives to Support Business Sector Significantly Affected by Covid-19 (22/981)

The Head of Business and Economy elaborated on the report.

In response to questions from members, the Head of Business and Economy advised businesses had varied in their rates of recovery from the impacts of COVID-19. He noted retail and hospitality businesses were the most affected. He added Council's partners were supportive of targeted support for business.

Cr Dyer noted arts and events in Lower Hutt were affected by COVID-19. He suggested support for arts and events would help draw people into the city and support business.

Mayor Barry suggested the Activation Fund was used to assist funding arts and events. He agreed this would draw people back into the city and support hospitality and retail businesses. He asked officers to ensure the spreading of funding across businesses to help support them.

Cr Mitchell suggested officers contact smaller businesses to ensure targeted funding went to those most affected.

RECOMMENDED: (Mayor Barry/Cr Briggs)	Minute No. LTPAP 22203
<i>"That the Subcommittee recommends that Council:</i>	
<i>(1) notes officers have considered the recent impacts of Covid-19 on the business community and now provide further advice on a package of targeted support;</i>	
<i>(2) notes that the evidence indicates that in Lower Hutt the hospitality sector is the most negatively impacted by Covid-19 in recent months;</i>	
<i>(3) notes that officers have considered how other councils have responded to the recent impacts of Covid-19 in their cities;</i>	
<i>(4) notes that officers are proposing Council provide further targeted support with the following initiatives:</i>	
<i>(a) the waiver or subsidy of the food licensing annual renewal charge of \$180 (incl. GST), for the period 1 July 2022 to 30 June 2023, for those businesses that have a registered Food Control Plan; and</i>	
<i>(b) the waiver or subsidy of annual permanent and temporary pavement encroachment fee of \$59 (incl. GST) for the period 1 July 2022 to 30 June 2023 for hospitality businesses; and</i>	
<i>(c) provide an Activation Fund:</i>	
<i>- that our partner organisations and hospitality businesses can apply to for supporting their own activation and events to encourage more people into hospitality and retail centres; and</i>	
<i>- encourage people back into their local places of work to help increase</i>	

<p><i>spending in nearby hospitality and retail centres; and</i></p> <ul style="list-style-type: none"> - <i>to amplify the promotion of planned Council supported events such as the Hot Chocolate Challenge and Puanga/Matariki;</i> <p>(5) <i>notes that the total cost to Council, in foregone revenue and direct costs is estimated to be \$265,000, made up of \$115,000 in foregone revenue and \$150,000 in direct costs;</i></p> <p>(6) <i>approves the use of:</i></p> <ul style="list-style-type: none"> (a) <i>\$115,000 from savings made in FY2021/22 in the Development Stimulus Package (previously reported to this Committee on 28 February 2022) for the waiver or subsidy of fees above; and</i> (b) <i>the carryover of \$80,000 from for City Events Fund and \$40,000 from the budget for City Promotions, from 2021/22 to 2022/23, for the Activation Fund;</i> <p>(7) <i>notes \$30,000 of the FY2022/23 budget for City Promotions will also be applied to the Activation Fund; and</i></p> <p>(8) <i>notes that if approved officers will take steps to implement these initiatives for commencement from 1 July 2022 and regularly report back to Council on progress."</i></p> <p>For the reason that Council has asked for advice on a package of targeted initiatives to support hospitality businesses and other sectors significantly affected by Covid-19.</p>

c) Progressing decisions for the final Annual Plan 2022-2023, Financial Aspects (22/1019)

The Manager Financial Strategy and Planning elaborated on the report. He showed a presentation attached as pages 10-15 to the minutes.

In response to questions from members, the Manager Financial Strategy and Planning advised Council's asset revaluations would be completed before the adoption of rates. He agreed this would impact depreciation but was included in the Annual Plan as an assumption. He confirmed Wellington Water Limited was considering projects that could carry over to the next financial year. This would ensure the projects were more achievable in the current environment.

In response to questions from members, the Group Chief Financial Officer explained city valuations were separate from Council's valuations. She acknowledged the risks of increasing building costs. She highlighted that Council had received specialist advice. The advice was to ensure there was strong evidence for the unit rates applied to different asset categories.

Members considered the information in Table 2 contained in the officer's

report.

Miscellaneous traffic safety works

In response to questions from members, the Head of Transport advised his team was developing a traffic programme. The programme would include a school safety programme for the 2022-2023 year. He added the programme would include traffic speed, congestion, footpaths and general maintenance. He advised a report on the matter would be reported to the Infrastructure and Strategy Committee in early July 2022. He acknowledged the risks from the current shortage of resources and contractors. He noted more capability was becoming available.

Petone Wharf

In response to questions from members, the Director Neighbourhoods and Communities said delayed work was due to the conservation report. She added construction would begin once the resource consent was granted and the availability of materials and contractors.

Cr Sutton spoke against the refurbishment of the Petone Wharf. She expressed concern the project was not affordable.

Deputy Mayor Lewis noted preparatory work was necessary to provide information before members made decisions on the next stages. She noted the community had been supportive of the refurbishment.

The Group Chief Financial Officer reminded members that Council had been through a detailed public engagement exercise via the Long Term Plan process. She said if the project was reconsidered, then Council would need to re-consult.

Hutt Valley Tennis funding

In response to questions from members, the Director Neighbourhoods and Communities advised that Council's grant was \$500,000, along with the net proceeds of the sale of the Mitchell Park land. She noted officers were waiting until the Hutt Valley Tennis (the club) to begin its improvements. She confirmed Council would ensure the club could still deliver what the grant had intended.

Cr Edwards asked for a report to the relevant committee. The report to cover an update on progress with the club's project and reasons for the delays.

Mayor Barry asked for an urgent update on the ability of the club to complete the earthquake strengthening work. He noted the delay in the work along with rising costs.

Cr Dyer asked for an update on the status of the land sale at Mitchell Park and the proceeds of the sale.

Vehicle fleet

In response to questions from members, the Head of Climate and Solid Waste advised it would become clear in the new financial year whether more investment would be required for the electric vehicle (EV) programme. He highlighted government's plan to increase EVs might result in a faster uptake and impact the investment required for the programme. He said Council was working with Meridian to install a range of EV chargers around the city. He envisaged other private operators would be looking at opportunities in the Lower Hutt area. He noted Wellington Electricity's challenge to secure enough power for operators to install rapid charging stations. He added the operational revenue from EV charging stations for the current year would be available in the new financial year.

Cr Briggs asked officers to communicate with the community about progress with projects. In particular where there were delays.

Cr Shaw asked officers to build contingencies into costs to allow for the delays.

The Chair asked officers for a rates increase comparison between other councils across the region. This would provide context around Lower Hutt's rates increase.

Cr Hislop asked that the rates increase comparison include numbers of Lower Hutt ratepayers who gave feedback to Greater Wellington Regional Council on its rates increase.

Cr Mitchell asked the rates increase comparison include the rate differentials.

Members thanked officers for their financial discipline while progressing Council's plans. They acknowledged the difficult decisions needed under the challenging environment created by COVID-19.

RECOMMENDED: (Mayor Barry/Cr Shaw)	Minute No. LTPAP 22204
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"That the Subcommittee recommends that Council:

- (1) notes that the public feedback was received from the "light" engagement process from 12 April to 3 May 2022;*
- (2) endorses the budget matters as recommended by officers, detailed in Table 2 of the report;*
- (3) notes the latest projected debt and balanced budget results, as detailed in graphs 2 and 3;*
- (4) notes the rating policy in the Long Term Plan and the implications for the Annual Plan 2022-2023 as detailed in section F and Funding impact statement in the Draft Annual Plan 2022-2023;*

- (5) *endorses the application of the rating policy for general rates allocation to be applied in line with the direction set in the Long Term Plan 2021-2031 for the final Annual Plan 2022-2023;*
- (6) *endorses the 5.9% rates revenue increase together with 1.1% for growth as noted in paragraph 61 of the report, including targeted rates increases as set out in Table 4 of the report, to be included in the final Annual Plan 2022-2023; and*
- (7) *endorses the fees and charges to be included in the final Annual Plan 2022-2023."*

Cr Sutton requested that her dissenting vote be recorded against the above matter.

6. QUESTIONS

There were no questions.

There being no further business the Chair declared the meeting closed at 11.00 am.

C Barry
MAYOR

CONFIRMED as a true and correct record dated this 2nd day of August 2022



High level timeline

Date	Activity
1 Nov 2021	Council endorsement of high-level plan and key assumptions. Provide initial direction for DAP
8 Nov 2021	Councillors Hui
16 Dec 2021	Key decisions progressed by Council to inform DAP
28 Feb 2022	Final decisions on engagement matters. Draft engagement material and DAP presented to Council for feedback.
4 Apr 2022	Council agree DAP and engagement material for public engagement
12 Apr to 3 May 2022	Public engagement - "light" engagement
18 May 2022	Community feedback received, Progress final decisions.
7 Jun 2022	Council meets to make final decisions
30 Jun 2022	Council adopts the Annual Plan and sets the rates

Budget decisions

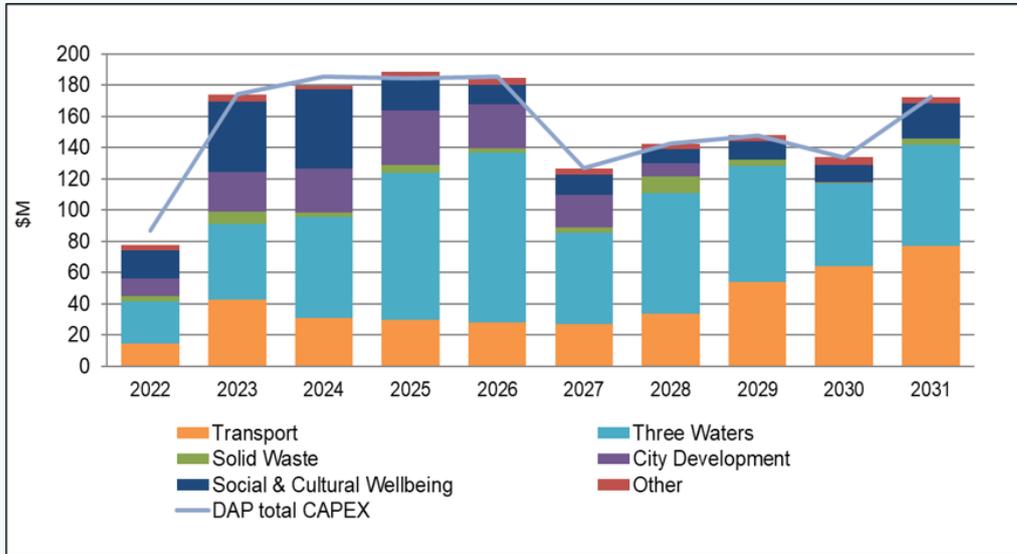
Primarily carryovers and project phasing updates. Including:

- Traffic Safety - \$0.45M from 2021-22 to 2022-23
- Wainuiomata Town Centre improvements - \$0.68M from 2021-22 to 2022-23
- Naenae Town Centre improvements - \$0.61M from 2021-22 and rephasing of remaining capital funding to align with a project completion in 2024-25
- [RiverLink](#) - \$0.44M from 2021-22 to 2022-23
- District Plan - \$0.4M from 2021-22 to 2022-23
- Naenae Pool - Rephasing of project total budget of \$68M to align with current expected project timelines.
- Petone Wharf - \$5M from 2022-23 to 2023-24 (\$3M) and 2024-25 (\$2M)
- EV charging stations – transfer of 0.32M from fleet budget to EV charging station budget

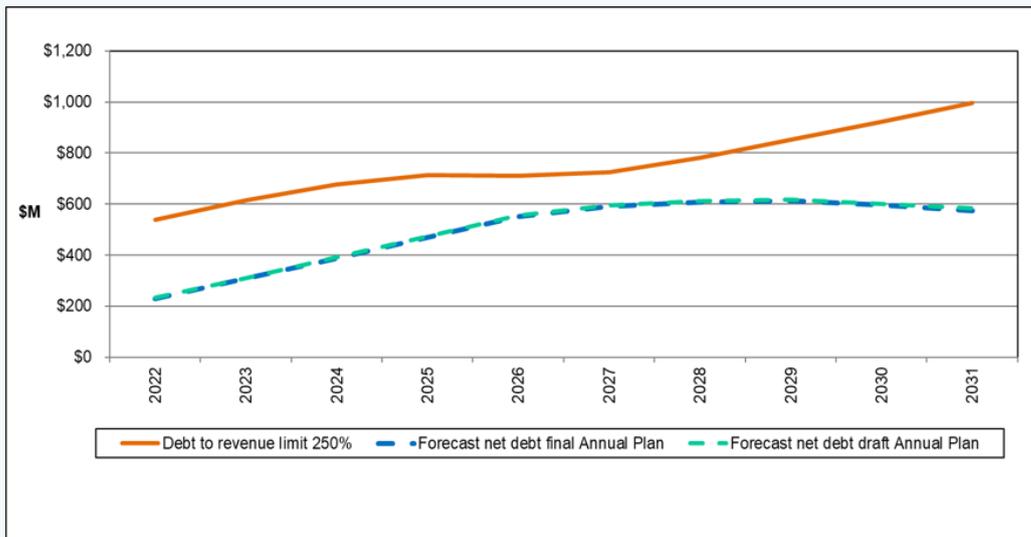
Forecasting risks

- COVID-19 disruption
- Capital deliverability
- Interest rates assumption – Likely to increase.
Advice is currently being sought from our advisors
- Inflation
- Central Government funding
 - Infrastructure Acceleration Fund
 - Three Waters Reform programme – “Better off” funding

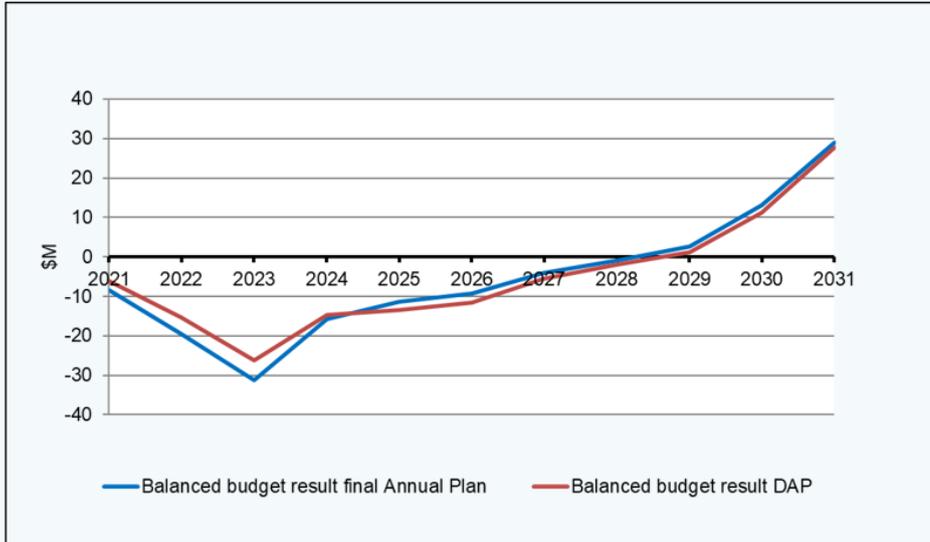
Capital investment plans



Debt projection



Balanced budget projection

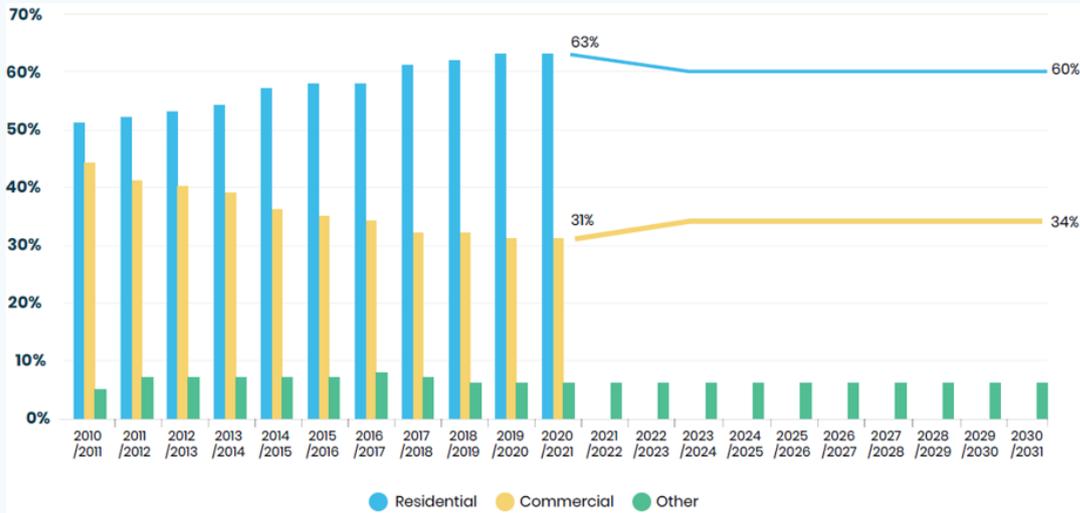


Targeted rates

Rate	LTP 2021/22	DAP 2022/23	Proposed change
Wastewater – per SUIP	\$559	\$593	\$34
Water supply – per SUIP	\$520	\$551	\$31
Refuse 80L – per SUIP	\$105	\$105	\$0
Refuse 120L – per SUIP	\$144	\$148	\$4
Refuse 240L – per SUIP	\$288	\$296	\$8
Recycling – per SUIP	\$105	\$111	\$6
Green waste – per SUIP	\$95	\$101	\$6

Rates – General rates allocation

In 2022-23 the reduction in the residential portion of the total general rate is from 62% to 61% with the corresponding increases in the commercial portions



Indicative rates impact

	2022/23
Total overall rates revenue increase (excluding growth)	5.9%

Property Category	Capital Value	2021/22 Rates	Keep residential at 62%		Reduce residential to 61% (per DAP)	
			\$ Change Annual	\$ Change Weekly	\$ Change Annual	\$ Change Weekly
Average Residential	\$630,000	\$2,951	\$156	\$3.00	\$132	\$2.54
Average Commercial Central	\$1,782,000	\$15,119	\$642	\$12.34	\$1,234	\$23.73
Average Commercial Suburban	\$1,644,000	\$13,135	\$787	\$15.13	\$1,095	\$21.05

Direction sought today

- Endorses budget decisions including carryover's
- Confirm the rates increases to be included in the final annual plan
- Confirm rates allocation approach for the final annual plan
- Provides feedback and direction in relation to the preparation of the final annual plan.

Next steps

- Final annual plan decisions report will be prepared for the committee meeting on 7 June 2022.
 - Final budget decisions including updates to interest rate assumption
 - Narrative updates to the final Annual Plan
- The final Annual Plan will be presented to Council for adoption on 30 June 2022
- The rates strike will be presented for adoption on 30 June 2022