

DRAFT REVENUE AND FINANCING POLICY

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Introduction

A wide number of funding sources are available to Council to fund its activities, ranging from general and targeted rates through to fees and user charges. This policy outlines Council's approach to funding its activities. It provides information on what funding tools are used and who pays, as well as describing the process used to make these decisions. This policy should be read in conjunction with the Funding Impact Statement (see section 6). The Funding Impact Statement is the mechanism used to implement the Revenue and Financing Policy and provides detail on how rates are set.

Support for principles relating to Māori

Section 102(3A) of the Local Government Act 2002 provides that this policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 (that requirement is effective from 1 July 2024). These principles include recognition that land is a taonga tuku iho of special significance to Māori people, and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapū. Council considers that this policy supports those principles, particularly when viewed in conjunction with Council's Policy on Remission and Postponement of Rates for Māori Freehold Land and applying those principles to the Development and Financial Contributions Policy.

Section A: Changes to the policy

There is a provision for a potential new targeted rate for food and green organic waste collection service which has been included in Section G – funding needs analysis under the solid waste activity.

Section E is updated to include separate water utilities and non-water utilities property categories following Council's consideration of the implications of the 2025 general revaluation for general rates within the previous Utility category.

Minor editorial changes have been made to the layout and presentation of items in the policy.

Section B: How does Council decide what is funded from where?

Council determines appropriate funding sources using a two-step process on an activity-by-activity basis.

Step One

The funding needs of Council must be met from what Council determines to be the most appropriate funding source for each activity following consideration of:

- The community outcomes to which the activity contributes
- The distribution of benefits between the community as a whole and any identifiable parts of the community and individuals
- The period over which the benefits are expected to occur
- The extent to which the action or inaction of particular individuals or groups contributes to the need for the activity to take place
- The costs and benefits of funding an activity distinctly from other activities.

Council has considered the matters above for funding operating and capital expenditure arising from Council's activities. Section C discusses funding of operating expenditure and section D provides an explanation of the funding sources for capital expenditure. A funding needs analysis is provided in Section G to give more detail on the use of different funding tools and the reasons for allocation of costs to various sectors of the community for each activity.

Step Two

The second step in the process is for Council to apply its judgement to the overall impact of any allocation of liability on the current and future social, economic, environmental and cultural wellbeing of the community. In exercising this judgement, Council considers the following:

- the impact of rates and rates increases on residential properties, and in particular on the affordability of rates and rates increases for low, average and fixed income households
- the impact of rates and rates increases on businesses and on the competitiveness of Lower Hutt as a business location
- the fairness of rates (and changes in rates) relative to the benefits received for 'stand-out' properties with unusually high capital values
- the special characteristics of particular classifications of property – including their purpose and proximity to the city
- the complexity of the rating system and the desirability of improving administrative simplicity
- the change in relative rateable values between types of properties.

As the General rate is a general taxing mechanism, shifting the 'differential factor' for each sector's share of the city's overall capital value is the principal means that Council has used to achieve the desired overall rates impact on the wider community. This includes considering the appropriate share of general rates contributed by ratepayers in each property category, taking the above considerations into account. Council has exercised its judgement in balancing the above factors in setting general rate differentials.

Section C: Funding of operating expenditure

The policy sets target funding bands for the main funding sources for each activity. The funding bands are:

- High: 80–100%
- Medium/high: 60–79%
- Medium: 40–59%

- Medium/low: 20–39%
- Low: 0–19%

Our funding sources for operating expenditure and how they are applied is as follows:

Funding source	Priority of application to operating costs	Definition
Other revenue: Grants and subsidies	1	Funding received from other agencies, usually for specific projects/programme of work
Other revenue: Other	2	Interest income, profit on sale of assets
User fees & charges	3	Fees charged for Council services provided
Targeted rates	4	Rates set for a specific activity
General rates	5	Rates for activities not covered by targeted rates
External borrowing	6	Borrowings to meet operational cash flow requirements where the above funding sources are inadequate to meet these needs.

General rates

General rates provide Council's largest source of funding. General rates are used to help fund activities where the Council has concluded that the whole community or city benefits. This is sometimes referred to as a public good that can demonstrate the following characteristics:

- non-rival – the enjoyment by one person does not prevent the benefit from being enjoyed by others. An example is street lighting
- non-excludable – no person or group can easily be prevented from enjoying the benefit. An example is a beach or park.

In these cases, all ratepayers pay towards the cost of the activity. Where the activity also provides benefits to individuals or parts of the community, rates are used to fund the balance of costs after the potential for user fees & charges has been exhausted.

Council sets general rates based on the capital value of properties. Capital value is used because, in the main, it reflects the ability to pay better than the alternatives of land value or annual value.

What each ratepayer pays depends on the capital value of their property relative to the value of other properties, and on the share of the general rate that has been allocated to each sector of the community (residential, commercial, water utilities, non-water utilities, community facilities, and rural).

Uniform annual general charge

Council also has the option to assess a uniform annual general charge (UAGC). A UAGC recovers a portion of general rates costs as a fixed amount per rating unit. Such fixed charges tend to have a disproportionate impact on low-income households, as the charges make up a higher proportion of such a household's income. For this reason, Council does not currently utilise a UAGC. Council does, however, use fixed amounts for some targeted rates.

Targeted rates

Council uses targeted rates where it has decided that the cost of a service or function should be met by a particular group of ratepayers (possibly even all ratepayers) or to provide greater transparency about the use of the funding. There is considerable scope to set rates for a specific function (e.g., kerbside rubbish and recycling collection), target a rate on a specific geographic area (e.g., Jackson Street), or set different levels of rates for different property types (e.g., a promotion levy targeted on Commercial Central properties).

There is a provision for a potential new targeted rate in the 10 Year Plan for food and green organics waste collection service from 1 July 2028 – refer to section G for further details.

Fees and charges

User fees & charges are used where there are strong benefits to individuals or parts of the community from an activity and it is feasible to collect fees.

User charges contribute to the cost of some facilities (such as swimming pools) and also fully or partly meet the cost of regulatory services, such as those under the Building Act 2004 and Resource Management Act 1991.

Similarly, Council has the ability to fine people and businesses for certain rule infringements. The amount of income derived through these fines depends on the level of non-compliance and the resourcing Council allocates to enforcement activities.

Other funding sources

Council's other main funding sources for operating expenditure are grants and subsidies. Waka Kotahi New Zealand Transport Agency funding assistance for road maintenance makes up the majority of this funding. Other central government funding is occasionally available for specific projects and initiatives.

Council does not intend to use borrowing, proceeds from asset sales, development contributions or financial contributions to help fund operating expenditure unless the sources identified above are insufficient to meet its revenue needs.

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Section D: Funding of capital expenditure

Our funding sources for capital expenditure and how they are applied is as follows:

Funding source	Priority of application to capital costs	Definition
Grants and subsidies	1	Funding received from other agencies, usually for specific projects/programme of work such as Waka Kotahi New Zealand Transport Agency (in relation to certain roading projects).
Development contributions	2	Revenue under the Local Government Act 2002 to help fund planned growth-related capital expenditure, primarily for transport.
Financial/Environmental contributions	3	Revenue under the Resource Management Act 1991 to help fund growth-related capital expenditure on recreation reserves, and for other infrastructure where individual developments give rise to capital expenditure that is not planned, and therefore is not included in Council's Development and Financial Contributions Policy.
Proceeds from sale of assets	4	Revenue from sale of assets not otherwise used for debt reduction
Rates	5	Any Rates collected to cover depreciation charges
Operating surplus	6	Surplus revenue available after paying for all operational costs
External borrowing	7	Borrowings to meet capital cash flow requirements where the above funding sources are inadequate to meet these needs. Repayments of debt are spread across several years. This enables Council to better match funding with the period over which benefits will be derived from assets and helps ensure intergenerational equity.

Funding source	Priority of application to capital costs	Definition
		Borrowing and repayments are managed within the framework specified in the Liability management section of the Treasury Risk Management Policy.

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Section E: General rate differential factor

The general rate payable on each category of property is expressed as a rate in the dollar of capital value. These different rates in the dollar for different property categories are known as 'differential factors' and are determined following the completion of step two of the process (which is designed to allow the Council to apply its judgement on the overall impact on the wellbeing of the community).

This judgement includes the consideration of the matters in step two above, including activity areas where the benefits of the activity are not considered to be equally shared among the community. Consistent with the policy adopted in 2021, the general rate will continue to be apportioned between residential, commercial, and utility categories based on a fixed percentage allocation to each category group. This "ring fences" the share of general rates paid by ratepayers in each property category, helping to reduce fluctuations in the general rate caused by valuation movement differences between categories and improving predictability of general rates.

For the 10 Year Plan Council considered the matters in step two above and options for modifying the differentials as overall impact adjustments. It considered the competing interests of different sectors of ratepayers as set out in the step two process (see Section B), particularly the different abilities of the residential and commercial sectors to accommodate rate increases at this time, and the impacts of those increases, particularly on rates affordability. Other considerations of Council included:

- The impacts of the changes made in the previous 10 Year Plan
- The outcome of the latest three-yearly property revaluation completed in 2025
- Recent development plans in the city through number and value of consents
- Other economic factors for both commercial and residential ratepayers.

In its judgement, Council has decided that the overall percentage allocation for the residential and commercial categories should remain the same as 2025–26, with the exception that the existing Utility property category should be split into two categories ('water utilities' and 'non-water utilities'), with the relative contribution to general rates of properties in each category fixed at their 2025/-26 levels. This represents a change to the previous policy and has been made to achieve a balanced range of rating impacts arising from the 2025 general revaluation process, which were partly the result of 'one-off' methodological and data quality changes. Adjustments to differentials have been made to give effect to these changes.

The indicative percentages to be applied for the term of the 10-year plan under the policy are as follows (including 2025–26 as a comparator):

Differential category	2025-26	2026-27	2027-28	2028-29
Residential	60%	60%	60%	60%
Commercial central	7.7%	7.7%	7.7%	7.7%

Differential category	2025-26	2026-27	2027-28	2028-29
Commercial suburban	25.4%	25.4%	25.4%	25.4%
Utility	5.6%	N/A	N/A	N/A
Water utilities	N/A	4.0%	4.0%	4.0%
Non-water utilities	N/A	1.6%	1.6%	1.6%

The general rate for Rural rating units is differentiated on the basis of perceived distance to Council services. Rating units to which this differential will apply are those within Rural activity areas in the Council's operative District Plan.

For the smaller rural and community facilities rating categories, a standard differential multiplier will be applied. This reflects the fact that small changes in the category may significantly impact average rates on individual properties if a percentage was applied.

The differential factors for these categories are:

- Rural 0.747
- Community Facilities1 1.000
- Community Facilities2 0.500
- Community Facilities3 2.344

The following indicative differential factors will be applied across all differential categories in 2026/27 to give effect to category percentages.

- Residential 1.000
- Commercial Central 3.610
- Commercial Suburban 2.826
- Community Facilities 1 1.000
- Community Facilities 2 0.500
- Community Facilities 3 2.344
- Rural 0.747
- Water utilities 0.934
- Non-water utilities 2.969

This policy should be read in conjunction with the Funding Impact Statement which provides further details on how rates are set.



Figure 1: Historic allocation of general rates charges between property rating categories and the continued approach for the 10 Year Plan

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Section F: Summary of operational funding sources

Key

Range name	Unlikely	Low	Medium / Low	Medium	Medium / High	High
Range	0	0-19%	20-39%	40-59%	60-79%	80-100%
Key	x	✓	✓	✓	✓	✓

Activity	Fees and charges	Grants, subsidies and other	General rates	Targeted rates	Development contribution	Financial contribution	Borrowing
Transport	✓	✓	✓	x	x	x	x
Solid waste	✓	✓	x	✓	x	x	x
City development	✓	x	✓	✓	x	x	x
Community partnering and support	✓	✓	✓	x	x	x	x
Open spaces, parks and reserves (including cemeteries)	✓	✓	✓	x	x	x	x
Libraries	✓	✓	✓	x	x	x	x
Museums	✓	✓	✓	x	x	x	x
Aquatics and recreation	✓	x	✓	x	x	x	x
Animal control	✓	✓	✓	x	x	x	x
Building consents and resource consents	✓	✓	✓	x	x	x	x
Public Health	✓	x	✓	x	x	x	x
Emergency management	x	✓	✓	x	x	x	x
Sustainability and resilience	✓	✓	✓	x	x	x	x
City governance	x	✓	✓	x	x	x	x

Section G: Funding needs analysis

ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
<p>Transport</p>	<p>The transport activity consists of five sub-activities – road assets, traffic assets, road safety services, active modes and parking. Council operates, maintains and renews the road asset, which includes footpaths, throughout the city. Traffic control measures are used to ensure the efficient and safe movement of motor vehicles, cyclists, pedestrians and other forms of transport. Road safety programmes and interventions are managed to improve the safety outcomes of all users on our transport network. Walking, cycling and micromobility initiatives are managed to enable safe and efficient mode choice across our transport system. Parking involves the provision, maintenance and regulation of on- street and off-street carparks in the commercial areas of the city. The location and regulation of carparks is designed to ensure fair, easy and efficient access to the city's commercial areas.</p> <p>Community outcome</p> <p>Who benefits</p>	<p>Within this activity group, different activities are funded based on whether specific beneficiaries can be identified and whether it is feasible and efficient to charge users directly.</p> <p>For roading and active mode activities, Council has no direct means to charge individual users of the local roading network on a user-pays basis. Therefore, most of the expenditure is funded directly from general rates revenue (and government subsidies). Trip generation is a useful base indicator benefit between ratepayer categories. Trip generation of the Commercial/Utility and Residential sectors is estimated at 72 per cent and 28 per cent respectively.</p> <p>For the parking activity, revenue from controlled parking charges is used to offset the costs of providing the activity.</p> <p>The net cost to council of major capital projects with benefits over several decades, will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.</p> <p>Economic wellbeing</p> <p>Road assets: Many of the benefits of roading networks accrue to individuals or businesses. To a large extent, this is reflected in the subsidies Council receives from government for roading. However, Council must cover the remainder of the unfunded component. Trip generation can be used as an indicator of both the cause and benefit of this activity's costs. Traffic assets: Traffic assets provide a range of benefits widely dispersed among the community, and for which there is little ability to charge individuals for the benefits they receive.</p> <p>Road safety services: Road safety services provide a range of benefits for all mode users across the network, for which there is little ability to charge individuals for the benefits they receive.</p> <p>Active modes: Active mode initiatives encourage behaviours that benefit health, wellbeing and the environment and there is little ability to charge individuals for the benefits they receive.</p> <p>Parking: The benefits of on-street parking largely accrue to individual users of parking spaces and the surrounding businesses. Controlled parking is provided in key business and shopping areas for the benefit of residents and businesses. However, charging and actively monitoring parking in most areas, such as most urban neighbourhoods, is not cost-effective..</p> <p>The primary beneficiaries of growth-related infrastructure are the developments that can be undertaken and the businesses and residents that occupy new sites. To the extent that investment in infrastructure benefits growth and</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: Medium / high • grants, subsidies, and other: Low • fees and charges: Low

existing residents, this is reflected in the allocation of costs between growth and levels of service or renewal, and reflected in the balance of funding sourced through borrowing and development contributions.

Period of benefit

The benefits of transport facilities are ongoing and spread over the long-term. These intergenerational benefits support the ongoing use of debt financing for capital works.

Whose acts create a need

Heavy vehicles create an additional cost to Council because of the increased wear they impose on roads, and the need to have wider roads to accommodate them. The need to undertake street cleaning is partially caused by the actions of individuals littering or dumping. In areas with a high concentration of parking demand, it becomes necessary and cost-effective to manage parking, allowing much of the cost associated with these parks to be recouped through parking charges and/or fines.

Separate funding

Except for parking activities, Council considers there is little benefit of separate funding of this activity because the benefits are widely dispersed and user charges are not feasible or efficient for many transport activities.

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ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
Solid waste			
	<p>Council contracts out the collection of residential solid waste and household recycling. It also owns a landfill for the disposal of the city's refuse. Council wishes to promote recycling and waste reduction and to provide for the disposal of the city's solid waste.</p> <p>Council is including a provision to potentially expand its current rubbish, recycling and green waste collection services to provide weekly food and green waste collection (FOGO) from 1 July 2028.</p> <p>Community outcome</p> <p>Who benefits</p> <p>Period of benefit</p> <p>Whose acts create a need</p> <p>Separate funding</p>	<p>Council funds for kerbside rubbish collection and recycling using targeted rates, which ensure only serviceable properties are charged for the service. Different amounts are collected depending on bin size, which aims to align costs to ratepayers with usage, and provides an incentive for waste reduction and recycling.</p> <p>User charges make a significant contribution to funding the landfill, with differential charges applied to light and heavy vehicles, green waste, and special or hazardous substances.</p> <p>Currently the solid waste activity group makes an overall surplus, primarily as a result of landfill activities. This surplus compensates Council for the long-term business risks of landfill operation and aftercare, with the surplus from these activities used to offset general rates.</p> <p>Environmental wellbeing</p> <p>Kerbside refuse, recycling, and opt-in Green waste primarily benefit residents and businesses who generate the need for the activity. There are also public benefits in ensuring that refuse is disposed of appropriately. The consequences of poorly dealt with waste are immediate public health effects. Longer-term health effects can also result from interaction with contaminated sites. The potential implementation of the Council's new FOGO collection service from 1 July 2028 will help reduce greenhouse gas emissions, reduce waste to the landfill thereby prolonging the longevity of this facility, i.e. cost savings on future expansion of the site, reduce leachate and pollution and allow for organic waste resource recovery.</p> <p>The benefit of most operating costs is expected to arise in the year the funding is sourced. The benefits of capital spend on the Landfill are ongoing and spread over a long period. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Individuals generate waste therefore creating the need for this activity. There are also individuals who create waste who do not use this service and therefore by their inaction create additional costs for Council.</p> <p>Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • targeted rates: Medium • grants, subsidies and other: Low • fees and charges: Medium
City development			
	<p>Council has a leading role in fostering the city's growth and development in a number of ways. Council develops the District Plan policy and makes changes to the District Plan in line with national and regional policy changes and also in line with expectations of the local community. Council aims to develop an urban environment that will help to attract people and investment, and enhance the city's image and economy. Council manages and develops the public space of the city on behalf of the community. Council aims to create a business-friendly environment, facilitate the</p>	<p>While businesses and residents benefit from city development, there is limited scope to charge directly for these activities because of their non-rivalrous and non-excludable nature. An exception is the Jackson Street Programme, which primarily benefits businesses with a frontage to a specific section of Jackson Street, Petone, and for which it is appropriate and feasible to set a targeted rate..</p> <p>After maximising other available funding (which are mostly non-existent), it is considered appropriate that the remainder of the activity is funded from General rates. The net cost to council of major</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: High • grants, subsidies and other: Low • targeted rates: Low

ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
	expansion and creation of local businesses and employment, increase tourism to the city and contribute to vitality of local business areas.	projects with benefits over several decades, will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.	
	Community outcome	This activity contributes to all community outcomes.	
	Who benefits	District/spatial planning and urban design has a mix of private and public benefits, as well as encouraging optimal resource use over time. The Council develops these with input from the community in terms of the Resource Management Act. Certain parts of the community, such as business owners, gain private benefits as a result of Council activities in shopping areas, for example Jackson Street..	
	Period of benefit	Benefits of city development activities are enduring, for example the preservation of heritage elements is intended for the benefit of future generations. The benefits of preserving buildings of architectural, heritage and historic value pertain to both the community as a whole and the owner or occupier. The city's businesses and residents benefit from Council's activities to revitalize commercial business areas and from its promotion of the city as a place to visit, which also bring enduring benefits.. The benefits of urban development, including through investment in city amenities, are ongoing and spread over the long-term. These intergenerational benefits support the ongoing use of debt financing for associated capital works.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.	

Community partnering and support

Council provides a range of community hubs and facilities to enable the delivery of community activities and provide safe inclusive spaces for the community. Council has previously carried out a significant rejuvenation programme across its community facilities to improve the wellbeing of Hutt City residents.	Where feasible and efficient, user charges are applied to partly recover the costs of using Council provided facilities, such as community halls. But as the community as a whole benefits from these activities, the balance of costs are appropriately recovered from general rates. The net cost to council of major projects with benefits over several decades, will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.	Operational costs • general rates: High • grants, subsidies and other: Low • fees and charges: Low
Community outcome	Social and cultural wellbeing	
Who benefits	No specifically identifiable sector or group is considered to cause or benefit from these activities beyond those groups that can be targeted by user charges.	
Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. The benefits of communal facilities (e.g., halls, hubs etc.) are ongoing and spread over the long-term.	

ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
	<p>Whose acts create a need</p> <p>Separate funding</p>	<p>None identified</p> <p>Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.</p>	
Open spaces, parks and reserves (including cemeteries)			
	<p>Council provides and maintains passive recreational facilities in the city for the enjoyment and wellbeing of the public, free of charge. Sports fields are provided and maintained through charges to sports codes. Recreation areas are both natural and created; the majority of Council effort is targeted at maintenance and retaining areas in their natural state.</p> <p>Community outcome</p> <p>Who benefits</p> <p>Period of benefit</p> <p>Whose acts create a need</p> <p>Separate funding</p>	<p>Most open spaces, parks and reserves are provided for general public benefit and no specifically identifiable sector or group is considered to derive more or less benefit from these costs beyond those specific individuals and groups that can be targeted by user fees. Outside of specific sports grounds and facilities, where costs can be partly recovered by charging sports clubs and recreational organisations, it is not desirable, practical or cost effective to exclude the public or charge for access to open spaces, parks and reserves.</p> <p>Major projects with benefits over several decades will be debt funded, along with an appropriate contribution from reserve financial contributions charges for growth-related infrastructure.</p> <p>Social and cultural wellbeing</p> <p>Parks and reserves: Council views the active participation of residents in outdoor activities as beneficial to the whole community. While it is recognised that the rural sector often provides its own recreational land, Council considers that this sector is also a beneficiary from this activity.</p> <p>Cemeteries: There is a significant private benefit in this service to the families of deceased people where burials and interment services are provided. There is also an ongoing community benefit in providing for the respectful treatment of deceased people who form part of the community's heritage and whakapapa.</p> <p>The provision of open spaces, parks and reserves benefits residents and businesses, and contributes to enabling the future growth and development of the city. To the extent that investment in this infrastructure benefits growth and existing residents, this is reflected in the allocation of capital costs between growth and levels of service or renewal.</p> <p>The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.</p> <p>The actions of sports codes contribute to the need for Council to undertake the maintenance of sports fields. Housing intensification and urban development to respond to population growth creates a need for green spaces.</p> <p>Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: High • grants, subsidies and other: Low • fees and charges: Low
Connectivity, creativity, learning, and recreation			
Libraries	<p>Council provides, maintains and manages eight libraries in the city. These are run as a single city-wide service. Their primary role is to provide written and recorded material such as books, audio-visual resources, and access to online information. Library services are used for many purposes including</p>	<p>The provision of library services and facilities benefit individual library users and the wider community through their role as meeting places and community hubs. Some of the costs of library activities is recovered through user charges and fines, however ser cost recovery is constrained by section 142 of the Local Government Act 2002. Because of the wider benefits of providing access to libraries, general rates are the appropriate funding source for the balance of costs associated with this activity..</p> <p>The net cost to council of major projects with benefits over several decades, will be debt funded, along with an</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: High • grants, subsidies and other: Low • fees and charges: Low

ACTIVITY

BACKGROUND

RATIONALE

FUNDING SOURCES AND BANDS

learning, research and entertainment.

appropriate contribution from development contributions charges for growth-related infrastructure.

Community outcome

Social and cultural wellbeing

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ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
	<p>Who benefits</p> <p>Period of benefit</p> <p>Whose acts create a need</p> <p>Separate funding</p>	<p>While there are identifiable individual benefits from the provision of library services, the Council views open and low-cost access to information and books as being in the best interests of the city as a whole.</p> <p>The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.</p> <p>There is very limited impact of the actions or inactions of others.</p> <p>Council considered that due to the administrative costs there is no further benefit in separate funding of this activity</p>	
Museums	<p>The Council believes that support for the arts, recognition of our social history and cultural endeavours are an important component in making the city a vibrant and attractive city, as well as providing a means for the community to express a sense of self and place.</p> <p>Community outcome</p> <p>Who benefits</p> <p>Period of benefit</p> <p>Whose acts create a need</p> <p>Separate funding</p>	<p>Some of the individual benefit of museum activities is recovered through user charges. General rates are the appropriate funding source for the remainder of the activity, as the whole community benefits from museums.</p> <p>The net cost to council of major projects with benefits over several decades, will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.</p> <p>Social and cultural wellbeing</p> <p>While individual visitors to these facilities do gain individual benefit, collecting an entry fee would be inefficient due to the costs associated with establishing and operating a door charge system. Council recognises the contribution that the Dowse Foundation and donors make to the city through extensive community fundraising activities.</p> <p>The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.</p> <p>There is very limited impact of the actions or inactions of others.</p> <p>Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: High • grants, subsidies and other: Low • fees and charges: Low
Aquatics and recreation	<p>Council provides and maintains six swimming pools in the city as part of its portfolio of recreational facilities. Recreational programmes are community-based programmes designed to encourage residents to engage in a range of recreational activities. These services are provided to promote health and enjoyment and stimulate the community's interest in different recreational opportunities.</p> <p>Community outcome</p> <p>Who benefits</p>	<p>Fees and charges contribute to the recovery of costs from individual users of these facilities. However, the fees are set at a level that supports affordability for users to access facilities. Residents and businesses benefit from the amenity value created through the provision of these facilities, meaning general rates are an appropriate source of income for this activity.</p> <p>The net cost to council of major projects with benefits over several decades, will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.</p> <p>Environmental wellbeing</p> <p>Individuals benefit from the personal fitness and enjoyment they derive from using the facilities. However, Council also recognises that there are positive benefits for the community when the population is fit and actively engaged. Pools provide quality and accessible tuition in essential water safety and life skills, which produces both individual and community benefits.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: Medium • fees and charges: Medium

ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this activity.	
Regulatory services			
Animal control	Animal control is primarily the dog control function with a small amount of service involved with general livestock control. Dog registration fees are a targeted form of cost recovery for this activity. An animal control function is necessary to ensure the public is safe from the negative effects of animal ownership.	As both individuals and the community benefit from this activity, it is appropriate that the mix of funding is split between fees and charges, other revenue and general rates.	Operational costs <ul style="list-style-type: none"> • general rates: Medium / Low • grants, subsidies and other: Medium / Low • fees and charges: Medium
	Community outcome	Environmental wellbeing	
	Who benefits	The owners of dogs benefit from the availability of the service, while the whole community benefits from having a safer environment because of dog control.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	The actions of animal owners create the need for the service, including those people who are not good dog owners.	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this activity.	
Building consents and resource consents	The activity includes regulatory consents and compliance functions for building work in Lower Hutt, general advice to the public on consenting matters, co-ordination of Land Information Memorandum applications and advice on environmentally sustainable residential design and products.	The activity predominantly benefits those individuals who obtain a building or resource consent. However, these activities protect the public interests of all residents and businesses by ensuring the city grows in ways that encourages high-quality development and produces the best long-term results, so it is considered appropriate that a portion of the costs are funded via general rates.	Operational costs <ul style="list-style-type: none"> • general rates: Medium/Low • grants, subsidies and other: Low • fees and charges: Medium/High
	Community outcome	Environmental wellbeing	
	Who benefits	There is a direct benefit to those property owners who are obtaining a building consent, while there is a benefit to the community of ensuring safe and sanitary buildings. Generally, commercial buildings are more complex and therefore there is a greater benefit to the commercial sector than the residential sector.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	Non-complying buildings and businesses operating without consent.	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this	

ACTIVITY	BACKGROUND	RATIONALE	FUNDING SOURCES AND BANDS
Public Health	<p>The activity provides inspection, auditing, enforcement and education that ensures compliance with Council's policies and regulations concerning public health.</p> <p>Community outcome</p> <p>Who benefits</p> <p>Period of benefit</p> <p>Whose acts create a need</p> <p>Separate funding</p>	<p>activity.</p> <p>The activity predominantly benefits those individuals and businesses who obtain the appropriate license. However, this activity also protects the community as a whole.</p> <p>Environmental wellbeing</p> <p>The public receive a benefit from this activity due to the compliance of the businesses with the public health standards. Businesses also receive a benefit due to customers' assurance that individual businesses are meeting the appropriate standards.</p> <p>The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.</p> <p>Businesses not complying with public health requirements.</p> <p>Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: Medium • fees and charges: Medium
Sustainability and resilience			
Emergency management	<p>Council develops and implements city-wide emergency management plans and promotes community preparedness for emergencies</p> <p>Community outcomes</p> <p>Who benefits</p> <p>Period of benefit</p> <p>Whose acts create a need</p> <p>Separate funding</p>	<p>The community as a whole benefits from this activity, so the costs are most appropriately recovered from General rates after other funding sources (e.g., grants and subsidies) have been exhausted.</p> <p>Environmental wellbeing</p> <p>The whole community benefits from this activity. It is triggered where the disruption to community life is such that a coordinated community response is required.</p> <p>The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.</p> <p>None identified</p> <p>Council considered that due to the financial scale of the activity that there is no further benefit in separate funding this activity.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: High • grants, subsidies and other: Low
Sustainability and resilience	<p>Council enables system change by enabling the delivery of its Energy and Carbon Reduction Plan 2020–24, improving sustainability outcomes across Council and the community, and funding initiatives or kick-starting thinking in line with its Environmental Sustainability Strategy 2015–45. This activity also comprises work to engage with the community on climate change; in particular, the development of a pathway to reduce city-wide emissions to net zero by 2050, and a pathway for how as a</p>	<p>As the community as a whole benefits from this activity, the costs are best recovered from General rates when funding available from subsidies and grants does not fully cover the cost of service provision.</p>	<p>Operational costs</p> <ul style="list-style-type: none"> • general rates: Medium • grants, subsidies and other: Medium • fees and charges: Low

BACKGROUND

RATIONALE

FUNDING SOURCES AND BANDS

community we should respond to forecast climate impacts, such as sea-level rise.

Community outcome

Environmental wellbeing

Who benefits

The whole community benefits from this activity. It is triggered where the disruption to community life is such that a coordinated community response is required.

Period of benefit

The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.

Whose acts create a need

None identified

Separate funding

Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.

Governance, strategy and partnerships

Council, as the elected governance body, is responsible for deciding the direction and objectives of the activities it delivers on behalf of the city. Council is required by law to have elected members. Community representatives on Community Boards are also elected; they are part of Council and provide local input into governance issues.

As the community as a whole benefits from this activity, the costs are appropriately recovered from General rates.

Operational costs

- general rates: High
- grants, subsidies and other: Low

Community outcome

This activity contributes to all community outcomes

Who benefits

The beneficiaries of this activity are the people and organisations in the city who benefit through the democratic governance of the city's affairs.

Period of benefit

The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.

Whose acts create a need

None identified

Separate funding

Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.