



# Briefing: Long Term Plan/ Annual Plan 21 June 2023 – 3.30pm

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## Attendees

**Elected Members:** Mayor Barry, Cr Brown, Cr Dyer (via audio visual link), Deputy Mayor Lewis, Cr Mitchell, Cr Morgan, Cr Parkin, Cr Shaw, Cr Stallinger and Cr Tupou (until 5.03pm).

**Staff:** J Livschitz, Group Chief Financial Officer; A Blackshaw, Director Neighbourhoods and Communities; J Griffiths, Director Strategy and Engagement (via audio visual link); A Geddes, Director Environment and Sustainability(via audio visual link from 4.04pm); Richard Hardie, Head of Strategy and Policy; Deepu Nunnian, Manager, Financial Strategy and Planning; Alicia Andrews, Financial Transaction Services Manager; Dwayne Fletcher, Vale Consulting (via audio visual link until 4.08pm); Kathryn Stannard, Head of Democratic Services (from 4.41pm); Amy Dowdle, Senior Communications Advisor; Eleanor Homersham, Principle Advisor, Strategy and Policy (via audio visual link)

## Apologies

Cr Barratt, Cr Briggs, Cr Edwards

## Presenters

Jenny Livschitz, Group Chief Financial Officer

Dwayne Fletcher, Vale Consulting

Alicia Andrews, Financial Transaction Services Manager

Deepu Nunnian, Manager Financial Strategy and Planning

Richard Hardie, Head of Strategy and Policy

# Key Objectives of the Briefing

The purpose of the briefing is to provide an overview of:

- the Development Contributions Policy Review
- the Rates Remission and Rates Postponement Policy Review
- the Revenue and Financing Policy Review; and
- Initial Direction and Approach for the Long Term Plan 2024-34

## Introduction

All items to be presented are related to the approach to the Long Term Plan and relevant policies.

A review of relevant policies was undertaken during the last Long Term Plan. Officer's initial guidance is to scale back on the review of policies and focus on rating and rates remission policy aspects.

# Development Contributions Policy Review

## Presentation by Dwayne Fletcher, Vale Consulting

**Slide 1 – Development Contributions Policy Review** – Development contributions are the primary growth infrastructure funding tool under the Local Government Act. They are a levy charge on new developments and are a contribution towards infrastructure necessary to support growth.

### Questions and Discussion Points

Three waters infrastructure is included in the review of the Development Contributions Policy. Until the Water Services Entity for the Wellington region is established councils can charge for these development contributions.

As a principle, a four-bedroom home would be charged 25% more than a three-bedroom home. This would be based on the premise that the development contributions system is meant to be based on demands and use and the charge is meant to reflect this. The formula for this charge could be taken separately or bundled together as four or more bedrooms.

The starting point to build development contribution charges is to base this on the capital infrastructure programme, how this relates to growth and how much it costs. Beyond this Council has choices if they wish to use the policy for other aims such as artificially deflating charges in some areas to encourage more development in that area. This would create challenges on how this would be funded.

The development of public amenities can be localised but can also be an upgrade of a town centre. A pro rata allocation would generally be calculated from the growth costs divided by the number of homes, so the charges are equitable over the area the development benefits.

Council can legitimately charge development contributions for localised areas.

Assessing the benefits of a community asset would include considering the future population that would benefit from the development. Causation assessments would also need to be considered as to how these relate to growth. There are mechanisms and ways to do this, but Council would need good information to support any allocation.

There is no legislative requirement to recognise that any contributions made through rates would give discounted development contributions.

New charges are struck every time the Development Contributions Policy is reviewed. For developments that have been completed and effectively underpaid a material difference in development contributions could be spread to future growth or funded from rates.

If a project did not proceed, then Council would have to refund any development contributions made. Legislation requires that the consent holder be paid any such refund.

Officers would shortly provide information on development contributions collected per year.

## **Next steps**

Community infrastructure was a longer term principle that officers would embed into the Development Contributions Policy.

A report on Development Contributions would be submitted to the Council meeting to be held on 30 June 2023. The Chair asked members to consider the issues raised to enable clear direction to be given.

## **Briefing materials**

**Attachment 1** – Presentation: Development Contributions Policy

# **Rates Remission Policy Review**

## **Presentation by Alicia Andrews, Financial Transaction Services Manager**

**Slide 1 – Rates Remission Policy Review** – This policy has not been reviewed for a number of years and is largely unchanged from 2003. Officers are seeking feedback on the suggested changes. A draft reviewed policy will be submitted to Council at its meeting to be held on 30 August 2023.

### **Questions and Discussion Points**

Applications currently going through the remissions period were approved by Council a number of years ago to encourage commercial development in the city. No new applications are being considered but officers are still working through previous remissions granted by Council.

Heritage remissions are an existing part of the policy. These remissions are only given to owners to support the maintenance of properties that have significant heritage value to the city.

Council needs to consider if economic development is an area in which to continue to provide support to ratepayers. There needs to be clear strategic outcomes and priorities to help ratepayers. Officers can then complete the analysis and provide a draft policy for consideration.

The Heritage Incentive Fund would be potentially reviewed to consider managing heritage requests instead of rates remissions.

### **Next steps**

Officers were working on consideration of the Heritage Incentive Fund and the rates remission policy for heritage and options would be provided to Council moving forward. Part of this work included comparative analysis work across the local body sector.

The Chair noted that economic development options should be considered for the Long Term Plan, especially Riverlink and high-density housing in the CBD as a targeted area. He requested officers consider energy and financial hardship generally to understand social housing outcomes and options available.

## **Briefing materials**

**Attachment 2** – Presentation: Rates Remission and Rates Postponement Policy

# **Revenue and Financing Policy Review Presentation by Alicia Andrews, Financial Transaction Services Manager**

## **Slide 1 – Rating Aspects**

### **Questions and discussion points**

Officers can consider and provide further analysis on consolidating commercial rating categories moving forward.

The Uniform Annual General Charge (UAGC) rating model is used by many councils. If Council used this model, it would mean a set rate to pay. Council's current rates system is based on the capital value of properties whereas the UAGC model is based on ratepayer contributions being based on minimum amounts towards the general cost of running a city.

### **Next steps**

Officers are asking Council where they should focus efforts on the information provided.

The principles of Te Ture Whenua Māori will be included in this policy. Officers are waiting advice from Taituarā and will then report back to Council.

### **Briefing materials**

**Attachment 3** – Presentation: Revenue and Financing Policy Review

# **Initial Direction and Approach for the Long Term Plan 2024–34**

## **Presentation by Richard Hardie, Head of Strategy and Policy**

**Slide 1 – Cover slide**

**Slide 2 – Introduction and Context**

**Slide 3 – What you about initial direction for this Long Term Plan**

**Slide 4 – A draft strategic framework for the Long Term Plan**

**Slide 5 – Our Purpose**

**Slide 6 – Strategic Priorities**

**Slide 7 – Strategic Priority Matrix**

**Slide 8 – Strategic Narrative**

**Slide 9 – Early Engagement**

**Slide 10 – Timeline and Approach**

### **Questions and discussion points**

Officers will conduct early engagement with communities of interest with a particular focus on the strategic framework.

Members asked officers to include something explicit in the themes matrix around wellbeing.

Officers will ensure engagement is extended to all Māori living in Te Awakairangi Lower Hutt, not just those affiliated to Mana Whenua partners. Officers will ensure these members of the community are not grouped as a community of interest.



Members requested a terms of reference be established for the Long Term Plan working group.

## **Next steps**

Officers will prepare an engagement and communications strategy to inform the approach to early engagement and consultation. An update will be provided at the next Council meeting to be held on 30 August 2023.

## **Briefing materials**

**Attachment 4** – Presentation: Initial Direction and Approach for the Long Term Plan 2024-34

**Attachment 5** – Presentation: Long Term Plan 2024-34 Finance Briefing

The briefing closed at 5.08pm