

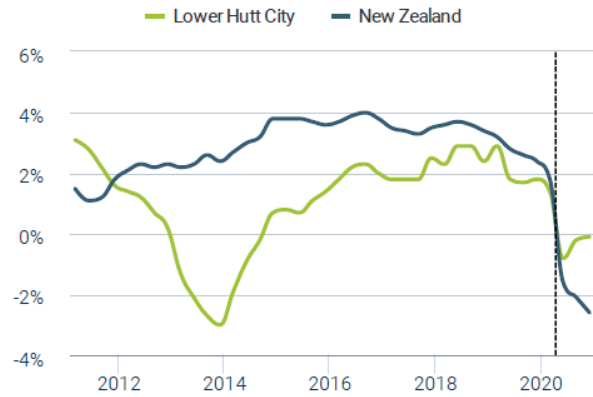
LTP Subcommittee 24 May 2021

- Progressing final LTP 2021-2031 decisions

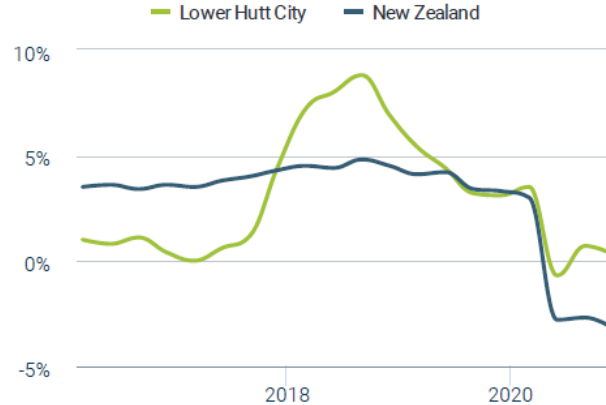


What does the latest economic data tell us about Lower Hutt?

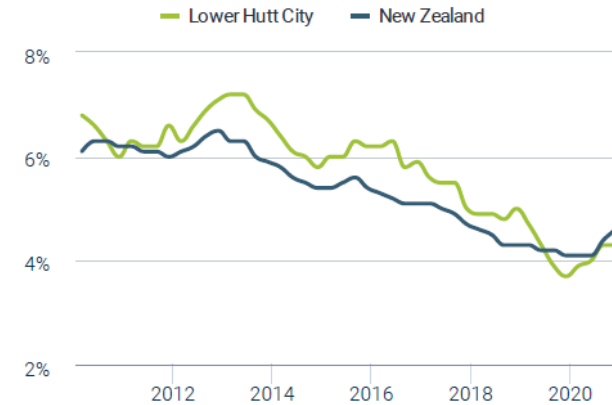
Gross domestic product growth
Annual average % change



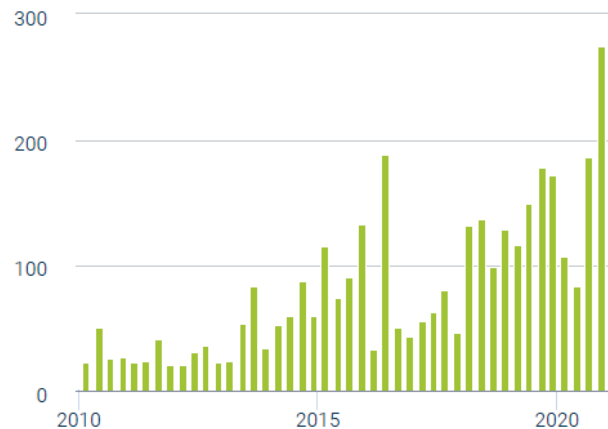
Consumer spending
Annual average % change



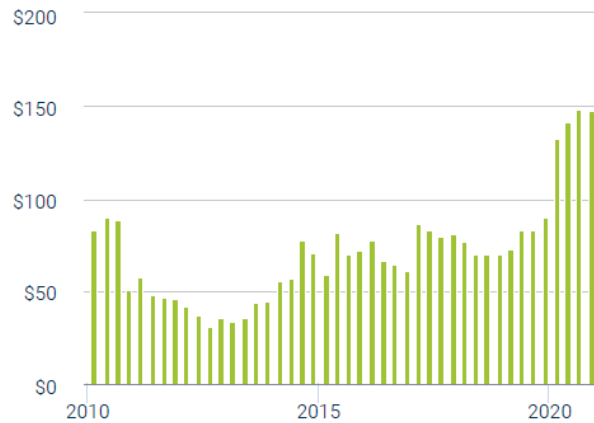
Unemployment rate
Annual average rate



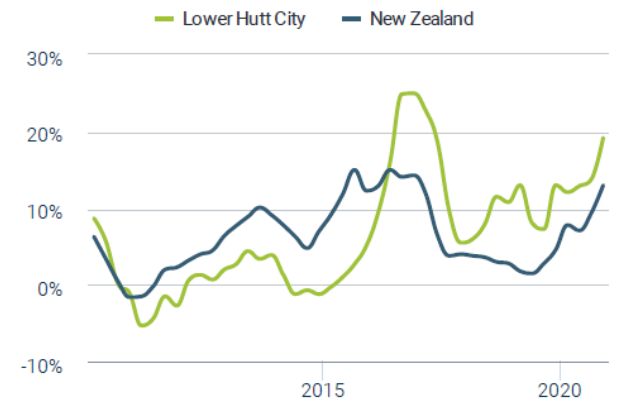
Residential consents
Quarterly number, Lower Hutt City



Non-residential consents, Lower Hutt City
\$m, annual running total, Lower Hutt City



House value growth
Annual % change



Performance overview 2020/21

Highlights and achievements

- Range of stakeholder engagement, including hui held with Mana Whenua partners
- Supporting the Ministry of Health's efforts to roll out the COVID-19 vaccine
- Preparation for the implementation of new rubbish and recycling service



Quality of life survey highlights for Lower Hutt

- 89% of respondents rated their overall quality of life positively (89% in 2018)
- 85% agree that Lower Hutt or their local area in Lower Hutt is a great place to live (81% in 2018)



Performance overview 2020/21 – Financial outlook

Capital investment programme forecast of \$69M

- incl. \$24M Three Waters, Transport \$22M,
- Prior year \$39M (\$12M Three Waters, Transport \$8M)
- Capex deferrals of \$16M from 2020/21 into later years



Net operating results forecast to be \$8M favourable to budget

- Council approved deficit for 2020/21 \$25.1M, Forecast deficit \$17.1M
- Impacts of delayed capex results in reduced depreciation, borrowing costs
- Delays in operational projects of \$4M, deferred to 2021/22
- Three Waters Reform funding has enabled step-up in activity

Long Term Plan 2021-2031

Our six key priorities



**Whanake i ngā Pou
Tarāwaho o te Hapori**

Investing in
Infrastructure



Tiaki Taiao

Caring for and
protecting our
environment



**Hei Āhuru Mōwai
mō te Katoa**

Increasing
housing supply



**Taunaki Ōhanga
Auaha, Tāone
Whakapoapoa**

Supporting an
innovative, agile
economy and
attractive city



Tūhono Hapori

Connecting
communities



**Whakauka
Ahumoni**

Financial
sustainability

For every \$100 you spend on rates, we're proposing to spend



\$11.61

Roads bridges and footpaths



\$3.44

Traffic management and parking



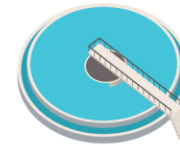
\$3.28

Road maintenance and street cleaning



\$16.67

Water supply



\$18.44

Wastewater



\$6.06

Stormwater



\$6.83

Waste and recycling collection



\$4.50

Libraries



\$1.17

Halls and venues



\$9.67

Parks and Reserves



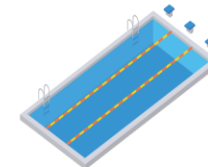
\$3.67

Community Partnering



\$2.44

Museums



\$6.39

Pools



\$0.39

Recreation programmes



\$3.67

City governance and corporate services



\$4.28

Development and growth



\$0.78

Sustainability



\$2.44

Consents and regulatory



\$0.72

Promotion and events

We expect to receive \$6.44 of credit from the landfill. This will help to offset costs and is reflected in the figures for all these other services shown on this page.

Overview of the LTP process

Dates	Activity
21 Sept 2020	Councillors Hui – LTP planning and strategic direction setting
24 Sept 2020	Agreed high level plans, key assumptions, strategic direction
27 Oct to 21 Dec	Progress policy decisions and key decisions to inform DLTP
2 Dec to 18 Jan	Early engagement seeking feedback on key priorities
10 Feb 2021	Draft CD and DLTP – feedback & decisions by Council ahead of audit
31 March 2021	Audit complete. Council adopted CD and DLTP for public engagement.
6 April to 6 May 2021	Public consultation
13 May	Council briefing - results of public consultation, updates on key projects
20 & 21 May 2021	Hearing of public submissions on the draft LTP
24 May 2021	Council progress direction/decisions
9 June 2021	Council meets to make final decisions
10 to 29 June 2021	External audit process
30 June 2021	Final audit complete. Council adopts the LTP and sets the rates

LTP Subcommittee/Council 24 May

- Analysis of public consultation results
- CCO direction decisions (CFT, UPL)
- Budget direction/decisions
 - Three Waters
 - RiverLink Project
 - Others, incl. updates since DLTP prepared, Petone Wharf, Wainui Queen Street development etc. Refer Appendix 1 for further information on these.
- **Funding**
 - Development Contributions policy
 - Rating policy and rates revenue
 - Fees and charges
- Any other direction to officers ahead of final decision meeting on 9 June 2021

Final decisions 9 June LTP Subcommittee/Council

- Consolidated results/position presented
- Final budget decisions
- Final revenue and rates decisions
- Final CCO SOIs presented and adopted
- Performance management – service performance KPIs
- Other changes to final LTP

Council meeting 30 June

- Audit completed and Audit Director reports on findings
- Final LTP presented and adopted by Council
- CFT decision

Capital investment \$1.4B

Doubling of investment compared to previous LTP

Three Waters \$582M, Transport \$353M, Solid Waste \$44M, City Development \$131M, Social & Cultural wellbeing \$213M



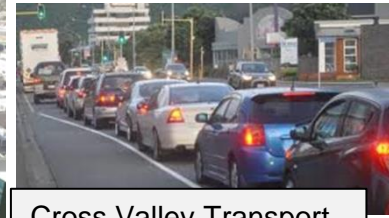
Three Waters



Naenae pool

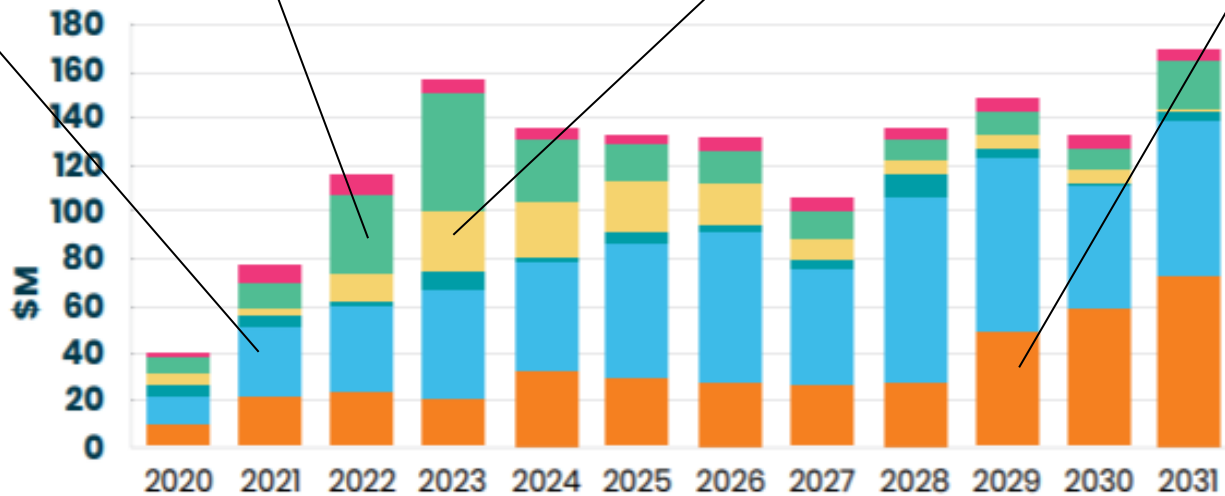


Riverlink & Melling



Cross Valley Transport Connections Programme

Capital do-ability risks



Transport



Solid waste



Social & cultural wellbeing



Three Waters



City development



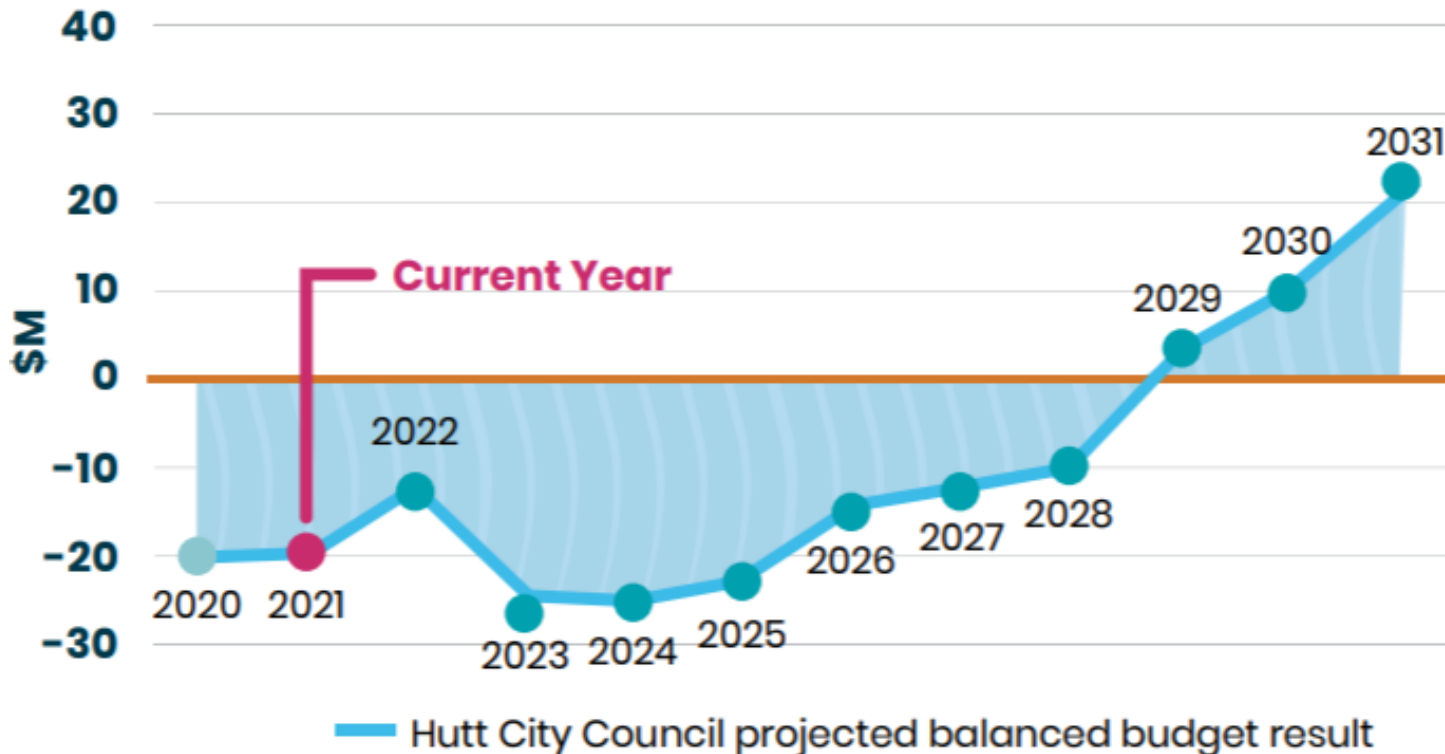
Other

Financial Strategy – rates revenue increase per DLTP

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026-2031</u>
Total overall rates revenue increase* per DLTP	5.9%	4.9%	4.9%	6.8%	6.8%	6.8%

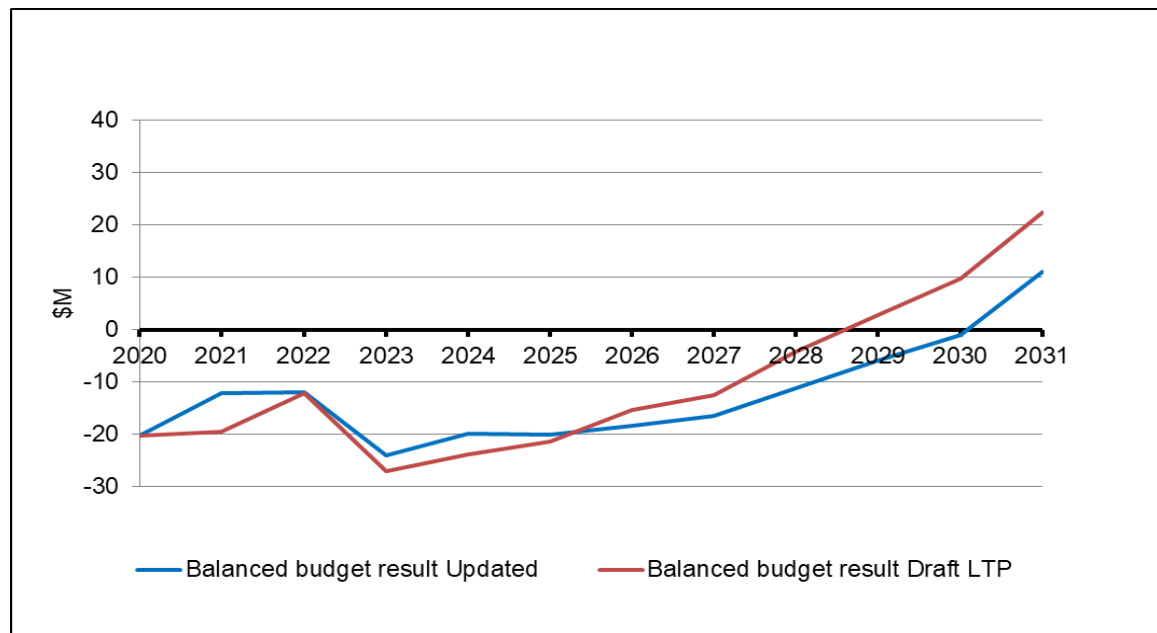
*Excludes revenue from growth in the rating base
 Excludes impact of service changes for waste services(rubbish and recycling)

Figure 1: Projected Council balanced budget position



Financial Strategy – impact of budget changes, rates revenue decision

Balanced budget target – achieved in 2030/31, two years later than DLTP



Options presented for final LTP , direction sought (replaces table 5, page 344)

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026-2031</u>
Option 1*	5.9%	4.9%	4.9%	7.7%	7.7%	7.7%
Option 2*	5.9%	5.9%	5.9%	7.2%	7.2%	7.2%
Option 3*	5.9%	6.8%	6.8%	6.8%	6.8%	6.8%

*Excludes revenue from growth in the rating base
 Excludes impact of service changes for waste services(rubbish and recycling)

Appendix - further detail information

Appendix: - Additional funding sought

Project/initiative	Financial impact over ten years	Attachment
Mana whenua partnership agreements	Additional opex \$1M over 10 years	A
Maungaraki Primary School	Additional capex \$0.2M in 2021/22	P
Wainuiomata Queen Street Development	Additional capex \$4M in 2022/23	Q
Duplication of collecting sewer - Barber Grove to Seaview wastewater treatment plant	Additional capex \$6.9M in years 1 to 3, net cost \$4.8M	S, also refer report "Three Waters Investment"

Changes to timing of projects – bring forward

Project/initiative	Financial impact over ten years	Attachment
Silverstream landfill development	Net nil. Bring forward \$1.2M by one year	B
Development of city-wide roadmap regarding climate change	Net nil. Bring forward \$0.1M by one year	D
Acceleration of decarbonisation of Huia pool	Net nil. Bring forward \$0.4M by one year	R

Changes to timing of projects – push out

Project/initiative	Financial impact over ten years	Attachment
Naenae pool and fitness centre	Net nil. Rephased \$68M ,push out slightly.	C
Huia pool roof replacement and roof membrane	Net nil. Defer \$0.9M to 2021/22	E, G
Hutt Valley Tennis - Mitchell park	Net nil. Defer \$0.5M to 2021/22	H
Te Whiti Park building extension	Net nil. Defer \$0.6M to 2021/22	I
Manor Park cycle trail	Net nil. Defer \$0.2M to 2021/22	J
Parks & Reserves, Valley floor review implementation	Net nil. Defer \$0.4M to 2021/22	K
Biodiversity assistance for private landowners	Net nil. Defer \$0.2M to 2023/24	L
Libraries renewals	Net nil. Defer \$1.7M to 2021/22 and 2022/23	M
Facilities seismic strengthening	Net nil. Defer \$1.7M to 2022/23	N
Go Digital programme	Net nil. Defer \$3M over next 3 years	O
Cross Valley Link – investigation/design	Net nil. Push out \$0.7M to next 2 years	T

Changes to timing of projects – push out

Project/initiative	Financial impact over ten years	Attachment
Hill Road Upgrade project	Net nil. Defer \$0.2M to 2021/22.	U
Cuba street over bridge seismic strengthening project	Net nil. Defer \$1.3M from 2022/23	V
Wainuiomata hill road safety	Net nil. Defer \$0.5M to 2021/22	W
Eastern Hutt Road retaining wall strengthening project	Net nil. Defer \$3.5M to 2022/23	X
District Plan	Net nil. Defer \$0.8M to later years	Y

Other matters

Project/initiative	Financial impact over ten years	Attachment
Living wage support initiatives, incl. HCC becoming accredited Living Wage Employer	Will be funded from within base budget	Z
RiverLink project – QS work completed	Net cost remains in line with DLTP, increase in capex and opex offset by increased revenue	AA and separate report “RiverLink Project Budget”
Petone Wharf – QS work completed, awaiting QRA	Updated QS cost of \$14.3M, after QRA \$20.9M	AB