

23 May 2022

Max Shierlaw  
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Tēnā koe Max

**Request for Information – Local Government Official Information and Meetings Act (LGOIMA) 1987**

We refer to your official information request dated 22 April 2022 for the following information:

1. *Please provide the Corporate Services prospective statement of comprehensive revenue and expense that supports the current Draft Annual Plan (for all reported years) but has not been published.*
2. *Please quantify and itemise the cost savings and efficiencies that support the chief executive's statement quoted above in relation to the just released Draft Annual Plan.*
3. *Please provide the itemised build-up of the \$3m savings quoted by the chief executive in 2020.*
4. *Please provide the itemised build-up of the \$5.2m in annual savings quoted by the mayor in 2021.*
5. *Please quantify the financial impact of the items listed in response to questions 3 and 4 on the ten-year costs reported for the governance and corporate services activities in the 2021-31 LTP.*
6. *Referring to the \$102m I have calculated above and the response to question 5, please provide an itemised reconciliation of the inefficiencies, additional expenditure or other budget changes in the governance and corporate services activities that have offset the claimed cost savings AND instead delivered a \$102m increase in LTP overhead expenditure.*
7. *Please provide a breakdown by division of the assumed employee numbers comprising the corporate services/leadership and governance activities for purposes of the 2018-28 LTP and then for the 2021-31 LTP. If that is problematic, please provide the equivalent breakdown for the actual employee numbers comprising those activities as at 30 June 2019 and as at 31 March 2022.*
8. *This additional expenditure across the ten-year budgets amounts to an additional rates burden of well over 10%. This is clearly a major issue for residents and businesses in the Hutt. The extra back office expenditure exceeds the cost of the much discussed Naenae Pool replacement. So please:*
  - a. *Provide copies of all correspondence, reports and communications held by council that discussed and supported decisions made in relation to increasing the spending on corporate overheads to such a huge degree.*
  - b. *Provide Council's documented assessment of this expenditure and decisions made in order to comply with Council's Significance Policy.*
  - c. *Explain why this huge increase in overhead expenditure was not highlighted during the LTP consultation as a major reason for the proposed rates increases.*
  - d. *Why media releases by the Mayor and Chief Executive have claimed savings and efficiencies when they are actually responsible for the huge blow out in the cost of Council's support functions.*

1. *Please provide the Corporate Services prospective statement of comprehensive revenue and expense that supports the current Draft Annual Plan (for all reported years) but has not been published.*

This information is enclosed as Attachment 1.

2. *Please quantify and itemise the cost savings and efficiencies that support the chief executive's statement quoted in relation to the just-released Draft Annual Plan.*

The press release for the draft Annual Plan 2022-2023 is referring to the approach applied in managing cost pressures as part of updating budgets for the draft Annual Plan. I refer you to the Long Term Plan/Annual Plan subcommittee report on 4 April 2022, from page 1 of the document below:

[http://infocouncil.huttcity.govt.nz/Open/2022/04/LTPAP\\_04042022\\_AGN\\_3019\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2022/04/LTPAP_04042022_AGN_3019_AT.PDF)  
E

3. *Please provide the itemised build-up of the \$3m savings quoted by the chief executive in 2020.*

For Savings identified as part of the preparation of the Annual Plan 2020-2021, please refer the report "Adoption of the Draft Annual Plan 2020/21 ahead of public engagement", 7 May 2020, from page 21 of the following link:

[http://infocouncil.huttcity.govt.nz/Open/2020/05/HCC\\_07052020\\_AGN\\_2831\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/05/HCC_07052020_AGN_2831_AT.PDF)

I refer you to the report "Final decisions on the Annual Plan 2020/21", 18 June 2020, from page 243 of the following link:

[http://infocouncil.huttcity.govt.nz/Open/2020/06/LTPAP\\_18062020\\_AGN\\_2774\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/06/LTPAP_18062020_AGN_2774_AT.PDF)  
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For context refer to points 32-34 on pages 32-34 of the document below. In response to your specific request, savings are itemised in point 33.

[http://infocouncil.huttcity.govt.nz/Open/2020/05/HCC\\_07052020\\_AGN\\_2831\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/05/HCC_07052020_AGN_2831_AT.PDF)

4. *Please provide the itemised build-up of the \$5.2m in annual savings quoted by the mayor in 2021.*

Included in the Long Term Plan 2021-2031, the \$5.2M noted includes the \$3m savings identified as part of the Annual Plan 2020-2021 – this was explained in the Long Term Plan on pages 20 & 90. Refer to:

[https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/\\_minorproj/440b9c5218195f094ac08eb9119955a5ee0b](https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/_minorproj/440b9c5218195f094ac08eb9119955a5ee0b)

The 2020-2021 budget savings were reconfirmed by the Council as part of the Long Term Planning process:

[http://infocouncil.huttcity.govt.nz/Open/2020/09/LTPAP\\_24092020\\_AGN\\_2855\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/09/LTPAP_24092020_AGN_2855_AT.PDF)  
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Additional savings were identified as part of a base budget review conducted as part of the Long Term Planning process. Please refer to Page 94 of the following report:

[http://infocouncil.huttcity.govt.nz/Open/2020/12/LTPAP\\_21122020\\_AGN\\_2864\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/12/LTPAP_21122020_AGN_2864_AT.PDF)  
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In response to your request for information, the additional \$2.2M identified as part of Long Term Plan base budget review is made up of the following:

<b>Activity</b>	<b>LTP base budget review review \$000</b>
Art and Museums	38
Building & Environmental Consents	360
Customer Services	45
Democratic Services	61
Interest costs	1,300
Finance	90
Hubs	30
Libraries	186
Pools & Fitness	16
Roading Maintenance & Infrastructure contracts	74
<b>Grand Total</b>	<b>2,200</b>

5. *Please quantify the financial impact of the items listed in response to questions 3 and 4 on the ten-year costs reported for the governance and corporate services activities in the 2021-31 LTP.*

While many savings are ongoing, a 10 year cost saving amount has not been calculated as part of the budget preparation process. Accordingly, your request for this information is refused under section 17(g)(i), on the grounds that it is not held by the Hutt City Council and we have no grounds for believing that the information is held by another local authority or a department or Minister of the Crown or organisation.

6. *Please provide an itemised reconciliation of the inefficiencies, additional expenditure or other budget changes in the governance and corporate services activities that have offset the claimed cost savings AND instead delivered a \$102m increase in LTP overhead expenditure.*

No such reconciliation is available. Accordingly, your request for this information is refused under section 17(g)(i), on the grounds that it is not held by the Hutt City Council and we have no grounds for believing that the information is held by another local authority or a department or Minister of the Crown or organisation.

7. *Provide a breakdown by division of the assumed employee numbers comprising the corporate services/leadership and governance activities for purposes of the 2018-28 LTP and then for the 2021-31 LTP. If that is problematic, please provide the equivalent breakdown for the actual employee numbers comprising those activities as at 30 June 2019 and as at 31 March 2022.*

We advise you that Hutt City Council staff numbers are reported in each year's annual reports. Refer [www.huttcity.govt.nz/council/annual-plans-and-publications/annual-reports](http://www.huttcity.govt.nz/council/annual-plans-and-publications/annual-reports).

Your request for a breakdown by division of the assumed employee numbers comprising the corporate services/leadership and governance activities for purposes of the 2018-28 LTP and then for the 2021-31 LTP is refused under section 17(f) of the LGOIMA, on the grounds that the information requested cannot be made available without substantial collation or research.

- 8a *Provide copies of all correspondence, reports and communications held by council that discussed and supported decisions made in relation to increasing the spending on corporate overheads to such a huge degree.*

The Council's decisions on the Annual Plan 2020-2021 and Long Term Plan 2021-2031 were undertaken across a series of subcommittee and council meetings. Links to some of the more relevant meetings are provided below:

- 11 February 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/02/LTPAP\\_11022020\\_AGN\\_2760\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/02/LTPAP_11022020_AGN_2760_AT.PDF)
- 18 March 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/03/LTPAP\\_18032020\\_AGN\\_2761\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/03/LTPAP_18032020_AGN_2761_AT.PDF)
- 29 May 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/05/LTPAP\\_29052020\\_AGN\\_2773\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/05/LTPAP_29052020_AGN_2773_AT.PDF)
- 18 June 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/06/LTPAP\\_18062020\\_AGN\\_2774\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/06/LTPAP_18062020_AGN_2774_AT.PDF)
- 24 September 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/09/LTPAP\\_24092020\\_AGN\\_2855\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/09/LTPAP_24092020_AGN_2855_AT.PDF)
- 27 October 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/10/LTPAP\\_27102020\\_AGN\\_2856\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/10/LTPAP_27102020_AGN_2856_AT.PDF)
- 30 November 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/11/LTPAP\\_30112020\\_AGN\\_2857\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/11/LTPAP_30112020_AGN_2857_AT.PDF)
- 21 December 2020  
[http://infocouncil.huttcity.govt.nz/Open/2020/12/LTPAP\\_21122020\\_AGN\\_2864\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2020/12/LTPAP_21122020_AGN_2864_AT.PDF)
- 10 February 2021  
[http://infocouncil.huttcity.govt.nz/Open/2021/02/LTPAP\\_10022021\\_AGN\\_2879\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2021/02/LTPAP_10022021_AGN_2879_AT.PDF)

- 31 March 2021  
[http://infocouncil.huttcity.govt.nz/Open/2021/03/LTPAP\\_31032021\\_AGN\\_2972\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2021/03/LTPAP_31032021_AGN_2972_AT.PDF)
- 24 May 2021  
[http://infocouncil.huttcity.govt.nz/Open/2021/05/LTPAP\\_24052021\\_AGN\\_2978\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2021/05/LTPAP_24052021_AGN_2978_AT.PDF)
- 9 June 2021  
[http://infocouncil.huttcity.govt.nz/Open/2021/06/LTPAP\\_09062021\\_AGN\\_2901\\_AT.PDF](http://infocouncil.huttcity.govt.nz/Open/2021/06/LTPAP_09062021_AGN_2901_AT.PDF)

As per your request, I have also enclosed attachment 2, being budget instructions sent to budget managers as part of the preparation of the Long Term Plan.

Your request for copies of *all* correspondence, reports and communications held by Hutt City Council relating to increased spending on corporate overheads is refused under section 17(f) of the LGOIMA, on the grounds that the information requested cannot be made available without substantial collation or research.

8b *Provide Council's documented assessment of this expenditure and decisions made in order to comply with Council's Significance Policy.*

Planned expenditure is included in the Long Term Plan, which was audited and underwent a full consultation under the special consultative procedure required.

A link to the Long Term Plan is available below:

[https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/\\_minorproj/440b9c5218195f094ac08eb9119955a5ee0b](https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/_minorproj/440b9c5218195f094ac08eb9119955a5ee0b)

8c *Explain why this huge increase in overhead expenditure was not highlighted during the LTP consultation as a major reason for the proposed rates increases.*

Areas of increased spend were consulted on as part of the Long Term Plan, see link:

[https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/\\_minorproj/440b9c5218195f094ac08eb9119955a5ee0b](https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/_minorproj/440b9c5218195f094ac08eb9119955a5ee0b)

Corporate services costs are embedded in the costs of all Council activities reported in this plan.

8d *Explain why media releases by the Mayor and Chief Executive have claimed savings and efficiencies when they are actually responsible for the huge blow out in the cost of Council's support functions.*

The media releases reflect savings identified as part of Annual Plan 2020-2021 and Long Term Plan 2021-2031.

A link to the Long Term Plan is available here:

[https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/\\_minorproj/440b9c5218195f094ac08eb9119955a5ee0b](https://hccpublicdocs.azurewebsites.net/api/download/f5851bd0c5504c249e193eae900e01f5/_minorproj/440b9c5218195f094ac08eb9119955a5ee0b)

A link to the Annual Plan 2020-2021 is available here:

[https://hccpublicdocs.azurewebsites.net/api/download/f603074e9b7f4a4e9b1b54b330ca1a96/\\_CM9-WE/19ee653c119441fb403185896db70264cb76](https://hccpublicdocs.azurewebsites.net/api/download/f603074e9b7f4a4e9b1b54b330ca1a96/_CM9-WE/19ee653c119441fb403185896db70264cb76)

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that this letter may be published on the Council's website.

Nāku noa, nā



Susan Sales

**Senior Advisor, Official Information and Privacy**

Encl:

Attachment 1 Corporate Services activity statement

Attachment 2 Long Term Plan 2021-2031 Procedures manual for the Preparation of Budgets and Activity Management Plans

	Long Term Plan 2022 \$000	Forecast 2022 \$000	Annual Plan 2023 \$000	Forecast 2024 \$000	Forecast 2025 \$000	Forecast 2026 \$000	Forecast 2027 \$000	Forecast 2028 \$000	Forecast 2029 \$000	Forecast 2030 \$000	Forecast 2031 \$000
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**REVENUE**

Rates	129,460	130,167	139,304	149,055	161,426	174,825	189,335	205,050	222,069	240,501	260,462
User charges	1,098	1,248	1,107	1,134	1,162	1,192	1,224	1,257	1,291	1,325	1,359
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	898	958	912	926	941	956	972	988	1,005	1,023	1,041
Dividends from CCOs	5	3	4	215	220	336	345	471	484	496	509
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	356	401	370	383	392	402	413	424	436	447	459
<b>Total revenue</b>	<b>131,817</b>	<b>132,777</b>	<b>141,697</b>	<b>151,713</b>	<b>164,141</b>	<b>177,711</b>	<b>192,289</b>	<b>208,190</b>	<b>225,285</b>	<b>243,792</b>	<b>263,830</b>

**EXPENDITURE**

Employee costs	13,766	13,659	15,058	15,156	15,762	16,172	16,578	16,994	17,420	17,857	18,305
Operating costs	6,430	7,616	6,857	6,347	6,015	6,098	6,247	6,088	6,216	6,311	5,043
Support costs/internal charges	(24,235)	(24,238)	(27,247)	(27,335)	(28,430)	(28,361)	(29,224)	(29,607)	(30,780)	(31,942)	(31,201)
Interest expenditure	1,318	1,485	1,209	1,261	1,283	1,300	1,362	1,401	1,428	1,472	1,547
Depreciation	1,708	1,708	2,683	3,389	3,699	3,497	3,071	2,900	3,181	3,995	3,040
<b>Total expenditure</b>	<b>(1,013)</b>	<b>230</b>	<b>(1,440)</b>	<b>(1,182)</b>	<b>(1,671)</b>	<b>(1,294)</b>	<b>(1,966)</b>	<b>(2,224)</b>	<b>(2,535)</b>	<b>(2,307)</b>	<b>(3,266)</b>

**DEFICIT BEFORE TAX**

<b>132,830</b>	<b>132,547</b>	<b>143,137</b>	<b>152,895</b>	<b>165,812</b>	<b>179,005</b>	<b>194,255</b>	<b>210,414</b>	<b>227,820</b>	<b>246,099</b>	<b>267,096</b>
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**TOTAL CAPITAL EXPENDITURE**

<b>6,259</b>	<b>6,904</b>	<b>7,355</b>	<b>4,618</b>	<b>3,505</b>	<b>4,816</b>	<b>4,153</b>	<b>3,633</b>	<b>3,859</b>	<b>5,136</b>	<b>4,257</b>
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**PROSPECTIVE FUNDING REQUIREMENT**

**RATES FUNDING REQUIREMENT**

Surplus/(deficit)	132,830	132,547	143,137	152,895	165,812	179,005	194,255	210,414	227,820	246,099	267,096
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	28,769	27,670	34,141	24,187	29,308	29,223	23,772	21,527	18,442	9,473	(5,669)
<b>Total rates funding requirement</b>	<b>161,599</b>	<b>160,217</b>	<b>177,278</b>	<b>177,082</b>	<b>195,120</b>	<b>208,228</b>	<b>218,027</b>	<b>231,941</b>	<b>246,262</b>	<b>255,572</b>	<b>261,427</b>

**LOAN FUNDING REQUIREMENT**

Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(4,949)	(5,509)	(6,139)	(3,276)	(1,780)	(2,930)	(1,711)	(1,802)	(1,966)	(2,850)	(1,899)
Capital to replace existing assets	(1,310)	(1,395)	(1,216)	(1,342)	(1,725)	(1,886)	(2,442)	(1,831)	(1,893)	(2,286)	(2,358)
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less UHCC capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	1,708	1,708	2,683	3,389	3,699	3,497	3,071	2,900	3,181	3,995	3,040
Less asset sales	-	-	(9)	436	204	839	444	483	500	1,080	493
Less rate funded debt repayment	(28,769)	(27,670)	(34,141)	(24,187)	(29,308)	(29,223)	(23,772)	(21,527)	(18,442)	(9,473)	5,669
<b>Total loan (funding)/repayment</b>	<b>(33,320)</b>	<b>(32,866)</b>	<b>(38,822)</b>	<b>(24,980)</b>	<b>(28,910)</b>	<b>(29,703)</b>	<b>(24,410)</b>	<b>(21,777)</b>	<b>(18,620)</b>	<b>(9,534)</b>	<b>4,945</b>

**TOTAL FUNDING REQUIREMENT**

<b>128,279</b>	<b>127,351</b>	<b>138,456</b>	<b>152,102</b>	<b>166,210</b>	<b>178,525</b>	<b>193,617</b>	<b>210,164</b>	<b>227,642</b>	<b>246,038</b>	<b>266,372</b>
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# LONG TERM PLAN 2021-2031



## PROCEDURES MANUAL FOR THE PREPARATION OF BUDGETS AND ACTIVITY MANAGEMENT PLANS

### Contents:

- 1.0 Introduction**
- 2.0 High level timelines**
- 3.0 Financial Strategy**
- 4.0 Parameters and guidelines for the budgeting process**
- 5.0 Activity Management Plans**
- 6.0 Queries, problems and support**
- 7.0 Appendices and forms**
  - Appendix 1- Request for new or additional funding for inclusion in the LTP
  - Appendix 2 – New capital and renewals capital expenditure project worksheet
  - Appendix 3 – Using TechnologyOne Enterprise Budgeting
  - Appendix 4 – Activity Management Plan template

Released under the Local Government Official Information and Meetings Act

## 1.0 Introduction

The emergency budget Annual Plan 2020/21 was adopted on the 30 June 2020. We are now required by legislation to prepare a Long Term Plan for the ten year period from 2021 to 2031. This is effectively an update of the previous Long Term Plan 2018-2028, and a re-alignment to the latest strategic priorities of the Council Group.

A draft LTP 2021-2031 will be prepared for consultation following decisions by Council. The draft plan and consultation document will be audited by Audit NZ. In March 2021 there will be a formal public consultation process on the draft LTP. After considering the feedback from the community, the Council will make decisions ahead of the plan being finalised in June 2021.

Earlier in 2020, the Council was progressing an LTP amendment and had approved a range of decisions and budget changes in relation to this. The LTP amendment was approved for consultation on the 18 March 2020, however due to Covid-19 lockdown there was a decision not to proceed. The decisions of Council in the LTP amendment will help inform the LTP 2021-2031.

The purpose of this procedures manual is to assist Directors, Business Unit Managers and budget managers to understand the process and prepare budgets and financial information which meets the legislative requirements and our internal process needs.

This procedures manual applies to all Business Units of the Council Group.

Released under the Local Government Official Information and Access Act

## 2.0 High level timelines

The high level timeline that follows was approved by the LTP Subcommittee on the 24 September 2020.

Activity	Date	Status
Officers progress initial planning and preparation	July to August 2020	Complete
Waste Services Review - LTP amendment decision of Council	15 Sept 2020	Complete
Council endorsement of high level plan and key assumptions. Progress initial decisions on strategic direction and key policies (e.g. Development contributions policy, Revenue and Financing policy).	24 Sept 2020	Complete
LTP Subcommittee meeting - Further progress decisions on strategic direction and policies. Present findings of base budget review, including cost pressures and funding options.	27 Oct 2020	Not started
LTP Subcommittee meeting - Relevant policy reviews completed and approved for consultation. Key decisions progressed to inform Draft LTP (DLTP).	30 Nov 2020	
DLTP and draft Consultation Document (CD) approved	Late Jan 2021	
DLTP and CD audited (six weeks)	Feb 2021	
Council adopt CD for public engagement	Mar 2021	
Public consultation	April 2021	
Hearing of submissions and related advice	May 2021	
Council meets to make final decisions	June 2021	
Council adopts the LTP and sets the rates	30 June 2021	

### Short term detailed timeline for the budgeting and activity management process in October:

In order to achieve the targeted completion date of 28 October for the activity management plans and budgets, you should be aiming to carry out the following stages on the dates indicated below:

- 30 Sep to 14 October : carry out and complete budget entry in TechOne,
- 15 to 21 October : review all budgets by business unit managers and directors,
- 22 to 28 October : update and make changes to budgets as a result of reviews,
- **28 October: all budgets completed and activity management plans completed, Directors formal sign-out.**
- 29 Oct to 7 November: prepare information for the LTP Subcommittee decisions on 30 November 2020.

## 3.0 Financial Strategy

The principles that follow were endorsed by the LTP Subcommittee 24 September 2020 and are to be applied in the preparation of the LTP 2021-2031.

### Principles for the LTP 2021-2031

1. That the financial strategy enables Council's contribution to the vision for Lower Hutt.

#### 2. Fairness and equity

The funding of expenditure is equitable across both present and future ratepayers.

- a) Intergenerational equity – the cost of long term assets should be met by ratepayers over the life of that asset. This is reflected by debt funding new assets and funding the replacement or renewal of assets from rates.
- b) Balanced budget – projected operating revenue over the lifetime of the LTP is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access, i.e. 'everyday costs are paid for from everyday income'.

3. Prudent sustainable financial management – budgets are managed prudently and in the best interests of the city in the long term. Debt must be maintained at prudent levels and be affordable.

4. Ability to pay (affordability) – affordability is an important consideration as it ensures that the ability of our diverse community to pay rates is transparently considered as part of the decision-making process. Consideration will be given at both the macro level (i.e. generally affordable to most) and also at the micro level (i.e. for a specific individual where rates rebates, remissions or postponement policies may be required).

5. Value for money – any proposals must contribute to the strategic outcomes agreed with the community and the total cost must be reasonable. The cost effectiveness of the funding mechanism must be considered.

6. Prioritisation of investment choices – careful consideration is given to investment choices and options, with priority given to core infrastructure investment and 'invest to save' options.

7. Environmental sustainability - Funding decisions will consider community outcomes being sought, including wider environmental and climate change impacts.

8. Distribution of benefits – consideration is given to the distribution of the benefits from Council activities over identifiable parts of the community, the whole community or individuals (users). Where there are identifiable direct benefits the proportion of costs associated with these benefits should be covered by the user(s).

9. Growth pays for growth – the capital costs incurred to develop infrastructure that supports growth within the city should be primarily covered by those causing the growth and increasing the demand on Council infrastructure.

#### 10. Good financial governance and stewardship

Good stewardship of Council's assets and finances requires Council to ensure that its actions now do not compromise the ability of future councils to fund future community needs. Under this principle:

- a) Assets must be maintained at least at current service levels to avoid placing a financial burden on future generations.
- b) Debt must not be used to fund operating expenditure other than in specific exceptional circumstances.
- c) The level of debt is regularly reviewed to ensure that it is at a level that will not restrict a future council's ability to fund new assets through debt.
- d) The consequential operational expenditure implications of capital expenditure decisions are considered.

## 4.0 Parameters and guidelines for the budgeting process

This section covers the specific guidelines and parameters to be followed when preparing the LTP 2021-2031. The key assumptions and parameters were adopted by the LTP Subcommittee on the 24 September 2020.

### 4.1 Operating budgets

- The service levels should be those approved previously by Council through the LTP 2018-2028 or by subsequent decisions.
- Ten years of budgets are required to be prepared on an uninflated basis. Finance will then use the BERL local government cost index adjustors to inflate all budgets for the ten year period.
- Budget Managers will need to be able justify their budgets and demonstrate that the budget amounts have been thoroughly reviewed and prepared from a zero base. CLT and Council decisions from the “Base Budget Review” process that took place through August and September 2020 will inform the preparation of the LTP budgets.
- We will be using TechnologyOne Enterprise Budgeting to enter all the budgets. As a starting position budgets have been loaded based on uninflated amounts in year 2 of the 2020/21 Annual Plan. Instructions on entering budgets in Enterprise Budgeting will be provided separately to all budget managers.
- The base budget for each activity can be adjusted for the following items:
  - Decreases
    - One-off items included in the Annual Plan 2020/21
    - Items no longer required
    - Known savings – e.g. contract rates reductions
    - Anticipated savings from efficiencies
    - Increases in existing and new sources of revenue.
  - Unavoidable increases
    - Known increases – e.g. rent reviews and contractual cost escalations
    - Increases required to maintain new assets
    - Salary increases
    - Adjustments to depreciation
    - Increases in approved staff levels
    - Interest effect of higher borrowing for capital works.
  - Other increases/decreases
    - Services level changes (e.g. increase in service level for refuse & recycling changes)
    - Other justifiable increases to be approved by the Corporate Leadership Team (CLT)

- Items agreed by the Council.

- Budgets need to take account of: regulatory requirements, i.e. what we have to do to meet regulatory and legal requirements; and Infrastructural requirements, i.e. what we have to do to maintain the integrity of our infrastructure assets.
- Where there are requests for additional funding outside of those allowed above, a template is required to be completed - Refer Appendix 1. This request for additional funding must not be added to the budgets until approved.
- Budgets are to be prepared on an accrual basis exclusive of GST, and not on a cash basis.

#### 4.2 Further details on specific matters:

##### Staffing costs and salaries

- Budget Managers need to review their staff positions and only budget for existing staff and approved vacancies as at 1 October 2020.
- Salary and wages budgets will be adjusted by an assumed 1.5% increase in January 2020 for all roles eligible for an increase in 2020/21. A further 2.5% increase for 2021/22 and all future years of the plan will be assumed.
- A vacancy assumption of 1.25% will be included across all budgets. This reflects the assumption that it is likely that there will not be full staffing complement throughout teams each year and there is likely to be some delays in recruitment to fill vacant roles.
- Managers need to look for opportunities where they can capitalise some of the staff costs. Refer to the Management Accountants for further advice here. Please refer to the Fixed Asset Policy and Fixed Asset Policy Guidance that is available on iPortal (links below):

[http://iportal:81/Record?Query=title:%22asset%22%20OR%20notes:%22asset%22%20and%20\(type:594\)&Tab=23&Uri=3665810&Page=1](http://iportal:81/Record?Query=title:%22asset%22%20OR%20notes:%22asset%22%20and%20(type:594)&Tab=23&Uri=3665810&Page=1)

<http://iportal:81/Record/ReadOnly?Page=1&Query=title%3A%22asset%22%20OR%20notes%3A%22asset%22%20and%20%28type%3A594%29&Tab=23&Uri=5689129>

- Training budgets will be prepared by Finance and calculated as a standard 1.25% of the total salary budget for each cost centre. There may be some areas where this is not sufficient budget due to requirements for professional training. This will be resolved on a case by case basis, and adjusted accordingly. There is to be no separate budgeting for conferences, travel and accommodation costs which will all be funded from the training budget.

##### Allocated budgets

- There are a range of costs which are allocated – these are largely servicing business units which provide internal services, such as Information Services, Human Resources, Finance.
- Where Business Units allocate costs (or overheads) , then the Budget Managers will need to prepare these allocations and have well documented methodology and calculations. The Finance team will assist with reviewing the methodology and also processing this in TechOne to all the relevant cost centres.

##### Other budgets which will be prepared by Finance

- A number of budgets will be centrally loaded meaning that Budget Managers do not need to prepare these but do need to review these to make sure they are appropriate and in the correct account. These include: depreciation, interest expense, insurance, some lease costs, internal rates, and support costs.

- Depreciation: Based on the latest asset valuation at 30 June 2020 and adjusted for forecast capital works in 2020/21. Asset management plans should be adjusted to reflect the new values of assets and the latest calculated depreciation figure.

### 4.3 Capital budgets

- The base budget here is the Annual Plan 2020/21 adjusted for any approved subsequent changes. For examples changes approved for the LTP 2018-2028 amendment that was prepared in March 2020 (pre-covid and then placed on hold) and any other changes approved by Council (for example as a result of asset management plan reviews).
- The reasons for any changes and approval must be detailed. While the capital budgets will be based on the approved budgets as detailed in the previous point – they will be subject to scrutiny down to the project level and must be capable of justification through prioritisation and affordability.
- No allowance in the out years should be made for inflation. All budgets should be based on today's dollars. If there are estimates especially for capital projects that are a few years old then these should be updated to today's dollars.
- Budget Managers need to review and be certain of the costs and timing of capital projects both for next year and in the out years.
- Capital projects need to be split between: capital to meet additional demand, capital to improve the level of service, and capital to replace existing assets. Further information will be provided to help with this split.
- Capital replacements (or renewals) need to take account of asset management plans and align with these.
- Appendix 2 should be used to provide the detailed costing to support the budgeted amount for each project. There may be further external specialist advice that is attached to provide further evidence.
- The cost of a capital project is to be stated gross of any NZTA, Central government or other funding which the project may attract. The amount of any subsidy should be budgeted separately and disclosed with the cost of the project. This applies to all subsidised operating expenditure.

### 4.4 Requests for additional funding or other budget changes requiring Council approval

- Where there are requests for additional funding outside of those allowed as detailed in the sections above, a template is required to be completed - Refer Appendix 1. This request for additional funding must not be added to the budgets until approved. The information included in the template includes an explanation of the strategic alignment and benefits, community engagement and views, financial budgeting impacts, assumptions and risks.
- All funding requests will be prioritised at an organisational level ahead of submission to Council. Officer advice will be provided to Council in relation to whether the funding request should progress or not. Council will ultimately determine the priorities for the Group through the final decisions in the LTP 2021-2031.

#### 4.5 Supporting information and evidence for budgets

- It is important that we have good quality information to explain and justify budgets. This needs to be available to support review processes by Senior Managers, external auditors and for any queries from Councillors, stakeholders etc. As a guideline, thresholds are provided in the table below to indicate where supporting analysis and information is required. The information will vary depending on the services/activity being delivered. In the short-term, it is expected that the quality of evidence to support budgets would be of a high standard (e.g. external specialist advice, internal peer review process etc.) whilst the medium to long term would be less detailed (but may have a higher contingency estimate due to uncertainties).

	Operating expenditure	Capital expenditure
Short-term (years 1 to 3)	All budget lines of \$0.2M or higher.  As well as increase of cost centre budget of greater than 5% from the prior year.	All projects/initiatives with a value greater than \$1M
Medium to long term (years 4 to 10)	All budget lines of \$0.5M or higher.  As well as increase of cost centre budget of greater than 5% from the prior year.	All projects/initiatives with a value greater than \$5M

- All workings, evidence, and relevant documentation to support the budgets need to be attached in the TechnologyOne - Enterprise Budgeting system. Refer Appendix 3 – detailed TechOne budgeting instructions.

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## 5.0 Activity Management Plans

Activity management plans (AMPs) focus attention on the activities, services and outcomes Council has committed to delivering and the resources (assets) needed to achieve that delivery.

AMPs outline and summarise in one place, a council's strategic management and long-term approach to providing and maintaining activities at an agreed level of service. They define:

- the need for an service/activity – community, legislation, key service e.g. water
- what community outcomes the activity contributes to delivering - purpose
- what a service/activity is delivering – level of service
- risks associated delivering the service/activity and
- longer term trends that may impact on the service/activity e.g. aging population.

AMPs then consider the resources required to deliver the activity focusing on the physical assets or groups of assets, and the components which make up the assets. They tend to examine the asset in detail, covering such things as its condition, lifespan of components, resources needed to manage the assets, levels of service, the cost of replacing the asset or components and the longer term viability or relevance of the based on population forecasts and evidence on relevant trends and their implications.

AMPs also provide for coordinated management of the activities needed for the business to deliver its stated service objectives and outcomes.

*Asset Management Plans* can be components of an AMP (e.g. components of the various appendices) or be contained in a separate document which sits under the AMP.

The activity structure was reviewed by the LTP Subcommittee on the 24 September and has been revised as shown on the next page.

An activity plan is required to be completed for each Group of Activities. Appendix 4 is a template for the activity plan. The Finance team can assist with the preparation of the finance aspects and Catherine Taylor is available to assist with the Service performance information. The content prepared for the base budget review can be used to populate some of the activity management plan template (e.g. what we do, why we do it etc.).

Some activity management plans and asset management plans will be selected for an external peer review process.

The activity management plans are [due for completion by 28 October 2020](#). This includes formal sign out by the responsible Director.

## New LTP Groups of Activities structure

Theme	Group of activities	Activities
Economic wellbeing	Transport	Roading assets
		Traffic assets
		Roading Maintenance & Infrastructure contracts
		Road safety services
		Parking enforcement services
		Active modes
	Water supply	Water supply
	Wastewater	Wastewater
	Stormwater	Stormwater
	Solid Waste	Disposal / Landfills
		Refuse services
		Recycling services
	City development	Urban Design
		Business support and city growth
Housing		
District Plan		
Social and cultural wellbeing	Community partnering and support	Community funding, Community hubs, Community Partnerships
	Open Spaces, Parks and Reserves	Open spaces, Parks and reserves
	Connectivity, creativity, learning, and recreation	Libraries
		Recreation Programmes
		Swimming pools and fitness
		Art and Museums
		Promotions & Events
Environmental wellbeing	Regulatory services	Building consents
		Resource consents
		Public health
		Animal control
	Sustainability and resilience	Climate change, Biodiversity, Emergency management
Governance , strategy and partnerships	City governance	Democratic services
		Mana whenua
		Community Funding Panels, Community of interest Panels

## 6.0 Queries, problems and support

The Management Accounting Team will work alongside Budget Managers and provide support through this process.

Wendy Moore and Catherine Taylor are available to provide support and guidance in the preparation of the non-financial content – such as service level and KPI information.

FINANCE MANAGEMENT ACCOUNTING SUPPORT			
<b>Chief Executive - Jo Miller</b>		<b>Business Unit Manager</b>	
<b>Chief Executive:</b>			
CEO's Office		Maria Tipene	
Mayoral Office		Jarred Griffiths	
Kaitātari Tumuaki Maori		Matiu Jennings	
Elections		Bruce Hodgins	
<b>Management Accounting Support</b>		<b>Rachael Thomas</b>	
<b>Director - Helen Oram</b>		<b>Business Unit Manager</b>	
<b>Environment &amp; Sustainability:</b>			
District Plan		Hamish Wesney	
Regulatory Services & Emergency Management		Geoff Stuart	
Environmental Consents		Derek Kerite	
Sustainability & Resilience		Jörn Scherzer	
Solid Waste		Dave Dews	
Three Waters		Bruce Hodgins	
<b>Management Accounting Support</b>		<b>Karl Eagle</b>	
<b>Director - Anna Welanyk</b>		<b>Business Unit Manager</b>	
<b>Transformation &amp; Resources:</b>			
Information Services		Lyndon Allott	
People & Capability		Kelly Alkema	
Finance		Jenny Livschitz	
Legal & Risk		Bradley Cato / Enid Davids	
Strategic Projects		Allen Yip	
<b>Management Accounting Support</b>		<b>Karl Eagle</b>	
<b>Director - Matt Boggs</b>		<b>Business Unit Manager</b>	
<b>Strategy &amp; Engagement:</b>			
Promotions & Events		Lizzie Edwards (Acting)	
Communications & Marketing		Stephen Beckett (Acting)	
Customer Services		Gavin Bird (Team Leader)	
Democratic Services		Kathryn Stannard	
Strategy & Planning		Wendy Moore	
<b>Management Accounting Support</b>		<b>Rachael Thomas</b>	
<b>Director - Andrea Blackshaw</b>		<b>Business Unit Manager</b>	
<b>Neighbourhoods &amp; Communities:</b>			
Museums		Karl Chitham	
Parks & Recreation		Marcus Sherwood	
Community Hubs		Melanie Laban	
Community Projects & Relationships		Melanie Laban	
Libraries		Kat Cuttriss	
<b>Management Accounting Support</b>		<b>Rachael Thomas</b>	
<b>Director - Kara Puketapu-Dentice</b>		<b>Business Unit Manager</b>	
<b>Economy &amp; Development:</b>			
City Growth		Gary Craig	
Urban Design		Paki Maaka	
Transport		John Gloag	
Infrastructure Contracts		John Middleton	
<b>Management Accounting Support</b>		<b>Andy Wolmarans</b>	
<b>Project Support</b>		<b>Business Unit Manager</b>	
Naenae Pool		Marcus Sherwood	
RiverLink		Paki Maaka	
Cycleways		John Gloag	
Refuse & Recycling		Jörn Scherzer	
<b>Management Accounting Support</b>		<b>Andy Wolmarans</b>	

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## 8.0 Appendices and forms

### Appendix 1:

#### Requests for new or additional funding for inclusion in 2021-2031 Long Term Plan

1.	Project/ initiative	
2.	LTP Activity	
3.	Business lead	
4.	Brief project description  (problem/op portunity statement)	
5.	Strategic alignment and desired outcomes sought	
6.	Community engagement	
7.	Overview of project costs and funding source (refer tables below)	
8.	Risks and mitigation plans	
9.	LTP key assumptions	

Further budget information

Table 1: Revenue budgets

\$M	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026-2031</u>	<u>Total</u>
Annual Plan 2020/21							
LTP 2021-2031							
Variance							

Table 2: Operating expenditure budgets

\$M	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026-2031</u>	<u>Total</u>
Annual Plan 2020/21							
LTP 2021-2031							
Variance							

Table 3: Capital expenditure budgets

\$M	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026-2031</u>	<u>Total</u>
Annual Plan 2020/21							
LTP 2021-2031							
Variance							

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**Appendix 2**

**New capital and renewals capital expenditure project worksheet**

**Business Unit:**

**Project Description :**

**Project number:**

**Project budget :    \$**

**Account  
Description**

**Account assumptions and calculations**

**Consultants**

**Legal**

**Professional Fees**

**Contractors**

**Internal project management**

**Other activities (detail)**

**Total project budget**

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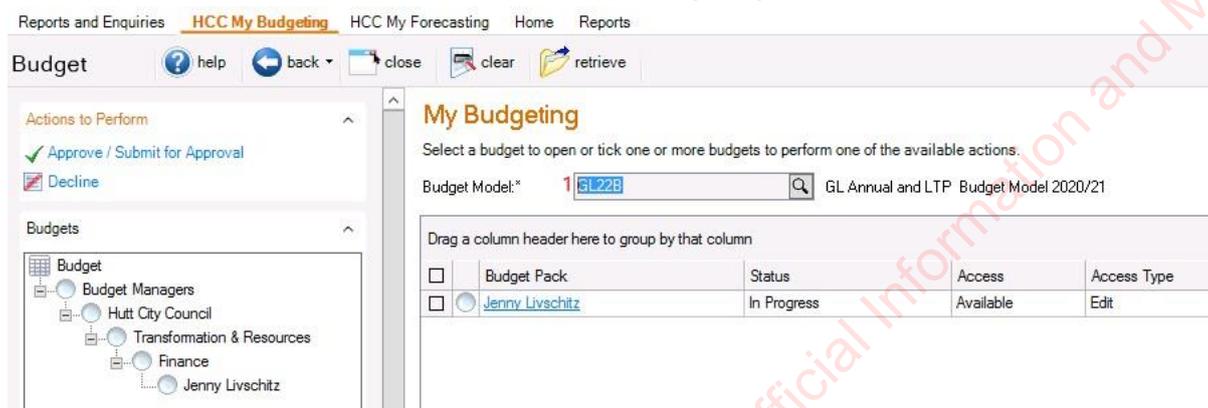
# USING ENTERPRISE BUDGETING

<https://huttcity.t1cloud.com/T1Default/CiAnywhere/Web/HUTTCITY/Workplace>

Budget management is all done through Technology One. We assume that all budget managers have access – if not please talk to IT or your relevant finance business partner.

## FINDING YOUR BUDGET PACK

Access Core Enterprise Suite, click on HCC My Budgeting



The budget model should be GL22B<sup>1</sup>. If not, click the spyglass and select GL22B from the list. Click on your budget pack to open it.

## GENERAL NOTES

### **Save your budget work regularly!**

When doing your spreading, check the figures still make sense, especially the total.

If you need a new cost centre or natural account that doesn't already exist, contact Karl, Andy, or Rachael.

You need to look at 20 years of both operating and capital budget.

**NB:** The system will populate the **operating budget** for you based on year 1 total, so if annual costs are not consistent or you know there are some big variations coming up you must enter these into the correct year manually.

# TABS/WORKSHEETS WITHIN YOUR BUDGET PACK

Each budget pack has the following tabs:

- Summary
- Revenue and Expenditure
- Staff Salary
- Various centrally loaded budgets
- CAPEX
- Attachments

## SUMMARY TAB

These figures are created from the figures you enter, and from the centrally populated worksheets. It pulls together everything at an Account Category level, e.g. User Charges, Employee Costs, etc.

They will only update when you save changes you have made to the Revenue and Expenditure tab (or other inputting worksheets) and click the retrieve button in the budget pack menu.

## REVENUE AND EXPENDITURE TAB

This is where all the detail is, and where you will be doing the bulk of your budget entry.

It will show all the Cost Centres you manage, and all the Natural Accounts held in them.

The table will show:

1. Previous year's total actual and budget
2. Current year to date actual
3. Current annual budget, revised budget and forecast
4. The previous budget for the current budget's year

Account	Account Description	Analysis	Analysis Description	Actual 2019/20 <sup>1</sup>	Budget 2019/20	YTD Actual 2020/21 (Per 5) <sup>2</sup>	Approved Budget 2020/21 <sup>3</sup>	Revised Budget 2020/21	Forecast 2020/21	2020/21 Annual Plan Yr2 Uninfl <sup>4</sup>
5301	Mileage Reimbursement	000000	Default	68	1,000	-	500	500	500	500
5302	Air Fares - Domestic	000000	Default	(26)	4,500	-	2,500	2,500	2,500	2,500
5303	Accommodation Expenses	000000	Default	410	4,000	-	2,000	2,000	2,000	2,000
5304	Other Travel Costs	000000	Default	288	500	-	500	500	500	500

5. The editable field for the full year's budget (adjusts the monthly fields [6])
6. The editable fields for the monthly budgets (adjusts the full year field [5])

<sup>5</sup> Budget 2021/22	Budget Variance %	Spread Method*	July 2021	August 2021	September 2021	October 2021 <sup>6</sup>	November 2021	December 2021
500	0.0%	Monthly	42	42	42	42	42	42
2,500	0.0%	Monthly	208	208	208	208	208	208
2,000	0.0%	Monthly	167	167	167	167	167	167
500	0.0%	Monthly	42	42	42	42	42	42

If you put an annual amount in, it will spread it automatically. Alternatively you can add the expenditure in the expected month – remember to check the total.

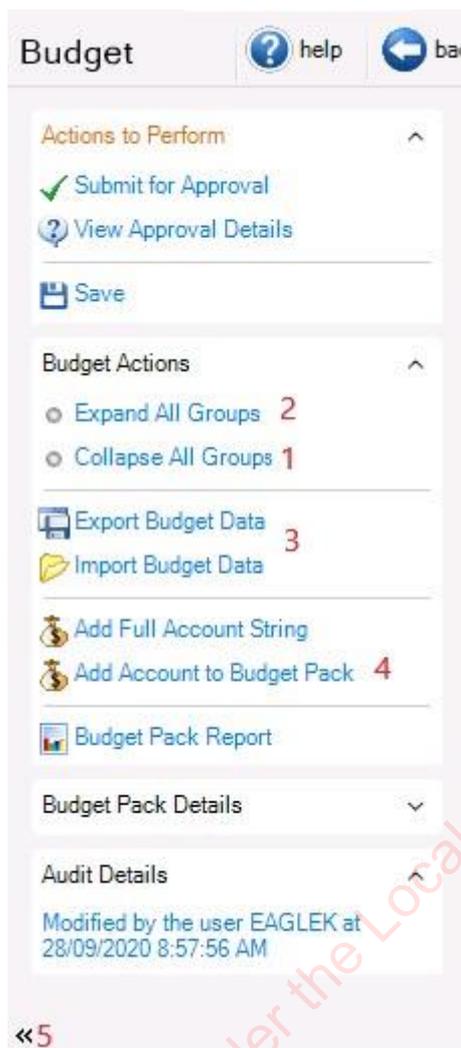
Non-editable Natural Accounts have  at the left of the row and are a slightly darker shade.

The out years (2–20) are set to the year 1 budget. To change these, change the figure in the Adjustment Budget column for the year.

**NB:** An amount of zero for an out year will point the year to the year 1 figure. To change the amount to zero you must enter one cent (\$0.01).

The Balance Sheet section is all maintained in the CAPEX worksheet (see below).

## USING THE BLUE MENU AREA ON THE LEFT HAND SIDE



### 1. Collapse all groups

- Click this to collapse all groups in the detail of the Revenue and Expenditure detail section to only show the Business Unit total.
- Click '+' next to each collapsed group to expand in the following order:

Business Unit > Cost Centre > P&L/Capital >  
Account Category > Natural Account

### 2. Expand all groups: click to see all natural accounts.

### 3. Export Budget Data/Import Budget Data

- You can export budget pack data, edit in an excel file and import.
- Please speak to your finance business partner if you would like to try this.

### 4. Add Account to Budget Pack

- If you don't have a budget line (natural account), e.g. for stationery, you can add it.
- You can pick up any natural accounts from here.
- You can only add natural accounts to cost centres you manage.
- After selecting the natural account, you need to select the analysis code as well (in most cases, just 000000), to form the full account string.
- **NB: You cannot delete an account after you add it.**

### 5. Double arrows

- The double arrows at the bottom left of this section allow you to collapse the whole left hand menu area, which gives you more screen space to work with.

## STAFF SALARY TAB

**Please remember that this information is confidential.**

You will need to review the listed team members (taken from your forecast pack when the budget was set up), make amendments as appropriate to the listed roles and add roles that are missing.

Employee Number*	Surname*	First Name*	Role*	From*	To*	FTE	Salaried or Waged	Annual Salary (if applicable)
XXXX	permanent	TBA	SMA	January	Year 20	1.00	Salaried	████████
XXXX	████████	████████	TEAM LEADE...	September	Year 20	1.00	Salaried	████████
XXXX	████████	████████	SYSTEMS ACC...	October	Year 20	1.00	Salaried	████████
XXXX	████████	████████	SNR MANAGE...	August	Year 20	1.00	Salaried	████████

New roles entered, with expected start date

The To field adjusted for any leaving staff

This tab will calculate ACC and KiwiSaver (KiwiSaver membership indicated in a column in the worksheet). If the staff you manage are actually paid under a different cost centre, they won't appear in your budget pack.

**NB:** please be aware that the information you enter here doesn't connect back to HR or HR systems, so even if you add a new role here, it still needs to go through the official processes.

### CENTRALLY LOADED BUDGET TABS

These tabs cover natural account lines that are managed by Finance (the locked lines mentioned under Revenue and Expenditure Tab above). It covers costs such as vehicle lease, property leases, insurance, internal rates, etc.

These costs should be reviewed and, if changes are required e.g. and additional vehicle is required, you will need to discuss with Finance.

### CAPEX TAB

If you hold the budget for capital projects you will see these in the Balance Sheet section of each cost centre in the Revenue and Expenditure worksheet, however they will be locked/uneditable.

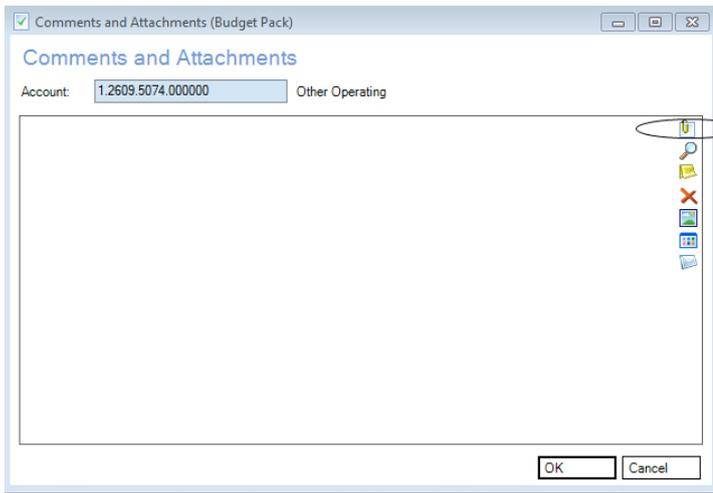
The CAPEX tab is where you maintain the capex projects. You will need to review this and add, delete or amend projects.

Unlike the Revenue and Expenditure worksheet, the CAPEX worksheet does not populate the outyears. You must enter the expected spend on the project for each month of year 1 and each year from 2–20 for the life of the project.

Some Budget Managers won't have any CAPEX budget.

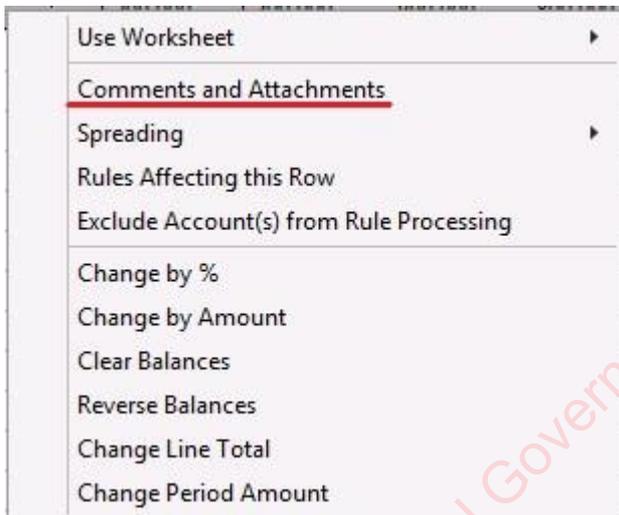
### ATTACHMENTS TAB

You can use the attachments tab to add comments or attachments.



Alternatively you can right click on a cell in the worksheets and choose 'Comments and attachments' from the menu that appears.

Click on the paperclip icon to choose a file to attach – or add your comments to the notes field that appears.



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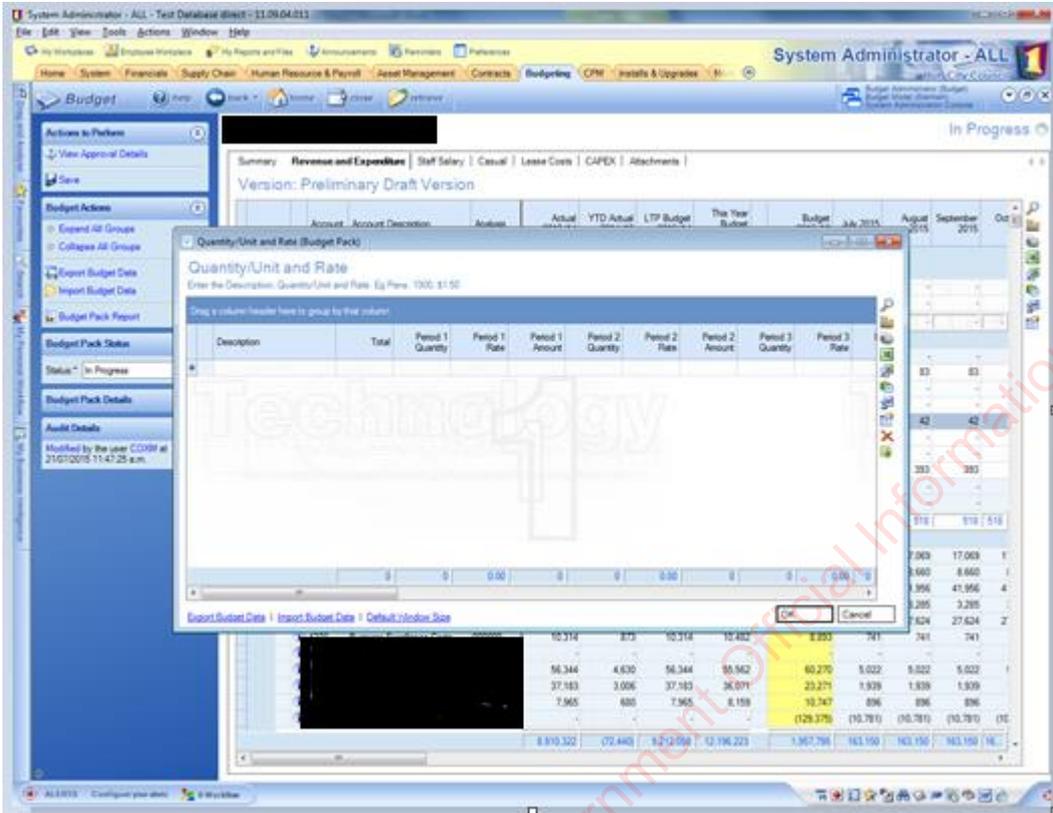
## ENTERING VOLUME BASED INCOME

Enter volume based income, by right clicking on the cell

Check the Revenue tab to see if it has appeared

OR

Right click on the cells in the Revenue and Expenditure tab and enter the figures you need to



## SPREADING

Right click on a cell, choose spread method (e.g. by Quarter)

You can overwrite this and the rest of the months will change accordingly, or you can do all your spreading manually.

If you put an annual amount in, it will spread it automatically. Alternatively you can add the expenditure in the expected month – remember to check the total.

## WHAT HAPPENS WHEN YOU 'SAVE'

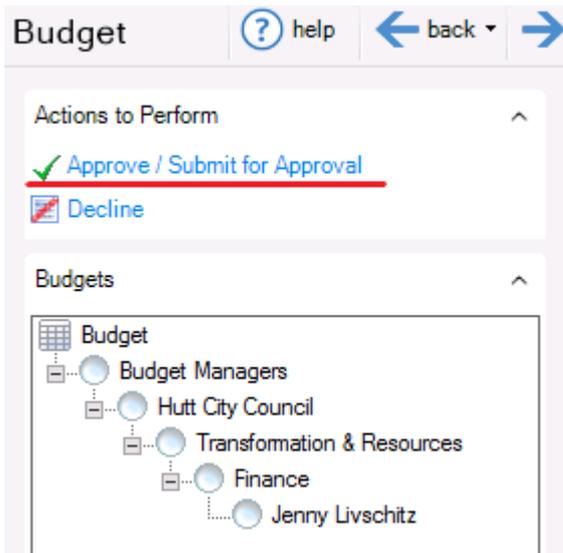
Figures will usually update the Revenue and Expenditure tab, however CAPEX does this overnight as the calculations take too long to do whilst you are working.

It is possible to redo your figures before the budget has been sent for approval, so long as your budget pack has not been locked.

## SUBMITTING YOUR BUDGET FOR APPROVAL

Once you are ready, you can submit your budget.

Click on Submit your budget on the top left hand side. Submitting your budget will send an email to your manager. You can only do this once you have approved any budget packs of staff under you.



There are 3 levels of approval.

Once submitted it will have an orange dot, and it will say Awaiting Business Unit Manager approval.

Once they have approved it will say 'waiting for approving manager' and once they have approved it, it will go green.

If it is declined, you will get an email.

Once you have submitted it, you cannot change it (unless it is declined or you ask Finance to give you access to it again).

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## APPROVING BUDGETS

Budget Managers need to submit their budgets first – the comment will then say ‘Awaiting Business Unit Manager Approval’.

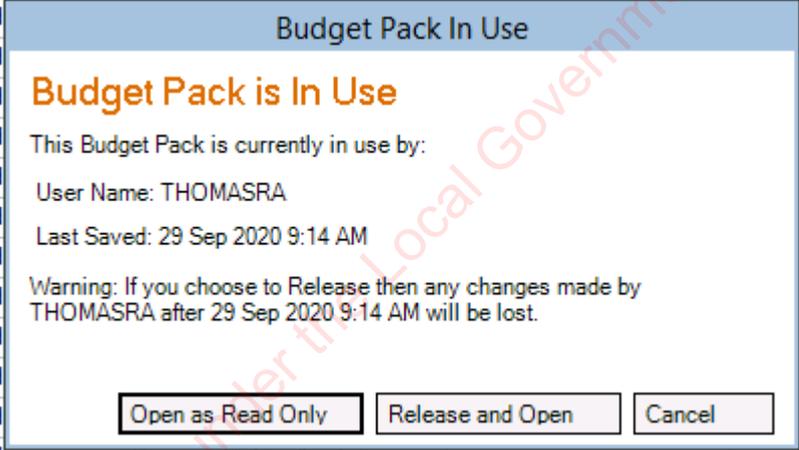
Once the Business Unit Manager has approved the budgets and submitted them to their Director, it will still be orange, but the message will change to ‘Awaiting Director Approval’.

It is only once the Director has approved that the traffic light will go green.

If you are a budget approver, you will see your team’s budgets and whether they are in progress (white), waiting for approval (orange) or have been approved (green).

	<a href="#">JGL - John Gloag</a>	Approved
	<a href="#">PMA - Paki Maaka</a>	Approved
	<a href="#">HEO - Hamish Wesney (District Plan)</a>	In Progress
	<a href="#">HEO - Helen Oram</a>	In Progress
	<a href="#">CEW - Craig Ewart</a>	Awaiting Director Approval
	<a href="#">DKE - Derek Kerite</a>	Awaiting Director Approval
	<a href="#">LCR - Lyn Cribb</a>	Awaiting Director Approval
	<a href="#">PRO - Parvati Rotherham</a>	Awaiting Director Approval
	<a href="#">CST - Lizzie Edwards (LHEC)</a>	In Progress
	<a href="#">JBL - Alannah Laban (E&amp;S)</a>	In Progress
	<a href="#">DBE - Dean Bentley</a>	Awaiting Business Unit Mana...
	<a href="#">GST - Geoff Stuart</a>	Awaiting Business Unit Mana...

## MULTIPLE USERS



**Budget Pack In Use**

**Budget Pack is In Use**

This Budget Pack is currently in use by:

User Name: THOMASRA

Last Saved: 29 Sep 2020 9:14 AM

Warning: If you choose to Release then any changes made by THOMASRA after 29 Sep 2020 9:14 AM will be lost.

If you see this message, it means someone else is looking at the budget pack you are trying to access. You can choose to access it, but not edit it, or you could choose to ‘Release and Open’ which will lose any changes anyone else has made.

## LTP 2021-2031

### Activity Management Plan

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## 2 CURRENT STATE

### 2.1 THE SERVICE WE PROVIDE

#### 2.1.1 What we do

*Provide a detailed description of what the activity does.*

*How does Activity contribute to:*

- *HCC meeting its strategic intent or goals and objectives; and*
- *HCC delivering its Community outcomes; and*
- *The social, cultural, and economic wellbeing of the community; and*
- *HCC maintaining and enhancing the region's environment.*

#### 2.1.2 Why we do it

*Explain why HCC provides the service to the community (e.g. it mandatory legal requirement, it is community need as identified through Community consultation, it is a desired activity as deemed appropriate by the elected Council and connected to an associated Community Outcome etc.). There may be historical context to why we carry out the Activity.*

#### 2.1.3 Who do we do it for

*Identify the stakeholders and how they affect, and are affected, by the Activity. (Some stakeholders to consider, Central Govt, Tourists / visitors, ratepayers, children or elderly, low-income, minority groups, local iwi / hapu, single-interest groups (like recreational fisher-people, swim clubs, clean-waters lobbyists etc.), and so on.)*

*How does this Activity contribute to the involvement of Maori in decision-making? (LGA s.81(1)(b))*

#### 2.1.4 How we do it

*What is a high-level view of how the Activity operates?*

#### 2.1.5 What's changed since the last LTP in 2018

*During 2018-2021 were there any changes or challenges that impacted the Activity's ability to support HCC to:*

- *Meet its strategic intent or goals and objectives; and*
- *Deliver on its Community outcomes; and*
- *Contribute to the social, cultural and economic wellbeing of the community; and*
- *Maintain and enhance the region's environment.*

*Have there been changes to the legislative environment the Activity operates in?*

*Did the Activity deliver all its projects planned in the last LTP? Were there any new projects since 2018 not planned in the last LTP?*

*Summarise the main issues and changes that have impacted delivery of service/activity e.g. climate change, regulation, demand, expectations, funding sources (external), priorities etc. Note any major changes in growth and demand, conservation, sustainability of delivering the service*

*Were there changes to the finance/funding of the Activity?*

*Did the Stakeholders change markedly?*

Did the expectations about the services provided change markedly?

## 3 RISK MANAGEMENT

### 3.1 SIGNIFICANT ISSUES AND CHALLENGES

Any significant factors that may affect ability to:

- Maintain levels of service
- Meet additional demand (LGA s.101A(3)(b))
- Any significant issues or challenges to the Activity:
- Meeting HCC's strategic intent or goals and objectives; and
- Contributing to Community outcomes; and
- Contributing to the social, cultural and economic wellbeing of the community; and
- Maintaining and enhancing the region's environment.

Are there certain high risk aspects of the Activity that pose significant risk when considered by themselves or in the wider context of the Activity?

Covid-19 impact- are there any significant issues and challenges as a result of Covid-19?

Negative Effects and Criticality. Any potential negative effects or significant risk implications the Activity may have for the Community or Council and how are they being managed? Think about: environment, health and safety, social, economic. How will they be managed or mitigated.

### 3.2 ACTIVITY RISKS

All risks identified here must also be recorded and assessed in the Cycle Risk module

Any other activity specific issues relating to things like: management structures, planning, processes and decision making systems. Some examples are lack of staff, or lack of knowledge / training / skills? Do we need particular IT systems or other tools / technology? Are there problems with business rules, allocation of responsibilities (no one responsible or too many people responsible for the same thing), funding etc.? Lack of marketing or PR / HR support?

Are there adjacent Activities, services, or assets (HCC provided or from another organisation) that could be negatively affected by this Activity (e.g. Schools, adjacent organisations or sites offering a similar Activity, shellfish beds, Unison / NZTA / Tranrail assets, airsheds etc.)?

### 3.3 CRITICAL ASSETS

Criticality analysis of asset to future Activity LoS and wider Council objectives (i.e. more critical or less critical over time and to what degree)

Are there any critical inputs that if lost or significantly altered, would have a major impact on this Activity? This could be loss of a major funding source, a change in law or regulation, loss of a Resource Consent, loss of an asset's functionality. What are they and what needs to be done to manage that risk?

## 4 FUTURE STATE

### 4.1 GROWTH AND DEMAND

*What generates the demand for this Activity?*

*What would create a change in demand?*

*How will changed demand be managed?*

*Have our stakeholders changed since last LTP?*

*Land use changes that will impact Activity (LGA s.101A(3)(a))*

*Population changes that will impact Activity (LGA s.101A(3)(a))*

*Are there any community wellbeing changes that will impact this Activity*

*Look at the future trends for demand and growth and consider what this will mean regards to this specific Activity. Some things to consider is population growth (e.g. HPUDS), impacts of technology, climate change, changing demographics due to immigration or domestic relocation.*

### 4.2 LEVEL OF SERVICE

#### 4.2.1 Needs and Wants

*Optional*

#### 4.2.2 Current

*A statement of assessment of ability to provide and maintain existing levels of service and to meet additional demands for services*

*What key factors determine level of service? E.g. protection of the environment, public health and safety, system performance, sustainability, provision of service, service delivery, customer service, and industry practice.*

*Has our service provision changed since the last LTP?*

*What are the significant assumptions that the Activity bases its plan on?*

*What is the current performance results compared to the targets above? Are there shortfalls or over-delivery compared to the current performance targets? Why are there gaps?*

*Is there community feedback on the services – complaints or Community Satisfaction surveys?*

#### 4.2.3 Future Changes

*Levels of Service and Performance for the future, any gaps, demand and delivery issues, growth*

*Has the community's wellbeing changed in any way?*

*Have there been financial changes that impact the Activity? E.g. lack of investment, funding changes, poor community uptake so lack of cash flow*

*Consider how the Activity has been performing and whether there is a trend downwards or upwards that means that in the future it will exceed or fall short of the desired LoS.*

*Consider feedback from Stakeholders and whether it is likely there will be a need to change the scope of the activity or LoS into the future (they want wider range or better services, there is less desire to pay for the current services, law changes etc.)*

*Are there any historical issues of relevance now?*

Are there legislative or regional plans and programs that may have an impact on the Activity in the future?

Discuss what can be done to bring and maintain the LoS to the required levels now and into the future. Is the Activity still appropriate? Does it need to expand or can we discontinue the Activity all together? Can we encourage or discourage people from enjoying the benefits of Activity (host more events, marketing, make the physical environment less amenable)? Can we do more or less in an operations sense (more or less people available to help or range of services offered, longer waiting times, open longer hours etc.)? Do we need to do more maintenance to increase availability and reliability or amenity of the service? Spending money on new assets or altering assets is the last option that should be considered and only recommended when the prior considerations have been fully explored.

Any factors that may affect ability to:

- maintain levels of service
- Meet additional demand (LGA s.101A(3)(b))

**\*\*Future** –HCC must take a sustainable approach that considers the reasonably foreseeable needs of future generations. LGA s.14(h).

This may be a point where any uncertainty can be detailed, however, the IS (Infrastructure Strategy – see LGAs.101B(4)(d))) and Significant Assumptions are places where this will be clarified.

Is there any high-level uncertainty around significant assumptions? The fact of the uncertainty and an estimate of the potential effects of that uncertainty on the financial estimates provided. (LGA Sched. 10(17))

#### 4.2.4 Future Challenges

Is this Activity sustainable for the foreseeable future needs of the community?

Any issues or challenges to the Activity:

- Meeting HCC's strategic intent or goals and objectives; and
- Contributing to Community outcomes; and
- Contributing to the social, cultural and economic wellbeing of the community; and
- Maintaining and enhancing the region's environment.

**\*\*Future** –HCC must take a sustainable approach that considers the reasonably foreseeable needs of future generations. LGA s.14(h).

This may be a point where any uncertainty can be detailed, however, the IS (Infrastructure Strategy – see LGAs.101B(4)(d))) and Significant Assumptions are places where this will be clarified.

How will this Activity contribute to the development of Maori involvement in decision-making in the future? (LGAs.81(1)(b))

## 5 DELIVERY PLAN

### 5.1 CONTINUOUS IMPROVEMENT

What improvement were planned to be pursued in the last AP? Have they been achieved? If not, why not and what is going to be done going forward?

Can we improve the understanding of our Stakeholders requirements and expectations? Can we improve our relationships with them and what benefits will this bring to the Activity?

SWOT Analysis: What opportunities are there for improving the Activity or knowledge of the Activity or associated assets? How can these opportunities be investigated or advanced? Can the Activity be leveraged off to provide

*benefits in other areas of the Council? Are there any weaknesses that need to be addressed in the way the Activity is delivered?*

*What is the Improvement Plan, including targets and priorities? This might be a condition assessment programme of assets, a stakeholder engagement programme to improve communications with stakeholders or to better inform Activity planning, it might be a training and development plan for staff, or it might be a recommendation to establish a new position to fulfil a new or more specialised function within HCC?*

*Are there any actions outsourced to external parties?*

## **5.2 CAPITAL PLANNING**

*Overview of the Activity's asset:*

- *Names*
- *Values*
- *Useful lives*
- *depreciation rates*
- *location*
- *Revaluation cycle for assets*

### **5.2.1 Procurement**

*Procurement model/strategy used by Activity.*

*List of projects (including procurement options).*

*Are services outsourced?*

## **5.3 RENEWALS AND MAINTENANCE**

### **5.3.1 Condition Assessment**

*Projection of future condition and performance trends of assets.*

*Anticipated issues (including risk) associated with the asset(s) requiring action*

### **5.3.2 Maintenance and Development Programme**

*Maintenance Plan to maintain existing asset capabilities to the level required at present time and into the future, (Routine maintenance OPEX and Renewals CAPEX)*

*Asset Capability Development Plan to change / increase the existing asset capabilities to those that have been identified are required for the future (New CAPEX). Includes: new capabilities for anticipated change in Activity scope or LoS, increase in existing capability due to demand growth or increase in LoS, a need to increase an asset capability in order to reduce risk.*

### **5.3.3 Renewal and replacement**

*Outline Lifecycle management approach taken by Activity for each major category of asset, where applicable.*

*Include details of any standards or regulations that the assets must meet.*

*Identify significant assets:*

- *Assumptions about asset's Life Cycle (LGA Sched10(17))*
- *Assessment of Renewal or replacement plan (LGA Sched10(17))*

Identify any significant infrastructure issues, options for managing issues and implications of the options (LGA s.101B(2)) )

What assets are being planned for disposal or decommissioning and why (includes retiring serviceable assets prior to functional end-of-life as part of upgrade programmes).

Is there a replacement program

## 5.4 OPERATIONS

Describe how the Activity operates

Are there services provided by external stakeholders?

# 6 MEASURING SUCCESS

## 6.1 PERFORMANCE MEASURES

*Mandatory*

Sentence around where these mandatory measures are from

Intended Level of service	Mandatory Performance measures	Baseline targets	Targets			
			Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Out years to match timeframe of plan
<i>Outputs that HCC expects will be generated</i>	<i>Identifies specific targets HCC wishes to achieve</i>	<i>Benchmarking of HCC's past performance against target</i>	<i>The performance targets by which actual levels of service provision are meaningfully assessed (in detail for first 3 years)</i>			

*Voluntary*

Sentence around rationale for voluntary measures

Intended Level of service	Voluntary Performance measures	Baseline targets	Targets			
			Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Out years to match timeframe of plan
<i>Outputs that HCC expects will be generated</i>	<i>Identifies specific targets HCC wishes to achieve</i>	<i>Benchmarking of HCC's past performance against target</i>	<i>The performance targets by which actual levels of service provision are meaningfully assessed (in detail for first 3 years)</i>			



Additional Demand											
Improve Level of Service											
Asset Replacement											

### 7.1.3 Past Cost of maintenance, operations and renewals

*Asset Maintenance, Operations and Renewals over the past five years including current AP.*

ACTIVITY	2016-17 (\$000)	2017-18 (\$000)	2018-19 (\$000)	2019-20 (\$000)	2020-21 (AP) (\$000)
Maintenance					
Operations					
Renewals (optional)					

### 7.1.4 Projected Cost of maintenance, operations and renewals

*Projected Asset Maintenance, Operations and Renewals*

FORECAST	2021-22 (\$000)	2022-23 (\$000)	2023-24 (\$000)	2024-25 (\$000)	2025-26 (\$000)	2026-27 (\$000)	2027-28 (\$000)	2028-29 (\$000)	2029-30 (\$000)	2030-31 (\$000)
Maintenance										
Operations										
Renewals (optional)										

## 7.2 OTHER PROJECT SPEND

*List all projects/actions planned for the period of the plan*

Project/ Action	Description	Funding Source	Estimated Budget (\$000)	Status	Year of Implementation	Year of Completion

### 7.3 OPERATING COSTS

*Include operating expenditure and revenue budget forecasts for the 10 year period, both as a table and/or graph.*

	2021-22 (\$000)	2022-23 (\$000)	2023-24 (\$000)	2024-25 (\$000)	2025-26 (\$000)	2026-27 (\$000)	2027-28 (\$000)	2028-29 (\$000)	2029-30 (\$000)	2030-31 (\$000)
Employee costs										
Operating costs										
Interest										
Depreciation										
Total										
Revenue										
Net cost of services										

## 8 LEGISLATION, STRATEGIES AND PLANS

*What legislation, bylaws, consents relevant applies to the Activity and is the Activity required to adhere to. This is not an exercise to show an awareness of all legislation out there, only the one(s) stuff that is directly relevant to the Activity.*

*List the Acts, regulations, plans, policies & bylaws that impact the Activity.*

*Table – list of relevant legislation, strategies and plans (note: this can also be used in Environmental Scan).*

