

7 March 2023

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Tēnā koe Max

### **Request for Information pursuant to the Local Government Official Information and Meetings Act 1987 (LGOIMA)**

Thank you for your correspondence of 9 February 2023. Referring to Recommendation 3 of the Hutt City Council's draft Annual Plan 2023-24 (which was presented to the Long Term Plan (LTP) Sub-Committee meeting on 20 December 2022), you have requested the following official information:

1. *A breakdown of what the identified savings are.*
2. *In which activity and in which year they are in the LTP.*
3. *Which vacant positions will not be filled and a cost by activity of the money avoided.*
4. *All other information by cost, activity and year of the \$12million avoided costs.*

Our responses to the above points are as follows:

#### **Points 1 and 2**

A thorough review of the budgets for the 2023-24 Annual Plan was carried out prior to being presented to Council, to address the significant cost pressures. The review focused on the total Council position rather than being at an activity level, so your request for activity level information is refused under section 17(g) of the LGOIMA.

The review did, however, provide a breakdown of the \$6.5M savings by year. This information is appended to this letter as **Appendix A**. This breakdown is based on a comparison to the budgets in the 2022-23 Annual Plan for the same categories of expenditure across the period 2024-31 in the draft 2023-24 Annual Plan.

#### **Points 3 and 4**

We are progressing with a 6% vacancy assumption across the council. As a result, we identified that some work could be reprioritised to existing roles for limited periods, along with a temporary freeze being placed on making appointments to some vacant roles. We can't be specific about individual positions. These are withheld under section 7(2)(i) of the LGOIMA.

As advised above, we do not hold an analysis of the savings by activity because the reported information was based on a review performed at an all-of-Council level. Accordingly, your request for this information at activity level is refused under section 17(g) of the LGOIMA.

Initial budgets prepared in October 2022 resulted in \$21M increased employee costs compared to 2022-23 Annual Plan, for the period 2024-31. Following the thorough reviews that we carried out, the budgets were able to be reduced. This resulted in a net budget increase of \$8M when compared to the 2022-23 Annual Plan. The 'costs avoided' is the difference between the initial variance of \$21M and the revised variance of \$8M. A breakdown of the \$12.9M avoided employee costs as reported from 2024-31 is attached as **Appendix B**.

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:**

APPENDIX A: Breakdown of the \$6.5M savings by year (\$1000)

APPENDIX B: Breakdown of the \$12.9M avoided employee costs as reported from 2024-31 (\$1000)

## APPENDIX A

### Breakdown of the \$6.5M savings by year (\$1000)

| OTHER MISCELLANEOUS OPERATING COST SAVINGS                              | Total saving over 8 years | 2023/2024  | 2024/2025  | 2025/2026  | 2026/2027  | 2027/2028  | 2028/2029  | 2028/2029  | 2030/2031  |
|---|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Promotion and publicity Connectivity, Creativity, Learning & Recreation | 263                       | 30         | 31         | 31         | 32         | 33         | 34         | 35         | 36         |
| Promotion and publicity City Development                                | 204                       | 24         | 23         | 24         | 24         | 25         | 27         | 28         | 30         |
| Promotion and publicity Community Partnering & Support                  | 161                       | 18         | 19         | 19         | 20         | 20         | 21         | 22         | 22         |
| Promotion and publicity Corporate Services                              | 2,071                     | 238        | 240        | 245        | 252        | 260        | 269        | 278        | 289        |
| Legal - expenses  | 242                       | 30         | 59         | 26         | 27         | (6)        | 32         | 35         | 39         |
| Bank charges - expenses   | 337                       | 39         | 39         | 40         | 41         | 42         | 44         | 46         | 48         |
| Equipment purchases <\$2500   | 561                       | 61         | 65         | 66         | 68         | 70         | 73         | 77         | 80         |
| Postage and courier   | 263                       | 38         | 35         | 33         | 31         | 31         | 30         | 31         | 34         |
| Internal entertainment and catering                                     | 103                       | 12         | 12         | 12         | 12         | 13         | 13         | 14         | 15         |
| Mileage reimbursements  | 120                       | 14         | 14         | 14         | 15         | 15         | 16         | 16         | 17         |
| Misc. accommodation expenses  | 193                       | 28         | 24         | 20         | 21         | 26         | 22         | 28         | 24         |
| Contracted services for office building cleaning                        | 269                       | 35         | 27         | 25         | 26         | 29         | 35         | 41         | 50         |
| Airfares for domestic travel  | 198                       | 35         | 24         | 20         | 20         | 26         | 22         | 28         | 23         |
| Other travel costs  | 135                       | 16         | 16         | 16         | 17         | 17         | 18         | 18         | 19         |
| Advertising expenditure   | 3                         | 24         | 2          | (16)       | 11         | (12)       | (11)       | 14         | (9)        |
| Other financial expense   | 91                        | 13         | 8          | 7          | 7          | 9          | 12         | 15         | 20         |
| Venue hire - expenses   | 23                        | 3          | 3          | 3          | 3          | 3          | 3          | 3          | 3          |
| Tea and coffee - expenses   | 149                       | 18         | 17         | 17         | 18         | 18         | 19         | 20         | 21         |
| Internet charges - expenses   | 723                       | 83         | 84         | 86         | 88         | 91         | 94         | 97         | 100        |
| Web maintenance - expenses  | 276                       | 32         | 32         | 33         | 34         | 35         | 36         | 37         | 38         |
| External entertainment - expenses                                       | 4                         | 1          | -          | 1          | 1          | 1          | 1          | 1          | 1          |
| Materials - expenses  | 59                        | 7          | 6          | 6          | 6          | 7          | 8          | 9          | 10         |
| Credit card merchant fees - expenses                                    | 33                        | 4          | 3          | 3          | 3          | 4          | 4          | 5          | 6          |
| <b>TOTAL</b>  | <b>6,482</b>              | <b>803</b> | <b>784</b> | <b>732</b> | <b>778</b> | <b>757</b> | <b>821</b> | <b>898</b> | <b>915</b> |

## APPENDIX B

### Breakdown of the \$12.9M avoided employee costs as reported from 2024-31 (\$1000)

| Employee cost budgets -<br>Initial budget variance to<br>AP23                | 2024  | 2025    | 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | Total    |
|--|-------|---------|-------|---------|---------|---------|---------|---------|----------|
| Total  | 2,220 | 3,088   | 1,230 | 2,803   | 2,594   | 2,804   | 2,875   | 2,947   | 20,562   |
| Employee cost budgets -<br>revised Variance to AP23<br>after further reviews | 2024  | 2025    | 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | Total    |
| Total  | 1,315 | 1,211   | 420   | 1,054   | 770     | 935     | 958     | 983     | 7,645    |
| Difference between above   | 2024  | 2025    | 2026  | 2027    | 2028    | 2029    | 2030    | 2031    | Total    |
| Total  | (905) | (1,877) | (811) | (1,749) | (1,824) | (1,870) | (1,916) | (1,964) | (12,917) |