

MAKING TOUGH DECISIONS TOGETHER.

ADDENDUM

CONSULTATION DOCUMENT FOR THE LONG TERM PLAN 2024 - 2034



Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Our plans and proposals
for the next 10 years.

It's time to talk.

CALCULATION ERRORS FOUND IN LONG TERM PLAN CONSULTATION DOCUMENT

We've found two errors in a section of our audited Consultation Document for the Long Term Plan 2024 – 2034.

We're correcting this information, and are extending the consultation period by 10 days.

The consultation period will now end on **12 May 2024**.

The calculations for this data were used as additional information in the Activity Funding Changes section of the document only (pages 16 – 22).

No other figures in the Consultation Document are affected. The proposed rates increase for Year 1 (19.93%) and the first-year savings for activities shown in the Activity Funding Changes section remain unchanged.

The following pages of this addendum detail where and what the corrections are in the context of the Consultation Document.

- The first error relates to the estimated savings of the proposed service reductions over 10 years. Cumulative inflation rates were used to calculate maintaining current levels of service and savings from 2026 – 2027 onwards, instead of year-on-year inflation rates. The Consultation Document shows estimated savings of the proposed service reductions to be \$33.9 M over 10 years. The correct amount is \$25.1 M over this period.
- The second error relates to a GST miscalculation of the first year's rate increase if the activities were retained and all the proposed reductions did not go ahead.

Extending the consultation period gives the community an opportunity to make submissions with this new information in mind. This includes members of the community who would like to make another submission.

We encourage community members to make a submission and have their say on decisions that will help shape the future of our city. We've also scheduled another hearing meeting on 21 May to accommodate additional submitters who would like to present in person.

If you have questions or need assistance regarding your submission, please contact us via email: letskorero@uhcc.govt.nz

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	Previously stated	Corrected amount
Keep activities and grants at current levels	\$33.9 M extra over 10 years	\$25.1 M extra over 10 years
Total rates increase in year 1	23.45%	22.99%
Year 1 rates increase on top of proposed 19.93%	3.52%	3.06%

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Service reduction savings	\$3.7 M over 10 years	\$2.8 M over 10 years
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PAGE 19

Service reduction savings	\$3.9 M over 10 years	\$2.9 M over 10 years
Savings from discontinuation of Event fund grants	\$862 K over 10 years	\$636 K over 10 years

PAGE 20

Service reduction savings	\$4.3 M over 10 years	\$3.2 M over 10 years
Savings from discontinuation of community grants	\$2.4 M over 10 years	\$1.8 M over 10 years

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Service reduction savings	\$2.0 M over 10 years	\$1.5 M over 10 years
Savings from discontinuation of EDS grants	\$8.6 M over 10 years	\$6.4 M over 10 years
Savings from discontinuation of RDS grants	\$4.3 M over 10 years	\$3.2 M over 10 years

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Service reduction savings	\$2.1 M over 10 years	\$1.6 M over 10 years
Savings from discontinuation of Sustainability Stimulus grants	\$1.7 M over 10 years	\$1.3 M over 10 years

ACTIVITY FUNDING CHANGES

1

To balance the books, we must reduce what we spend. This means proposed reductions in targeted activities provided by Council.

In this section we're asking for your feedback on our proposed service reductions. These reductions would be ongoing, applied over the full 10 years of the plan.

The activities we deliver are currently grouped into nine areas. These include essential services like infrastructure maintenance and emergency management, along with other activities that are more discretionary.

Our core activity focus also includes removing several grants, which have not been budgeted for in this plan.



	Previously stated	Corrected amount
Keep activities and grants at current levels	\$33.9 M extra over 10 years	\$25.1 M extra over 10 years
Total rates increase in year 1	23.45%	22.99%
Year 1 rates increase on top of proposed 19.93%	3.52%	3.06%

Our preferred option ¹

This plan includes a reduction to operating costs, and a reduction in activity for some services we have delivered in recent years.

To keep the rates increase in Year 1 to 19.93%, we've reduced operating costs (which otherwise would have resulted in an increase of 23.45%). There are no impacts on debt. This Year 1 rates increase is based on the reductions in costs and activities detailed on the following pages.

Funding reductions to five activity areas

- › Activation (page 18)
- › City marketing and events (page 19)
- › Community Development (page 20)
- › Economic Development (page 21)
- › Sustainability initiatives and projects (page 22)

Discontinued grants funding

At a time of having to significantly increase rates, we are not funding the following grants.

- › Community Grants (page 20)
- › Economic Development Stimulus (page 21)
- › Event Grants (page 19)
- › Residential Development Stimulus (page 21)
- › Sustainability Stimulus (page 22)

1. For this option we have reduced rates by 3.52% (\$2.42 per week), to keep the rates rise to 19.93%. If our preferred option does not proceed, then the rates rise will, be an overall average, of 23.45%.

Alternative option

To maintain current levels of service, we'd not achieve our reductions in operating costs.

It would cost approximately ~~\$33.9 M~~ **\$25.1 M** extra over the next 10 years to keep the activities and grants from the five targeted areas at the same levels currently provided by Council. There would be no impacts on debt.

For an average residential property² in Year 1 (24/25), this equates to:

- › A ~~23.45%~~ **22.99%** rates increase in Year 1 (~~3.52%~~ **3.06%** on top of the 19.93% increase in our preferred option)
- › + **\$126.04** per year or
- › + **\$2.42** per week

These figures include GST

2. Indicative residential based on: capital value \$750 K; 1 pan; 1 connection. Assumes city's growth rate is 1.5%.

Your feedback

If you don't agree with the proposed service reductions, what other areas of Council activities or services would you reduce and why?



For the detailed plans proposed for our core activities, refer to our draft **groups of activities** sections in the supporting information at:

letskorero.upperhuttcity.com

	Previously stated	Corrected amount
Service reduction savings	\$3.7 M over 10 years	\$2.8 M over 10 years

Activation

What’s planned

A healthy and active lifestyle plays a critical role in individual and community wellbeing. Activation is part of our recreation services, and supports the improvement of health and wellbeing of the community.

This includes delivering programmes within the community, including support for schools and sport, recreation, and leisure providers in Upper Hutt.

At a reduced scale Activation will focus on empowering and enabling sport, recreation and physical activity providers in the community to deliver to the community.

Proposed reductions

- There will be reduced interactions with, and support for, programmes or activities delivered by sports clubs and schools.

We won't be directly delivering or funding physical activity events and programmes in the community, including some social sports leagues such as floorball.

This may also include events such as *Bike the Trail*, *UPLAY*, *Maidstone Meltdown*, and *Family Fun Day*.

These service reductions will save **\$249,342** in Year 1 (~~\$3.7 M~~ over 10 years).



Continuing to do these activities would increase rates by:

0.39%

	Previously stated	Corrected amount
Service reduction savings	\$3.9 M over 10 years	\$2.9 M over 10 years
Savings from discontinuation of Event fund grants	\$862 K over 10 years	\$636 K over 10 years

City marketing and events

What's planned

Our marketing and events activity develops and implements innovative campaigns promoting Upper Hutt over other areas to live, work, and play.

This plays an integral role in increasing engagement with Upper Hutt's city centre, parks, reserves, community facilities and tourism offerings.

At a reduced scale we will continue to support local events and business ventures through our *My Upper Hutt* social channels and new microsite, and to support the Council with the creation of marketing material to promote council activities for the community.

Our event activities will continue to focus on the delivery and support of three much-loved events such as Anzac Day, Matariki, and the Santa Parade.

Proposed reductions

- › Promotion of Upper Hutt to visitors will be significantly reduced. We'll discontinue:
 - › Creating, delivering and funding advertising across social media, videos, and promotional print material at *isites*.
 - › Hutt Valley NZ tourism: collaborating with other councils to promote Upper Hutt through the WellingtonNZ website and Hutt Valley NZ social channels.

We'll no longer fund or support non-Council events (including an annual signature event such as *Highlight* which we've supported and sponsored for the past two years).

These service reductions will save **\$261,211** in Year 1 (~~\$3.9 M~~ over 10 years).

- › We won't be offering **Events Fund grants**, saving **\$57,500** in Year 1 (~~\$862 K~~ over 10 years).



Continuing to do these activities and offer this funding would increase rates by:

0.50%

	Previously stated	Corrected amount
Service reduction savings	\$4.3 M over 10 years	\$3.2 M over 10 years
Savings from discontinuation of community grants	\$2.4 M over 10 years	\$1.8 M over 10 years

Community Development

What’s planned

This activity enables a caring, safe, healthy community by supporting community participation and connectedness, enhancing the capacity and capability of community groups and improving community safety and resilience.

We’ll still be supporting community groups and working with other agencies but on a reduced scale. There will be less support available for some areas of the community.

This activity will focus on enabling and empowering community groups to provide support for the community in their specific areas of operation.

Proposed reductions

- › There will be reduced interactions with community groups and reduced support for community groups’ initiatives.

These service reductions will save **\$286,606** in Year 1 (~~\$4.3 M~~ over 10 years).

\$3.2 M

- › We won’t be offering **community grants**, saving **\$161,000** in Year 1 (~~\$2.4 M~~ over 10 years).

\$1.8 M



Continuing to do these activities and offer this funding would increase rates by:

0.70%

	Previously stated	Corrected amount
Service reduction savings	\$2.0 M over 10 years	\$1.5 M over 10 years
Savings from discontinuation of EDS grants	\$8.6 M over 10 years	\$6.4 M over 10 years
Savings from discontinuation of RDS grants	\$4.3 M over 10 years	\$3.2 M over 10 years

Economic Development

What's planned

This activity supports the economic growth of the city and where possible leverage opportunities for future development. We have made good progress on this front in recent years. Our local economy is performing well, and businesses are attracted to Upper Hutt.

At a reduced scale we'll be providing business support to our existing business community and work to maintain our current economic activity base. We will also no longer fund and operate the *isite* at Whirinaki Whare Taonga.

Beyond this we will take an enabling, advisory and collaborative approach to working on other economic development issues including with regional partners, to help create an economic environment which enables the community to thrive.

Proposed reductions

- › We will no longer deliver or directly fund local workforce development or business capability building activities, such as workshops delivered by external partners (such as Hutt Valley Chamber of Commerce).

We won't be delivering city centre placemaking events or actively promoting city centre retail experiences to enhance consumer and visitor interaction.

These service reductions will save **\$131,686** in Year 1 (~~\$2.0 M~~ over 10 years).

- › We won't be offering **Economic Development Stimulus grants**. These grants have had a positive impact but demand for them has reduced and we don't consider there is a need to retain them, saving **\$575,000** in Year 1 (~~\$8.6 M~~ over 10 years).
- › We won't be offering **Residential Development Stimulus grants**. The residential planning environment and government policies have significantly changed since these were introduced in 2018 and the grants are no longer required, saving **\$287,500** in Year 1 (~~\$4.3 M~~ over 10 years).



Continuing to do these activities and offer this funding would increase rates by:

1.54%

	Previously stated	Corrected amount
Service reduction savings	\$2.1 M over 10 years	\$1.6 M over 10 years
Savings from discontinuation of Sustainability Stimulus grants	\$1.7 M over 10 years	\$1.3 M over 10 years

Sustainability initiatives and projects

What's planned

This activity aims to promote sustainability across our range of activities, working to achieve long-term goals, overcome barriers, and implement good practice.

A key target, stemming from the adoption of our Sustainability Strategy, is to become a carbon neutral organisation by 2035. This includes our continued reporting of greenhouse gas emissions.

Our priority for this activity will be to focus on our organisational sustainability where we have the biggest control and influence. Beyond this we will take a connecting, enabling, advisory, and collaborative approach to working on other sustainability issues where possible. Our next review of the strategy will reflect this change in funding and approach.

Proposed reductions

- › We won't be delivering or making direct investment in specific sustainability initiatives and projects focused externally to the Council organisation. Recent examples of these types of initiatives include the *Eco Home Advisor* programme, and the *Environment and Waste Minimisation Fund*.

These service reductions will save **\$141,066** in Year 1 (~~\$2.1 M~~ over 10 years).

\$1.6 M

- › We won't be offering the **Sustainability Stimulus grants**. They were introduced as a three-year trial in 2021 which concludes in June 2024. This will save **\$115,000** in Year 1 (~~\$1.7 M~~ over 10 years).

\$1.3 M



Continuing to do these activities and offer this funding would increase rates by:

0.40%