

7 March 2023

Max Shierlaw

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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 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
TOTAL	6,482	803	784	732	778	757	821	898	915

APPENDIX B

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

Employee cost budgets - Initial budget variance to 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 - revised Variance to AP23 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)