Nelson City Council
te kaunihera o whakatū

AGENDA

Ordinary meeting of the

Governance Committee

6 November 2014
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson

Membership: Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland (Deputy Chairperson), Eric Davy, Kate Fulton, Brian McGurk, Paul Matheson (Deputy Mayor), Gaile Noonan, Pete Rainey, John Murray and John Peters

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Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

Page No.

Apologies

1. Confirmation of Order of Business

2. Interests

2.1 Updates to the Interests Register

2.2 Identify any conflicts of interest in the agenda

3. Public Forum

3.1 Campaign to make Nelson a Fairtrade City

John Marshall and Rebecca Sheehy, on behalf of Fairtrade Nelson, will speak on the campaign to make Nelson a Fairtrade City.

3.2 Significance and Engagement Policy

Chris Allison will give feedback on the Significance and Engagement Policy

3.3 Nelson Enterprise Loan Trust

Bruce Dyer, manager of the Nelson Enterprise Loan Trust, will speak on the possible renewal of the interest-free loan.

4. Confirmation of Minutes – 25 September 2014 8-17

Document number A1255587

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Governance Committee, held on 25 September 2014, be confirmed as a true and correct record.

5. Status Report – Governance 6 November 2014

There are no Status Report updates for this agenda.

6. Chairperson's Report

7. Rural Fire: Proposed Funding Model 18-26

Document number A1259473

Recommendation

***THAT** the report Rural Fire: Proposed Funding Model (A1259473) and its attachment (A1261150) be received;*

***AND THAT** the proposed capability funding model as set out in document A1261150 be confirmed;*

***AND THAT** officers negotiate with the Waimea Rural Fire Committee and other stakeholders over Nelson City Council's contribution to the new funding model and submit a recommended figure for approval in the Long Term Plan 2015/2025.*

8. Finance Report for period ending 30 September 2014 27-43

Document number A1262300

Recommendation

***THAT** the report Finance Report for the Period ending 30 September 2014 (A1262300) and its attachments (A1263456, A1263699, A1258411, A793514, and A1265270) be received and the variations noted.*

***AND THAT** the committee note the impact on revenue of the free parking initiative to 30 September 2014 per attachment eight.*

Recommendation to Council

***THAT** Council approves unbudgeted operating expenditure of $13,557 for the 2014/15 year to continue to provide free WiFi to the Central Business District;*

***AND THAT** Council approves additional capital expenditure of up to $62,000 for capital works at Saxton Field be taken from savings in the Bank Lane Canopy project.*

9. Development Contributions Policy Review Statement 44-46

Document number A1264142

Recommendation

***THAT** the report Development Contributions Policy Review Statement (A1264142) be received;*

***AND THAT** the matter of the principles guiding the review of the Development Contributions Policy be considered by full Council on 20 November 2014 to enable statutory timeframes to be met.*

Recommendation to Council

***THAT** the principles guiding the review of the Development Contributions Policy be considered and that this direction be made publicly available by 1 December 2014.*

10. Community Outcomes Descriptors 47-52

Document number A1247915

Recommendation

***THAT** the report Community Outcomes Descriptors (A1247915) and its attachment (A1250263) be received.*

Recommendation to Council

***THAT** the descriptors explaining the Community Outcomes be adopted for inclusion in the Long Term Plan 2015-25.*

11. Adoption of the Significance and Engagement Policy 53-74

Document number A1262170

Recommendation

<u>THAT</u> the report Adoption of the Significance and Engagement Policy (A1262170) and its attachments (A1262973, A1241702 and A1264506) be received;

Recommendation to Council

<u>THAT</u> the Significance and Engagement Policy be adopted.

12. Nelson Enterprise Loan Trust Interest Free Loan 75-86

Document number A1258529

Recommendation

<u>THAT</u> the report Nelson Enterprise Loan Trust Interest free loan (A1258529) and its attachments (A1251733, A1261929, A1262026) be received;

Recommendation to Council

<u>THAT</u> the interest free loan to Nelson Enterprise Loan Trust be rolled for a further three years through to September 2017.

PUBLIC EXCLUDED BUSINESS

13. Exclusion of the Public

Recommendation

<u>THAT</u> the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	**Governance Committee – Public Excluded – 25 September 2014**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(i) To carry out negotiations • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(h) To carry out commercial activities
2	**Additional Trustee for Economic Development Agency**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(a) To protect the privacy of natural persons

14. Re-admittance of the public

Recommendation

<u>THAT</u> the public be re-admitted to the meeting.

Nelson City Council
te kaunihera o whakatū

Minutes of a meeting of the Governance Committee

Held in the Council Chamber, Civic House, Trafalgar Street, Nelson

On Thursday 25 September 2014, commencing at 9:01am

Present: Councillor I Barker (Chairperson), Her Worship the Mayor Rachel Reece, Councillors L Acland (Deputy Chairperson), E Davy, K Fulton, B McGurk, P Matheson, G Noonan and P Rainey, Mr J Peters and Mr J Murray.

In Attendance: Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Group Manager Community Services (C Ward), Senior Strategic Adviser (N Mc Donald) Manager Administration (P Langley) Councillors R Copeland and M Lawrey and Administration Adviser (E Farrell)

1. Apologies

There were no apologies

2. Confirmation of Order of Business

The Chairperson explained that a late item regarding the Everyman Records Limited Debt had been circulated (A1243112). The Chairperson told the Committee that Her Worship the Mayor had referred the matter to the Office of the Auditor General and as a result the matter would not be considered as a later item. A copy of the letter to the Office of the Auditor General was tabled (A1253290).

A public excluded report titled "Nelson Regional Economic Development Agency" was circulated as a late item and the Committee passed the following resolution:

Resolved

THAT the item regarding Nelson Regional Economic Development Agency and Tourism Nelson Tasman Limited Appointment of Directors 2014 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable directors to be appointed at the Nelson Regional Economic Development Agency and

Nelson Tasman Tourism Limited Annual General Meetings.

Acland/McGurk — Carried

There were no further changes to the order of business.

3. Interests

There were no updates to the Interests Register and no conflicts of interest with items on the agenda were identified.

4. Public Forum

4.1 Murchison Information Centre Closure

Ms Marcia Rowe, Ricky Leahy and Emma Monk delivered a submission (A1252070) and presented a power point presentation (A1252196) about the closure of the Murchison Community Resource Centre. They were joined by Councillor Stuart Bryant of Tasman District Council.

Ms Rowe explained the strategic importance of Murchison for Nelson in relation to tourism and described Murchison as the "Southern Gateway" to Nelson, Tasman and Marlborough. Ms Rose informed the Committee that the Murchison information centre was used by an average of 23,000 people per year and that bookings for Nelson services accounted for 22% of all business.

Ms Rowe told the Committee of the range of attractions that brings visitors to Murchison. Ms. Rowe expressed gratitude for the support given to the Murchison i-site by Nelson City Council through Nelson Tasman Tourism, and said that the information centre provided a public service by promoting tourism and therefore should receive financial assistance from local authorities.

Ms Rowe informed the Committee that the business model being presented by the group was viable but required financial assistance.

In reply to questions from the Committee, it was explained that the group had not yet received assistance from Tasman District Council and the parties involved had not yet reached agreement on the future of the information centre. The committee was also told that assistance had not yet been applied for from Marlborough District Council or from the West Coast councils.

5. Confirmation of Minutes

Governance Committee – 14 August 2014

Document number A1233236, agenda pages 9-17 refer.

Resolved

***THAT** the minutes of a meeting of the Governance Committee, held on 14 August 2014, be confirmed as a true and correct record.*

Davy/Peters Carried

6. Status Report - Governance Committee 25 September 2014

There were no Status Report updates for this meeting.

7. Chairperson's Report

The Chairperson noted the recent achievements of Council. He mentioned a 42% reduction in waste over the previous ten years which coincided with a 10% increase in recycling. The Chairperson reminded the committee of achievements regarding improved air quality, and commented on the commencement of consultation with the Stoke Community, the duplicate Maitai pipeline, the upgrade of Princess Drive and success in the preliminary round of the Gigatown competition. The Chairperson noted Council's contribution to stormwater improvements, the Brook Waimarama and the Suter refurbishment.

8. Draft Annual Report 2013/2014

Document number A1237175, agenda pages 18-19 refer.

The Group Manager Corporate Services, Ms Nikki Harrison, informed the Committee that the Draft Annual Report 2013/2014 would be submitted to Council for adoption on the 30 of October 2014.

In reply to a query regarding the figure for severance pay contained in the draft report, Ms Harrison informed the Committee that the Chief Executive had been given the task of making savings and severance payments were considered a one off cost.

During discussion it was noted that transparency and clarity with regards to Marina accounts was important.

Mr Murray informed the Committee that he would be available to meet the council's auditors should it be necessary.

Resolved

THAT the report Draft Annual Report 2013/14 (A1237175) and its attachment (A1236944) be received.

Murray/Matheson Carried

9. Long Term Plan 2015-2025: Draft Assumptions

Document number A1238496, agenda pages 20-26 refer.

Policy Advisor Ms. Susan Moore-Lavo joined the meeting. In response to questions, Ms Moore-Lavo explained that the assumptions are draft assumptions only, and that the final assumptions would be completed using the latest available data.

It was explained that the insertion of figures such as interest rates and inflation would be delayed until accurate figures were available for the Long Term Plan.

It was noted that the draft assumption regarding co-funding arrangements was optimistic and should be reviewed by officers.

Attendance: Councillor Fulton left the meeting at 10.20am

The Committee agreed that the Long Term Plan 2015-2025: Draft Assumptions should be referred back to the Committee when further detail was available.

Resolved

THAT the report Long Term Plan 2015-25: Draft Assumptions (A1238496) and its attachment (A1238431) be received;

AN THAT the final draft assumptions document be referred back to the Governance Committee prior to being recommended to Council.

Davy/Matheson Carried

Attendance: The meeting adjourned from 10.25am to 10.35am, during this time Councillor Fulton returned.

10. Development Contributions Interim Policy

Document number A1231342, agenda pages 27-40 refer.

Policy Advisor Susan Moore-Lavo explained to the Committee that the requirement for an interim policy was a result of changes to the Local Government Act 2002.

She advised that changes to the Local Government Act 2002 mandates that Commissioners be selected from a list provided by central Government.

Ms Moore-Lavo said that under the interim policy, a fee of $225 would be charged for an Application for Reconsideration, and a deposit of $2750 would be required for a Development Contributions Objection Hearing.

In response to a question, Ms Moore-Lavo advised that the proposed deposit of $2750 equated to the average cost of a half day hearing, and that under the proposed interim policy, some applicants could be eligible for a refund, while others could be obliged to pay a further sum depending on the length of the hearing.

Resolved

THAT the report Development Contributions Interim Policy (A1231342) and its attachments (A1231506 and A1231510) be received.

Noonan/Rainey — Carried

Recommendation to Council

THAT Council adopts the amendments to the Development Contributions Policy identified in Attachment 1 to this report (A1231506);

AND THAT Council approves the delegations under the Local Government Act 2002 in relation to development contributions as identified in Attachment 2 to this report (A1231510);

AND THAT Council approves the fees in respect of administering the Development Contributions Policy as $255.00 for an Application for Reconsideration where original documentation provided by the applicant was incomplete or incorrect, and $2,750.00 as a deposit for a Development Contributions Objection Hearing.

Matheson/McGurk Carried

11. Draft Significance and Engagement Policy

Document number A1241702, agenda pages 41-53 refer.

Policy Advisor, Ms Susan Moore-Lavo explained the requirements to implement same arising from amendments to the Local Government Act 2002. She advised that the policy set out principles of engagement with a view to improving the quality and efficiency of consultation. There was a discussion and it was explained that the words "significance", "significant" and "strategic asset" were defined in the Local Government Act 2002.

Ms Moore-Lavo explained that transfer of ownership of a significant strategic asset from the table on page 53 would require a Special Consultative Procedure.

In reply to concerns from Councillors that the proposed policy would result in community input being bypassed, Ms Moore-Lavo said that the proposed policy would enable Council to adopt a more flexible approach in how it deals with its assets and engages with the community.

It was agreed that community consultation should be sought to shape the proposed Draft Significance and Engagement Policy.

Resolved

THAT the report Draft Significance and Engagement Policy (A1241702) and its attachments (A1245401 and A1243347) be received;

AND THAT the content of the draft Significance and Engagement Policy is approved for consultation as outlined in this report.

Her Worship The Mayor/Davy Carried

12. Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2014

Document number A1237390, agenda pages 76-120 refer.

Group Manager Corporate Services, Ms Nikki Harrison advised that Council had met its obligations under health and safety legislation with the exceptions noted, and referred Councillors to the attachments to the report.

Resolved

THAT the report Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2014 (A1237390) and its attachments (A1237145 and A1237144) be received.

AND THAT the Committee note the progress made on identifying and reducing risks associated with non-compliance to date.

Acland/McGurk Carried

13. 2014 Resident Survey Results

Document number A1241476, agenda pages 76-120 refer.

Strategy and Planning Analyst, Brylee Wayman advised that the data was compiled by using a 20 minute phone survey of 400 randomly selected Nelson residents using quotas for age and gender. She said that the purpose of the survey was to provide feedback to Council and identify improvements.

Resolved

THAT the report 2014 Resident Survey Results (A1241476) and its attachment (A1234788) be received;

AND THAT the results be published in Live Nelson.

McGurk/Acland Carried

14. Sister Cities Update 2014

Document number A1246468, agenda pages 121-127 refer.

Volunteer Sister City Coordinator, Ms Gail Collingwood, presented the Sister Cities Update 2014. She advised that two young Nelsonians, Ms Carla Lindley and Ms Kristine Eddy, were well received at the International Friendship Forum in China, and that there was a possibility of Nelson hosting the 2016 NZ Sister City Conference.

The Committee thanked Ms Collingwood for her work and noted the important contribution of sister cities to Nelsons cultural richness.

Resolved

THAT the report Sister Cities Update 2014 (A1246468) and its attachment (A1246473) be received.

Her Worship The Mayor/Davy — Carried

15. Finance

2013/2014 Capital Programme – Carry Forwards into 2014/2015

Document number A1237456, agenda pages 128-131 refer.

Resolved

THAT the report 2013/14 Capital Programme – Carry Forwards into 2014/15 (A1237456) be received.

Murray/Fulton — Carried

Recommendation to Council

THAT $1,856,618 of unspent capital budget from 2013/14 be carried forward for use in 2014/15;

AND THAT $153,237 of capital spent in 2013/14 be offset against 2014/15 budgets;

AND THAT a net amount of $164,077 operating budget be carried forward for use in 2014/15.

Murray/Fulton — Carried

16. PUBLIC EXCLUDED BUSINESS

Exclusion of the Business

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	**Nelson Airport Limited – Land Exchange with Nelson Golf Club** This report contains information regarding negotiations in relation to a land exchange between Nelson Airport Limited and Nelson Golf Club.	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(i) To carry out negotiations
2	**Rates Remission for land affected by December 2011 Rainfall event - 2014** This report contains information regarding rates for land that continues to be affected by the December 2011 Rainfall Event.	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(a) To protect the privacy of natural persons
3	**Directors' Fees and Rotations 2014** This report contains information regarding the appointment and remuneration of directors for Nelmac and the Bishop Suter Trust Board	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(h) To carry out commercial activities

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
4	Nelson Regional Economic Development Agency and Tourism Nelson Tasman Limited Appointment of Directors 2014	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(a) To protect the privacy of natural persons.

The meeting went into public excluded session at 12.20pm and resumed in public session at 1.16pm

17. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Matheson/Davy Carried

There being no further business the meeting ended at 1.16pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Nelson City Council
te kaunihera o whakatū

Governance Committee

6 November 2014

REPORT A1259473

RURAL FIRE: PROPOSED FUNDING MODEL

1. Purpose of Report

1.1 To advise the Committee of a proposed new funding model for Rural Fire activities. Once a dollar figure is established, this will be submitted to the Long Term Plan 2015/2025 for final approval.

2. Delegations

2.1 The Governance Committee has responsibility for rural fire activities.

3. Recommendation

THAT the report Rural Fire: Proposed Funding Model (A1259473) and its attachment (A1261150) be received;

AND THAT the proposed capability funding model as set out in document A1261150 be confirmed;

AND THAT officers negotiate with the Waimea Rural Fire Committee and other stakeholders over Nelson City Council's contribution to the new funding model and submit a recommended figure for approval in the Long Term Plan 2015/2025.

4. Background

4.1 Nelson City Council, as a territorial authority, is a Fire Authority under s.10 of the Forest and Rural Fires Act 1977. Under the Act, Council must promote and carry out fire control measures in its district.

4.2 In 2004 Council joined other stakeholders to form the Waimea Rural Fire Authority (WRFA). The WRFA is governed by a board, known as the Waimea Rural Fire Committee (WRFC). The members are Nelson City Council, Tasman District Council, Department of Conservation, Tasman Bay Forests, and Nelson Forests. The WRFA carries out the responsibilities of a Rural Fire Authority including the appointment of the Principal Rural Fire Officer, who is Ian Reade. Under this arrangement, fire management services are contracted by the WRFA to Rural Fire Network on a five year contract.

4.3 Council is one of the smaller members of the WRFA, accounting for 2.4% of the land area covered by the rural fire district. The stakeholders with the largest areas are Department of Conservation (62.4% of land area) and Tasman District Council (23.3% of land area).

4.4 Council's expenditure on rural fire activities in FY 2014/15 is projected to be $128,519, of which $97,578 is Council's contribution to the WRFA. The balance is spent on providing the Hira Volunteer Rural Fire Force (VRFF) and a trained team of fire fighters at Nelmac.

4.5 Rural fire funding is supplemented with subsidies from the National Rural Fire Authority and fundraising by the Hira VRFF.

5. Discussion

5.1 The WRFA has set itself the goal of overhauling its existing funding model. Over time the basis of why funding allocations were originally made has become clouded and in the absence of clear principles, the current funding allocation model is difficult to tie back to stakeholder benefits or needs. The goal is to have a model that is fair, transparent, and which meets the goals of the stakeholders in terms of their fire control duties.

5.2 Attachment 1 sets out the rationale for the new funding model. This paper has been discussed by the WRFC and is now recommended to stakeholders, including Council, as the basis for negotiation on final dollar figures. The discussion below draws on the main points from that paper.

Capability Model

5.3 After discussions among the stakeholders it was agreed to develop a model based on stakeholders' needs rather than jurisdiction. It was agreed that each stakeholder of the WRFA has an interest in maintaining a high level of capability in the event that they have a fire on their lands. This builds on the model recommended as best practice in New Zealand whereby resources are pooled and, in times of need, a response many times greater than what an individual stakeholder can provide is accessed and mobilised. Using this approach a "capability model" was developed on the premise that all stakeholders should contribute to the provision and maintenance of the capability activities that occur in the fire district.

5.4 The WRFC recommends that the costing model should be based on the following principles:

- The stakeholders each share and fund capability;
- Capability is shared in equal thirds by local Government, Forestry and Department of Conservation;
- Zone management is funded by zone responsibility (for example, Council funds its own volunteer fire force at Hira, Tasman District

Council funds its own six volunteer fire forces and the Department of Conservation funds its two volunteer fire forces);

- Equipment is controlled by one entity (WRFA);
- Equipment and building ownership cost is not shared but "collateral" is acknowledged in funding allocations and negotiations.

5.5 The proposed funding model was agreed in principle by the WRFC at its meeting on 19 September 2014. The Committee adopted the new model as a guideline for establishing costs, with a target date of finalising the new regime by 20 March 2015.

Implications for Council

5.6 The new model highlights that Tasman District Council and Nelson Forests contribute more under the current funding model than under the proposed capability model, while the Department of Conservation, Hancocks and Nelson City Council contribute less under the current model than under the proposed capability model. Under the new funding model the Department of Conservation would pay considerably more than at present. The proportion of costs allocated to small forest owners would also rise.

5.7 A 'first cut' of the new funding model indicates the Nelson City Council share of the new funding arrangement would increase from approximately $97,578 to around $127,000 per annum, commencing in FY 2015/16. However, this figure is indicative only and may be less following negotiations. The final figure will depend on discussions between the WRFC and the stakeholders (especially Department of Conservation), and also on discussions *between* the stakeholders. Nelson City Council and Tasman District Council will need to discuss the apportionment of some costs within the one third allocated to Councils under the capability model.

5.8 Council's proportionate share in this new model goes up because the model gives greater weight to a combination of factors such as risk exposure, forested land area, existing fire fighting capability, and the need of stakeholders to rely on pooled resources at the time of a fire event. Nelson City Council, although it is mainly an urban area, has a significant and extended urban-rural interface. A multi-agency exercise held in September 2014 simulated a large fire on the hills behind northern Nelson. The exercise demonstrated that the Nelson City Council area would need to call on all of the resources of the WRFA, as well as other agencies, in order to cope with the large scale fire and evacuations resulting from such an event.

5.9 The new funding model also incorporates a review of the Fire Management Services contract. This is the contract between the WRFA and Rural Fire Network.

5.10 Separately, Council would continue to be responsible for funding the Hira VRFF and a Nelmac team, as it does currently (approximately $30,000 operating expenditure in 2014/15).

6. Options

Option 1 - Status Quo

6.1 Nelson City Council could decline to adopt the proposed funding model. The **advantage** would be that the current payment regime would be less expensive. The **disadvantage** would be that the other stakeholders may perceive that Nelson City Council is not prepared to pay its share. Negotiations would need to be re-opened.

Option 2 - Adopt the proposed funding model

6.2 Following negotiations over many months the WRFA proposes a more equitable funding model. The **advantage** of the model is that it is more transparent, defensible and is in line with nationally recommended principles. The model better reflects the actual cost to Council of its rural fire activities. The **disadvantage** is that it results in a cost increase for Council.

6.3 Option two above is preferred. This proposal fits well with the purpose of local government, to provide good quality local public services. The proposed funding model will continue Council's membership of the WRFA, which provides an efficient vehicle for regional stakeholders to pool their resources so that fire control measures will be more effective, both across the region and through each of the phases of risk reduction, readiness for fighting fires, response to fire when it occurs, and recovery afterwards. Without access to the resources of the WRFA, Council (and the other stakeholders) would certainly have to spend more on rural fire activities in order to meet their individual fire control obligations. As noted above, the WRFA is acknowledged as one of the leading models in New Zealand of an enlarged rural fire district. The funding principles proposed above represent best practice in New Zealand. The new funding model will be more transparent and defensible.

7. Assessment of Significance against the Council's Significance Policy

7.1 This is not a significant decision in terms of Council's Significance Policy.

8. Alignment with relevant Council Policy

8.1 This proposal fits with Nelson 2060, specifically that our natural environment is protected and healthy.

8.2 This proposal is also aligned with the Long Term Plan 2012/2022, specifically Outcome 4, Kind Healthy People. This goal speaks about the importance of environmental management, and building a resilient community able to cope with disasters or emergencies.

8.3 If approved, this new funding model would come into effect in 2015/2016, and so does not have any implication for the current Annual Plan 2013/14. Nor is it inconsistent with any other previous Council decision.

9. Cost implications

9.1 The amount of Council's contribution to the new funding model is not yet known. If Council is comfortable with the proposed capability funding model outlined above, staff will negotiate with the other stakeholders on a final figure. Once that figure is established, it will be submitted to the Long Term Plan 2015/25 for final approval.

10. Consultation

10.1 No specific consultation has been carried out on this proposal. The proposed change in funding for rural fire activities will be consulted on through the Long Term Plan process.

11. Inclusion of Māori in the decision making process

11.1 No specific consultation has been carried out with Maori.

12. Conclusion

12.1 Council benefits from the combined rural fire district, which delivers efficient rural fire control for our region. The proposed capability funding model will provide a more equitable funding regime for all of the stakeholders. The final dollar figure is still to be negotiated and will be submitted for consideration as part of the Long Term Plan 2015/25.

Roger Ball
Manager Emergency Management

Attachments

Attachment 1: Waimea Rural Fire Authority: 2014 Funding Model A1261150

Waimea Rural Fire Committee
Cl- Rural Fire Network, P O Box 3578
Richmond, Nelson 7050

2014 Funding Model

June 2014

Background

A 2013 /14 strategic plan initiative was to develop an understandable, fair and defendable funding model that meets the requirements of the WRFD stakeholders. For the purposes of this document the stakeholders of WRFD refers to Department of Conservation (DOC), Tasman District Council (TDC), Nelson City Council (NCC), Nelson Forests Limited (NFL), and Tasman Bay Forests Limited (TBF). A further group of small forest owners in TDC and NCC area are also levied as provided for under the Forest and Rural Fires Act.

The existing funding model was largely the result of willingness between the council and forest company stakeholders, who had historically operated by managing their own "zone" or area of particular interest, to collaborate in rural fire services in the belief that being "in" a collaborative enlarged rural fire district offered more value and was more cost efficient than "going alone" and managing your own "zone". The benefits of collaboration remain particularly relevant for TDC, NCC and DOC who would assume the rural fire responsibilities of their area of jurisdiction if the WRFA were to dissolve. Over time stakeholder representation has changed and the basis of why funding allocations were made has become clouded and in the absence of clear principles the current allocation model is difficult to tie back to stakeholder benefits or needs. Stakeholders of the WRFC have desired a more transparent model based on clear funding principles and logic that reflects each stakeholder's needs and legal obligations.

Funding in the WRFD has historically been split into two separate components; administration and fire management services. Administration was considered as those components that were required by all "zones" such as the services of a fulltime PRFO and district wide support structures such as permit database, lookout, and weather stations. The Administration component has formed the basis of a WRFA Levy collected from all of the stakeholders and including a separate levy on small forest owners. The Fire management services were considered those services that related to each stakeholders "zone" and included activities such as permit issue, VRFF training and PPE requirements, equipment maintenance and ownership as well as the provision of a DPRFO to

actively manage the rural fire duties in the zone. Four of the five stakeholders in the WRFD jointly fund a "Fire Management Services" (FMS) contract between WRFA and Rural Fire Network Limited who supplies the services necessary to meet the individual stakeholders legislative and day to day fire management needs of their zones. They have also agreed to pool their equipment and pay RFN to manage maintenance, and location of fire gear within their zones. The remaining stakeholder, DOC, provides fire management services for the zones they are responsible for "in kind" through their paid employees and various equipment including servicing. The difference between contracted and in kind fire management service provision has led to some misunderstandings as to who is responsible for which service and to what standard in zones where "in kind" is provided and one improvement suggestion is that any "in Kind" service should be the subject of a service contract with clearly defined deliverables between the WRFA and the stakeholder.

New model development

A transparent costing model was developed that accounts for all the activities that occur in the district whether they be administration or fire management service and whether they be paid in cash or provided in kind. The model provides a 'relative' cost for each activity / item on equal terms and this provides the basis for accounting for each Stakeholder's participation and contribution in the functioning of the WRFA. A Wildfire Threat Analysis (WTA) which provides a spatial representation of risk, hazard and values was undertaken in 2012 and there was much hope placed on it to provide the best vehicle to deliver a transparent apportionment of WRFD costs based on each Stakeholder's need.

The results of the WTA were applied to the costing model and it became apparent that under the current inputs of the WTA DOC was the stakeholder with the greatest area and also the greatest threat even though much of their high threat areas are remote and currently do not generate focused fire management services. The conclusion was that the WTA was not capable, in its current form, to deliver an equitable basis for cost sharing. (The WTA might one day be useful for informing funding allocation but NOT at this stage).

A "rate" based model on the same basis as the Southland RFD model was explored where funding units are applied to an areas risk or threat. Again this method is driven by area and it became immediately apparent that this method presented a similar problem as that found with the WTA approach and was discarded as a model.

Capability Model

After discussions among the funding subcommittee there was a desire to develop a model based on a stakeholders need rather than jurisdiction. It was agreed among the subcommittee that each stakeholder of the WRFD has an interest in maintaining a high level of capability in the advent that they have a fire on their lands. This is essentially the basis of an Enlarged Rural Fire District, where resources are pooled and in times of need a response many times greater than what an individual stakeholder can provide is accessed and mobilised. Using this approach a "Transparent Capability" model was developed on the premise that all stakeholders should contribute to the provision and maintenance of the capability activities that occur in the fire district.
The transparent costing model was modified to enable a classification of each line item in to one of three types:

1. Capability activity that is of benefit to all stakeholders so should be shared by all. ie running costs of appliances.
2. Zone specific activity that was not of benefit to others outside the stakeholder's zone. ie fire permits
3. Stakeholder Collateral item which is a capital item owned by the stakeholder that is not highly depreciable. ie Owning cost of a fire depot or appliance.

The costing model produced a "relative" example of what each stakeholder contributes by way of cash or in kind to the RFD toward operating or owning a piece of plant, building or providing a service or function.

The subcommittee also discussed the NRFA principle applied in Otago where the ERFD was funded one third each by Local Government, Forestry Industry and Central Government (DoC) and they arrived at the conclusion that for Waimea where a significant forestry interest exists the funding of the Capability functions of the RFD could also be split on this thirds principle. (1/3 Local Govt, 1/3 Forestry ,1/3 Central Govt)

At a Waimea Rural Fire Stakeholder meeting on the 27th June this principle was discussed and it was agreed to proceed with the development of a costing model based on the following principles:

- Everyone shares and funds "capability"
- Capability is shared in equal thirds by local Government, Forestry and DoC
- Zone management is funded by zone responsibility
- Equipment is controlled by one entity (WRFA)
- Equipment and building ownership cost is not shared but "collateral" is acknowledged in funding allocations and negotiations.

The model produced a transparent capability share or apportionment of the total 'relative' fire district costs. This apportionment (% of total costs) can then be applied to the actual WRFA costs to determine the total capability costs for the district. The capability costs can then be further divided up by stakeholder, using the thirds principle, with each council and each forestry company being allocated a sixth and DoC allocated a third.
Recognition of capability costs that are contributed in kind also have the "relative" to "actual" ratio applied to them. The resulting "actual" in kind costs are then subtracted off each stakeholders funding allocation and the total actual in kind capability costs are redistributed using the thirds principle (one sixth to each council and each forest company and one third for DoC.)

Once the capability costs are taken off the total cost needed to fund the RFD the amount left over is that required under the FMS to manage the zone functions for the councils and forestry companies. The zone costs are allocated by the percentage share of the "relative" zone costs for each stakeholder.

Once all the allocated funds are totalled, the model highlights that TDC and Nelson Forests contribute more under the current funding model than under the capability model and NCC, Hancocks and DoC currently contribute less under the current model than under the capability model. In line with the thirds split principle between council, forestry and DoC it is intended that the councils and the forestry companies negotiate between themselves to agree the apportionment of levies. It is also suggested that during this negotiation process that the amount of 'collateral' a stakeholder contributes is considered in the allocation of cash funding. Under the principle of shared funding of capability the DoC contribution does increase which does not appear unreasonable given the current funding of capability by the remaining 4 Stakeholders it also appears to be in line with benchmarking from other ERFD's around the country.

Ian Reade
PRF

NOTE: The "zone" in kind from DOC is not allocated in this model as it only serves to show that DOC is responsible for the costs of the in kind within the zones they are responsible for. However if a fully "cashed up" model, no in kind contributions, is favoured by stakeholders and agreeable to DOC it would be possible to cost the delivery of those "zone" services and incorporate them by modifying the existing FMS contract.

Nelson City Council
te kaunihera o whakatū

Governance Committee

6 November 2014

REPORT A1262300

Finance Report for the Period Ending 30 September 2014

1. Purpose of Report

1.1 To inform the members of the Governance Committee on the financial results of activities for the 3 months ending 30 September 2014 compared to budget, and to highlight and explain any material variations.

2. Delegations

2.1 The Governance Committee monitors the financial and service performance of the Council and makes recommendations to Council.

3. Recommendation

***THAT** the report Finance Report for the Period ending 30 September 2014 (A1262300) and its attachments (A1263456, A1263699, A1258411, A793514, and A1265270) be received and the variations noted.*

***AND THAT** the committee note the impact on revenue of the free parking initiative to 30 September 2014 per attachment eight.*

Recommendation to Council

***THAT** Council approves unbudgeted operating expenditure of $13,557 for the 2014/15 year to continue to provide free WiFi to the Central Business District;*

***AND THAT** Council approves additional capital expenditure of up to $62,000 for capital works at Saxton Field be taken from savings in the Bank Lane Canopy project.*

4. Background

4.1 The report focuses on the 3 month performance compared with the year to date budget. Budgets for operating income and expenditure are phased evenly through the year, whereas capital expenditure budgets are phased to occur mainly in the second half of the year.

4.2 Some definitions of terms used within this report:

- Operating income – all income other than rates including metered water, grants, fees, rentals, and recoveries;
- Rates – includes the general rate, wastewater, stormwater and flood protection rates, and targeted rates for Solar Saver;
- Staff costs – salaries plus overheads such as training, super, professional fees and office accommodation expenses;
- Depreciation – includes all depreciation, and any losses on asset disposal/retirement;
- Interest – includes debt interest, bank fees, interest rate swap margins, treasury and rating agency fees.

5. Discussion

5.1 The report focuses on performance to date compared with the year to date budgets. More detailed financials by sub-activity are in Attachment 1.

5.2 For the 3 months ending 30 September 2014, the activity surplus/ deficits are $0.3 million favourable to budget.

5.3 Revenue and expenditure variances are discussed by activity.

NCC variance to budget to 30 September 2014

	Year to Date Variance to Budget					
Activity	Surplus (Better)/ Worse	Revenue (Better)/ Worse	Expenses - Staff	Expenses - other	Expenses - Interest	Expenses - Depr
Corporate	(98,116)	(66,877)	21,706	(103,753)	51,226	(418)
Parks & Active Recreation	55,858	61,249	(58,008)	131,802	(43,827)	(35,358)
Social	89,597	119,286	(9,351)	14,479	(16,087)	(18,730)
Economic	(182,499)	147,750	11,126	(341,375)	(1)	0
Transport	262,959	53,416	24,652	147,660	(21,984)	59,216
Environmental Management	(226,897)	236,908	(84,643)	(360,380)	2,129	(20,911)
Wastewater	252,371	19,485	(789)	189,584	(11,674)	55,765
Stormwater	100,303	0	(39,527)	95,296	(10,926)	55,460
Water Supply	(360,090)	(32,990)	(10,346)	(193,260)	(10,015)	(113,478)
Flood Protection	(192,126)	0	(11,248)	(165,626)	(14,759)	(494)
Total	**(298,641)**	**538,225**	**(156,428)**	**(585,573)**	**(75,918)**	**(18,948)**

Corporate

5.4 The corporate activity is $0.1 million better than budget due to:

5.4.1 Revenue - $67,000 better than budget. On 1 July 2014, Council took over its share of the loans held by the Nelson Sewerage Business Unit (NRSBU). This has resulted in unbudgeted interest income to Council of $116,000 year to date, along with unbudgeted interest expenditure.

Unbudgeted income has been received in Forestry of $110,000 relating to unplanned harvesting resulting from the April 2014 storm event. Once the insurance claim is settled, net income is expected to be in the region of $240,000. Income in the Disaster Recovery Fund is $125,000 under budget due to timing of further insurance claims. Rental Properties are $85,000 ahead of budget due to invoicing in advance (timing). Internal interest is $138,000 under budget reflecting the timing of capital expenditure.

5.4.2 Expenses – other $104,000 better than budget as the contingency has not yet been called on ($37,000) and Civic House expenditure is under budget ($43,000) largely related to the budget sitting in this activity for property condition assessments which as yet has no expenditure recorded against it (timing). This is also the case for the property asset review with a year to date budget of $19,000.

5.4.3 Expenses – interest - $51,000 worse than budget due to additional interest expenditure incurred in respect of the NRSBU borrowings offset by a number of small savings in other sub activities. See 5.4.1.

Parks and Active Recreation

5.5 The parks and active recreation activity is $56,000 worse than budget due to:

5.5.1 Expenses – other - $132,000 worse than budget. Regional Community Facilities is $371,000 over budget as the second grant to the Brook Waimarama Sanctuary Fence has been paid in full ($524,000 - timing). Offsetting this, the budgeted grant to Tasman District Council for the velodrome at Saxton Field has not yet been made, resulting in an underspend of $207,000 year to date (timing). $28,000 of unbudgeted expenditure has been incurred at Saxton Field Stadium in order that it can house events that otherwise would have been held at the Trafalgar Centre (there is a commensurate increase in income for the stadium).

Social

5.6 The social activity is $90,000 worse than budget due to:

5.6.1 Revenue - $119,000 worse than budget. The Founders Book Fair proceeds (year to date $30,000 budget) will not come in until the end of the financial year (timing). Rental for the Tahuna Motor Camp is $40,000 under budget year to date as the bulk of that income will be received in January and February 2015 (timing). Income from the crematorium is $17,000 under budget year to date due to timing of invoicing. This is expected to catch up over the year. Recoveries of such expenditures as rates, water, and electricity on properties owned by Council but managed by others are currently under budget by $40,000. Expenditure for these items is under budget by a similar amount.

Economic

5.7 The economic activity is $182,000 better than budget due to:

5.7.1 Revenue - $148,000 worse than budget. The Cricket World Cup (CWC) recovery of costs is due after the event generating a timing difference against budget.

5.7.2 Expenses – other - $341,000 better than budget. The Economic Development expenditure is under budget by $82,000. There is no spending to date in the EDA economic development fund, special economic projects, business incubator, facilities marketing and economic impact assessment. Expenses relating to the CWC are under budget by $259,000 which is a timing difference.

Transport

5.8 The transport activity is $263,000 worse than budget due to:

5.8.1 Revenue - $53,000 worse than budget. Car parking revenue is $221,000 under budget reflecting the free parking trial undertaken over these 3 months (see attachment eight). The shortfall in parking income will need to be covered by rates either through other savings in the current financial year or increased rating next year. NZTA grants are ahead of budget $72,000 reflecting expenditure also ahead of budget (timing). Recoveries relating to corridor access requests and ultra fast broadband remediation are ahead of budget by $44,000. Expenditure for these items is also ahead of budget. Income for Miller's Acre is $21,000 ahead of budget year to date, reflecting rentals invoiced a month in advance (timing).

5.8.2 Expenses – other - $148,000 worse than budget. Expenditure relating to corridor access requests and ultrafast broadband remediation are ahead of budget along with the related income. There has been no expenditure year to date (total $62,000) on the Waimea Road Access Strategy, the Southern Arterial Corridor Management Plan, studies and strategies and the Activity Management Planning Programme. Maintenance expenditure in subsidised roading is ahead of budget largely due to the maintenance work on the base course required before the resealing of Waimea Road (timing).

Environmental Management

5.9 This activity includes civil defence and rural fire activities, consents and compliance, environmental programmes, and solid waste activities.

5.10 The environment activity is $227,000 better than budget due to:

5.10.1 Revenue - $237,000 worse than budget. Landfill fees are $209,000 less than budget and $90,000 less than year to date September last year. Solid waste from Buller is no longer coming to York Valley generating a

shortfall against budget of approximately $25,000 per month ($300,000 per annum). A review of Landfill fees may be required early in 2015. The budget also included the removal of sludge from the Nelson Wastewater Treatment Plant. This will not occur this year as the waste is being dried out on site to a greater extent than originally planned to save on transport and eventual landfill charges.

5.10.2 Expenses – staff - $85,000 better than budget. This is mainly in Building Services which is carrying two vacancies currently, and which has not been charged staff time from the Resource Consents team to the extent anticipated.

5.10.3 Expenses – other - $360,000 better than budget. Weather Tight Homes Claims show $79,000 less than budget year to date as no settlements have yet been agreed. Monitoring the Environment is $150,000 under budget as this sub activity contains a large number of programmes, some of which have yet to incur expenditure. This is a timing issue and officers expect the variance to flatten out as the year progresses. Landfill expenditure is $120,000 under budget reflecting no expenditure yet for ETS levies and toe embankment maintenance and lower internal charges than anticipated for waste minimisation and recycling. The landfill has not yet reached the level where toe embankment maintenance is required; this is expected to happen in the final quarter of this financial year.

Wastewater

5.11 The wastewater activity is $252,000 worse than budget due to:

5.11.1 Expenses – other - $190,000 worse than budget. The expenditure for desludging of the Nelson Waste Water Treatment Plant is ahead of budget by $183,000 year to date (timing) but is expected to save against full year budget.

Stormwater

5.12 The stormwater activity is $100,000 worse than budget due to:

5.12.1 Expenses – other - $95,000 worse than budget. Unbudgeted expenditure relating to the June 2014 storm of $148,000 has been incurred. The contingency budget from 2013/14 of $155,000 has been carried forward against this expenditure, however there is a timing difference creating the $95,000 variance.

Water

5.13 The water activity is $360,000 better than budget due to:

5.13.1 Expenses – other - $193,000 better than budget relates to year to date underspend against maintenance budgets, mainly reactive maintenance.

5.13.2 Depreciation - $113,000 better than budget. The replacement valuation for the water membranes at the water treatment plant have halved and their expected useful lives increased, generating an expected depreciation saving against budget of $438,000 in the current financial year.

Flood Protection

5.14 The flood protection activity is $192,000 better than budget. $165,000 is year to date underspend against maintenance budgets, including $123,000 relating to emergency recovery works (timing). There has been no expenditure year to date for these works (identified from the December 2011 Rainfall Event) as the resource consent has yet to be granted. Works are scheduled for the summer season when the streams are at minimal flow.

Capital Expenditure

5.15 Capital expenditure to 30 September 2014 was $4.9 million, $4.1 million 45%) below budget. Details are included in attachments two to four.

Project Updates

5.16 Project updates are:

CBD Free Wifi Service

5.16.1 Uniquely Nelson had been contracted to provide the CBD free Wifi service. However, a number of technical issues arose in relation to the use of Civic House as one of the key hubs for the service. On review it was found that the risks to Council could be best mitigated by taking the technical aspects of the project in-house, allowing Uniquely Nelson to concentrate on marketing and promotion of CBD through the internet gateway.

5.16.2 Officers have negotiated a revised contract with the service provider and costs for the provision of the service for the remainder of this financial year are now projected to be $31,557. This compares with the $18,000 budgeted in the Annual Plan 2014. Much of the additional costs are associated with service optimisation, and these are likely to decrease once the service becomes established. The hardware has now been installed and the service is operational.

Neighbourhood Reserves – Basin Reserve Toilet

5.16.3 The New Zealand Transport Agency (NZTA) have stated that they would like the new toilet proposed for Basin Reserve to be deferred until any proposed changes to Rocks Road are undertaken, as these may result in a new location being required for the facility. This action will result in a saving of $177,000 in the 2014-2015 financial year.

Bank Lane Canopy

5.16.4 This project was approved during the Annual Plan 2014 deliberations to be jointly funded between Council and the Property owner with Council's contribution capped at $65,000. The Property owner has since informed Council that they are now unable to fund their portion of the work because of both issues the owners are having on another property, and uncertainties around earthquake strengthening of the property. Officers recommend therefore that the budget of $65,000 be a saving in the 2014-15 financial year. This saving will be diverted to fund four upgrades at Saxton Field totalling up to $62,000.

Outstanding Rates

5.17 The first instalment of $14.8 million was levied on 20 July 2014. Of this instalment, $369,791 was still outstanding at 30 September 2014 (97.5% collected) and $150,392 was still outstanding for the previous rating year.

6. Assessment of Significance against the Council's Significance Policy

6.1 There are no significant decisions.

7. Consultation

7.1 No consultation is required.

8. Alignment with relevant Council Policy

8.1 The finance report is prepared comparing current year performance against the Annual Plan.

9. Inclusion of Māori in the decision making process

9.1 No consultation is required.

Nikki Harrison
Group Manager Corporate Services

Attachments

Attachment 1: NCC Summary Performance A1263456

Attachment 2: Capital expenditure graph A1263456

Attachment 3: Capital expenditure by activity A1263456

Attachment 4: Capital expenditure projects over $750,000 A1263456

Attachment 5: Balance Sheet A1263699

Attachment 6: Interest Rate Position Report A1258411

Attachment 7: Debtors Report A793514

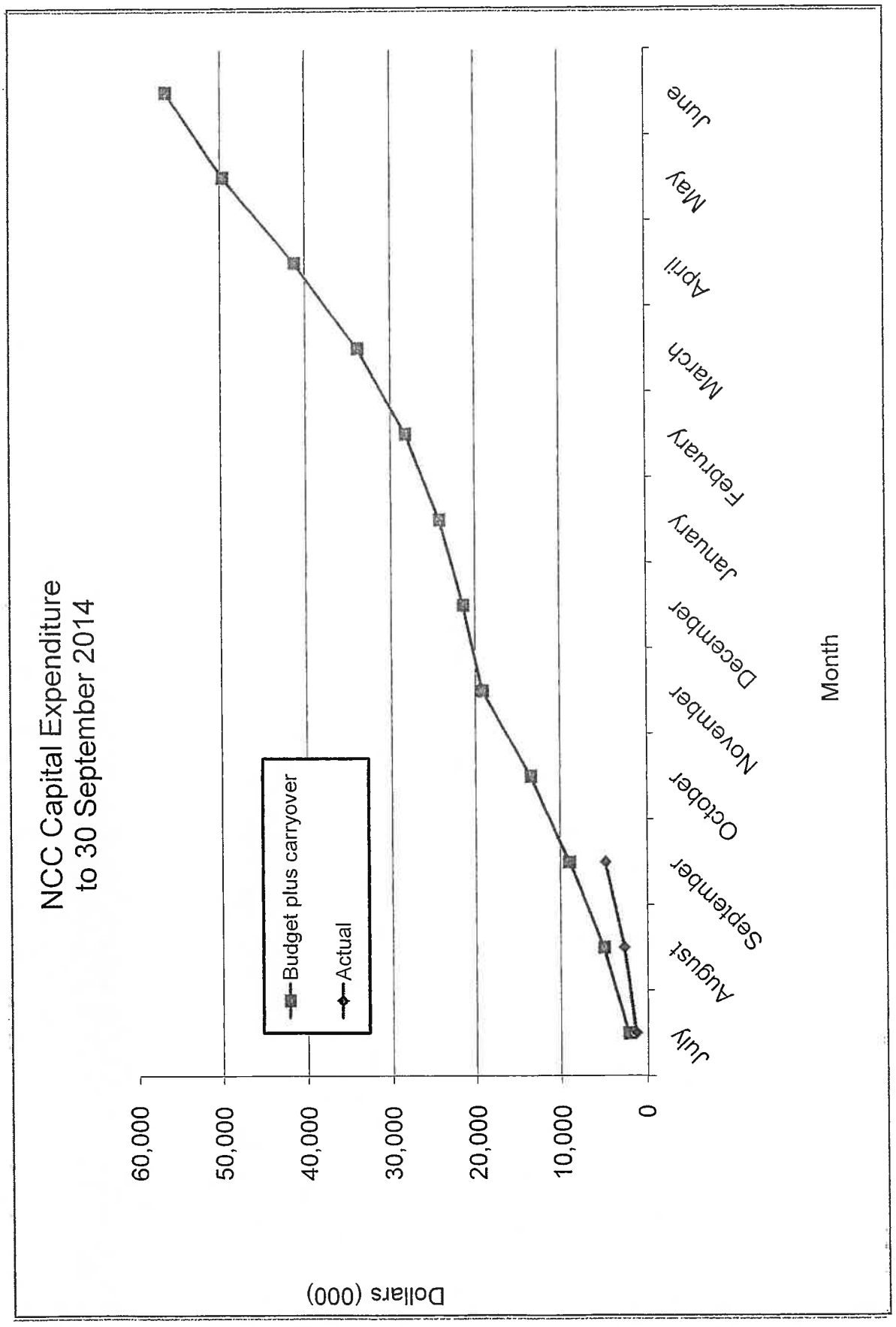
Attachment 8: Parking Income detail A1265270

NCC variance to budget to 30 September 2014

Activity	Subactivity	Year to Date Variance to Budget					
		Surplus (Better)/ Worse	Revenue (Better)/ Worse	Expenses - Staff	Expenses - other	Expenses - Interest	Expenses - Depr
Corporate	Cost Of Democracy	(5,038)	(13,291)	(1)	8,254	0	0
	Admin & Meeting Support	44,470	1,854	52,889	(10,273)	0	0
	Council Publicity	31,736	0	35,771	(4,749)	51	662
	Members Expenses	(4,316)	0	2,381	(6,695)	0	(3)
	Election Expenses	(264)	0	(999)	735	0	0
	Civic Expenses	(11,510)	393	209	(12,113)	0	0
	Contingency	(37,422)	0	1	(37,423)	0	0
	Investment Management	137,877	36,707	1,437	(1,944)	101,676	0
	Civic House	(68,733)	(20,642)	(1,948)	(43,472)	(9,089)	6,418
	Rental Properties	(87,952)	(85,400)	20,315	(22,750)	(872)	755
	Forestry	(74,423)	(110,248)	110	40,539	(4,809)	(17)
	Subdivisions (W/Bluff & Ridgeway)	(22,856)	(1,254)	(777)	679	(21,504)	0
	Strategy & Planning	(110,459)	0	(87,684)	(22,776)	0	0
	Administration	(5,763)	0	0	8,234	(5,763)	(8,234)
	Emergency Response Fund	116,538	125,003	1	0	(8,465)	0
Corporate Total		(98,116)	(66,877)	21,706	(103,753)	51,226	(418)
Parks & Active Recreation	Horticulture Parks	(15,949)	1,123	(6,150)	(5,111)	(1,340)	(4,471)
	Neighbourhood Parks	38,017	4,665	10,129	37,080	(5,789)	(8,068)
	Park Trees	(28,616)	0	(1,661)	(26,955)	0	0
	Conservation Reserves	51,832	(9,113)	(58)	61,795	(136)	(655)
	Landscape Reserves	28,237	(5,588)	(1,763)	42,756	(5,178)	(1,990)
	Esplanade & Foreshore Reserves	(94,394)	(10,074)	(12,466)	(62,114)	(2,330)	(7,409)
	Heritage,Landscape,Local Trees	37,451	0	(4,566)	42,016	0	0
	Walkways	11,960	366	1,367	13,601	0	(3,375)
	Sports Parks	(62,107)	21,179	(9,454)	(64,876)	(2,415)	(6,541)
	Recreation Planning	(3,451)	(365)	(3,086)	0	0	0
	Natureland	(8,665)	0	(1,000)	(7,501)	(164)	0
	Trafalgar Centre	(14,419)	0	7,792	(344)	(21,329)	(538)
	Saxton Field Stadium	53,258	(22,684)	(1,815)	65,071	4,024	8,662
	Saxton Oval Pavilion	(15,306)	(1,360)	(1,334)	(13,132)	364	156
	Golf Course	16,967	37,234	(1,940)	(17,723)	0	(604)
	Pools	(22,990)	13,314	(4,818)	(32,680)	(1,725)	2,920
	Community Programmes	(25,596)	743	(14,270)	(12,070)	0	0
	Recreation Liaison	(10,895)	876	(8,257)	(3,514)	0	0
	Play Facilities	(11,098)	0	(3,416)	4,400	(766)	(11,316)
	Marina	(27,046)	18,191	(3,770)	(38,352)	(1,624)	(1,491)
	Saxton Field Capital Works	(216,521)	12,741	(856)	(221,751)	(6,018)	(637)
	Regional Community Facilities	375,191	0	3,385	371,207	599	0
Parks & Active Recreation Total		55,858	61,249	(58,008)	131,802	(43,827)	(35,358)
Social	Managing Heritage And Arts	(7,794)	0	(1,030)	(5,513)	(474)	(777)
	Museum	15,719	0	0	17,323	(1,604)	0
	Suter Gallery	(15,809)	0	(3,855)	(2)	(11,953)	0
	Isel House	(978)	54	(2,059)	1,020	0	6
	Melrose House	1,377	51	153	(3,750)	3,472	1,450
	Broadgreen House	17,086	0	14,209	2,738	0	138
	Founders Park	75,792	36,554	(11,298)	48,962	1,596	(21)
	Historic Cemeteries	(2,764)	171	1,711	(2,246)	0	(2,400)
	Heritage Incentives	(18,977)	0	(1,667)	(17,310)	0	0
	Festivals	8,550	(14,642)	(3,982)	27,174	0	0
	Street Decorations	(5,102)	0	211	(5,313)	0	0
	Sister City Links	(1,444)	0	353	(1,796)	0	0
	School Of Music	(21,561)	8,988	69	(25,637)	(2,214)	(2,766)
	Theatre Royal	(7,031)	8,988	(2)	3,149	(3,866)	(15,300)
	Nelson Library	42,942	11,813	(464)	26,734	(316)	5,176
	Stoke Library	(29,848)	391	(26,272)	(3,693)	0	(273)
	Nightingale Memorial Library	(7,348)	111	(6,530)	(744)	0	(185)
	Marsden Valley Cemetery	872	9,103	(2,801)	(115)	(614)	(4,701)
	Crematorium	10,728	17,985	(3,090)	(3,499)	(430)	(239)
	Toilets (Free)	(16,219)	0	(548)	(16,174)	213	290
	Toilets (Charge)	(8,917)	(517)	761	(9,175)	15	()
	Stoke Hall	(14,758)	1,495	(2,365)	(13,890)	2	(1)
	Maitai Club	(9,644)	(2,537)	(1,659)	(5,470)	23	(1)
	Community Properties	9,297	1,300	8,698	(1,237)	78	458
	Wakapuaka Recreation Centre	(3,356)	142	(2,058)	(1,438)	0	(2)
	Trafalgar St Hall	(403)	1,405	811	(2,622)	3	0
	Motor Camp Tahuna	35,375	54,846	()	(19,322)	0	(149)
	Maitai Camp	4,249	11,554	(3,159)	(4,013)	(22)	(111)
	Brook Camp	39,774	1,909	31,427	6,478	(39)	(1)
	Community Housing	(18,800)	(2,092)	3,358	(20,815)	0	749
	Employment Assistance	14,229	(10,000)	(2,708)	27,007	0	(70)
	Community Liaison: Development	(46,865)	(17,788)	(8,308)	(20,768)	0	(1)
	Community Liaison: Grants (Ca)	51,226	0	12,745	38,436	44	0
Social Total		89,597	119,286	(9,351)	14,479	(16,087)	(18,730)
Economic	Economic Development	(84,143)	0	(2,114)	(82,030)	1	0
	Tourism Nelson	(2)	0	1	(2)	(1)	0

Activity	Subactivity	Year to Date Variance to Budget					
		Surplus (Better)/ Worse	Revenue (Better)/ Worse	Expenses - Staff	Expenses - other	Expenses - Interest	Expenses - Depr
	Cricket World Cup	(98,354)	147,750	13,238	(259,343)	0	0
Economic Total		(182,499)	147,750	11,126	(341,375)	(1)	0
Transport	Subsidised Roading	94,118	(75,823)	(17,741)	173,130	14,552	0
	Unsubsidised Roading	71,449	(55,350)	46,496	14,323	(308)	66,288
	Roading Properties	(39,536)	(40,416)	(99)	907	72	(1)
	Parking Regulation	24,178	29,828	(3,699)	(1,953)	0	1
	Car Parking	131,305	209,308	(7,755)	(36,320)	(28,746)	(5,182)
	Millers Acre Centre	(30,410)	(25,437)	795	1,532	(7,313)	13
	Public Transport	4,758	(3,326)	3,801	6,245	(58)	(1,904)
	Total Mobility	7,098	14,632	2,853	(10,204)	(183)	0
Transport Total		262,959	53,416	24,652	147,660	(21,984)	59,216
Environmental Management	Civil Defence	(642)	(1)	(597)	1	(45)	()
	Rural Fire Control	27,265	3,549	423	23,868	30	(605)
	Monitoring The Environment	(141,381)	0	9,958	(150,902)	(393)	(44)
	Developing Resource Mgt Plan	(40,138)	525	(16,047)	(24,616)	0	0
	Environmental Advocacy/Advice	29,623	(418)	21,510	8,531	0	0
	Pest Management	(43,789)	0	(1)	(43,788)	0	0
	Clean Heat Warm Homes	564	0	(1)	(334)	899	0
	Solar Saver	1,897	0	(1)	260	1,638	0
	Dog Control	8,688	(4,200)	(1,501)	14,388	0	1
	Animal Control	(1,182)	(57)	(1)	(1,125)	0	0
	Liquor Licencing	(23,751)	(25,501)	874	876	0	0
	Food Premises	21,125	22,296	0	(1,172)	0	0
	Public Counter Land & General	(25,963)	(21,014)	(4,700)	(249)	0	0
	Building Services	(90,472)	(21,360)	(76,223)	7,700	0	(589)
	Harbour Safety	18,084	825	(968)	18,153	0	74
	Pollution Response	5,700	7,863	()	(2,163)	0	0
	Resource Consents	33,012	15,036	(1,842)	19,817	0	0
	Enforcing Bylaws	(4,931)	(990)	(1,001)	(2,941)	0	0
	Whrs Claims	(87,235)	0	(8,400)	(78,835)	0	0
	Waste Minimisation	0	21,671	(12,891)	(8,778)	0	(2)
	Transfer Station	(3)	6,599	4,299	(9,392)	0	(1,508)
	Landfill	86,595	222,612	2,986	(120,764)	0	(18,239)
	Joint Landfill	45	0	45	0	0	0
	Green Waste	(3)	3,879	(528)	(3,354)	0	0
	Recycling	(3)	5,594	(36)	(5,561)	0	0
Environmental Management Total		(226,897)	236,908	(84,643)	(360,380)	2,129	(20,911)
Wastewater	Wastewater	252,371	19,485	(789)	189,584	(11,674)	55,765
Wastewater Total		252,371	19,485	(789)	189,584	(11,674)	55,765
Stormwater	Stormwater	100,303	0	(39,527)	95,296	(10,926)	55,460
Stormwater Total		100,303	0	(39,527)	95,296	(10,926)	55,460
Water Supply	Water Supply	(360,090)	(32,990)	(10,346)	(193,260)	(10,015)	(113,478)
Water Supply Total		(360,090)	(32,990)	(10,346)	(193,260)	(10,015)	(113,478)
Flood Protection	Flood Protection	(192,126)	0	(11,248)	(165,626)	(14,759)	(494)
Flood Protection Total		(192,126)	0	(11,248)	(165,626)	(14,759)	(494)
Total		**(298,642)**	**538,225**	**(156,428)**	**(585,573)**	**(75,918)**	**(18,948)**

Attachment 2



Capital Expenditure

Total Council - by Activity

Activity	Actual YTD $(000)	Annual Budget plus C/fwd $(000)	Significant variances against budget
Corporate	224	3,217	Civic house verandah and first floor and aircon upgrades not yet commenced. Hunter furniture roof renewal not commenced. EQ prone buildings remediatio expenditure in other activities (budget to be shifted).
Parks & Active Recreation	567	9,903	Trafalgar centre remediation yet to commence. No land purchases made at this stage.
Social	582	10,246	Theatre Royal/Nelson School of Music transfer of assets yet to occur
Economic	0	0	
Transport	2,228	12,540	Cable Bay Road recovery works are ahead of budget timing.
Environmental Management	83	1,699	Landfill road extension physical works now started. Finalising specification for weighbridge.
Wastewater	680	7,350	Corder Park Pump Station upgrade physical works to start November
Stormwater	170	3,131	Salt Water Creek/Haven Road culvert project programmed for new year. Tasman St upgrade physical works programmed for December
Water Supply	130	3,783	Water Treatment Plant new membrane physical works early 2015
Flood Protection	266	4,578	Saxton Creek upgrade resource consent now lodged. Orphanage Stream upgrade resource consent being prepared.
	4,930	56,447	
Financial Reserves	480	3,000	
Nelson Regional Sewerage BU	23	359	
	5,433	59,806	

Attachment 3

Capital Expenditure

3 Months to 30 September 2014

Total Council

	Actual YTD '$(000)	Annual Budget plus C/fwd '$(000)	Contract Completion Date	Latest Forecast '$(000)	Comments
Major projects (over $750,000 in any column)					
Infrastructure					
Arapiki / Quarantine Trunk Main	347	1,635	Apr-16	1,635	On track
Ngawhatu Valley Trunk Main	8	800	May-15	800	Physical works let September
York Valley Road Extension	14	1,195	Apr-15	1,195	Physical works underway in September
Corder Park Pump Station	7	3,603	May-17	3,603	Physical works let October
Cable Bay Road	821	2,111	Mar-15	2,111	Underway
Tasman St (Nile to Bronte)	28	929	Apr-15	929	Detailed design completed. Physical works programmed for December
Salt Water Creek/Haven Rd Culvert	1	850	May-15	850	Programmed to commence early 2015
Friction Course Replacement	297	1,441	Dec-14	1,441	On track
Water Treatment New Membrane (Train 5)	0	1,200	Apr-15	1,200	Detailed design underway. Physical works early 2015
Saxton Creek Upgrade	163	2,500	Jun-17	2,500	Consent application lodged October.
Community Services					
Land Purchase: General Reserve	0	1,676	n/a	1,676	Ongoing based on development, no contract
Trafalgar Centre Reopening	2	3,466	Apr-16	3,466	Awaiting concept plans. Detailed design early 2015
Theatre Royal	0	6,800		6,800	Transfer of assets yet to occur
Nelson School of Music	0	1,885		1,885	Transfer of assets yet to occur
Total other (under $750,000)	3,242	26,357		26,357	
Council Total	4,930	56,447		56,447	
Vested Assets	480	3,000		3,000	
Nelson Regional Sewerage business unit	23	359		359	

Attachment 4

Attachment 5

Nelson City Council

Abbreviated Balance Sheet

	30/09/2014	31/08/2014	30/06/2014
Current Assets			
Cash and Bank	65,947	212,612	251,853
Bank Deposits → Investments	0	0	0
Rates Debtors	(4,981,461)	(3,076,870)	242,652
Amounts due from customers. → Trade Debtors	10,716,694	8,937,810	11,065,794
Debtors and Accruals	11,273,940	11,123,619	905,367
	17,075,120	17,197,171	12,465,666
Current Liabilities			
Cash Book Balance → Bank Overdraft	0	0	0
Amounts owed to suppliers. → Creditors	(10,734,782)	(9,515,624)	(15,062,273)
Commercial paper	(9,913,758)	(9,902,833)	(29,730,802)
Term Loans to be paid in 12 months → Current Portion of Term Liabilities	0	0	0
	(20,648,541)	(19,418,457)	(44,793,075)
Net Working Capital	(3,573,421)	(2,221,286)	(32,327,409)
Non Current Assets			
Shares in Subsidaries etc → Investments	27,232,498	27,232,498	27,560,115
Total value, net of depreciation of all → Fixed Assets	1,317,717,214	1,317,285,816	1,317,869,256
	1,344,949,712	1,344,518,314	1,345,429,371
Non Current Liabilities			
Term borrowings	(60,286,016)	(57,836,016)	(33,536,016)
Money borrowed that requires payment after 12 months → Other Term Liabilities	(1,586,036)	(1,576,400)	(1,557,261)
	(61,872,052)	(59,412,416)	(35,093,277)
	1,279,504,239	1,282,884,611	1,278,008,684
Shareholder Funds			
Ratepayers Equity	353,897,665	357,217,856	352,654,845
Reserves	925,606,574	925,666,755	925,353,839
	1,279,504,239	1,282,884,611	1,278,008,684

Attachment 6

Nelson City Council Interest Rate Position			
12 month forecast core debt:	**$112m**		**30-Sep-14**
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	75%		
Policy Compliance	Y		
Liquidity Ratio:	**110%**		
Actual	127%		
Policy Compliance	Y		
Fixed Rate Maturity Profile:			
Years	**1 - 3 years**	**3 - 5 years**	**5 years plus**
Policy Limits	15%-60%	15%-60%	15%-60%
Actual Hedging	17%	33%	49%
Policy Compliance	Y	Y	Y
Funding Maturity Profile:			
Years	**0 - 3 years**	**3 - 5 years**	**5 years plus**
Policy Limits	15%-60%	15%-60%	10%-40%
Actual Hedging	56%	17%	28%
Policy Compliance	Y	Y	Y

Nelson City Council Interest Rate Performance			
Market Rates	90 Day Rate (ave of month) = 0.00%	5yr Swap Rate (end of month) = 0.00%	
Interest Cost (incl margin)	**This Month**	**Last Month**	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	0.00%	
Budget Rate			

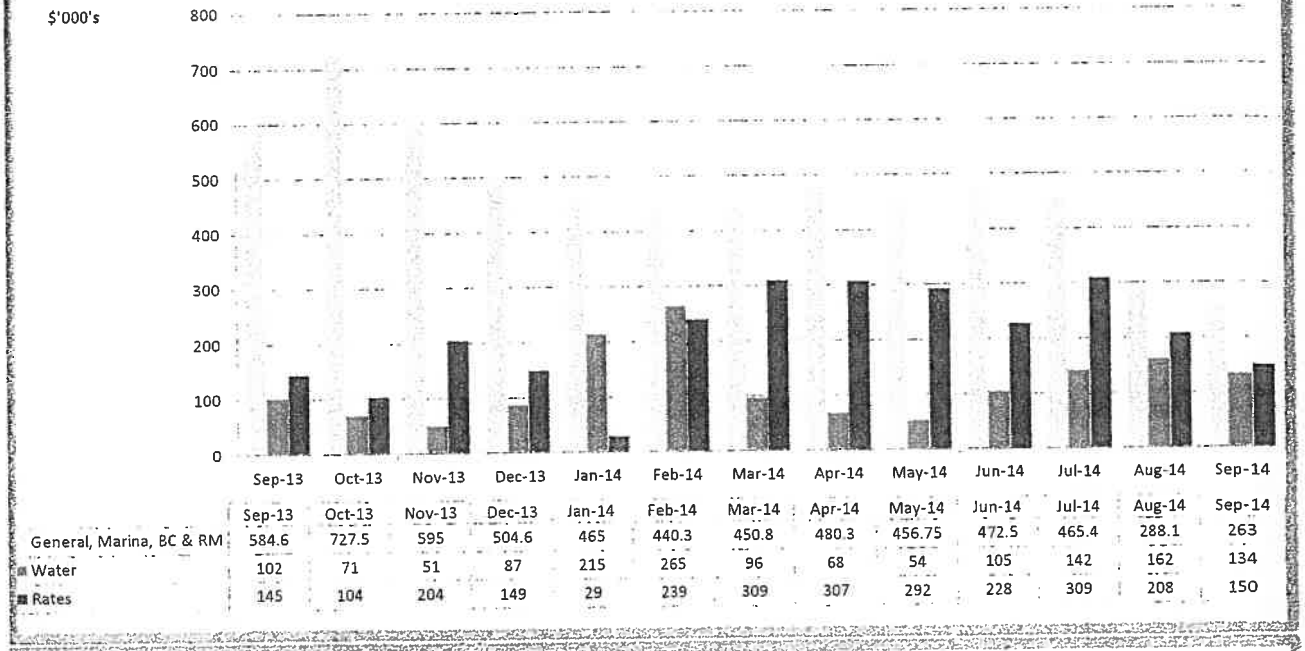
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments)			
Policy Credit Limit (NZ$) per NZ Registered Bank (Interest Rate Risk Management Instruments Only)			10,000,000
Minimum Credit Rating is A-1+/A+	**Notional ($m)**	**Credit Exposure ($m)**	
Bank			
WPC	47.0	6.3	**Within Policy**
ANZ	23.0	3.5	**Within Policy**
BNZ	3.0	0.5	**Within Policy**
Total (NZ$m)	73.0	10.3	

Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	**3.15%**	Y
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	**5.19%**	Y
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	**71%**	Y
Net external debt (secured by rates) as a percentage of equity to be less than 20%	**6%**	Y

Attachment 7

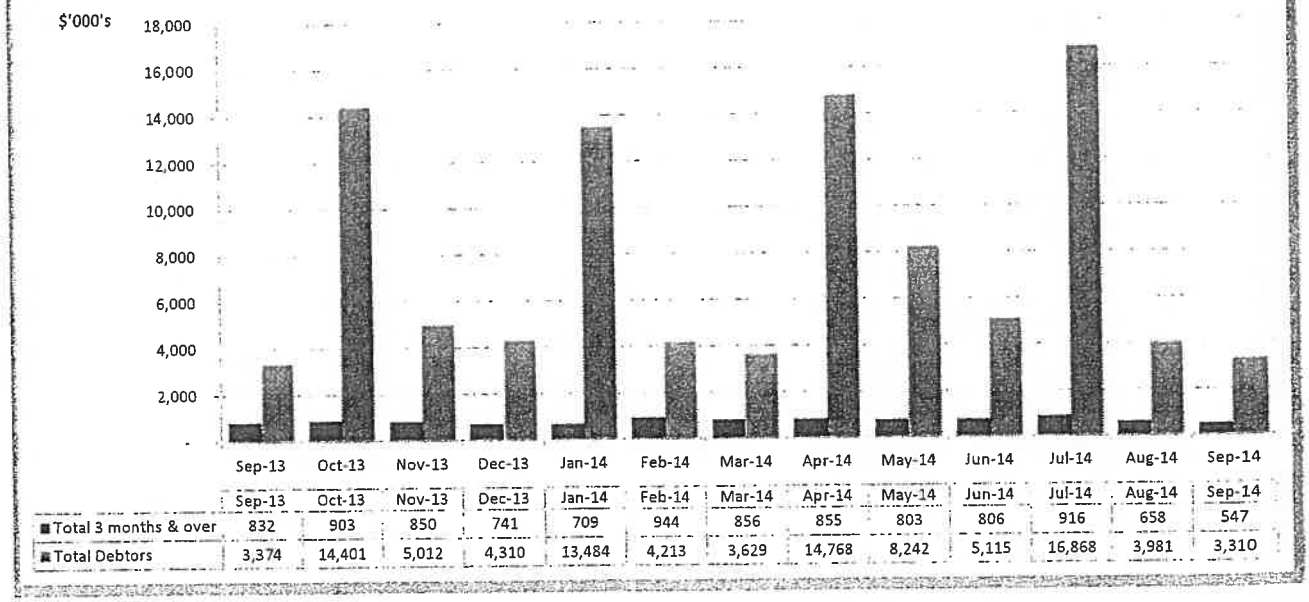
DEBTORS REPORT AS AT 30 SEPTEMBER 2014

Spread of 3 Months Overdue by Debtor Type



	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
General, Marina, BC & RM	584.6	727.5	595	504.6	465	440.3	450.8	480.3	456.75	472.5	465.4	288.1	263
Water	102	71	51	87	215	265	96	68	54	105	142	162	134
Rates	145	104	204	149	29	239	309	307	292	228	309	208	150

Total Debtors & 3 Month Overdue Debtors



	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Total 3 months & over	832	903	850	741	709	944	856	855	803	806	916	658	547
Total Debtors	3,374	14,401	5,012	4,310	13,484	4,213	3,629	14,768	8,242	5,115	16,868	3,981	3,310

A 7025/14

Attachment 8

Parking and Parking Regulation Income Year to Date September 2014

	September YTD Actuals	September YTD Budget	Variance	Total Op Budget 2014/15
5505 Parking Regulation				
Income				
55050380. Infringement Fees	76,025	83,784	(7,759)	335,137
550503800172. Court Fines Recovered	76,146	97,308	(21,162)	389,236
550503800173. Court Costs Recovered	18,642	23,106	(4,464)	92,421
550503800174. Section 2A Fees (Reg & WoF)	48,712	41,604	7,108	166,410
550503800175. Section 2A Fees paid to GOVT	(24,356)	(20,802)	(3,554)	(83,205)
Total Income	**195,169**	**225,000**	**(29,831)**	**899,999**
5510 Car Parking				
Income				
551005100275. Fees: On Street Meters	4,270	109,215	(104,945)	436,854
551005100276. Fees: Off Street Meters	27,004	181,527	(154,523)	726,113
551005100277. Fees: Off Street Permits	24,162	10,713	13,449	42,847
551005100800. CBD Parking Initiatives	0	(24,999)	24,999	(100,000)
Total Income	**55,437**	**276,456**	**(221,019)**	**1,105,814**

Nelson City Council
te kaunihera o whakatū

Governance Committee

6 November 2014

REPORT A1264142

Development Contributions Policy Review Statement

1. Purpose of Report

1.1 To consider the statutory timeframes in relation to the draft Development Contributions Policy, and to recommend that the principles for the policy be considered at a meeting of the full Council on 20 November 2014.

2. Delegations

2.1 The Governance Committee has delegated authority to consider matters in relation to development contributions and to make recommendations to Council.

3. Recommendation

***THAT** the report Development Contributions Policy Review Statement (A1264142) be received;*

***AND THAT** the matter of the principles guiding the review of the Development Contributions Policy be considered by full Council on 20 November 2014 to enable statutory timeframes to be met.*

Recommendation to Council

***THAT** the principles guiding the review of the Development Contributions Policy be considered and that this direction be made publicly available by 1 December 2014.*

4. Background

4.1 The Local Government Act 2002 Amendment Bill (No 3) 2013 was passed in August this year and resulted in several changes to development contributions provisions in the Local Government Act 2002 (the Act).

4.2 Required changes to enable a process for the reconsideration of, or objection to, development contributions have already been incorporated into the existing Development Contributions Policy. The provision of

development agreements to encourage greater private provision of infrastructure has also been incorporated.

4.3 Amendments relating to the use of development contributions for reserves and community infrastructure do not apply to Nelson City Council as development contributions are not collected for these purposes under the existing policy.

4.4 There are, however, amendments that must be made to the Development Contributions Policy in relation to:

- a new purpose for development contributions, and principles to direct and guide their use;
- improving the transparency of the policy.

4.5 Officers are working with consultancy firm Rationale Ltd on the development of a draft Development Contributions Policy.

4.6 In October 2014, a two day workshop was held with Rationale Ltd involving Council officers, and a separate workshop was held with members of the development community.

4.7 Following these workshops, a proposed direction for the policy was prepared. This proposal is yet to be considered by elected members.

5. Discussion

Requirement to make intended amendments public

5.1 By 1 December 2014, Council is required, under clause 9(2) of Schedule 1AA of the Local Government Act 2002, to have prepared information on changes to development contributions that reflect the new purpose of development contributions (section 197AA) and development contributions principles (section 197AB). This information must be made publicly available.

5.2 A meeting has been organised between elected members and Rationale Ltd on 10 November to provide the necessary guidance on the direction of the draft Development Contributions Policy.

5.3 If the principles and direction of the draft policy are considered by a meeting of the full Council on 20 November, this will enable Councillors to provide guidance on the policy, and for statutory timeframes to be met. If instead the matter is considered by the next available Governance meeting on 4 December, then the statutory deadline will not be met.

5.4 Council officers will continue to work with Rationale Ltd, and with the development community, to ensure a collaborative approach to the policy development. The extent of this collaboration is limited to some degree by the requirement to meet statutory timeframes, however as

the policy will take place in stages, further discussions with interested parties will occur as the process continues.

5.5 A draft policy will be brought back to the Governance Committee at its meeting on 4 December and will subsequently be included in the draft Long Term Plan for consultation.

6. Options

6.1 Council is required to make amendments to its Development Contributions Policy. By 1 December 2014, it must publically release information about changes being made to comply with the amended principles and purpose under the Act (sections 197AA and 197AB).

6.2 There are no options about whether to make amendments or about making the policy intention public. There are options about whether to refer the proposed policy direction to a meeting of the full Council, however if this is not agreed to, Council will be in breach of statutory requirements.

7. Assessment of Significance against the Council's Significance Policy

7.1 This decision is not considered significant against the Council's Significance Policy.

8. Alignment with relevant Council Policy

8.1 The Local Government Act 2002 requires Council to make public its intention to amend the Development Contributions Policy, and what these amendments will be, by 1 December 2014.

9. Consultation

9.1 Consultation on this recommendation is not required.

10. Inclusion of Māori in the decision making process

10.1 Consultation with Maori on this recommendation is not required.

Susan Moore-Lavo
Policy Adviser

Nelson City Council
te kaunihera o whakatū

Governance Committee

6 November 2014

REPORT A1247915

Community Outcomes Descriptors

1. Purpose of Report

1.1 To consider the descriptors that sit below the Regional Community Outcomes and recommend these to Council for inclusion in the Long Term Plan 2015-25.

2. Delegations

2.1 Council's Governance Committee has the delegated power to consider these community outcomes in its role of co-ordination and development of all policies specified in the Local Government Act 2002 for Annual Plan and Long Term Plan development.

3. Recommendation

THAT the report Community Outcomes Descriptors (A1247915) and its attachment (A1250263) be received.

Recommendation to Council

THAT the descriptors explaining the Community Outcomes be adopted for inclusion in the Long Term Plan 2015-25.

4. Background

4.1 On 28 August 2014, Council approved eight Regional Community Outcomes which had been jointly developed by councillors representing Nelson City Council and Tasman District Council.

4.2 The two Councils will share these regional outcome statements, but each Council is developing its own text for describing how these are interpreted for its own community.

4.3 At a Council workshop on 11 September 2014, the text describing the outcomes for Nelson City Council was discussed. Suggested changes were incorporated and further feedback was invited.

4.4 The Regional Community Outcomes and the Nelson specific descriptors which sit below them will form part of the Long Term Plan.

5. Discussion

5.1 Attachment 1 of this report sets out the adopted regional community outcomes, and the Nelson City Council specific text below.

5.2 This text predominantly reflects the outcomes that were developed in partnership with the community in 2006. There has been some rearrangement of details to fit into the Regional Community Outcomes framework. In addition, some text has been updated to reflect changes that have taken place since 2006. In particular, additional detail has been added to reflect the relationship between Council and Iwi.

6. Options

6.1 Council has adopted the Regional Community Outcomes for inclusion in the Long Term Plan. Council can make amendments to the content of the text which sits below, and explains, these regional outcomes.

7. Assessment of Significance against the Council's Significance Policy

7.1 This decision is not considered significant under the Council's Significance Policy.

8. Alignment with relevant Council Policy

8.1 Council has already adopted the Regional Community Outcomes. The attached document describes how Nelson City Council will work toward achieving these regional outcomes within its community.

8.2 These descriptors are based on the community outcomes which were developed in consultation with the community in 2006, and also reflect each of the goals of Nelson 2060.

9. Consultation

9.1 Prior to recent amendments to the Local Government Act 2002, outcomes were community driven. Now they describe outcomes the Council can, and will aim to, achieve. The outcomes will form part of the Long Term Plan but are not specifically required to be consulted on before being adopted, however the outcomes will be included in the Long Term Plan Consultation Document.

Susan Moore-Lavo
Policy Adviser

Attachments

Attachment 1: Nelson City Council Community Outcomes A1250263

Attachment 1:

Nelson City Council Community Outcomes Descriptors

Our unique natural environment is healthy and protected.

- We treasure, protect and restore the special places, landscapes, native species and natural ecosystems of Nelson.
- Natural biodiversity is widely understood and valued.
- Introduced species have a place, and pests are controlled.
- Open spaces are linked and productive land is protected.
- The intergenerational kaitiakitanga (guardianship) of tangata whenua iwi is recognised; the community understands the concept and are involved in caring for ngā taonga tuku iho (treasure of the ancestors).
- Nelson is a place where everyone can enjoy the natural environment while it is protected for the future.
- We recognise the importance of a healthy environment for tourism, and minimise the impacts of human activities on the environment.

Our urban and rural environments are people-friendly, well planned and sustainably managed.

- Urban and rural areas are designed to be child-, family- and people-friendly.
- We think and plan regionally and act locally within that context.
- Attractive, safe, accessible and walkable 'city villages' provide for people of all ages and abilities through good urban design.
- There is a full range of affordable, healthy, attractive and energy-efficient housing and community facilities with more intensification in urban areas and a clear urban/rural boundary.

Our infrastructure is efficient, cost effective and meets current and future needs.

- We have good quality, sustainable, integrated, affordable and effective public transport, infrastructure, energy-use and transport networks.
- Waste and pollution are minimised so we have clean water, clean seas, clean air, and healthy flora, fauna and soils.
- Growth is well managed and there is little waste or pollution.
- We are proud of our developing cycleway network.

Our communities are healthy, safe, inclusive and resilient.

- We are a tolerant, supportive and diverse community.
- Māori culture and tikanga (traditions) are acknowledged as taonga (treasure) that represent our regional uniqueness.
- We take pride in the warm welcome we give to visitors and new arrivals (manaakitanga).
- Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income.
- We nurture our young people so Nelson is a safe and healthy place for everyone to grow up and live.
- We have adequate policing and well-designed public spaces providing a feeling of safety and security in our homes and communities.
- There is more attention to health promotion with quality primary and secondary health care accessible to all.
- We are a resilient community, able to cope with disasters or emergencies.

Our communities have opportunities to celebrate and explore their heritage, identity and creativity.

- We are proud of our region, our communities and our diverse heritage.
- We have a strong sense of community, enhanced by activities, festivals, events and celebrations that reflect our distinct environment and people.
- We celebrate and acknowledge our heritage and our history and how that contributes to our distinctive identity.
- We tell our whakapapa (history) in an honest way and acknowledge the lesson that history has taught us.
- We reflect and celebrate our progress as a community.
- We value and support those things that make Nelson special and unique – our Maori history, our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere.
- There is a wide range of arts opportunities for everyone to take part in.

Our communities have access to a range of social, educational and recreational facilities and activities.

- We have a good range of sports and recreation facilities for all ages, including youth and older residents. We protect, enhance and interpret Nelson's human heritage and historic sites.

- There is a wide range of recreation, educational and leisure opportunities for everyone to take part in.
- We have high quality and accessible recreation, education, health and community facilities.
- We support and encourage all culturally diverse groups to demonstrate their unique recreational activities to the wider community.

Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.

- We work together as a region, think of the generations that will follow and listen to the full range of views.
- Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain.
- Leaders consult with and understand their communities and work for the good of all, including the wider region.
- Our leaders inspire respect, take responsibility for their decisions and act to improve the big issues facing our community.
- All sectors of the community and region work effectively together.
- We support and mentor our youth to become the leaders of the future.

Our region is supported by an innovative and sustainable economy.

- We all participate in the regional economy and it meets people's needs.
- We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Nelson.
- We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses.
- We enjoy high quality employment, education and training opportunities.
- Small, locally-owned businesses are an essential part of the community and central city.
- We encourage appropriate new investment into our community.
- Our youth can live, learn and work in Nelson.
- We invest in skills development and our people so we can enjoy balanced and healthy lives.
- We recognise, support and celebrate innovation and achievement.

Nelson City Council
te kaunihera o whakatū

Governance Committee

6 November 2014

REPORT A1262170

Adoption of the Significance and Engagement Policy

1. Purpose of Report

1.1 To consider the Significance and Engagement Policy and make a recommendation to Council.

2. Delegations

2.1 The Governance Committee has responsibility for the co-ordination and development of all policies specified in the Local Government Act 2002 for Annual Plan and Long Term Plan development.

3. Recommendation

THAT the report Adoption of the Significance and Engagement Policy (A1262170) and its attachments (A1262973, A1241702 and A1264506) be received;

Recommendation to Council

THAT the Significance and Engagement Policy be adopted.

4. Background

4.1 Recent amendments to the Local Government Act 2002 (the Act) require local authorities to develop a Significance and Engagement Policy, pursuant to section 76AA of the Act, by 01 December 2014. This policy extends the Significance Policy previously required by the Act.

5. Discussion

Community Consultation on the Draft Policy

5.1 Council was briefed on the requirements of the Act with regard to the new Significance and Engagement Policy at a workshop on 24 June 2014 and provided feedback to officers on the broad direction the policy should take. A further workshop on 11 September 2014 considered and provided guidance to officers on some of the key issues under the new policy such as the appropriate list of strategic assets.

5.2 On 25 September 2014, the Governance Committee met and considered the draft Significance and Engagement Policy and agreed that the community be consulted on its content. The report considered by the Committee at this time is attached (Attachment 2).

5.3 The community was advised of the draft policy and invited to make submissions, through advertisements in the Nelson Mail and Live Nelson, through direct email contact to sector groups, and by a notice in Volunteer Nelson's weekly newsletter. Iwi representatives were also contacted. Copies of the draft policy were made available at the Nelson libraries, the Nelson City Customer Service Centre, and online on the Nelson City Council website.

5.4 Three submissions were received on the policy and these are summarised in Attachment 3. Comments from submissions included the following:

Submission 1: Brian Mills

Establishing "Significance" is a contestable level of importance that both the senders and the receivers of the subject matter will have different values as to their view of that subject's greater or lesser significance. In decision making keeping that "value" fluid and flexible is important. One of Councils prime functions is "engaging" at all levels with the work and business of the city, and it is encouraging to see the focus and discussion on this broader approach... information and opinion sharing is the oil that keeps the community engine room running smoothly. More is best. If in doubt... do it!

Submission 2:Bicycle Nelson Bays (Chris Allison)

We submit that Council needs to adapt its engagement with user groups like BNB in order to allow for a more timely and constructive process of contribution to Council planning and design. Doing so will accommodate the requirements of both existing Council goals around levels of service and safety, but also pending requirements regarding perceptions of cycling safety and satisfaction with cycling facilities.

Submission 3: Ngati Koata Trust (Matt Hippolite)

[Section 9] needs amendment: Engagement with Iwi
The Council will honour all engagement processes, agreements and memorandums of understanding developed with iwi/Maori as they relate to its decision-making policies. It will also take into account its obligations as outlined under the ~~Resource Management and Local Government Acts~~ Te Tau Ihu Claims Settlement Act 2013.

5.5 Comments in submissions 1 and 2 do not require an amendment to the policy as their message is consistent with the intent of the policy. Submission 1 supports the broader approach of the policy. Submission 2 has specific concerns about Council's engagement on cycling projects but does not propose any changes to the policy.

5.6 Submission 3 suggests that a reference be made to Te Tau Ihu Claims Settlement process and this seems appropriate. Previously, the policy referenced obligations under the Resource Management and Local Government Acts. Te Tau Ihu Claims Settlement Act 2013 encompasses both the RMA and LGA, along with other applicable legislation. Officers recommend that section 7 called "Engagement with Iwi" be amended in the draft policy to the following:

Council will take into account its obligations as outlined under legislation including Te Tau Ihu Claims Settlement Act 2013 and all other relevant Acts. Council will also take into account National Policy Statement Frameworks, and will honour all engagement processes, agreements and memorandums of understanding developed with Maori as they relate to its decision-making processes.

6. Options

6.1 The Local Government Act 2002 Amendment Bill requires that Councils adopt a Significance and Engagement Policy by 01 December 2014.

6.2 There are no options in relation to whether or not a Significance and Engagement Policy is adopted, however there are options about the content of that policy. Officers recommend the draft policy be amended to reflect community feedback as per section 5 above.

6.3 If Council chooses to make more substantial changes to the policy at this stage, while a second consultation would not be required under legislation, this might be considered preferable by Council. This would mean that the timeframe for adoption of the policy would be outside the timeframe required by the legislation.

7. Assessment of Significance against the Council's Significance Policy

7.1 This decision is not significant in terms of Council's Significance Policy.

8. Alignment with relevant Council Policy

8.1 The adoption of a Significance and Engagement Policy is required under the Local Government Act 2002 and must be summarised as part of the Long Term Plan 2015-25.

8.2 The Significance and Engagement Policy aligns with the Nelson City Community outcomes (Outcome 6: Good Leadership), and with Nelson

2060 (Goal 1: We are all leaders across our community and Goal 2: We are all able to be involved in decisions).

9. Consultation

9.1 The Significance and Engagement Policy was consulted on over a three week period. The public was advised of the opportunity of providing feedback in various ways, with sector organisations directly advised of the content of the policy.

10. Inclusion of Māori in the decision making process

10.1 Iwi were directly contacted about the Significance and Engagement Policy. Comments made in response have been incorporated in the attached document (Attachment 1).

11. Conclusion

11.1 Officers recommend the policy, as amended following community consultation, be approved by the Governance Committee and referred to Council for adoption.

11.2 Once adopted by Council, the Significance and Engagement Policy will govern Council decision making from the date of that adoption.

Susan Moore-Lavo
Policy Advisor

Attachments

Attachment 1: Significance and Engagement Policy 2014 A1262973

Attachment 2: Report: Draft Significance and Engagement Policy A1241702

Attachment 3: Submissions on Draft Significance and Engagement Policy A1264506

Nelson City Council
te kaunihera o whakatū

SIGNIFICANCE AND ENGAGEMENT POLICY

1. Purpose

1.1 This Significance and Engagement Policy lets both Council and the community identify the degree of significance attached to particular decisions, to understand when the community can expect to be engaged in Council's decision making processes, and know how this engagement is likely to take place.

2. Introduction

2.1 The Local Government Act 2002 states that one role of a Council is to enable democratic local decision-making and action by, and on behalf of, communities. This Policy explains how Council will decide the level of significance that a matter has, the types of matters where the community will be involved in the decision-making process and when the community can expect Council to make a decision on its behalf.

2.2 There are many informal ways that Council engages with the community during its everyday business which helps to inform it on community views. There are also decisions that a Council must make which require a more structured form of engagement. This is because of the importance that a matter has within the wider community, or for groups within the community.

2.3 The first part of this policy sets out how Council will decide whether or not a matter is "significant". The second part of this policy sets out when and how the community's views will be heard on these significant, and other, matters.

3. Determining Significance

3.1 Local authorities must make decisions about a wide range of matters and most will have a degree of significance, but not all issues will be considered to be "significant". An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs.

3.2 Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- Whether the asset is a strategic asset as listed in schedule two of this policy;
- The impact on levels of service provided by Council or the way in which services are delivered;
- The degree of impact on Council's debt or the level of rates it charges;
- Whether the decision is reversible and the likely impact on future generations;

- The impact on the community, how many people are affected and by how much;
- Whether the decision or action flows from, or promotes, a decision or action that has already been taken by Council or furthers a community outcome, policy or strategy;
- Is there a past history or reasonable expectation of the issue generating wide public interest within the district.

It may be that only one of the criteria applies, but to such a high degree that the decision will be considered "significant". Conversely, several criteria may be applicable, but to only a low degree, and therefore will be considered to have a lower level of significance. Each decision will involve staff making an assessment for consideration by elected members. Schedule one of this policy sets out how the criteria will be used to assess significance.

4. Community Engagement

4.1 The ways engagement can take place are varied and will be in proportion to the significance of the matter being considered.

Special Consultative Procedure

4.2 There are still situations where the Special Consultative Procedure must be used under the Local Government Act 2002:

- Adoption or amendments to the Long Term Plan;
- Adoption or amendment to a significant bylaw;
- Transfer of ownership of a significant strategic asset;
- Changes to financial policies.

4.3 There are also statutes which require the special consultative procedure to be followed in specified situations including:

- Resource Management Act 1991;
- Rating Powers Act 1988;
- Building Act 1991;
- Sale and Supply of Liquor Act 2012;
- Psychoactive Substances Act 2013;
- Dog Control Act 1996;
- Waste Minimisation Act 2008;
- Freedom Camping Act 2011;
- Land Transport Management Act 2003;
- Energy Companies Act 1992.

4.4 It is important to note that formal consultation using a special consultative procedure is a structured process outlined in legislation and supported by case-law. In other engagement processes, however, there are no explicit statutory or legal rules constraining or defining community engagement processes. The Local

Government Act 2002 has given local authorities the ability to determine this as appropriate for their communities.

Engagement on other matters

4.5 Outside of matters where it remains mandatory for a special consultative procedure to be undertaken, Council will determine the appropriate level of engagement on a case by case basis.

4.6 Council may decide that it will use a special consultative procedure if the matter is of high significance, or it may choose another form of appropriate consultation. In instances where significance is judged to be moderate, engagement with the community could involve consulting through an advisory committee or focus group, public meetings, or surveys.

4.7 When Council decides that a matter is of low to moderate significance, or in instances where it is considered that the views of the community are already known, it may make a decision on behalf of the community and then inform the community of the outcome. This may be, for instance, through publication on the Council website, in the local media, or other appropriate means.

5. Principles of Engagement

5.1 In any engagement process undertaken with the community, that engagement will be in proportion to the matter being considered. When any engagement takes place, other than simply providing information, we will:

- Seek to hear from everyone affected by a decision;
- Ask for views early in the decision making process so that there is enough time for feedback to be provided, and for this to be considered properly;
- Listen and consider views in an open and honest way;
- Respect everyone's point of view;
- Provide information that is clear and easy to understand;
- Consider different ways in which the community can share views with us;
- Ensure that the engagement process is efficient and cost effective.

6. Information requirements

6.1 Council will ensure that, when conducting any engagement or consultation process in relation to a significant decision, it provides:

- Clear information on what is being proposed and why it is being proposed;
- Sufficient information on which to provide meaningful feedback;
- The advantages and disadvantages of each option being considered;
- What impacts, if any, will occur if the proposal goes ahead;
- How the community can provide its views;
- The timeframe for completing the community engagement or consultation;
- How submitters and participants can learn about the outcome.

7. Engagement with Iwi

~~Council will honour all engagement processes, agreements and memorandums of understanding developed with iwi/Maori as they relate to its decision-making policies. It will also take into account its obligations as outlined under the Resource Management and Local Government Acts.~~

7.1 Council will take into account its obligations as outlined under legislation including Te Tau Ihu Claims Settlement Act 2013 and all other relevant Acts. Council will also take into account National Policy Statement Frameworks, and will honour all engagement processes, agreements and memorandums of understanding developed with Maori as they relate to its decision-making processes.

8. Definitions used in this policy

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant).
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Significance	As defined in Section 5 of the LGA 2002 *in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:* *(a) The district or region* *(b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter* *(c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.*
Strategic Asset	As defined in Section 5 of the LGA 2002 *in relation to the assets held by the local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes* *9. Any asset or group of assets listed in accordance with section 90(2) by the local authority; and* *(d) Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and* *(e) Any equity securities held by the local authority in* *I. A port company within the meaning of the Port Companies Act 1988*

	II. An airport company within the meaning of the Airport Authorities Act 1966.

SCHEDULE ONE: ASSESSING SIGNIFICANCE AGAINST CRITERIA

Criteria	Higher Significance	Lesser Significance
Change in levels, or delivery, of service provided by Council.	There is a major and/or long term change to services.	There is a medium to low level of change to services.
Level of financial impact.	There is a major and long term financial impact.	There is a medium to low level of impact.
Impact on the community.	The decision would have a major impact on sections or all of the community.	The impact on the community is medium to low.
Decision involves a "strategic asset" as listed in this policy.	The decision involves the sale or transfer of more than 20% of a strategic asset.	The decision does not impact on the Council's ownership of the asset.
Impact on Council debt or level of rates.	The impact is major and/or long term on either debt levels or rates.	The impact is of a medium to low level
Reversibility of decision.	The decision is irreversible and would impact negatively on future generations to a high degree.	The decision is not irreversible, or if it were, the impact on future generations would not be high.
Building on previous decisions.	The matter is considered to be significant by other criteria, and has not been previously consulted with the community.	The decision or action is consequential to, or promotes, a decision or action already taken by Council or the views of the community on this matter are already known.
Historic interest.	There is a history of the matter generating wide and intense public interest and a reasonable expectation that this will again be so.	There is no history of the matter generating widespread interest.

SCHEDULE TWO: LIST OF STRATEGIC ASSETS

The Local Government Act 2002 definition of a strategic asset is outlined in the Significance and Engagement Policy.

The list of assets outlined below are considered to be "strategic assets", however not all decisions made regarding them will be significant. For example, the road network is strategic but the purchase or sale of small land parcels that make up the network may not amount to a significant decision.

- Water supply catchments and supply network as a whole;
- Wastewater network as a whole;
- Stormwater and flood protection network as a whole;
- Land transport network as a whole;
- Ownership of community housing;
- Ownership in the Nelson Airport Company;
- Ownership in the Nelson Port Company;
- Ownership of Nelmac Ltd.

Nelson City Council
te kaunihera o whakatū

Governance Committee

25 September 2014

REPORT A1241702

Draft Significance and Engagement Policy

1. Purpose of Report

1.1 To consider a draft Significance and Engagement Policy and approve it for consultation with the community.

2. Delegations

2.1 The Governance Committee has responsibility for the co-ordination and development of all policies specified in the Local Government Act 2002 for Annual Plan and Long Term Plan development.

3. Recommendation

THAT the report Draft Significance and Engagement Policy (A1241702) and its attachments (A1245401 and A1243347) be received;

AND THAT the content of the draft Significance and Engagement Policy is approved for consultation as outlined in this report.

4. Background

4.1 Recent amendments to the Local Government Act 2002 (the Act) require local authorities to develop a Significance and Engagement Policy, pursuant to section 76AA of the Act, by 01 December 2014. This policy extends the Significance Policy previously required by the Act.

5. Discussion

Content of the policy

5.1 Local authorities are required to adopt a Significance and Engagement Policy that sets out:

(a) *That local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and*

(b) *Any criteria or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions or activities are significant or may have significant consequences; and*

(c) *How the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and*

(d) *How the local authority will engage with communities on other matters.*

5.2 A draft Significance and Engagement Policy is attached to this report (Attachment 1).

5.3 The policy requires local authorities to make an assessment of the "degree of significance" that any matter has, as opposed to whether or not a matter is or is not "significant". Once that degree of significance has been determined the type and level of engagement will be considered.

5.4 Two key aspects of the legislative changes, and the policy, are that engagement should be in proportion to the significance of the decision being made, and that community preferences for engagement should be taken into account.

5.5 Some matters will still require the formal special consultative procedure. These are:

- Adoption or amendments to the Long Term Plan
- Adoption or amendment to a significant bylaw
- Transfer of ownership of a significant strategic asset
- Changes to financial policies.

5.6 For other matters, the local authority has the discretion to determine what type of engagement will take place. In some instances where a matter is considered to have a high degree of significance, a formal consultation process may be held with submissions and hearings. In other instances, a range of levels and types of engagement will be considered to be more appropriate.

6. Strategic Assets

6.1 The Significance and Engagement Policy is required to contain a schedule of "Strategic Assets". These are defined under the Local Government Act 2002 as follows:

An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community.

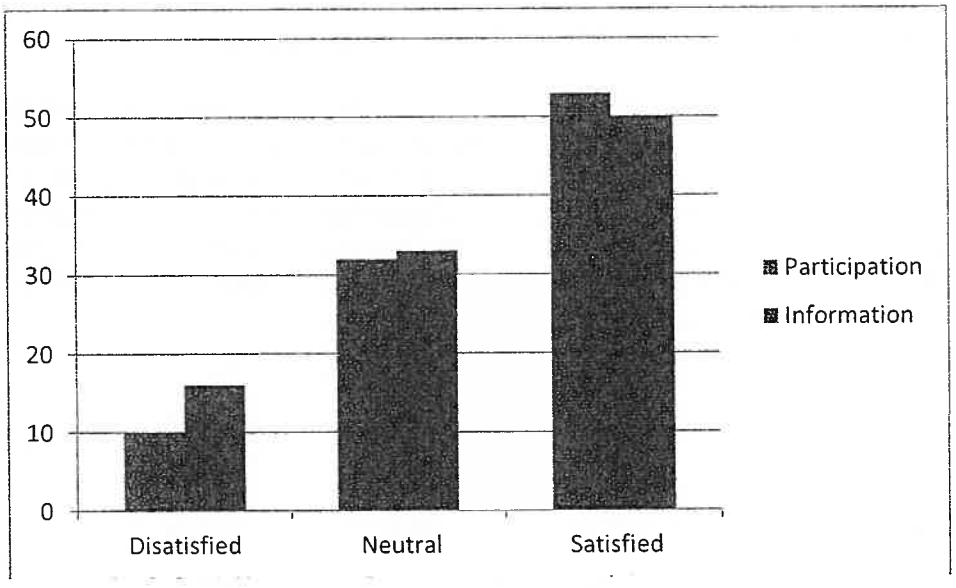
6.2 Attachment 2 of this report includes a list of strategic assets listed in the current Significance Policy alongside those proposed to be listed in the draft Significance and Engagement Policy.

7. Community Engagement for development of policy

7.1 The Local Government Act 2002 states that community consultation (following principles outlined in the Act) must be undertaken in adopting this policy unless the local authority has reasonable grounds to consider that the views and preferences of the community about significance and engagement are already known. If consultation is undertaken, the local authority has the discretion to decide what form that consultation will take.

7.2 This policy builds on and extends the existing Significance Policy contained in the Long Term Plan 2012-22. While there are some changes to how Council will assess significance, these changes are not extensive. A comparison of criteria from the existing Significance Policy alongside the proposed criteria for the new Significance and Engagement Policy is outlined in Attachment 2.

7.3 The Residents Survey 2014 asked respondents how satisfied they were with opportunities to provide feedback to Council and to take part in decision making. They were also asked how informed they felt they were about Council's activities.



Graph one: Residents Survey 2014 relating to levels of satisfaction about opportunities for providing feedback to, and receiving information from, Council.

7.4 This year, 53% said they were either satisfied or very satisfied with their opportunities to participate in decision making and providing feedback, and 50% said they either felt informed or very informed about Council activities.

7.5 Only 10% said they were dissatisfied with opportunities to provide feedback, and 3% said they were dissatisfied with the level of

information they received. As the graph shows, there are a large number of people who were neutral on these matters.

7.6 These figures are similar to those of the 2012 Residents Survey[1] and indicate that the level of engagement with the community on Council matters is meeting the expectation of most people. There is a small percentage of people who expressed a level of dissatisfaction but it is unclear whether in relation to opportunities to participate, residents felt the opportunities were too many or too few.

7.7 While the results from residents' surveys do give a good indication of the views and preferences of the community, given that there are changes proposed to the list of strategic assets it is felt that consultation would be appropriate. It is recommended that Council undertakes engagement with the community on this draft Significance and Engagement Policy over a three week period between 26 September and 17 October. This will enable consideration of community feedback and any resulting proposals to change the policy to be considered by the Governance Committee at its meeting on 6 November, before final approval by Council on 20 November.

7.8 It is recommended that engagement be by way of public notice in the Nelson Mail and Live Nelson, and on Nelson City Council's website. Council staff attending community meetings will also bring the process to the attention of attendees. The community will be advised of where copies of the draft policy can be accessed, how to provide feedback, and how to find out about the outcome of the process.

7.9 The length and type of engagement is recommended because the content of the policy does not reduce opportunities for community engagement, and uses criteria similar to that already used in assessing significance. The new engagement principles will result in more targeted engagement. Council also has a level of assurance, through the results of the recent residents' survey, that its current level of engagement is meeting community expectation.

[1] Residents Survey 2012: 61% satisfied with opportunities to participate, 5% dissatisfied, and 25% neutral; 64% felt well informed, 10% felt they were not informed, and 22% were neutral. The reduced numbers of satisfied respondents corresponds with an increase in those with no opinion on these questions.

8. Options

8.1 The recent amendments to the Local Government Act 2002 require that local authorities adopt a new Significance and Engagement Policy by December 2014. There are no options as to whether or not a policy is adopted.

8.2 There are options about the content of the policy. Any changes by Council can be incorporated prior to a draft policy being made available for community feedback.

9. Assessment of Significance against the Council's Significance Policy

9.1 This policy is not considered to be significant when assessed against the current Significance Policy.

10. Alignment with relevant Council Policy

10.1 The adoption of a Significance and Engagement Policy is required under the Local Government Act 2002 and must be summarised as part of the Long Term Plan 2015-25.

11. Consultation

11.1 It is recommended that the community is provided with information about the proposed policy, and given a three week period for providing feedback as outlined above.

12. Inclusion of Māori in the decision making process

12.1 Consultation with Maori will take place as part of community engagement on the policy.

Susan Moore-Lavo
Policy Adviser

Attachments

Attachment 1: Draft Policy on Significance and Engagement (A1245401)

Attachment 2: Summary of key points in draft policy (A1243347)

SUBMISSION RECEIVED: DRAFT SIGNIFICANCE AND ENGAGEMENT POLICY

SUBMISSION ONE

Full name: *

Brian Mills

Daytime phone: *

545 8102

Address: *

16/ 115 Grove Street

Organisation represented (if applicable):

My feedback/submission is: *

Establishing "Significance" is a contestable level of importance that both the senders and the receivers of the subject matter will have different values as to their view of that subjects greater or lesser significance . In decision making keeping that "value" fluid and flexible is important . One of Councils prime functions is "engaging "at all levels with the work and business of the city , and it is encouraging to see the focus and discussion on this broader approach .... information and opinion sharing is the oil that keeps the community engine room running smoothly. More is best. If in doubt ..do it !

Upload feedback/submission or supporting documents (if applicable):

Do you wish to be heard in support of your submission?

No

SUBMISSION TWO

DRAFT POLICY ON SIGNIFICANCE AND ENGAGEMENT - Bicycle Nelson Bays Submission

17 October 2004

Bicycle Nelson Bays is a community group representing a wide section of the Nelson population with an interest in cycling as a form of transport or recreation. BNB regularly submits to Council on draft annual and long term plans, and on other Council plans and strategies.

Much of BNB's long-standing relationship with Council involves engagement rather than formal consultation. This has generally occurred on a project-by-project basis in relation to planning and design issues for a particular roading or cycle specific infrastructure project. This working relationship took a more formal form for a period recently when Council established a temporary Active Transport Advisory Group, an initiative which enabled Council to draw on BNB's input as it refined the Walking/Cycling/Schools package of infrastructure projects associated with NZTA-allocated R-funding.

The last Council survey which measured involvement in cycling showed 45% of respondents owned and used a bike, and past SportNZ and NZ Census data indicates very high levels of active recreational and utility cyclists within Nelson. Because of this participation in cycling-related activity, the impact of Council decisions regarding relevant infrastructure is often significant across a wide sector of the community. In this respect, decisions about Council infrastructure has impacts on the level of service provided for cyclists that are both widespread in their scope and are measurable; measurable in that Council's stated objectives around safety and sustainable transport are directly affected by related decision-making.

Participation and Safety

Cycling surveys consistently state the number one reason people don't cycle, or don't let their children cycle, is they believe it is too dangerous. At the same time, there is good evidence that improving both the real and the perceived level of safety of cycling can be achieved by increasing participation in cycling. The decisions Council makes about transport infrastructure directly impact on the level of safety provided for cyclists as a vulnerable user category on Nelson roads. For this reason road engineering has an important role to play in improving our relatively high crash rates, but as the 'user number - user perceptions -infrastructure' connection outlined above indicates, the perception of the intended users is also critical.

The New Zealand Transport Authority has established a Cycling Safety Panel in response to a 2013 Coronial Inquiry which investigated 13 cycling fatalities over 2012. The Coronial Inquiry concluded that work needed to be done to investigate ways in which cycling on New Zealand roads could be made safer. The Panel, which is composed of ten experts in the fields of cycling, transport and human behaviour, has made a series of draft recommendations which will impact directly and indirectly on Road Controlling Authorities such as Nelson City Council. Some of these relate to specific areas of focus for road and infrastructure design, but others deal with gathering and applying qualitative and quantitate user data, including user and potential user perceptions.

These requirements will reinforce the need for Council to engage with user representatives, both to capture quantitate user data, but also to ensure that a critical element in meeting Council and NZTA objectives - increased participation and safety - are achieved. As the Safety Panel has determined; "to see material increases, **people need to feel safer** than is currently the case" (CYCLING SAFETY PANEL DRAFT REPORT AND RECOMMENDATIONS, 25 SEPTEMBER 2014, CONSULTATION DOCUMENT, NZTA, emphasis in original).

Council decision-making which is independent of user perception and input has in the past, and will in future, result in infrastructure that negatively impacts on either real or perceived safety for cyclists (or potential cyclists). For planning and financial reasons the results of this decision-making are sometimes irreversible, or are reversible but at significant financial cost.

Our experience is that internal Council processes and the application of recent changes in local government legislation have resulted in an inhibition or obstruction of ongoing informal engagement by staff with BNB as a cycling user group over the critical phase of infrastructure design and development. This is a costly and negative development for Council because it is over this phase that user feedback can still be effectively and usefully incorporated. Once staff reports go before council and are more widely released to the public, the incorporation of improvements or the elimination of errors or omissions in design can become difficult or effectively impossible.

We submit that Council needs to adapt its engagement with user groups like BNB in order to allow for a more timely and constructive process of contribution to Council planning and design. Doing so will accommodate the requirements of both existing Council goals around levels of service and safety, but also pending requirements regarding perceptions of cycling safety and satisfaction with cycling facilities.

If there is an option to speak to this submission we would like to take that opportunity.

Thank you.

Chris Allison

for

Bicycle Nelson Bays

SUBMISSION THREE

From: Matt Hippolite | Ngati Koata Trust [mailto:projects@koata.iwi.nz]
Sent: Monday, 29 September 2014 9:32 a.m.
To: Geoff Mullen
Subject: RE: Significance and Engagement Policy - please distribute

And the Marine and Coastal Areas Act, etc, etc. In fact there are a number of "Protocol" and "Acts" referred to in the Te Tau Ihu Claims Settlement Act 2013 that pertain to local government.

Maybe if it said something like:

Engagement with Iwi

The Council will honour all engagement processes, agreements and

memorandums of understanding developed with iwi/Maori as they relate to its

decision-making policies. It will also take into account its obligations as outlined in the Te Tau Ihu Claims Settlement Act 2013 and all other relevant Acts as determined by.

Naku noa, na

Matt Hippolite

Ngati Koata Trust

..2(1) of the Reserves Act 1977 advisory committee means the...

..2) of the Resource Management Act 1991 aquatic life has the...

..2(1) of the Conservation Act 1987 commercial property means a...

..section 2 of the Land Act 1948 consent authority has the...

..1) of the Resource Management Act 1991 conservation land means land...

..conservation legislation means the Conservation Act 1987 and the Acts listed in Schedule 1 of that Act conservation managemer

..2(1) of the Conservation Act 1987 conservation management strategy has...

..2(1) of the Conservation Act 1987 conservation protocol— (a) means...

..1) of the Public Finance Act 1989; and (b) for the...

..1) of the Crown Entities Act 2004); and (b) a State...

..of the State-Owned Enterprises Act 1986); and (c) the New...

..1) of the Crown Minerals Act 1991)— (a) that is the...

..10 or 11 of that Act; or (b) over which the...

..jurisdiction under the Continental Shelf Act 1964 cultural redress property has...

..Te Tau Ihu Claims Settlement Act 2013; or (ii) for Ngati...

..Te Tau Ihu Claims Settlement Act 2013 deferred selection property means...

..2(1) of the Conservation Act 1987 Historic Places Trust means...

..38 of the Historic Places Act 1993 historical claims has the...

..1) of the Local Government Act 2002 member, for a settlement...

..2 of the National Parks Act 1980 New Zealand Transport Agency...

..of the Land Transport Management Act 2003 overlay classification has the...

..2 of the Public Works Act 1981 regional council has the...

..1) of the Resource Management Act 1991 Registrar-General means the...

..4 of the Land Transfer Act 1952 related company has the...

..2(3) of the Companies Act 1993 related settlement iwi has...

..any person (including any trustees) acting for, or on behalf of...

..1) of the Resource Management Act 1991 responsible Minister means,— (a...

..43AA of the Resource Management Act 1991); and (b) includes a...

..by section 43AAC of that Act) subsidiary has the meaning given...

..section 5 of the Companies Act 1993 taonga tūturu— (a) has...

..1) of the Protected Objects Act 1975; and (b) includes ngā...

..section 2(1) of that Act) taonga tūturu protocol— (a) means...

Kia ora Matt ,

yes you are right but I don't think we should take the other two out and maybe we should add " and the National Policy statement frameworks.

Mauri ora

Geoff

From: Matt Hippolite | Ngati Koata Trust [mailto:projects@koata.iwi.nz]
Sent: Friday, 26 September 2014 3:34 p.m.
To: Geoff Mullen
Subject: FW: Significance and Engagement Policy - please distribute

Kia ora Geoff,

This section needs amendment:

Engagement with Iwi

The Council will honour all engagement processes, agreements and

memorandums of understanding developed with iwi/Maori as they relate to its

decision-making policies. It will also take into account its obligations as outlined

under the ~~Resource Management and Local Government Acts~~ Te Tau Ihu Claims Settlement Act 2013.

Naku noa, na

Matt Hippolite

Ngati Koata Trust

Nelson City Council
te kaunihera o whakatū

Governance Committee

6 November 2014

REPORT A1258529

Nelson Enterprise Loan Trust Interest Free Loan

1. Purpose of Report

1.1 To consider whether to continue the interest free loan to the Nelson Enterprise Loan Trust.

2. Delegations

2.1 The governance committee has the responsibility to monitor Council's financial and service performance and make recommendations to Council.

3. Recommendation

THAT the report Nelson Enterprise Loan Trust Interest free loan (A1258529) and its attachments (A1251733, A1261929, A1262026) be received;

Recommendation to Council

THAT the interest free loan to Nelson Enterprise Loan Trust be rolled for a further three years through to September 2017.

4. Background

4.1 Nelson Enterprise Loan Trust (NELT) was established in 1997 and provides seeding loans of up to $20,000 for start up and small businesses in the region with the objective of promoting employment opportunities in the Nelson region.

4.2 It can be very difficult for start up and small businesses to access loans. NELT meets this need and works closely with the Nelson Tasman Business Trust to provide an integrated package of support which includes business planning and ongoing mentoring.

5. Discussion

5.1 Council initially lent $10,000 to NELT when it was established in 1997 and advanced a further $15,000 in 2004. The most recent loan matured on 22 September 2014 and NELT has written to Council seeking a three year rollover.

5.1.1 To date NELT has made 228 loans valued at $1.815m. The loan repayment rate since NELT was established is 98.3%.

6. Options

6.1 Option 1: agree to renew the interest free loan for a further three year period. NELT can continue to make loans to start up and small businesses with the ongoing support of Council. Officers recommend this option.

6.2 Option 2 – decline to renew the interest free loan saving the council the interest cost of approximately $1,400.

7. Assessment of Significance against the Council's Significance Policy

7.1 This is not a significant decision in terms of the Council's Significance Policy.

8. Alignment with relevant Council Policy

8.1 Council's investment policy allows loans to assist community groups. The Long Term Plan assumes that this loan will continue.

9. Inclusion of Māori in the decision making process

9.1 Māori have not been consulted in this decision.

Nikki Harrison
Group Manager Corporate Services

Attachments

Attachment 1: Letter from Nelson Enterprise Loan Trust A1251733

Attachment 2: NELT Financial statements for year to 31 March 2014 A1261929

Attachment 3 Agreement between NELT and NCC September 2014 A1262026

Attachment 1

24 SEP 2014
COUNCIL

Nelson Enterprise LOAN TRUST

Phone/fax: (03)548 7284
Email: info@nelt.org.nz
Web: www.nelt.org.nz

284 Trafalgar St
P. O. Box 1487
Nelson

23rd September 2014

Clare Hadley
Chief Executive
Nelson City Council
P. O. Box 645
Nelson.

Dear Ms Hadley,

This is to advise that the Council's interest-free loan of $25,000 to the Nelson Enterprise Loan Trust came up for renewal on the 22nd September 2014.

As previously advised the details of the investment that are estimated to maturity are as follows:

Account name:	Nelson City Council
Account number:	810441
Maturity date:	22nd September 2015
Current balance:	$25,000.00

We wish to again thank the Council for supporting the **Nelson Enterprise Loan Trust's** commitment to providing a source of venture capital to ethical enterprises in the Nelson region, including those that have been unable to access mainstream funding.

To date NELT has made 228 loans valued at $1,814,785.91. Since 1997 when we began, we have achieved a loan repayment rate of 98.3%.

Yours sincerely,

Bruce Dyer

Bruce Dyer
(Manager)

NELT - retaining wealth regionally

Attachment 2

RECEIVED
15 ... 2014
NELSON CITY COUNCIL

NELSON ENTERPRISE LOAN TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2014

Nelson Enterprise Loan Trust
Financial Statements
For the Year Ended 31 March 2014

CONTENTS **PAGE**

Directory 1

Statement of Financial Performance 2

Statement of Movements in Equity 2

Statement of Financial Position 3

Notes to the Accounts 4

Audit Report 6

Nelson Enterprise Loan Trust
Directory
For the Year Ended 31 March 2014

Trading Name
Nelson Enterprise Loan Trust

Address
284 Trafalgar Street
Nelson

Auditors
Signal & Associates
PO Box 901
Nelson

Solicitors
McFadden McMeeken Phillips
PO Box 656
Nelson

Bankers
Nelson Building Society

Trustees
Glenys MacLellan (Chair)
Ian McLean
Peter Rigg
Trevor Houghton
Linda Liddicoat
Amy Cunningham

A1261929

Nelson Enterprise Loan Trust
Statement of Financial Performance
For the Year Ended 31 March 2014

	Notes	2014		2013
Revenue		$		$
Donations - Canterbury Community Trust		9,500		10,000
- Nelson Building Society		5,000		0
- Sundry		110		541
Interest Received		40,744		41,145
Other		1,541		1,042
Total Income			**56,895**	**52,728**
Less Expenses				
Administration		3,459		3,450
Audit Fees		1,265		1,150
Depreciation – per schedule	6	180		136
Interest Paid on Accounts		14,217		14,334
Professional Services		2,778		2,180
Promotion		1053		500
Rent		4,830		4,830
Bad Debt		323		9,489
Staff		33,563		33,349
Sundry Expenses		504		288
Total expenses			**62,172**	**69,706**
NET LOSS FOR YEAR			**- 5,277**	**-16,978**

Nelson Enterprise Loan Trust
Statement of Movements in Equity
For the Year Ended 31 March 2014

	Note	2014 $	2013 $
Equity at 1 April 2013		78,493	95,471
Net Loss for the year		- 5,277	-16,978
Total Recognised Revenue and Expenses		- 5,277	-16,978
EQUITY AT 31 March 2014		**73,216**	**78,493**

The accompanying notes and audit report form part of these financial statements.

Nelson Enterprise Loan Trust
Statement of Financial Position
As at 31 March 2014

	Note	2014 $		2013 $	
Current Assets					
Cash on Hand		20		50	
Cash at Bank – Nelson Building Soc.		13,960		16,374	
Term Deposits – NBS		198,000		305,740	
Loans Granted – due within 12 mos		104,671		88,374	
Provision for Bad & Doubtful Loans		-15,000		-15,000	
			301,651		395,538
Term Assets					
Loans Granted – due after >12 mos		150582		138,572	
Fixed Assets as per schedule		483		417	
			151,065		138,989
TOTAL ASSETS			**452,716**		**534,527**
Current Liabilities					
Accounts Payable		1882		2,636	
Investors Loans: Mature w'in 12 mos	7	264,184		318,812	
Funding in Advance				4,500	
Accrued Loan Interest		4,577		4,116	
			270,643		330,064
Term Liabilities					
Investors loans: Mature after 12mos	7	108,856		125,969	
			108,856		125,969
TOTAL LIABILITIES			**379,499**		**456,033**
Capital and Reserves					
Loan Pool Grants		75,125		75,125	
Retained Earnings		-1,908		3,368	
			73,217		**78,493**
TOTAL LIABILITIES & CAPITAL			**452,716**		**534,526**

Signed for and on behalf of the Board.

Trustee C J Mackell Trustee

The accompanying notes and audit report form part of these financial statements.

Nelson Enterprise Loan Trust
Notes to Financial Statements
For the Year Ended 31 March 2014

1. NATURE OF ACTIVITY
The Nelson Enterprise Loan Trust makes loans to small businesses and community organisations in the region covered by the Nelson City and Tasman District Councils, including those unable to access mainstream funding. The lending pool is resourced from both individuals and organisations that either invest with NELT or provide donations and/or grants to the Trust.

2. REPORTING ENTITY
The Nelson Enterprise Loan Trust is a not-for-profit Trust. Until 14 January 2011 it was registered with the Charities Commission. The Trust was removed from the Charities Register at their request under section 32 (1)(f) of the Charities Act 2005.

3. MEASUREMENT BASIS
The attached financial statements have been prepared in accordance with the general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis.

4. STATEMENT OF ACCOUNTING POLICIES

a. DIFFERENTIAL REPORTING
Nelson Enterprise Loan Trust qualifies for differential reporting in terms of the Framework for Differential Reporting issued by the Institute of Chartered Accountants of New Zealand, as there is no public accountability and the size criteria of the Framework has been met. All available differential reporting exemptions have been applied.

b. GOODS AND SERVICES TAX
Nelson Enterprise Loan Trust is not registered for GST. The financial statements have been prepared on a GST inclusive basis.

c. DEPRECIATION
Depreciation has been charged at the rates allowed by the Income Tax Act 2007. This method is considered appropriate to the business.

d. ACCOUNTS RECEIVABLE
Accounts Receivable are stated at their estimated net realisable value.

e. FIXED ASSETS
Fixed Assets are valued at cost price less accumulated depreciation to date.

f. INVESTMENTS
Investments are recorded at cost price with a provision for doubtful debts (refer policy 4(g)).

g. FINANCIAL INSTRUMENTS

The Trust recognises interest revenue on loans granted on a daily basis.

The Trust recognises both loans from Investors (liability account) and Bank Accounts (asset account) in the Statement of Financial Position at their fair value, being the balance of the funds invested including interest accrued to date.

The Trust recognises Loans Granted in the Statement of Financial Position at the book value of the loan balances (including accrued interest to date) less any provision for doubtful debts, which the Trustees may approve.

h. TAXATION
The Trust qualifies for a income tax deduction of $1,000 as a non-profit organisation.

5. TOTAL OPERATING REVENUE
Total operating revenue for the period was $56,895.

6. FIXED ASSETS

	Cost Price	Depreciation	Accum. Dep 31.3.14	Bk Value 31.3.14
Plant & Equipment	3,020	149	2,713	307
Furniture & Fittings	1095	31	919	176
	$4,115	**$180**	**$3,632**	**$483**

7. **Investors Loans** includes $125,993.97 from the Canterbury Community Trust at 3%. This is being repaid over 8 years from 20th December 2012 at the rate of $1,739.88 a month including interest.

8. CAPITAL COMMITMENTS
As at balance date there were no significant capital commitments.

9. CONTINGENT LIABILITIES
As at balance date there are no significant contingent liabilities.

10. EVENTS SUBSEQUENT TO BALANCE DATE
No events or transactions have occurred since balance date which would have a material effect upon the financial statements or which are of such significance as to require mention in the notes to the financial statements. There are no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Nelson Enterprise Loan Trust

Report on the Financial Statements

We have audited the financial statements of the Nelson Enterprise Loan Trust (the Trust) on pages 2 to 5, which comprise the statement of financial position as at 31 March 2014, and the statement of financial performance and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibilities for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Trust.

Opinion

In our opinion, the financial statements on pages 2 to 5 present fairly, in all material respects, the financial position of the Trust as at 31 March 2014 and its financial performance for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

Signal & Associates

SIGNAL & ASSOCIATES
20 August 2014
NELSON

Ph/Fx 03 5451423

P O Box 901 Nelson

Agreement between the Nelson Enterprise Loan Trust and the Nelson City Council September 2014

A. The Nelson City Council agrees to provide the Nelson Enterprise Loan Trust with an interest free loan of $25,000 for the three year period ending 30 September 2017.

B. The Nelson Enterprise Loan Trust will:

1. Provide a broad range of professionally administered seeding capital partnership packages that assist new and emerging businesses to achieve long-term success.

2. Achieve investment dividends for the benefit of the whole community, including skills and profits retained in the region, business skill development and provision of goods and services and employment opportunities.

3. Operate as a financially successful partnership between government, community organisations, and the private sector.

4. Provide Council with an annual report on the Trust's activities, including a summary of performance against objectives (financial and non financial).

Signed for and on behalf of: NELSON CITY COUNCIL	Signed for and on behalf of: NELSON ENTERPRISE LOAN TRUST
Chief Executive	Chairperson
_____	_____
Date_____	_____