

Rangitikei District Council

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Rangitikei
UNspoilt...

Strategic Planning & Policy Committee Meeting

Order Paper

Thursday, 28 July 2011
to follow Council meeting

Council Chamber, Rangitikei District Council
46 High Street, Marton

Website: www.rangitikei.govt.nz

Email: info@rangitikei.govt.nz

Chair
Cr A Watson

Deputy Chair
Cr M Jones

Membership
His Worship the Mayor
Councillors: R Aslett, J Byford, E Cherry, M Fox, S Harris,
D McManaway, S Peke-Mason, R Peirce, L Sheridan

Please Note: Items in this agenda may be subject to amendments or withdrawal at the meeting. It is recommended therefore that items not be reported upon until after adoption by the Council. Reporters who do not attend the meeting are requested to seek confirmation of the agenda material or proceedings of the meeting from the Chief Executive prior to any media reports being filed.



Rangitikei District Council

Strategic Planning & Policy Committee Meeting

Order Paper – Thursday 28 July 2011 – To follow Council

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The quorum for the Strategic Planning and Policy Committee is 6

At its meeting of 28 October Council resolved that 'The quorum at any meeting of a standing committee or sub-committee of the Council (including Te Roopu Ahi Kaa, the Community Committees, the Reserve Management Committees and the Rural Water Supply Management Sub-committees) is that required for a meeting of the local authority in SO 2.4.3 and 3.4.3.'

1 Apologies / Leave of Absence

2 Confirmation of order of business

Recommendation

That taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, be dealt with as a late item at this meeting.

3 Chair's report

A report will be tabled.

Recommendation

That the Chair's report to the Strategic Planning & Policy Committee meeting of 28 July 2011 be received.

4 Management report – July 2011

A report is attached.

File 5-EX-4

Recommendations

- 1 That the management report July 2011 be received.
- 2 That the additional expenditure of \$91,018 plus GST in 2011/12 for below-ground cover for infrastructure assets be approved.
- 3 That the 3.2% gap between the available cover in 2011/12 from the Local Authorities Protection Programme and the guaranteed cover from central government be accepted, conditional on a review being undertaken as part of the 2012/22 Long Term Plan.

5 Update on the 2012-22 Long-Term Plan (July 2011)

A report is attached.

File 1-LTP-8

Recommendation

That the report 'Update on the 2012-22 Long-Term Plan (July 2011)' be received.

6 Late items

7 New items proposed for future meetings

8 Next meeting

9 Meeting closed

Attachment 1



REPORT

SUBJECT: Management Report – July 2011

TO: Strategic Planning & Policy Committee

FROM: Clare Hadley, Chief Executive

DATE: 22 July 2011

FILE: 5-EX-4

1 Staffing

- 1.1 Ngaire Davison has transferred from her customer services position at Marton to accounts receivable/payable in the finance team.
- 1.2 Troy Ramsay, one of three Project Engineers in the Roothing team, resigned to take up a promotion at Palmerston North City Council. The vacancy has been advertised but no appointment has yet been made.
- 1.3 Leanne Roberts, Policy Analyst, has resigned to travel overseas. Leanne has given plenty of notice – she will not be leaving until September – and the position has been advertised.
- 1.4 Applications are currently being sought for a Customer Services Officer at Marton.
- 1.5 Finally, there are positions currently being advertised under Assets Shared Services which may contribute to Rangitikei District Council, but are primarily being driven to support Manawatu District.

2 Health and Safety

- 2.1 No issues to report.

3 Bulls and Districts Enterprises

- 3.1 The Mayor and councillors received a letter at their private addresses from Bulls & Districts Enterprise Association (Inc) dated 6 July 2011. This letter seeks a response from Council, but it has not been received at Council's offices. Accordingly, it is attached as appendix 1, and has been entered into Council's records system.

4 Insurance

- 4.1 The annual invoice from the Local Authorities Protection Programme (LAPP) for Council's infrastructure insurance has just been received. As forewarned, the cost for this insurance has risen very steeply: this year's premium (\$145,000

plus GST) is four times the amount billed to us last year (\$34,000 plus GST), reflecting the nervousness of overseas reinsurance. The cover is for 92% of the 40% that local government must insure: central government covers the remaining 60%. The small portion (3.2% of our total or \$1.8 million) left uninsured will be Council's risk for this year. The additional expenditure will impact on operation for the various water, wastewater and stormwater schemes: Council's approval for this amount of over-budget expenditure is required.

- 4.2 However, for this year, the short-term exposure is greater than \$1.8 million. If Rangitikei were to call on LAPP this year, the excess would be \$13 million. This is because the fund was exhausted after the Christchurch earthquakes and needs to be rebuilt. This is expected to take two years. LAPP remains the most viable way to insure the Council's below-ground assets, reflected in the scheme attracting several councils which previously had not been members. It is not proposed to seek additional short-term insurance to cover the excess nor the 3.2% gap noted in the previous paragraph. An earthquake of a scale affecting infrastructure in more than one of the District's main towns has an extremely low probability.
- 4.3 Council has also received the invoice for the second call for our share of the leaky homes issue from Riskpool. This is \$40,765 plus GST. There will be one more call (for an identical sum) at the beginning of next year and then the Council's liability is over. Council resigned from Riskpool in 2009: The current call relates to liabilities from before our resignation.
- 4.4 Council's main insurers, Aon, are due to advise this week the premium for Council's above-ground assets, and this information will be provided to the meeting. The Annual Plan included an additional provision (of \$22,150 plus GST) for the anticipated 50% increase in the material damage portion.

5 Revaluation

- 5.1 The revaluation of the District will start soon. It is a statutory requirement for this to be done at intervals no greater than three years: it was last done in 2008.
- 5.2 Council's contract with Quotable Value (QV) to undertake this work was rolled over in the expectation that there would have been a regional contract in place, for valuation services as well as a shared valuation database. However, this work (undertaken through MW LASS Ltd) has proven more complex than anticipated and negotiations are nearly complete for the shared database only. Such a database is critical for allowing other firms to compete with QV for the provision of valuation services. Achieving a joint arrangement in the region for contestable valuation services will take at least 18 months.
- 5.3 Discussions with QV on the terms to apply to Rangitikei are based on the desirability of being able to join in a shared arrangement after two years. This may prove to be a longer-term contract with a break provision. It is anticipated that the contract arrangements will be settled by the end of this month.

6 Consultation by the New Zealand Transport Agency (NZTA)

- 6.1 At last month's meeting, the Committee was alerted to further consultation to be undertaken by NZTA, particularly recalculating the 'base FAR' [Financial Assistance Rate]. To date the discussion document has not been released.

7 Joint tender for road inspections

- 7.1 This was noted in last month's report. There has been a delay in the process which has prevented a recommendation being made, however it is now anticipated that the quantum will be <\$100,000, and the matter will be able to be dealt with, within the Chief Executive's delegated authority.

8 Draft Regional Public Transport Plan 2011-2021

- 8.1 Horizons is currently consulting on this draft plan, with submissions closing 5 August 2011. It is intended to use some of the workshop time following the scheduled meetings on 28 July 2011 to consider the issues which Council will raise in its submission. A full copy of the draft plan is being distributed at the same time as this Order Paper.

9 Office of Treaty Settlements land at Robin Street, Taihape

- 9.1 At its meeting on 30 June 2011, Council considered the recommendation from the Taihape Community Board on the vacant land in Robin Street held by the Office of Treaty Settlements as a dog exercise area. Council agreed to confirm the recommendation following discussion with an approval by the Chair of Te Roopu Ahi Kaa. He recommended that the matter be taken up directly with the relevant iwi, subsequently identified as Ngati Tamakopiri. Discussions are under way.

10 Business Assist and HYPE update

- 10.1 This project commenced on 11 May 2011. It is a partnership between the Ministry of Social Development (which has provided the funding) and the Council (which provides in-kind support in terms of office space and associated facilities). It is a twelve-month contract. There are two inter-related programmes:

- 10.2 Business Assist - The objective of this programme is to support small local businesses to achieve the following:

- Increased annual turnover
- Develop or review business plan
- Review current infrastructure, marketing, systems and processes
- Create sustainable employment opportunities
- To create a happy and productive workforce
- A sustainable business

10.3 Key Activities

- Providing support and advice to a number of local business owners. Mindsets slowly changing but in general they're very passionate about their business and open to making small changes. This will come with trust and being able to see the results.
- Developing business opportunities with **Arahina – The Hidden Treasure:**
 - Training Institute – Carpentry/Youth/International – TESOL, Business Studies
 - Wedding, Conference and Function Centre
 - Accommodation – from Dorm rooms to Luxury boutique suites
 - Restaurant – Potential for hospitality training
- GHD or other central building to be developed into a 'Mini Mall'? Key is not to duplicate a service or product that is already being provided/delivered. Create a point of difference that will attract more people to shop in town.
- Working closely with Vision Manawatu to provide workshops for local business owners. Utilising workshops that Travis and Denise facilitate as well.
- Getting great support from Host Businesses who are willing to assist with up-skilling HYPE candidates and having an extra set of hands to help them out. Win/win situation.

10.4 HYPE – Helping Youth Prepare 4 Employment - The objective of this programme is to:

- recruit and support the personal and career growth of local youth;
- fine-tune existing skills and goals in preparation for employment
- create a career path that will encourage local youth to remain in the Rangitikei.

Total candidates who have participated	19
Paid Employment (Full, Part time, Temp)	7
Work Experience (Local Host Businesses)	5
Limited Services Volunteers	2
Job Search	5

11 Broadband

11.1 The schedule for the deployment of the Rural Broadband Initiative (RBI) through Telecom/Vodafone partnership has recently been announced. This nationwide contract has been targeted to provide fast fibre to 97% of rural schools and to deliver as many additional community connectivity benefits as possible. The following schools in the District will receive the fast fibre through the RBI:

	Proposed service date
Mangaweka School	Oct-11

Mataroa School	Nov-11
Huntley School (Marton)	Feb-12
Nga Tawa Diocesan School	Apr-12
South Makirikiri School	May-12
Te Kura o Ratana	Jun-13
Turakina School	May-13
Whangaehu School	Jul-13
Moawhango School	later
Rangiwaea School	later

- 11.2 The RBI does not cover most schools in Marton, or several schools “at the end of the line” i.e. very remote. Both these elements will be covered by further procurement processes to be announced in the next few weeks. The proposed service date for these two procurements is unknown at present but they are likely to be concurrent with the RBI.
- 11.3 The remote schools will be serviced through bespoke solutions to suit the particular circumstances (again expressions of interest will be assessed on the additional community connectivity benefits that will accrue from the school connection). This procurement process will be open to all service providers. At present, obtaining broadband in these remote areas has been mainly through local initiatives. Many farmers have already invested time and money in solutions to their connectivity, not least working with providers such as Inspire networks (using a low tech solutions such as series of wireless repeaters) and with Farmside (through high tech solutions by investment in satellite technologies). Some of these existing services may be “built over” by the new services but will potentially improve the choice available to customers in these remote areas.
- 11.4 The schools in Marton will be connected through a contract that will cover the gaps between urban and rural broadband initiatives (known as Zone 3 schools). This Zone 3 contract will be open to regional expressions of interest i.e. more than one contract may be awarded nationally. Council has started discussions with potential providers of fast fibre to its Marton office. As well as improving day-to-day communications access, there is the potential to use fibre as a way of extending shared services and provide off-site back-up. However, there is a cost (potentially \$120,000) to achieve this connectivity, meaning there needs to be opportunity for others in Marton to connect. Discussions are proceeding to explore the feasibility of such an initiative. Clearly there may be opportunities to link with a Zone 3 contractor to deliver wider community connectivity benefits.
- 11.5 Connectivity in the Rangitikei is low (in patches as low as 50%) but this is as much about affordability as about infrastructure. The ICT hubs established in Ratana and Marton are used extensively by the “digitally disadvantaged” groups. Both these facilities have received start-up funding from the government’s Community Partnership Fund and to some extent the capital infrastructure is in place. It is the operational aspects that the community will struggle to maintain in the longer term, and it is expected that the need for

such facilities will not diminish for some years. The Ministry of Economic Development, which is driving the national broadband strategy, has acknowledged this concern in the Rangitikei and is looking to pull together a working group of local interested parties and government departments.

- 11.6 The Ministry of Economic Development, Crown Fibre Holdings and Auckland Council have invited the Council to participate in a consultation on the Deployment Standards Initiative (DSI). The objective is to establish fibre deployment standards for uniform and consistent deployment practices for broadband infrastructure. It will lead to lower fibre deployment costs and faster rollout. The Infrastructure Group Manager will represent both Rangitikei and Manawatu in this consultation.

12 Housing affordability

- 12.1 The Productivity Commission has published an issues paper on housing affordability. There is a wide range of inter-related factors to be considered but the paper does raise issues relevant to local government, including

- the effect of rates on housing affordability
- the impact of development contributions
- the cost and effectiveness of building controls
- the efficacy of urban planning and effect of growth strategies and urban limits.

- 12.2 The sector's peak bodies (Local Government New Zealand and the Society of Local Government Managers) will be submitting (possibly jointly) by the due date, 3 August 2011. These organisations are interested in any comments from local authorities.

- 12.3 Inevitably, the paper is focussed on bigger urban units than what we have in the Rangitikei, and the slow-take-up of housing stock, despite its comparatively low price, is likely to be viewed as the result of our towns being "in the wrong place". Lack of employment opportunities (and possibly the lack of community facilities) may be factors in this. However, there is anecdotal evidence from real estate agents that the comparatively high level of rates in Rangitikei is a disincentive to potential purchasers. The paper notes that, on a national basis, rates have fallen as a percentage of property value.

- 12.4 Rangitikei's experience is that not having a development contributions policy has not had any discernible effect of attracting developers to the Rangitikei. The cost and effectiveness of building controls with respect to housing affordability is difficult to discern here. A surprising omission from the paper is housing provided by councils: in a small way, the Council's community housing does assist in providing affordable housing. However, the inability to secure full occupancy (especially in Marton) points to the need for housing to be suitable as well as affordable.

13 Recommendations

- 13.1 That the management report July 2011 be received.
- 13.2 That the additional expenditure of \$91,018 plus GST in 2011/12 for below-ground cover for infrastructure assets be approved.
- 13.3 That the 3.2% gap between the available cover in 2011/12 from the Local Authorities Protection Programme and the guaranteed cover from central government be accepted, conditional on a review being undertaken as part of the 2012/22 Long Term Plan.

Clare Hadley
Chief Executive

Appendix 1

Bulls and Districts Enterprise Association (Inc)

RECEIVED

The Mayor
Rangitikei District Council
Private Bag
Marton

11 JUL 2011

To: C.L./C.H. cc Councils
File: 6-CF-5-4
Doc: 11-0951

6 July 2011

Dear Mr Leary

Thank you for your letter dated 24th June in response to our letter of the 17th June requesting answers to our questions.

We are however very disappointed that you have refused to answer the questions that you had agreed to answer at the public meeting in Bulls. The 75 people who attended that meeting are waiting for a full response from Council. This is the second time that you have reneged on a commitment to our community and unfortunately it reflects on your credibility and the Rangitikei District Council. We also note that the response we received from you stating that you will not answer the questions and that the matter is now dead, was received before the June Council meeting. This raises further concerns about Council process.

The full Council made the decision to take court action against the Bulls Enterprise committee – a voluntary group of citizens. As we have stated on many occasions, when making that decision they were not given the following information;-

1. Court action was unnecessary because clause 85 of the Reserve Act 1977 gave the Minister discretion to correct the anomaly.
2. The Conservation Department's legal advice did not recommend court action. This was contained in an email to the Council in August 2009.
3. The presence of a commercial tenant at the Courthouse and permission to use surplus funds on the community had been granted in writing on 25th July 1996 in a letter signed by Mr Frank Heath.
4. Contrary to what has been stated there was a community activity at the reserve, namely the Bulls Museum occupying a large part of the building and also the grounds, with the old town jail. Council had been advised of the use by the Bulls Museum.
5. Full maintenance of the Courthouse had been carried out and the Enterprise Committee was in consultation with the Council staff on a conservation plan. The plan was prepared in 2008 by Mr Chappel.

Regardless of these facts the Council voted to proceed with Court action and therefore are responsible for the consequences. Therefore good governance practice would require that the Council answer the questions we submitted following the public meeting in Bulls.

We therefore must now ask under what authority you can answer our letter without reference to the Council and whether this would comply with acceptable governance processes. The Local Government Act requires your Council to practice good governance.

In response to the ongoing accusation that the building was not maintained and the repiling not completed I enclose a series of photographs which were taken during the repiling of the Courthouse. You will see that the building was lifted into the air and completely repiled and then let down onto the new piles, but settled with greater ground clearance than was previously the case. The building was originally almost at ground level. After the repiling, plumbing work was necessary to extend the pipes to the new height of the building. No old piles remained because they would not have been long enough. We are still very concerned at the affidavit made by your Assets Manager and presented as evidence that the repiling had not been completed. What evidence do you have to support this affidavit?

We are also concerned about the affidavit you made stating that we have not maintained the building. I reiterate the work that we have done:-

1. Painted the building inside and out including the roof
2. Maintained the grounds
3. Had some soil excavated and replaced with gravel to build two car parks
4. Repiled the building
5. Built a wheelchair ramp
6. Built a new front deck

Further we had commissioned a report from a Palmerston North architect Mr David Chappel on a full restoration plan. This plan had been developed after consultation and advice from the Ministry of Internal Affairs who administer historic buildings. This plan had been presented to Mr Pointon, your Assets manager and consultations had taken place on site. We were awaiting permission to proceed with the plan.

Again please provide us with grounds for your affidavit that we had not maintained the building.

You also included in your affidavit the statement that we did not have a community activity at the reserve. As stated above we had two activities; both the hosting of the jail for the Museum and the storage space in the building used by the Museum committee. Your Council were aware of both of these. The Jail was moved onto the site at the time of the repiling and its restoration was extensively covered in the conservation report which was discussed with your Assets manager. The storage for the Museum was covered in correspondence dated 20th February 2001. Therefore this is yet a third incorrect statement, without foundation, in your affidavits.

I am sure that you are aware that it is a serious matter to file an incorrect affidavit in the Court. As you are a Justice of the Peace you will be acutely aware of the importance of accurate affidavits in our legal system.

Submitting the sworn affidavits, that we have shown to be incorrect, is open to the proposition of attempting to mislead the Court. Is this indicative of the behaviour that the ratepayers can expect from your Council?

We are now amazed that having taken possession of this building your Council has applied a coat of paint without applying the fungus and mould treatment as required under the conservation plan which the Asset manager of your Council has been party to. Obviously this cannot now happen and therefore the timber deterioration will not be halted. It therefore appears that the building is not going to be restored. Is this correct? Will the Council action the conservation plan that has been produced by Mr David Chapel, in consultation with The Department of Internal Affairs?

Please place the list of questions previously submitted to your full Council for consideration.

I reiterate the outcome that we are seeking:-

1. A public apology
2. A motion to acknowledge our 20 years of voluntary service and our fine record of achievement. It is totally unacceptable to have a motion in your records that we have not acted in the interests of the community. If you still believe this, please provide us with one instance that we have done during our twenty years of service that has not been in the interests of our community. If you cannot do this you must recognise the truth in the Council records.
3. The total cost to the ratepayers in both legal and staff time that this unfortunate dispute has cost from commencement until the present.
4. An agreement to support our case to the Minister of Conservation under clause 85 as you agreed to on 31st May 2011.

We will now wait for a response from the Rangitikei District Council.

Yours sincerely



John Bowen
(Chairman)

Cc All Councillors
Hon Simon Power
Minister of Local Government
Auditor General
Dr D Natusch
North and South Magazine
Wanganui Chronicle
Evening Standard
District Monitor



Appendix 2

Progressive record of attendance of Elected Members at meetings of Council and Committee meetings and Council workshops

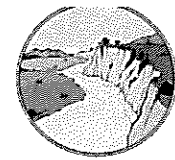
	21-Oct-10	2-Dec-10	2-Dec-10	27-Jan-11	27-Jan-11	10-Feb-11	24-Feb-11	24 Feb 201	31-Mar-11	31-Mar-11	31-Mar-11
	Inaugural meeting	Council	SP&P	Council	SP&P	Workshop	Council	SP&P	Council	SP&P	Workshop
Mayor Chalky Leary	yes	yes	yes	yes	yes	apols	yes	yes	yes	yes	yes
Cr Richard Aslett	yes	yes	yes	apols	apols	apols	yes	yes	yes	yes	yes
Cr Jan Byford	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cr Ed Cherry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cr Michelle Fox	yes	yes	yes	yes	yes	apols	yes	yes	yes	yes	yes
Cr Sarah Harris	yes	yes	yes	yes	yes	apols	yes	yes	yes	yes	yes
Cr Mike Jones	yes	yes	yes	yes	yes	yes	apols	apols	yes	yes	yes
Cr Dean McManaway	yes	yes	yes	yes	yes	apols	yes	yes	yes	yes	yes
Cr Soraya Peke-Mason	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	apols
Cr Richard Peirce	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cr Lynne Sheridan	yes	yes	yes	apols	apols	apols	yes	yes	yes	yes	yes
Cr Andy Watson	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Partly denotes late arrival or early departure resulting in attendance at less than 50% of the meeting or workshop

Other LG denotes attendance at another local government or related meeting, as listed below

14-Apr-11	28-Apr-11	28-Apr-11	12-May-11	26-May-11	26-May-11	16-Jun-11	28-Jun-11	28-Jun-11	14-Jul-11	14-Jul-11
Workshop	Council	SP&P	Council	Council	SP&P	Workshop	Council	SP&P	Council	Workshop
yes	yes	yes	apols	yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes	yes	yes	apols	apols
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	apols	apols	apols	yes	yes
apols	yes	yes	yes	yes	yes	absent	apols	apols	apols	apols
yes	apols	apols	yes	yes	yes	yes	apols	apols	apols	apols
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes	yes	yes	apols	apols
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Attachment 2



Rangitikei
UNUSPOLLT...

REPORT

TO: Strategic Policy and Planning
FROM: LTP Project Team
DATE: 21 July 2011
SUBJECT: **Update on 2012 -22 Long Term Plan (July 2011)**
FILE: 1-LTP-8

1 Executive Summary

1.1 This report is to provide an update to Councillors on progress with the 2012/22 Long Term Plan (LTP) project, particularly focussing on statutory financial policies, activity management plans and external consultation.

2 Background

2.1 The accumulated background information is presented in the endnote to this report.

3 Current issues

3.1 Councillors have met in workshop on 30 June and 14 July. The focus for these workshops has been the Finance and Revenue Policy, particularly:

- Re-assessing the public:private benefit split for different activities
- Moving towards more District-wide rating
- Balancing between rates based on capital value and the Uniform Annual General Charge
- issues over caps and spillage for water rates.

These are reported upon in section 4 below.

3.2 The Project Team has been progressing the Activity Management Plans, particularly in those activities where the Level of Service has been agreed by Council. In the assets area, these have been dependent on the completion of Asset Management Plans. In those areas where the Level of Service has not been agreed and is to be developed as part of the pre-consultation process, staff have focussed on looking at the options available. These are outlined below in section 5.

3.3 Finally, the Project Team has progressed some of the external stakeholder consultation, particularly

- Orlando Country Estate focus group on 17 July

- The youth engagement programme funded through the Ministry for Youth Development
- A workshop with Community Boards and Committees on 20 July to look particularly at local engagement in the Leisure and Community Assets activity area.

These are reported upon in section 6 below.

4 Statutory Financial Policies and Rates

- 4.1 Last year's amendments to the Local Government Act 2002 reduced the number of policies which must be included in the long-term plan. The revenue and financing policy remains a mandatory policy: it is the way in which Council decides to fund its various activities.
- 4.2 On 16 June 2011, Council's workshop included an initial consideration of the revenue and financing policy (for all activities except water, wastewater and stormwater). There was a consensus that a district-wide approach should be taken for public toilets, dog and stock control, cemeteries, halls, pools, parks, and town litter collection.
- 4.3 Following Council's meeting on 14 July 2001, a follow-up workshop was held to consider the funding impacts of the preferred funding mechanisms expressed at the workshop on 16 June 2011. The calculations were done on 2011/12 budgets.
- 4.4 The impacts were calculated in two ways – firstly, by using the general rate; secondly by using a targeted rate (i.e. a uniform annual charge). Applying the general rate (which is based on capital value) means a very high contribution from the larger rural properties, disproportionate with the benefit received. The targeted rate is better suited to these activities, but it does impact heavily on lower value properties and the total of such charges is limited by legislation to 30% of the rates requirements.¹ Applying a targeted rate to all these activities (and retaining other targeted rates and the uniform annual charge) would push such charges to 34%.
- 4.5 The workshop asked to see a scenario where the uniform charges totalled about 25%. Members present worked through a table-top analysis to identify a ranking order of the seven activities noted in 4.2 above by benefit to the individual (rather than to the property). This is being used to determine those activities to be funded by a targeted rate, those by the general rate and those by a combination. In all instances, Elected Members wanted to see a district-wide approach maintained. The results of this analysis will be considered at the workshop to follow the Committee's meeting on 28 July 2011.
- 4.6 In addition, on 14 July, Council considered in workshop how the revenue and financing policy related to the water activity. The PowerPoint overview of the main issues is provided as [Appendix 1](#). Workshop participants considered a better approach to funding water would be:
- to identify the 'public good' component first (rather than treat it as a residue – spillage – as is now the case)

¹ Local Government (Rating) Act 2002, section 21.

The consensus of the workshop for a modelling test was that this component be 20% of the cost with the present differential (one third to unconnected, two thirds connected) maintained but on a uniform basis in each case.

- to determine a 'supply charge' which would apply irrespective of consumption

The consensus of the workshop for a modelling test was that this component be 20% of the cost

- to have one charge per m³ for extraordinary users (except those where discounting arrangements applied), with the revenue being aggregated on a district-wide basis.
- to set a district-wide consumption charge which would be the balance of costs to be covered. Meter readings for ordinary supply would be discontinued.

4.7 The financial impact of this is being modelled and will be presented at the workshop on 28 July 2011, together with comparable models for wastewater and stormwater.

5 Activity Management Plans

5.1 Those activities that have been identified as major issues for pre-consultation are:

- Community and leisure assets
- District and business promotion
- Community Partnerships
- Grants
- Waste minimisation activity

Community and leisure assets

5.2 Asset managers have been identifying options for community and leisure assets through the activity management planning process. It is intended that lists of assets, with current condition and future maintenance options will be widely circulated through the newspapers in early-mid August to link with the pre-consultation process. An indication of this is attached as appendix 1 for community halls and buildings².

District and business promotion

5.3 As previously discussed, an economic review has been commissioned and the final report is expected within the next few weeks. Similarly, the Business Expansion and Retention Survey is in process.

5.4 The Memorandum of Understanding group (the three community trusts managing the town co-ordinators and Rangitikei Tourism) are also meeting during August to look at a strategic framework for their contribution in this activity beyond 2012. The group has been

² Libraries are not part of this pre-consultation review. Information Centres are considered in the District and business promotion activity

particularly active looking at promoting the District as a place to live and work, including developing a suitable website during the 2011/12 year³.

Community Partnerships

5.5 The date for the half-day conference is currently being finalised; it is likely to be in early October to suit the availability of keynote speakers and stakeholders. Details will be confirmed as soon as possible. The focus remains on:

- Community Response Model (around access to health and social welfare services)
- Rangitikei Business Retention and Expansion survey (with its implication for supporting economic development in the District)
- Promotional initiatives for Rangitikei as a place to live, work and visit (particularly as a place to retire in - or to - and as a place to raise a family).
- Involving and engaging young people.

Grants

5.6 The community initiatives fund is currently open for applications. A targeted consultation will be carried out once the process has been completed. This will involve those who have applied (successfully and unsuccessfully) or have applied in previous years.

Waste minimisation activity

- 5.7 As previously agreed, the draft Waste Management and Minimisation Plan is currently being finalised for Council consideration at the August meeting in anticipation of pre-consultation during September. The options for waste minimisation will be presented in three areas:
- 5.8 Waste reduction: review of current and potential programmes to reduce waste at source. Currently Council provides Zero Waste environmental education 20 small schools (0 – 199 pupils) and 3 larger schools (200 – 599 pupils) through the paper4trees group. Other options, such as the promotion of home composting through the provision of information and/or composting bins/wormerys, or other community education initiatives such as the Sustainable Living Education Trust, are being costed to be included in the discussion.
- 5.9 Waste reuse and recovery: options revolve around maintaining current activities (Paintwise scheme and tyre collection, annual e-day for electronic goods) and extending services to the establishment of small reuse facilities at each of Bulls, Marton and Taihape where items can be recovered from the pit and sold for reuse.
- 5.10 Recycling services: Staff are working on recommendations for options that involve extending recycling as much as possible within existing budgets, plus any additional amounts available through the waste levy. These include green waste recycling and the provision of drop-off facilities in town centres.

³ This was raised during the draft 2011/12 Annual Plan submissions process.

5.1 Waste disposal: The activities above will be supplemented by ensuring that waste disposal to landfill becomes a less attractive option by ensuring that fees and charges are comparable with neighbouring districts. Staff are working on options in this area of waste minimisation activity that will reduce the incidence of fly-tipping and illegal dumping.

6 External stakeholder consultation

6.1 An afternoon tea at Orlando Country Estate was held on 17 July for those who:

- Are aged between 50 and 65 but not yet retired
- Live in the District
- Do not normally take part in Council consultations

6.2 Twenty-seven people attended the whole session and two more dropped in for an hour. The group focussed on the “push and pull” factors that were currently affecting their decisions about where they may be living in 10-15 years time. It also looked at what Council facilities and services would be more or less important for them over that time. A report is currently being prepared and will be circulated to Councillors as soon as practicable.

6.3 The Ministry for Youth Development has awarded Council \$13,000 towards a youth engagement programme with a split roughly \$8,000 for a youth worker and \$5,000 for project costs. The aim of the project is getting a submission from young people to the LTP, particularly focussing on the Council facilities and services that are of importance to them. The worker will be based in Taihape but link with other youth programmes across the District, particularly in Marton through the community development programme.

6.4 Expressions of interest are currently being sought from agencies in Taihape with existing links to young people.

6.5 A workshop with Community Boards and Community Committees took place on 20 July in Hunterville to look particularly at local engagement in the Leisure and Community Assets activity area. Hunterville and Marton Community Committees were well-represented and the Chair of Taihape Community Board was also present. Te Roopu Ahi Kaa asked that they have a workshop as part of their August meeting. The outcome will be written up and reported back to the Boards and Committees during the August meeting cycle. However, it is unlikely that public meetings will form the major focus of the pre-consultation but rather that surveys and face-to-face meetings will be deployed.

7 Recommendation

7.1 That the report “Update on 2012 -22 Long Term Plan (July 2011)” be received.

Gaylene Prince
Customer Services Team Leader
LTP Project Manager

Denise Servante
Senior Policy Analyst

Endnote:

- 1 In November 2010, Councillors held an away day to look at the urgent and important strategic issues for the District. Strategic Planning and Policy Committee confirmed these in early December 2010:
 - Aging (and surplus) infrastructure, particularly community assets and facilities;
 - Local health and educational services;
 - Green waste recycling;
 - Earthquake-prone buildings;
 - Attracting and retaining sustainable businesses in the District, and exploring innovative ways of doing business;
 - Applying technology to drive operational efficiencies and improved services to the community;
 - Rates affordability.
- 2 These (and other) issues were work-shopped with Community Boards, Community Committees and Te Roopu Ahi Kaa during March/April and reported upon during the June meeting cycle. No major new issues were raised. However, the importance of particular key projects within particular communities was highlighted.
- 3 In line with the process undertaken in developing the 2009-19 LTCCP, a programme of monthly workshops has been included in the elected members' meeting schedule from February 2011 onwards. Monthly reports have gone to Strategic Planning and Policy Committee which confirm decisions based on workshop input.
- 4 Workshops in February, March, April and June 2011 considered:
 - Projections from Statistics New Zealand around the changing demographics of the District
 - Corporate Assumptions
 - The principles that would underpin a community engagement strategy for the current LTP
 - Providing guidance to staff for consultation over the Leisure and Community Assets Group of Activities
 - Amendments to the Groups of Activities
 - Those activities where Levels of Service would remain unchanged and those where Levels of Service would be subject to wider consultation
 - The legislative requirements relating to the mandatory Financial Strategy and began to explore Councillors' preferences with respect to financial management principles
 - Options for consideration in the draft Waste Management and Minimisation Plan
 - Providing guidance to staff to prepare first and second drafts of a Financial Strategy
 - Agreeing the details and budgets for pre-consultation around the major issues
- 5 There was no workshop relating to the LTP in May⁴. However the Strategic Planning and Policy Committee confirmed the current set of six community outcomes to be adopted for the 2012-22 LTP planning cycle⁵.

⁴ Councillors instead considered issues relating to preparation for the Representation Review that will be undertaken within the next twelve months.

⁵ 11/SPP/049

Appendix 1: Community halls and buildings forming part of the pre-consultation process

Community Buildings: Council is open to all suggestions for future use and management of these facilities, including disposal! Decisions can be community specific (in other words, Council will only consult with the Marton community on Marton community buildings) ⁶ .	
MARTON	
Memorial Hall	Large hall and smaller meeting/kitchen facilities. Dated and run-down. Close to town and has area designated for overnight stops for camper vans, although not particularly appealing. Rangitikei College School Hall is only other comparable venue for size and facilities.
Centennial Park Pavilion	Previously leased to, and managed by, netball, hockey and cricket groups – lease due for renewal and in discussion. Youth Centre operates weekdays. Some refurbishment in progress during 2011/12. Close to town and other facilities e.g. skate park.
Plunket Rooms	Plunket Nurse and Toy Library both operate part-time from these premises. Any change would still need to allow for these services to be accommodated – particularly the lease with Plunket runs to 2017.
TAIHAPE	
Town Hall	Also contains supper rooms and former Council chamber. Solutions must take account of it also being home to the library and information centre. Recently repainted so in relatively good condition. Hall and supper rooms are excessively cold and damp. One option would be to rebuild this back section of the building.
Women’s Club Room	Well-used for community social activities. Well-loved, but expensive to heat and maintain. Some refurbishment has been undertaken – should be good for ten years.
BULLS	
Town Hall	Supper rooms recently refurbished by community group and well-used. Town Hall is only available venue of its size but is run-down and not fit for purpose.
Plunket Rooms	Managed by a local Trust, Council grant provided.
HUNTERVILLE	
Town Hall	Managed by a local Trust, Council grant provided.
Plunket Rooms	Building also contains Public Toilets – extremely well used (see water costs!) and also to deliver peripatetic health services. Recently revamped and refurbished.
RATANA	
Old Fire Station	Managed by local Trust as a community gym
Health Clinic	Recently renewed and refurbished and used for peripatetic health services.
DISTRICT-WIDE	
Network of rural halls	Network of rural halls: some owned by Council, some locally owned. All managed by local committees. Minor grants available from Council for operational costs. Recently completed a refurbishment funded through the Dudding Trust: outstanding work to be passed to relevant local committees for further fundraising.
Civic Administration building	Provision was made in the current long term plan to relocate the civic administration building should a suitable opportunity arise. That option remains on the table.

⁶ In some areas, Council wants to include the aspirations of local communities but will take a District-wide approach, for example in parks and reserves.

Appendix 1

Funding the cost of water

Considerations for the revenue and financing policy in the 2012/22 Long term Plan

Total cost

• \$3,305,000

Marion	\$1,690,000
Talhope	\$676,000
Mangaweka	\$131,000
Hunterville	\$206,000
Ratana	\$201,000
Bulls	\$401,000

Policy adopted in 2009

A simple concept

- Costs for each town scheme are managed separately
- Calculated costs include full depreciation (or, if that is insufficient, the cost of renewals)
- A District-wide limit (or 'cap') on annual charges to connected properties

Policy adopted in 2009

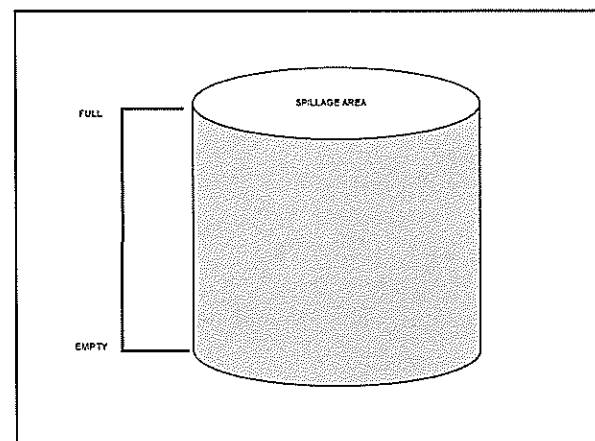
but there are some metered supplies

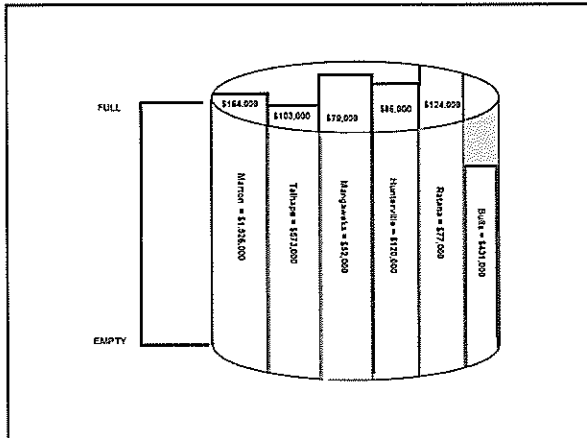
- Bulls, Hunterville and Mangaweka are metered supplies
- Their costs are also capped.
- Large consumers are deemed 'extraordinary' users.
- Their costs are not capped (but may be discounted)

Policy adopted in 2009

...and every ratepayer pays if a scheme costs more than the full cap will recover, this is 'spillage'

- One third from all unconnected properties by a uniform annual charge
- Two thirds from all connected properties via the general rate (i.e. on capital value)





Drawbacks

- The amount of 'spillage' is increasing as more and more schemes cost more than the 'cap' will fund (=27% in 2011/12)
- Meter charges vary according to the cost of supply
- Perceived doubling up of charges – an extraordinary water user pays:
 - the 'cap'
 - 'spillage' (calculated on capital value)
 - the metered charge for all water consumed (after the first 250 m3)

Rationale for 2009

- Implied.... and muddled?
 - Each scheme should pay its own way
 - Certainty over the level of annual increases in charges ('cap')
 - Some benefit to everyone in having reliable town water supplies ('spillage')

Three funding principles

- 1 Who will benefit from reticulated supply?
 - Town residents
 - Businesses
 - Visitors

Three funding principles

2. For how long will the benefits from reticulated supply occur?
 - The life of the reticulated supply OR
 - Until the consumer disconnects

Three funding principles

3. Who needs or wants a reticulated supply
 - Public health authorities
 - Fire-fighters
 - Residents in towns
 - Agricultural processors
 - Farmers close to supply lines
 - Residents outside towns who exhaust their supplies

A better rationale (1)

- **Define the overall public benefit**
 - Is there a benefit to every ratepayer, irrespective of whether they are connected or not?
 - What % of total costs of supply best reflects this benefit?

A better rationale (2)

- **Refine the public benefit**
 - Is there a greater benefit for those in towns compared with those in rural areas?
 - How is that best *expressed* (i.e. as %)?
 - How is that % best *shared* among ratepayers?

A better rationale (3)

- **Clarify cost of ordinary supply**
 - Should charges reflect the total cost of ordinary supply for all schemes or be scheme specific?
 - Should there be a supply charge (i.e. like electricity) as a % of total/specific scheme costs?

A better rationale (4)

- **Clarify the cost of use for *ordinary supply*** (if the public benefit contribution and supply charge don't cover costs)
 - Should meter charges reflect the remaining cost of each scheme or all of the District's schemes?
 - Should there be a meter-free allowance (currently 250 m3)?
 - Will non-metered supplies pay the difference?

A better rationale (5)

- **Clarify the cost of use for *extraordinary metered supply***
 - Should these charges (and income) be scheme specific or be reckoned on a District-wide basis?
 - Should there be a meter-free allowance (currently 250 m3)?

A better rationale (6)

- **Provide for capital costs**
 - Should these costs be scheme specific or district wide?

Historical anomalies
(being investigated)

- Marton
- Grant of riparian rights in 1912-13 when raw water trunk was laid from dam to treatment station
- Taihape
- Easements in 1923 and 1924 when pipeline laid from Hautapu River to Ngarekehu



Rangitikei District Council

Strategic Planning & Policy Committee Meeting

Order Paper – Thursday 28 July 2011 – To follow Council

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The quorum for the Strategic Planning and Policy Committee is 6

At its meeting of 28 October Council resolved that 'The quorum at any meeting of a standing committee or sub-committee of the Council (including Te Roopu Ahi Kaa, the Community Committees, the Reserve Management Committees and the Rural Water Supply Management Sub-committees) is that required for a meeting of the local authority in SO 2.4.3 and 3.4.3.'