

Corporate and Operations Committee

Open Agenda



Notice is hereby given that an ordinary meeting of the Corporate and Operations Committee will be held on:

Date: Wednesday 23 August 2017
Time: 9:30am
Venue: Council Chambers
35 Kenrick Street
TE AROHA

Membership

Mayor

Jan Barnes, JP

Councillors

Donna Arnold
Teena Cornes
Paul Cronin
Neil Goodger
Brian Hunter
Peter Jager

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ITEM	TABLE OF CONTENTS	PAGE
PROCEDURAL		
1	Meeting Opening	5
2	Present	5
3	Apologies	5
4	Notification of Urgent Business	5
5	Confirmation of minutes	5
OFFICER REPORTS		
6	Executive	
6.1	Section 17A - Service Delivery Reviews	7
6.2	LTP 2018-28 - Economic Development	17
6.3	Draft Annual Report 2016/17	29
6.4	Policies on the Remission and Postponement of Rates	33
6.5	Presentation	37
6.6	Spotlight on Safety Award presentation	39
6.7	Piako Park Limited - Easement Request - Seddon Street and Local Purpose reserve	41
6.8	Power Co - Easement Request - Morrinsville Wastewater Treatment Plant and Morrinsville Esplanade Reserve	45
7	Service Delivery	
7.1	Matamata-Piako Civic and Memorial Centre	51
7.2	Update on Headon Stadium	55
7.3	Health & Safety Report - July 2017	69
7.4	Documents Executed Under Seal - April to July 2017	71
7.5	Chief Executive Officers Report for July 2017	73
8	Urgent Additional Business	

1 Meeting Opening

2 Present

3 Apologies

At the close of the agenda no apologies had been received.

4 Notification of Urgent Business

Pursuant to clause 3.7.5 and 3.7.6 of the Standing Orders NZS 9202:2003 and Section 6A (7) of the Local Government Official Information and Meetings Act 1987, the Chairman to enquire from members whether there are any additional items for consideration which qualify as extraordinary or urgent additional business.

5 Confirmation of minutes

Minutes, as circulated, of the Ordinary Meeting of the Corporate and Operations Committee, held on 26 July 2017

Section 17A - Service Delivery Reviews

Trim No.: 1902755

Executive Summary

The purpose of the report is to present for endorsement the completed Service Delivery Reviews. Under S17A Local Government Act 2002, there is a statutory requirement for Council to undertake service reviews of services, facilities and infrastructure provision to the community.

Council was required to complete its initial service delivery reviews by 8 August 2017. Council staff have undertaken an initial desktop review of each of the Long-Term Plan 2015-25 activities following the Society of Local Government Managers (SOLGM) guidance and templates. Building consents and monitoring and Civil Defence have been reviewed on a regional and sub-regional basis. Council is now asked to endorse the review outcomes to feed into the Long-Term Plan 2018-28.

A copy of the review template, frequently asked questions and a summary of the section 17A review assessments is attached to this report. The full section 17A reports are available upon request.

Recommendation

That:

1. **The information be received.**
2. **Council endorses the Section 17A Local Government Act 2002 review outcomes.**
3. **Staff work on a timeline and process for the next round of section 17A reviews and look to align this with other Councils where possible.**

Content

Background

Early in 2012, central government announced a programme of local government reform entitled 'Better Local Government'. The government's programme of reform made a number of amendments to the legislative framework for New Zealand's councils. This included the introduction of Section 17a of the Local Government Act 2002 (LGA), enacted in 2014.

The newly introduced Section 17a places an obligation on council to review its services for cost effectiveness. The legislation states that a review should consider three elements: how a service is governed, how it is funded and how it is delivered. The intent of the legislation is to encourage efficiencies as well as collaboration between councils. As well as being a legal requirement, reviews provide an opportunity to improve the delivery of services to our residents, ratepayers and visitors.

This requirement to regularly review services will be embedded in council's operational processes. It does not impact on elected members' ability to stipulate a service review through the Long-Term Plan (LTP) process. As part of the LTP 2018-28 process, Councillors have indicated a desire to review various activities such as community grants, waste management/minimisation and economic development.

A service delivery review aims to drive more efficient use of resources whilst providing services to meet the needs of the community. The LGA requires that a service delivery review should periodically assess “*the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good quality local infrastructure, local public services, and performance of regulatory functions*”

The Mayor and Councillors were briefed on section 17A requirements and the approach to service reviews at a workshop on 2 December 2015. Councillors provided direction to staff to undertake small scale reviews. Councillors considered its services were being delivered efficiently and effectively and other Council work streams addressed these matters.

What constitutes a review

A service delivery review is “a process of determining whether the existing means for delivering a service remains the most efficient, effective and appropriate means for delivering that service”¹. The introduction of the requirement to periodically review service delivery is part of a broader government policy package in which Councils are encouraged to actively seek efficiencies in the way they carry out their role.

A review must determine the cost-effectiveness of different funding, governance and service delivery options for meeting the needs of communities. The legislation identifies specific options that must be considered including those listed in the table below.

Option	Responsibility		
	Governance	Funding	Delivery
1.			The local authority
2.			A Council Controlled Organisation (CCO) of the local authority
3.	The local authority	The local authority	A CCO in which the local authority is one of several shareholders
4.			Another local authority
5.			Another person or agency
6.			A CCO of the local authority
7.	Joint committee or other shared governance arrangement	Joint committee or other shared governance arrangement	A CCO in which the local authority is one of several shareholders
8.			Another local authority
9.			Another person or agency
10.	Any other reasonably practicable option		

When to undertake a review

There are three triggers for initiating a service delivery review:

- when considering any significant changes to a level of service
- within two years of expiration of a contract or other binding agreement relating to the delivery of a service
- in any case, within six years from the last review under section 17A.

Regardless of the above, the LGA Amendment Act 2014 included a transitional provision that required Council to complete its first reviews under section 17A in relation to governance, funding,

¹ SOLGM, 2015: *Service Delivery Reviews*.

and delivery of any infrastructure, service, or regulatory function within three years of the commencement of the Amendment Act (which meant the deadline for completing all such reviews was 8 August 2017).

The triggers are explained further below:

Service level changes

A significant change to a level of service would include starting a new service or significantly increasing or decreasing a level of service². The consideration of changes to levels of service would *usually* occur through the long term planning process, and in some cases through annual planning process. This includes asset management planning processes. New and amended legislation may also have implications for service levels.

Contract expiry

If another person, agency or entity is delivering a service on the Council's behalf and the agreement to do so expires within two years, then a review will need to be conducted. It is considered this includes conventional procurement purchases as well as relational purchases and conditional grants such as statements of intents and relationship agreements.

The Society of Local Government Managers (SOLGM) guidance is that when working with contracts with a right of renewal, e.g. a five year contract with a three year right of renewal, there is no one clear answer about when the contract is due to expire. SOLGM recommends that the intent of each agreement is looked at and the wording scrutinised. If the intent is that the contract will be renewed except for underperformance then the contract would most likely expire after the right of renewal has ended. If on the other hand the agreement provides Council with more flexibility as to renewal then the section 17A review would be triggered within two years of the end of the first period.

Six year life

A review of service delivery has a maximum statutory life of six years from the last review under section 17A. For example, if a review of a service was completed on 1 August 2017, the next review would have to be completed by 1 August 2023 (unless something happens to trigger the review in the intervening period, or Council decides to undertake a review of its own accord).

Some exemptions

The Council does not have to undertake a review in the following two instances:

- there is a contract or other binding agreement in place that cannot be reasonably changed within two years, or
- the Council is satisfied that the costs of undertaking a review outweigh the potential benefits of a review.

In the case of a contract/binding agreement staff will need to document the reason why it cannot reasonably be changed. This might be because of penalties or other impositions around termination.

If it is established that the costs of undertaking a review outweigh the potential benefits of the review this needs to be documented. This exemption might be used where a review had been conducted relatively recently or a closely related decision is pending. In cases where the exemption has been applied reasons for this have been noted.

² SOLGM, 2015: Service Delivery Reviews.

Issues

Councils approach

SOLGM has produced guidance on when and how to undertake reviews, and staff have used this guidance in developing a programme and undertaking the initial reviews. Council has used the section 17A review template and guidance from SOLGM which has been legally reviewed.

The template is attached to this report. It presents different combinations of options for funding, service delivery and governance. Rejection of some options will generally lead to the rejection of others. For example, if delivery by CCO is not feasible, viable or cost effective then rejection of option 2 in the template, means that generally options 3, 7, and 8 will also be rejected.

Service reviews are nothing new to council; they are part of council's operational processes to constantly improve service delivery and deliver value for money for its ratepayers. Council reviews its funding, levels of service and service delivery arrangements as part of the Long-Term Plan processes. Council is presently involved in a range of regional and sub-regional collaborations which aim to drive cost effective service delivery and consistency across Councils. Council also undertakes periodic internal reviews of its functions such as reviewing the organisational structure around water services which is currently underway.

What services to review?

The Act refers to services as 'local infrastructure, local public services, and the performance of regulatory functions'. The focus is therefore on public-facing services. The definition of core services under the Act provides guidance as to which services to consider.

The assessments have revealed that a number of services are exempt from being reviewed in the first cycle of reviews (i.e. to August 2017) while others present opportunities for improvement. The scope and scale of each review was tailored to individual services' issues and opportunities. Council has some discretion as to how it defines and groups services for the purpose of the service delivery review.

Whether to review or not back-office services is open to interpretation - the legislation does not give clear direction on this matter. Council's approach has been exclude back office services (such as human resources, records) from the first cycle of review (i.e. the first reviews to August 2017) and only cover the Long-Term Plan activities. However, Council can still consider ways to encourage cost savings and efficiency gains for support services as part of its usual business practice.

It is noted that in general, many back-office functions are intentionally provided in such a way as to more efficiently support the delivery of *multiple* services (rather than each service having its own associated support functions) and therefore contribute to the delivery of Council services, rather than being services in their own right. For example Human Resources provide support across the whole of Council, rather than each department having individual human resources staff. The Council has the discretion to choose whether or not to review these back-office functions in their own right.

Council should be mindful of its 'core service capabilities' as to what functions it requires in-house for Council to continue as an effective and efficient organisation. There is a potential to lose institutional knowledge that might affect the efficiency and effectiveness of Council as an organisation if certain capabilities are not maintained in-house.

Council may decide to perform a function or deliver a service using its own staff, even if this is not at the lowest possible cost, for example where one or more of the following conditions might apply:

- There are no suitable alternative service delivery options or a contestable market is unlikely.

- There is a need to retain in-house knowledge and/or information about the function or service which could otherwise be lost or retain local employment.
- The work is impractical for contracting.
- The costs of administering the alternative service delivery method are uneconomic because of the nature of the work or level of control required.
- There are excessive risks to the Council arising from using alternative service delivery.
- There is likelihood that key community partnerships or levels of service will be significantly adversely affected.

Grouping services

SOLGM notes that the starting point for the definition of service should be the activities (not groups) that are disclosed in the Council's LTP. Related activities might then be combined together for the purposes of a section 17A review. Other large multi-faceted activities may instead be separated out (for example community facilities consists of a number of quite distinct services).

For some activities it can be appropriate to consider combining reviews for example, licensing and enforcement and resource consent and monitoring activities are carried by some of the same staff so there is potential for combining those activities for the purposes of a section 17A review. For the first round of reviews services were reviewed in line with how the Long-Term Plan 2015-25 categorises them.

Whole of service

While specific contracts trigger a service delivery review, the intent of the legislation appears to be that the whole of service relevant to that contract be reviewed. Certainly it would appear to be more efficient to undertake one review for a service rather than multiple. This may also provide an opportunity to bring a number of contracts into 'timing alignment' to streamline future service delivery review processes. The reviews undertaken to date have identified when key contracts expire.

Cost effectiveness

Cost effectiveness can be defined as the lowest cost consistent with the achievement of the objectives for providing the service. To some extent, cost effectiveness is a policy judgement in which both cost and performance are considered. When considering cost, the following can be considered:

- cost savings (i.e. financial savings)
- improved resource usage (i.e. efficiency gains)
- increased revenue.

Cost effectiveness is different from the least cost. Staff were encouraged to reflect on matters such as the rationale for service delivery and current and projected future levels of performance (this is the effectiveness part of cost-effectiveness). Council may also have 'non-cost' objectives such as providing local employment that need to be considered.

Review objectives

Council's approach to LGA S17a reviews has been based on the following objectives:

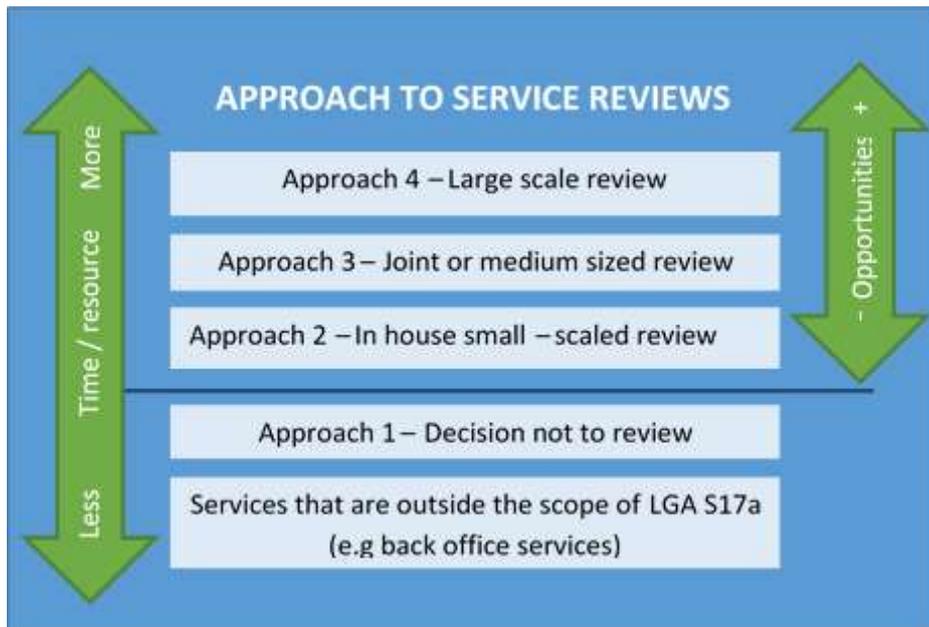
- To consider opportunities to improve the delivery of services to our residents, ratepayers and visitors
- To ensure compliance with the legislation
- To tailor the review scope in order to match the scale of review to the issues and anticipated benefits
- To avoid duplication of efforts for example where discussions and reviews are occurring through the Long-Term Plan 2018-28 process.

Principles guiding the reviews

Most of the reviews undertaken have been desktop assessments at a relatively high level.

Potentially there are four approaches to reviews:

- Services are outside the scope of Section 17a
- Approach 1 - there is a decision not to review
- Approach 2 - a minimal review is carried out - quick wins - easy implementation - contract review
- Approach 3 - a medium-sized review is carried out - more complex efficiency gains - may involve some change in delivery mechanism, governance or funding
- Approach 4 - a significant review - such as a developing a multi Council CCO is carried out or complex, multi-party reviews with potential governance and / or funding changes.



It is considered that the greater the scale and scope of review the more opportunities that can potentially be found. However this needs to be balanced against the cost of undertaking the work.

MPDC Reviews

Council staff have completed service delivery review for all Long-Term Plan activities. The service review assessment summary is presented in the table below. We seek endorsement of this assessment.

Services		Service review		
		No service review	Small review	Medium review
1	Carparks and street furniture	x		
2	Cemeteries	x		
3	Housing and property management	x		
4	Libraries		x	
5	Parks and tracks	x		
6	Pools and Spas	x		
7	Public toilets	x		
8	Recreation and Heritage	x		
9	Civil defence			x
10	Communications and events	x		



11	Community leadership	x		
12	Strategies and plans		x	
13	Roading	x		
14	Rubbish and recycling	x		
15	Stormwater		x	
16	Wastewater		x	
17	Water		x	
18	Animal control	x		
19	Building consents and monitoring			x
20	Licensing and enforcement	x		
21	Resource consents and monitoring	x		

Regional Project

A Waikato regional project has commenced under the Waikato Local Authority Shared Services (LASS) umbrella which provides for information on carrying out reviews to be shared and opportunities for joint reviews amongst the councils in the region to be identified.

In 2016 the Waikato LASS Service Delivery Review Working Group accepted a suggestion to research opportunities for Waikato councils to collaborate on future service delivery reviews under s17A. Participation in the regional project was considered to have value in reducing the duplication of review work by all Councils in the region and providing for ongoing learnings and improvements as lessons are drawn from completed reviews.

Councils were invited to share information on expiry dates for key service delivery contracts given the expiry of contracts are a trigger to undertake service delivery reviews. In addition, Councils were asked to indicate when a level of service review was planned, or if a service delivery review was already scheduled for some other reason.

The data has now been analysed to identify what opportunities potentially exist for collaborative reviews; the windows of opportunity for those reviews; and which councils might be parties to such collaborative section 17A reviews. A collaborative review has been assumed to mean undertaking a joint review; or conducting simultaneous but separate reviews with shared information such as benchmarking data.

The collaborative timetable from LASS will assist Council in preparing a schedule of for next round of 17A reviews (see discussion below on the next steps).

Next Steps

A Coordinated Review Programme

Given the statutory requirements under S17A, Council is required to implement a service review programme and give consideration to the existing service provision contracts in place and when they expire. For example, Councils refuse and recycling collection contract is due to expire in August 2023 so it would be appropriate to do a section 17A review prior to this end date and potentially align it with the review of the Joint Waste Management and Minimisation Plan (WMMP) to reduce duplication of effort.

It is suggested that a co-ordinated work programme to address the service delivery requirements is developed. Staff recommend that the work programme involve:

- identifying a 'next round' review programme including services:
 - with contracts expiring
 - where service level changes are being considered

- reviews subsequently outstanding - these must meet the six yearly review deadline
- streamlining 'second round and beyond' reviews with existing council work streams including activity/asset management planning, and with other compatible service contracts
- identifying how the Council's internal 'overhead' activities which provide part of an activity's delivery arrangements are best approached
- identifying a set of options and assessment criteria which should inform all reviews and setting criteria for review exemptions.

Where possible an alignment approach will be used so that compatible activities are reviewed at the same time in order to achieve efficiencies and begin to align future review timings.

Council may wish to consider developing a formal service delivery framework and process. This could potentially focus on key aspects of the review cycle such as:

- Developing principles, scope and objectives and alignment to Councils vision.
- The development of a service delivery programme that includes all services MPDC provide to the community; and put in place six year review programme.
- The engagement of Councillors, service providers, stakeholders and the wider community as required.
- The development of consistent analysis tools and templates and reporting framework that will support good decision making, engagement and consultation as needed.
- Whether internal Council staff will be utilised to undertake the initial analysis, testing, exploration of options and preparation of recommendations work, with external expertise utilised on an exception basis or if reviews should be carried out externally. One of the review principles might be around the capacity and capability of the organisation and whether this work stream gives the opportunity to develop and grow staff.
- Consider setting a monetary threshold where a contract will not trigger a s.17A review, and/or preparing guidelines on identifying the costs and cost-benefit assessment of undertaking reviews

A process for compiling information about the indicative costs of undertaking different scales of review based on reviews already carried out this Council and other Councils. That information can then be drawn on for future review cost-benefits assessments.

The SOLGM guidance and any regional project outputs can continue to be used to inform the above to avoid unnecessary duplication of work. It is envisaged that guidance and templates may evolve as learnings are drawn from other service delivery reviews as they are completed and discussions with other Councils.

Assessing the Costs and Benefits of a Review

As noted, a service may be exempt from a delivery review where the costs are considered to outweigh the benefits.

It is envisaged that the expiration of a contract will be the most commonly triggered circumstance for a service delivery review in the short term. When it comes to assessing the cost-benefit of undertaking a review for those triggered by a contract expiry, some councils have considered whether a certain total value of that contract should be a trigger for that review. For example, the Whakatane District Council has put a policy in place where only contracts over a certain total value will trigger a review. Whakatane District Council set a \$250,000 contract threshold (total cost of the contract) based on the view that the cost of a *review for a contract* below this threshold would be too great compared to the potential savings to be made.

Council has not yet established any formal policy on how to assess the costs and benefits of a review. Some aspects Council may wish to give consideration to in this regard are:

- the extent of cost savings arising from a review will likely differ across services, as will the cost of completing a review
- the financial cost of a contract is not the only type of cost that could be incurred
- this approach places a lot of emphasis on the value of one contract as opposed to considering the whole of service and all the contracts in an activity or sub-activity together. Arguably, the point of the review is not to review a contract in isolation (regardless of the cost), but to review an activity or sub-activity of Council.
- how in-depth a review is will also impact on the cost and benefits.

Potentially it may be more appropriate to consider an exemption on a case by case basis as contracts come up for renewal but this will need to be explored further.

Analysis

Options considered

Council has the following options:

1. Council endorses the Section 17A Local Government Act 2002 'initial review' outcomes.
2. Council does not endorse the Section 17A Local Government Act 2002 'initial review' outcomes and seeks further work to be undertaken.

Analysis of preferred option

It is recommended Council endorse the review outcomes. It is noted these are the first reviews under section 17A and further reviews can build on these. Council is also considering its service delivery arrangements through the Long-Term Plan 2018-28 process.

Legal and statutory requirements

The statutory requirements are addressed elsewhere in this report.

Impact on policy and bylaws

How section 17A reviews are managed is a policy issue for Council. There are no immediate impacts on policies and bylaws.

Consistency with the Long Term Plan / Annual Plan

A review under section 17A LGA, aims to determine the cost-effectiveness of current arrangements regarding the delivery of services detailed in the Long Term Plan. Council can consider the outcomes of the s17A review as part of the Long-Term Plan 2018-28 process. The outcomes of the section 17a reviews will be included in the Long-Term Plan activity plans.

Impact on Significance and Engagement Policy

The matter is not significant in terms of the Significance and Engagement Policy. The outcomes of the initial reviews trigger no significant change in governance, funding or service delivery approaches.

Communication, consultation and decision making processes

No consultation on the reviews has been undertaken.

Consent issues

There are no consent issues.

Timeframes

As previously discussed the Clause 2, schedule 1AA, LGA Amendment Act 2014 has a transitional provision that requires that all services must be reviewed by 8 August 2017. Reviews

will now be triggered from level of service changes or contracts expiring. All services must be reviewed every six years at a minimum.

Contribution to Community Outcomes

The Section 17A reviews contributes to many of the 2015-25 Long Term Plan Community Outcomes relating to Decision Making, and in particular

2.c Councils decision making will be sound, visionary and consider the different needs of our community/iwi.

6.c Council will provide essential infrastructure to meet the needs of our community now and in the future.

Council has developed a new set of Community Outcomes for the 2018-28 Long Term Plan. The Section 17A reviews contributes to the following outcome for the 2018-28 LTP:

We encourage community engagement and provide sound and visionary decision making.

Infrastructure and services are fit for purpose and affordable, now and in the future.

Quality infrastructure is provided to support community wellbeing.

Financial Impact

i. Cost

The cost of the work to date is staff time.

ii. Funding Source

No funding has been required.

Attachments

- A. SOLGM service delivery reviews Q and A
- B. SOLGM Service delivery review template
- C. Summary of section 17A reviews

Signatories

Author(s)	Niall Baker Acting Senior Policy Planner	
Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

LTP 2018-28 - Economic Development

Trim No.: 1907854

Executive Summary

Council has indicated a desire to support economic development and economic growth in our district. The Long Term Plan 2015-25 included an annual budget of \$150,000. In addition Council also provides funding to organisations who contribute to the Economic development and economic wellbeing of our district to a total value of \$270,000 per year.

The purpose of this report is to seek direction from Council on the economic development priorities for the 2017/18 financial year, as well as Council's direction

Recommendation

That:

1. **The report is received.**
2. **Council confirms its priorities for the 2017/18 Work Programme, and authorises staff to implement these.**
3. **Council approves a draft budget of \$150,000 (or an alternate figure) per year to support Economic Development initiatives for the Draft Long Term Plan 2018-28.**
4. **Council confirms how it wishes to proceed with regards to providing funding assistance to organisations that support the Economic Development in our District.**

Content

Background

Council has indicated a desire for an increased level of involvement in economic development. Some of the issues that have been raised are:

- A need to "sell" the district - attracting people and business to our area. Both as visitors, employers and residents.
- The increasing role of tourism in the district, and the aging population profile – what impact might economic development have on these trends?
- The level of resourcing Council could provide and the scope of Council involvement
- The difficulties of measuring success and financial input to economic development
- The activities of other Councils, and the need to and ensure the district is a place of population and economic growth – it's easier to continue growth than reverse a decline.

What is economic development?

Economic development can be defined as the sustained, concerted actions of policy makers and communities to promote the standard of living and economic health of a specific area (i.e. the changes in the economy). Such actions can involve multiple areas including development of human capital (the capabilities of people to produce economic value), critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives.

Economic development differs from economic growth. Whereas economic development is about policy intervention aiming to improve the economic and social well-being of people, economic growth focuses on market productivity and rises in Gross Domestic Product (GDP). Economic growth is one aspect of the process of economic development. There is no commonly accepted definition of economic development or approach to fostering it. Various councils have taken different approaches, and the level of intervention in this area differs widely.

Rationale for and nature of local government involvement

Business and Economic Research Ltd prepared for Local Government New Zealand in 2010 a framework that identifies the contribution local government makes to economic growth and development within six priority areas:

- Leadership (incorporating partnership and facilitation): setting, supporting and driving a vision for economic growth.
- Spatial planning and infrastructure: ensuring that the physical and built environment is conducive to economic growth.
- Regulation: create a quality regulatory environment to make it easier for businesses to grow, invest and create jobs encouraging economic growth.
- Services: effective coordination and delivery of key council activities that support the effective functioning of local communities.
- Business and industry development: facilitating investment, industry and employment growth; and implementing measures that support a conducive business environment.
- Social and community: an environment that supports wellbeing and enables communities to contribute to economic growth.

Right Debate 2011

As part of the Right Debate for the 2012-22 Long Term Plan, Council asked the community in 2011 'Should we do more to support economic growth?' Out of 822 submissions received on this topic, 458 people (55%) said 'continue providing the current, economic development services.' At the time Council did not have a separate budget for economic development, and status quo included continued support for Matamata PRA, Morrinsville Chamber of Commerce, as well as financial support towards the Gatehouse, Morrinsville Gallery and the Hauraki Rail Trail.

Waikato Means Business – Waikato Regional Economic Development Strategy

The "Waikato Means Business" vision is: "*We want to improve standards of living in the Waikato region, where all people, communities and businesses reach their potential.*" The regional strategy has been summarised in the framework and links made between the EDWP priorities and the focus areas of the regional strategy.

Strategic Priorities;

- Maintaining and building our location advantage – by increasing investment in infrastructure, improving the quality and reliability of roads, reducing road travel times and creating more efficient freight flows
- Telling the Waikato Story – so that there is improved information for potential students, employees, visitors and investors about opportunities in and the advantages of the region.
- Building, attracting and retaining skills and talent – so that there is increased capability and capacity in our regional innovation system
- Making business easier – by reducing compliance costs associated with interacting with Councils and improving lead times for providing services, and consequently the ease of doing business in the region
- Growing global industries – by identifying and progressing opportunities that will grow incomes and jobs in key sectors

The Chair of Waikato Means Business, Dallas Fisher, presented to the Waikato Mayoral Forum on the 17 July and gave an update on the work Waikato Means Business has been doing to review regional economic development capacity and capability in the Waikato.

Waikato Means Business have indicated that they will engage with each individual local authority over the next two months to go over the findings of the review and discuss what matters need to be fully understood, agreed and where relevant resolved in order for it to succeed.

Council may wish to set aside any unallocated funding from the Economic Development budget to support potential regional initiatives.

Economic Development Working Party 2014-16

In 2014 Council established an Economic Development Working Party to identify where efforts were needed to support the economic development of our communities, businesses and industries. The Working Party developed an Economic Development Framework (attached) with some key projects identified for implementation. The following is a high level summary of what has been achieved;

Business Friendly guidelines – assessment

Local Government New Zealand (LGNZ) in partnership with the Ministry of Business, Innovation and Employment (MBIE) developed a Business Friendly Framework and assessment for councils who want to become more business friendly. They identify the different roles councils can – and many already do – play to support businesses and economic development.

One of the implementation work streams of the regional strategy was for Councils to undertake a business friendly self-assessment. Matamata-Piako, Hauraki, and Waitomo District Council's and Waikato Regional Council participated in the assessment in 2014. The report found that Matamata-Piako District Council was particularly strong in resource consents and building consents due to high-quality online functionality. Comparatively, however they were relatively weak on matters of economic development.

This assessment was validated by a survey of businesses in 2015. The survey response rate was relatively low (only 15 from Matamata-Piako), which means that the results are not entirely representative of the business across the region.

Economic Development Think Tank 2015

The think-tank was held on 25 February 2015 at the Wallace Art Gallery, Morrinsville. Many positive suggestions were put forward by business people. Feedback included:

- the need for Ultra-fast broadband
- Morrinsville carparking
- need to grow our tourism offerings
- lack of employment opportunities for youth
- need for a Council economic development resource.

Investment Prospectus / Website promotion of our district

A prospectus has been developed and this has been made available on the Council website. Local businesses are included as local success stories. The prospectus covers doing business in the district, our economy, our central location, land and labour, Infrastructure and lifestyle opportunities.

Major Business Breakfast

The EDWP also held a business breakfast with 'major employers' on 10 March 2015 which followed on from the think-tank. This has since become a bi-annual function, with the most recent Breakfast hosted in Morrinsville in March 2017. Feedback from attendees indicate that they find this function useful in terms of networking and creating linkages, as well as a good opportunity for Council to provide an update on projects that may affect them.

Ultrafast/rural broadband

Council submitted a Registration of Interest for the further roll out of Ultra-fast Broadband, Rural Broadband and mobile black spots. The Ultra-fast Broadband roll-out has been approved for our three main towns with scheduled completion for Matamata in 2020 and Morrinsville and Te Aroha 2021. Council is waiting to hear back from Crown Fibre on the outcome of our response to invitation to co-fund and/or assist the expansion of Rural Broadband and mobile black spots.

Council's current contribution to Economic Development

Council is currently involved in a range of activities which contribute to economic development, although the activity or service may not be undertaken for those reasons alone. The list below gives some examples of Council contributions to economic development - this is not an exhaustive list:

- Local Business support
 - Business Awards
 - Financial support of Matamata Public Relations Association and Morrinsville Chamber of Commerce
- Supporting the tourism industry by
 - Providing regional tourism funding
 - Financially supporting the Hauraki Rail Trail – Council has previously resolved to allocate \$66,000 towards the HRT operations manager and trail

maintenance, which is funded from the Roothing activity (2017/18 financial year). Council staff are working with our partners on a new MOU, which will be reported to Council separately.

- Financially supporting the Wallace Gallery and the museums (Refer report on Community Funding Assistance to COC in July)
 - Operating the Spas in Te Aroha
 - Walking and mountain bike tracks, reserves such as the Te Aroha Domain and Firth Tower
 - Operating the Te Aroha I-site (refer below)
- Industry support
 - Bi-annual Major Business Breakfast
 - Continuing to develop and maintain our infrastructure that support business development and partnering with major industry on major infrastructure upgrades
 - Industry Training Graduation
 - Supporting Development
 - Meeting processing timeframes for our building and resource consents
 - District Plan/town strategies – protecting high-quality soils in rural areas (protection of pastoral farming lands), identifying land for business/industrial developments

International relations - has participated in trips to China and South Korea to promote industry and tourism in the district. Preparations are currently underway to host a delegation from China in return, with potential to also host a delegation from Japan in early 2018.

The Te Aroha i-Site is fully owned and operated by Council. The total cost (2016/17) to operate the TA i-Site is \$117,000 per annum, with an income of \$21,000. This budget covers insurance, security patrols, alarm monitoring, pest control, small repair jobs, souvenirs and maps for sale to the public. However, this excludes any building maintenance and renewals. Te Aroha i-Site delivers similar services as the Morrinsville and Matamata information centres.

Te Aroha i-Site current opening hours are;
 Monday to Friday 9.30am – 5.00pm
 Saturday, Sunday, and public holidays 9.30am – 4.00pm
 Closed Christmas day

Issues

Council's priorities for 2017/18 ED Work Programme

As part of the development of the Draft Long Term Plan 2018-28 a Council workshop was held to discuss the current and future involvement of Council in Economic Development. Some of the initiatives discussed can be implemented during the 2017/18 financial year within existing budget of \$150,000.

Council may wish to consider whether funding for potential regional initiatives that may come out of the work Waikato Means Business are doing should be identified as well.

Project / Initiative	Description	Timeframe	Budget
Major Business Breakfast	Continue to host two major business breakfast functions a year	Sept/Oct and Feb/Mar	\$2,000
Hauraki Rail Trail	Encourage increased use of the rail	Annually	\$10,000-

Item 6.2

marketing and promotion	trail and draw visitors to our district		\$25,000
Hauraki Rail Trail Trust	Invite new operations manager for the Rail Trail to present to Council		Nil
Rail trail business seminar	Facilitate seminars for interested parties around how to maximise the potential economic opportunities presented by the Hauraki Rail Trail		\$5,000
Waikato Means Business presentation	Invite Dallas Fisher, Chair of Waikato Means Business, to present to Council or Council workshop on the opportunities for our district in relation to the WMB regionals strategy		nil
CBD revitalisation studies	Provide financial support for each of the three towns' business associations to undertake a Mainstreet or other CBD revitalisation study. An initial approach has been made by Morrinsville and Matamata.		\$10-15,000 per town (total budget up to \$45,000)
Te Aroha CBD security	Invite Te Aroha Business Association to discuss with Council how Council can assist in improving security within the Te Aroha CBD		
District Prospectus	Review and update the economic development prospectus on Council's website	Annually	Nil Staff time
Regular ED workshops	Schedule regular ED workshops with all of Council	Quarterly or bi-monthly	Nil
Economic Development administration and support	Providing One point of Contact for business enquiries, preparing feasibility studies and project plans as and when required, training and development, development of an ED Strategy / update to the ED Framework, Think Tank or other focus group facilitation / engagement with local businesses	Ongoing	\$25,000
Infometrics subscription	Maintain annual subscription to the Infometrics economic analysis and information on our districts economic environment	Annually	\$10,000
Event co-ordination	Development of a business case for an events promotion/development/coordination role for Council		\$10,000
Event co-ordinator role	events promotion/development/coordination		TBC

	role for Council (dependent on business case outcomes)		
International relations	Funding travel or hosting of international guests to promote the Matamata-Piako District. In 2017/18 this would include hosting a delegation from China, and a possible delegation from Kitikami, Japan.	Annually	\$12,000
World Challenge Day event	We have been invited to participate in 'World Challenge Day' against Kitikami in Japan – a city with a similar economic profile to our district. This event involves engaging people from all sectors of our community to complete 15 minutes of exercise on the challenge day. It has the potential to bring our community together, promote health and wellbeing, and promote our district as a destination to Kitikami residents. The event would be coordinated in association with Sports Waikato. Funding would be used to resource the coordination and promotion.		\$16,000
Total budget 2017/18	\$150,000	Total cost of above initiatives	\$150,000

Council’s future involvement and investment in Economic Development

As part of the development of its new Vision and Outcomes for the LTP 2018-28 Council identified an area of focus for ‘Enabling Economic Opportunities.’ To support this Council set out three specific outcomes;

- We are a business friendly Council.
- Our future planning enables sustainable growth in our district.
- We provide leadership and advocacy to enable our communities to grow.

In considering the matters discussed within this report, Council is asked to consider how these relate and contribute to the Vision and Outcomes previously approved.

Economic Development Governance, budget and work programme

This report provides a high level overview of what has been achieved in the previous triennium with an annual budget of \$150,000 allocated to economic development. Council is asked to consider the level of funding to be allocated to economic development in the Draft LTP 2018-28.

It is recommended that a longer term work programme or economic development strategy is developed as part of the 2017/18 work programme as outlined in this report. To ensure funding is available to implement potential work streams falling out of the work programme, and also

supporting regional initiatives benefiting our communities, it would be prudent to maintain the annual funding of \$150,000 in the Draft LTP budgets.

Council may also consider increasing funding in the LTP – in particular if it wishes to fund events co-ordination as a priority for the district.

Funding of Economic Development initiatives – LTP 2018-28

Council currently provides funding under Service Level Agreements to organisations who support the economic development of our communities. This funding is currently treated as Grants, and sits within the grants and funding budget (separate to the Economic Development budget).

Council has previously indicated that it wishes to review the way in which it allocates grants through the Long Term Plan process. As part of this, staff have identified that these Economic Development grants could potentially be treated as service delivery contracts rather than grants, and as such the funding for these would not be contestable outside the Procurement process for the delivery of these services.

A. Hamilton & Waikato Tourism funding – 2015-18 Budget \$150,000 per year

Hamilton & Waikato Tourism (HWT) was established in 2011 to undertake regional tourism marketing and development activities for the Hamilton & Waikato region. HWT is a 100% subsidiary of Waikato Regional Airport Ltd. Council, together with six other local authorities within Waikato, has a Service Level Agreement with HWT. The SLA sets out the annual contributions from each participating council;

Hamilton City Council	\$585,000
Waikato District Council	\$150,000
Waipa District Council	\$150,000
Matamata-Piako District Council	\$150,000
Otorohanga District Council	\$ 60,000
Waitomo District Council	\$ 60,000
South Waikato District Council	\$ 60,000

Council is asked to consider the budget to be included in the Draft LTP for delivery of tourism promotion services and implementation of the Opportunities Plan. It may wish to consult individually with the organisation prior to finalising funding levels. Jason Dawson from the organisation is due to present their Annual Report to Council on 13 September 2017. Staff could liaise with him to see if discussions on funding could be held at the same time.

B. Matamata PRA – Financial support – 2015-18 Budget \$50,000 per year

Council currently has a Service Level Agreement with Matamata Public Relations Association (PRA). The PRA is contracted to deliver the following in return for an annual grant of \$50,000;

- Operation of the Matamata i-Site and maintain New Zealand Visitor Information Network membership
- Maintain the www.matamatanz.co.nz website

- Provide local information to visitors and residents/customers
- Organise various community events
- Promote the town, events and local groups
- Maintain Security Cameras (in conjunction with Policy)
- Business Promotion and Education
- Host regular business meetings
- Employ a CBD street cleaner for 8 hours a fortnight

The Matamata i-Site current opening hours are

Monday to Friday 9am to 5pm

Weekends 9am to 3 pm 20 May to 20 August
9am to 4pm 21 August to 19 May

Closed Christmas Day

Council is asked to consider the budget to be included in the Draft LTP for the delivery of these services. It may wish to consult individually with the organisation prior to finalising funding levels.

C. Morrinsville Chamber of Commerce – Financial support – 2016-18 Budget \$70,000 per year

Council currently has a Service Level Agreement with Morrinsville Chamber of Commerce (the Chamber). The Chamber is contracted to deliver the following in return for an annual grant of \$70,000;

- Operation of the Morrinsville Information Centre and maintain New Zealand Visitor Information Network membership
- Maintain the www.morrinsvillenz.co.nz website
- Provide local information to visitors and residents/customers
- Organise various community events
- Promote the town, events and local groups
- Maintain and improve Security Cameras (in conjunction with Policy)
- Business Promotion and Education
- Host regular business meetings

The Morrinsville i-Site current opening hours are;

Monday to Friday 8.30am - 4.30pm

Weekends & Public Holidays: 10am to 2pm

Closed Christmas Day

The AA, operating as part of the i-Site, is open between 8.30am and 4.30pm Monday - Friday (closed for lunch from 12.45pm - 1.15pm).

Historically the Chamber received \$50,000 annually since 2008. With the development of the Morrinsville information centre as an accredited i-Site, and also operating the AA office, the Chamber submitted to the 2016/17 Annual Plan a request to increase the funding. The request was for an increase of \$30,000 to \$80,000 per year. Council approved \$70,000 per year for two years ending 30 June 2018.

Council is asked to consider the budget to be included in the Draft LTP for the delivery of these services. It may wish to consult individually with the organisation prior to finalising funding levels.

D. Te Aroha Business Association

Council does not currently provide any annual funding of Te Aroha Business Association (TABA). The TABA regularly applies for funding through the Community Ward Grants for its Christmas Parade and the Te Aroha Cruise-In.

Council may wish to consider working with the TABA on how Council can support the town's businesses and further promote economic development and investment in the town.

Analysis

Options considered

Council is asked to consider the level and nature of its involvement in Economic Development.

Council is also asked to confirm its priority work streams within this activity for staff to implement in 2017/18 financial year, and approve a Draft Budget to support its priorities as part of the development of the Draft LTP.

Analysis of preferred option

There is no preferred option.

Legal and statutory requirements

There are no legal requirements for Council to provide for economic development initiatives.

Impact on policy and bylaws

There is no impact on policy and bylaws as a result of this report.

Consistency with the Long Term Plan / Annual Plan

This report on Economic Development forms part of the development of the Long Term Plan 2018-28.

Impact on Significance and Engagement Policy

Council is asked to consider whether its decision relating to level and nature of involvement and investment in Economic Development is significant to our communities.

Council may wish to engage with the community through a 'Right Debate' pre-consultation for the LTP to seek community feedback on Council's priorities and plans for the economic development activity.

Any decision relating to funding of individual organisations is likely to have a significant impact on those organisations. As such Council may wish to consider consulting directly with these organisations before it confirms its draft budget for the LTP.

Communication, consultation and decision making processes

Council may wish to consider Economic Development as a 'Right Debate' topic as part of the pre-consultation with our community.

The LTP Consultation Document and Draft LTP will be consulted on in early 2018, following the Special Consultative Procedure which includes calling for submissions and holding a hearing.

Consent issues

There are no consent issues relating to this matter.

Timeframes

The Draft LTP will be presented to Council for approval to send to Audit in December 2018.

Contribution to Community Outcomes

Council has approved a new vision, 'Matamata-Piako – The Place of Choice. Lifestyle. Opportunities. Home.' To support this vision Council has approved the following community outcomes to which economic development initiatives relate;

- Economic Opportunities

We are a business friendly Council.

Our future planning enables sustainable growth in our district.

We provide leadership and advocacy to enable our communities to group.

- Healthy Communities

Our community is safe, healthy and connected.

Financial Impact

i. Cost

Council is asked to consider the level of funding to be allocated to the following as part of the draft LTP 2018-28;

1. Hamilton & Waikato Tourism – current agreement is for annual grant of \$150,000 per year (2015-18)
2. Matamata PRA – current agreement is annual grant of \$50,000 per year (2015-18)
3. Morrinsville Chamber of Commerce - current agreement is \$70,000 per year (2016-18)
4. Economic Development initiatives – previous LTP provided an annual budget of \$150,000

ii. **Funding Source**

Economic Development forms part of the Strategy and Engagement Activity and is funded from General Rates.

Any increase or decrease to any of these items will have an impact on the rates. The level of impact will be determined by the level of change.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Ann-Jorun Hunter Policy Planner	
Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Draft Annual Report 2016/17

Trim No.: 1907872

Item 6.3

Executive Summary

A summary of the financials and performance measures for the draft Annual Report and Summary 2016/17 is circulated separately. The final audit of Council's draft Annual Report and Summary is due to start on 28 August 2017, with final sign off to be received by Council at its meeting on 11 October 2017.

Recommendation

That:

1. The information be received.

Content

Background

Council is required to prepare an annual report each financial year. A summary of the financials and performance measures for the draft Annual Report and Summary 2016/17 is circulated separately. The final audit of Council's draft Annual Report and Summary is due to start on 28 August 2017, with final sign off to be received by Council at its meeting on 11 October 2017.

Issues

Non-financial performance measures

There are a total of 69 performance measures which Council reports on in the Annual Report of which 31 are mandatory measures.

Annual Customer Survey

A number of our performance measures are measured through our annual customer survey. This year's survey was conducted by Versus Research Limited (Versus) in February/March 2017. The results and the full report were presented to the Corporate and Operations Committee 24 May 2017.

Analysis

Legal and statutory requirements

Under Section 98 of the Local Government Act 2002, Council is required to prepare an annual report and summary at the close of each financial year.

Impact on policy and bylaws

There are no policy or bylaw issues.

Consistency with the Long Term Plan / Annual Plan

The Annual Report is designed to report on Councils performance against the Long Term Plan/Annual Plan.

Impact on Significance and Engagement Policy

This issue is not significant in terms of the significance policy.

Communication, consultation and decision making processes

The Annual Report does not involve a process of consultation, but is externally audited with an audit opinion issued.

Timeframes

Council's auditors will be on-site from 28 August 2017 for two weeks. Council's auditors will be present at the Council meeting on 11 October 2017 to present the audit opinion. The final Annual Report 2016/17 must be adopted no later than 31 October 2017.

Contribution to Community Outcomes

The document reports on progress towards our community outcomes.

Financial Impact

i. Cost

The cost of the Annual Report is a budgeted expense (\$15,000) excluding audit fees. Other costs of the project are staff time and audit fees of the Annual Report and Summary.

ii. Funding Source

Budgetary provision for the Annual Report has been included in the Long Term Plan and Annual Plan budgets under the Strategies and Plans activity.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Larnia Weir Deputy Finance Manager	
	Vicky Oosthoek Corporate Strategy Administration Officer	

Approved by	Manaia Te Wiata Group Manager Business Support	
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	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Policies on the Remission and Postponement of Rates

Trim No.: 1908713

Executive Summary

Council participated in a workshop on 19 July 2017 and were given an overview of the current policies on the Remission and Postponement of Rates. The Policies on the Remission and Postponement of Rates will be consulted on.

Council can only remit rates if they have adopted a rates remission policy under section 85 of the Local Government (Rating) Act 2002.

Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance but delayed for a certain time, or until certain events occur. The overall objective of remissions being to provide rates relief in situations to support both the fairness and equity of the rating system and the overall wellbeing of the community.

This report seeks to confirm the direction that Council gave to staff regarding remission policies at a recent workshop.

Recommendation

That:

1. **The information is received.**
2. **Council confirm staff progress a review of the Policy on the remission of rates – specifically - other categories and Policy on remissions of pan charge targeted rates based on metered water consumption.**
3. **Council confirm staff progress a paper for consideration on whether to introduce two new remissions polices – Policy on abandoned land remission and Policy on natural disasters and emergencies remission.**

Content

Background

Council participated in a workshop on 19 July 2017 and were given an overview of the current remissions and postponement polices. Council delegates the authority to implement these policies to the Chief Executive Officer. The Chief Executive Officer may sub-delegate this role to any other council officer.

Current Policies

1. Policy on the remission of rates on land protected for conservation purposes
2. Policy on the remission of penalties on unpaid rates
3. Policy on the remission of rates: other categories
4. Policy on remission of small rates balance
5. Policy on the remission of rates on Maori freehold land

6. Policy on the postponement of rates on Maori freehold land
7. Policy on remissions for metered water leaks
8. Policy on remissions of pan charge targeted rates based on water use
9. Policy on remissions of pan charge targeted rates for educational establishments

Council can only remit rates if they have adopted a rates remission policy under *section 85 of the Local Government (Rating) Act 2002*. Other legislation that applies is:

- Policy on the remission of rates: other categories - *Section 20 of the Local Government (Rating) Act 2002 states that Council must treat two or more rating units as one if they are owned by the same person(s), used as one unit, are contiguous or separated only by road, rail, drain, water race, ricer, or stream.*
- Policy on the remission of rates on Maori freehold land - *Statutory requirement under section 114 of the Local Government (Rating) Act 2002.*
- Policy on the postponement of rates on Maori freehold land - *Statutory requirement under section 115 of the Local Government (Rating) Act 2002.*

Possible amendments identified at the workshop

Policy on the remission of rates: other categories – this policy was identified as needing reviewing as it is not achieving the objective and specific situations have arisen that are not covered within the policy.

Policy on remissions of pan charge targeted rates based on metered water consumption – modelling of different scenario has been requested by Council, to be tabled to Council at a later date as part of the Long Term Plan project.

These matters will be reviewed by Staff and reported back to Council in due course.

Issues

It has been proposed that additional remission policies are considered for situations of ‘abandoned land’ and ‘natural disasters and emergencies, with draft policies to be tabled at a later date.

Analysis

Options considered

1. Make amendments to Policy on the remission of rates: other categories and Policy on remissions of pan charge targeted rates based on metered water consumption.
2. Propose to introduce two new remission policies – Policy on abandoned land remission and Policy on natural disasters and emergencies remission.

Analysis of preferred option

There is no preferred option.

Legal and statutory requirements

Local Government Act 2002

Section 102 Funding and financial policies

(4) A local authority—

(a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section:

(b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82.

Section 109 Rates remission policy

(1) A policy adopted under section 102(3)(a) must state—

(a) the objectives sought to be achieved by the remission of rates; and

(b) the conditions and criteria to be met in order for rates to be remitted.

(2) In determining a policy under section 102(3)(a), the local authority may consider the matters set out in Schedule 11. (matters relating to rates relief on Maori freehold land)

(2A) If a policy is adopted under section 102(3)

(a) the policy—must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82; and

(b) may be revoked following the review under paragraph (a).

Impact on policy and bylaws

The outcome may result in new policies for Council.

Consistency with the Long Term Plan / Annual Plan

Any amendments to the Policies on the Remission and Postponement of Rates will be considered alongside the development of the Long Term Plan 2018-28.

Impact on Significance and Engagement Policy

The Policies on the Remission and Postponement of Rates review may have significant impact on individual ratepayers.

Communication, consultation and decision making processes

The Policies on the Remission and Postponement of Rates will form part of the draft Long Term Plan 2018-28 which is subject to community consultation.

Consent issues

There are no consent issues.

Timeframes

The current Rates Remission and Postponement Policies were reviewed and consulted on alongside the draft Long Term Plan 2015-25.

Timeline for consultation to be advised when draft policies are brought to Council. Council must adopt its Long Term Plan 2018-28 by 30 June 2018.

Contribution to Community Outcomes

Council has approved a new Vision, “Matamata-Piako – The Place of Choice,” and outcomes for the Long Term Plan 2018-28.

Economic Opportunities - We provide leadership and advocacy is provided to enable our communities to grow.

Vibrant Cultural Values - We promote and protect our arts, culture, historic, and natural resources.

Financial Impact

i. Cost

The operational cost of the Policies on the Remission and Postponement of Rates will be considered as part of Council's overall discussion on the 2018-28 Long Term Plan budgets.

ii. Funding Source

100% funded by rates.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Danny Anglesey Finance & Business Services Manager	
	Vicky Oosthoek Corporate Strategy Administration Officer	

Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Manaia Te Wiata Group Manager Business Support	
	Don McLeod Chief Executive Officer	

Presentation

Trim No.: 1919194

Item 6.5

Executive Summary

10.00am A presentation will be made to Mr W Petersen a volunteer member of the Tom Grant Drive who has held all positions of office over the last 15 years.

Recommendation

That:

1. The information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Caroline Hubbard Committee Secretary	
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Approved by	Don McLeod Chief Executive Officer	
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Spotlight on Safety Award Presentation

Trim No.: 1913983

Item 6.6

Executive Summary

10:15 a.m.

Presentation of the "Spotlight on Safety Award" to Nerida Turner, KVS Workflow Officer.

The Health & Safety Facilitator, Kate Stevens will also be in attendance.

Recommendation

That:

1. **The information be received**

Attachments

There are no attachments for this report.

Signatories

Author(s)	Sandy Barnes Health & Safety/Quality Manager	
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Approved by	Dennis Bellamy Group Manager Community Development	
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Piako Park Limited - Easement Request - Seddon Street and Local Purpose Reserve

Trim No.: 1918375

Executive Summary

This report seeks a decision from Council on whether to grant an easement to Power Co. over Council land held as a reserve on Seddon Street Te Aroha adjacent to the Piako Park development, and over Local Purpose Recreation Reserve which is to vest in Council on completion of the Piako Park development (refer to a separate report to Council on this matter).

Recommendation

That:

1. The information be received; and
2. Council resolve whether or not to grant an easement to Power Co. over Council land held as a reserve on Seddon Street Te Aroha adjacent to the Piako Park development, and over Local Purpose Recreation Reserve which is to vest in Council on completion of the Piako Park development.

Content

Background

Easement request

Council has received a request from Piako Park Limited and Power Co. to grant an easement for electricity over land owned by Council in Te Aroha, as show on the survey plan, maps and certificates of title attached to this report.

The land comprises of an existing reserve adjacent to Seddon Street and a proposed Local Purpose recreation reserve to be vested in Council on completion of the Piako Park development.

The process for granting an easement involves:

- Entry in to a binding agreement to grant an easement;
- Completion of physical works by;
- Completion and lodgement with LINZ of a survey plan identifying the easement area;
- Completion, execution and lodgement of the easement instrument;
- Payment of compensation and costs (if any);
- Confirmation of completion of registration of the easement by.

Piako Park Development

Piako Park are completing a two stage development, vesting a reserve in Council in the first stage before creating several new lots as part of the second stage of the development.

Issues

The Reserve

The Seddon Street Reserve is classified as municipal reserve (GN S50563) Council's reserve management plan indicates that the intention is to classify the reserve as a Recreation Reserve.

Lot 101 LT Plan 496513 will vest as Local Purpose Reserve (Recreation), subject to the Reserves Act 1977.

The impact of the works on the Reserve

Council staff have assessed the proposed works and the works will be underground and in the same trench as other services to the development. This includes telecommunications (Chorus have confirmed they do not require an easement), water, wastewater and stormwater services which will vest in Council as public assets and do not require an easement.

For the reasons above, staff are of the view that the Reserve is not likely to be materially altered or permanently damaged and the rights of the public in respect of the Reserve are not likely to be permanently affected by the establishment and lawful exercise of the easement.

Easement agreement

Council will need to consider whether to agree to grant the easement and the terms on which it is prepared to do so. A copy of the proposed easement is attached to this report. Staff have no concerns regarding the contents.

Discussion on Council's legal requirements under the Reserves Act 1977 and the offer of compensation are set out further in this report.

Analysis

Options considered

Council could:

- Agree to the grant of easement, on the terms proposed or such other terms that it considers are reasonable;
- Decline to grant the easement.

Analysis of preferred option

Staff are of the view that it is open to Council to grant the easement, staff do not have a specific recommendation on whether Council should seek compensation for the value of the easement.

Legal and statutory requirements

The Reserves Act 1977 sets out the requirements for making decision in respect of reserves.

Under section 48 of the Reserves Act 1977 in the case of reserves vested in Council, with the consent of the Minister of Conservation and on such conditions as the Minister thinks fit, Council may grant rights of way and other easements over any part of the reserve for... an electrical installation or work, as defined in section 2 of the Electricity Act 1992.

The Minister of Conservation has delegated to all councils (by way of delegation dated 12 July 2013) the ability to consent to easements under section 48 of the Reserves Act 1977 where the reserve is vested in Council, this means that despite the wording of the Reserves Act 1977, Council does not require Ministerial consent prior to making a decision on whether or not to grant the easement.

Before granting a right of way or an easement under part of a reserve vested in it, the Reserve Act 1977 specifies that the Council is required to give public notice specifying the easement intended to be granted, and give full consideration to all objections and submissions received in respect of the proposal. However, public notice requirements are not required where the reserve:

- is vested in Council; and
- is not likely to be materially altered or permanently damaged; and
- the rights of the public in respect of the reserve are not likely to be permanently affected by the establishment and lawful exercise of the easement.

The Reserve is vested in Council and it is considered that because the services are to be located underground with other services that they will not materially alter or permanently damage the reserve or permanently affect the public's rights in respect of the reserve.

Impact on policy and bylaws

The Reserve Management Plan

Council's Reserve Management Plan General Policies for 'Easements for Privately Owned Underground Facilities' contemplates such easements being granted in appropriate circumstances. This is subject to the owner being responsible for the installation, maintenance and reinstatement of the reserve. The policy also contemplates compensation for the easement if it is for private use.

There are no other policy or bylaw considerations.

Consistency with the Long Term Plan / Annual Plan

This matter is operational and does not affect the Long Term Plan/Annual Plan.

Impact on Significance and Engagement Policy

This issue is not considered significant.

Communication, consultation and decision making processes

The land is not currently leased; there are therefore no consultation issues.

Consent issues

Piako Park holds a resource consent for their development.

Timeframes

Piako Park Limited would like to progress this matter as quickly as possible

Financial Impact

i. Cost

It is normal when requesting an easement to pay compensation for the easement value. This compensates the land owner for the loss of the unfettered enjoyment and use of the land. Council has in previous decisions waived its right to negotiate compensation (e.g. electricity easements with Power Co) on the basis that the community was gaining a specific benefit from an improved/more resilient service.

Staff have not at this stage requested a valuation or offer of compensation. Staff are of the view that the value of the easement on Seddon Street Park is likely to be modest, but an assessment by a registered valuer would be required to establish this.

In relation to the land to vest in Council as new reserve, Council is to purchase this land from the developer at an agreed market value, the existence of the easement and services within the reserve will be taken in to account as part of that process.

Piako Park Limited has agreed to pay all costs of the easement (survey etc.), and reasonable staff costs in processing the request for easement.

ii. Funding Source

No funding source has been identified, it is proposed that all reasonable Council costs will be met by Piako Park Limited.

Attachments

- A. Power Co - Easement Instrument
- B. Survey Plans
- C. Survey Plans
- D. Survey Plans
- E. Piako Park Development Aerial

Signatories

Author(s)	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Mark Naude Parks and Facilities Planner	

Approved by	Susanne Kampshof Asset Manager Strategy and Policy	
	Don McLeod Chief Executive Officer	

Power Co - Easement Request - Morrinsville Wastewater Treatment Plant and Morrinsville Esplanade Reserve

Trim No.: 1918391

Executive Summary

Council has received a request from Power Co. to grant an easement for electricity over land owned by Council in Morrinsville, as show on the survey plan, maps and certificates of title attached to this report.

The land is the existing Wastewater Treatment Plant in Morrinsville and a Local Purpose Esplanade reserve.

Recommendation

That:

1. The information be received; and
2. Council resolve whether or not to grant an easement to Power Co. over Council land held as the Morrinsville Wastewater Treatment Plant, and over Local Purpose Esplanade Reserve in Morrinsville.

Content

Background

Easement request

Council has received a request from Power Co. to grant an easement for electricity over land owned by Council in Morrinsville, as show on the survey plan, maps and certificates of title attached to this report.

The land is the existing Wastewater Treatment Plant in Morrinsville and a Local Purpose Esplanade reserve.

The process for granting an easement involves:

- Entry in to a binding agreement to grant an easement;
- Completion of physical works by;
- Completion and lodgement with LINZ of a survey plan identifying the easement area;
- Completion, execution and lodgement of the easement instrument;
- Payment of compensation and costs (if any);
- Confirmation of completion of registration of the easement by.

Powerco – Morrinsville Secondary 33kV and 11 kV Circuit upgrade

As identified in Powerco's Asset Management Plan, the existing Morrinsville substation is constrained by the single 33kV circuit feeding it. The single circuit does not currently provide the required AA+ security level, and installation of a second circuit to this substation would greatly improve reliability to the area and provide AAA security levels.

The intent is to run the second 33kV line underground, following the existing 33kV overhead line route from Powerco's GXP (where Powerco's network is connected to Transpower's transmission network) located on Roche Road Morrinsville, through to Powerco's substation located at 32 Allen Street Morrinsville.

As part of these works, Powerco is required to obtain an easement for the new line. As per the attached plans, the easement will provide for the 33kV cable and communications cable, an 11kV cable and a spare duct to provide for future-proofing.

Morrinsville Wastewater Treatment Plant

There is an existing overhead electricity line running across this property from the adjoining property at 56 Roache Road and through to the back of 136 Roache Road. The new underground line will follow the same alignment for the first 330 metres, and then follow the existing access road in order to avoid any other essential infrastructure.

Piako River Esplanade Reserve

The existing overhead line and proposed underground line will cross the Piako River and adjoining esplanade reserve land. Consultation has been undertaken with Ngāti Haua Iwi Trust who have no issues with the proposal and have advised that there are no sites of significance within the proposed area.

Issues

Morrinsville Wastewater Treatment Plant

Council staff has no objection to the construction of the power line and easement location. The land is not a reserve under the Reserves Act 1979, so there are no statutory restrictions on Council granting the easement.

Esplanade Reserve

The land identified (Certificate of title 383157 (Lot 14 DP 390819)) is Local Purpose Reserve (Esplanade) and subject to the Reserves Act 1977. The land was vested in Council as an esplanade reserve as part of the Piako Lane subdivision in 2007. The Reserve is already subject to a number of easements as a result of activities that existed when the subdivision occurred. Council has signalled through its Open Spaces Strategy and the draft Long Term Plan that it intends to develop and extend the river walkway in future on this site.

The impact of the works on the Reserve

Council staff have assessed the proposed works and as the pipe work will be underground in the same trench as other services to the development.

For the reasons above, staff are of the view that the Reserve is not likely to be materially altered or permanently damaged and the rights of the public in respect of the Reserve are not likely to be permanently affected by the establishment and lawful exercise of the easement.

Easement agreement

Council will need to consider whether to agree to grant the easement and the terms on which it is prepared to do so.

Discussion on Council's legal requirements under the Reserves Act 1977 and the offer of compensation are set out further in this report.

Analysis

Options considered

Council could:

- Agree to the grant of easement, on the terms proposed or such other terms that it considers are reasonable;
- Decline to grant the easement.

Analysis of preferred option

Staff are of the view that it is open to Council to grant the easement, staff do not have a specific recommendation on whether Council should seek compensation for the value of the easement.

Legal and statutory requirements

The Reserves Act 1977 sets out the requirements for making decision in respect of reserves.

Under section 48 of the Reserves Act 1977 in the case of reserves vested in Council, with the consent of the Minister of Conservation and on such conditions as the Minister thinks fit, Council may grant rights of way and other easements over any part of the reserve for... an electrical installation or work, as defined in section 2 of the Electricity Act 1992.

The Minister of Conservation has delegated to all councils (by way of delegation dated 12 July 2013) the ability to consent to easements under section 48 of the Reserves Act 1977 where the reserve is vested in Council, this means that despite the wording of the Reserves Act 1977, Council does not require Ministerial consent prior to making a decision on whether or not to grant the easement.

Before granting a right of way or an easement under part of a reserve vested in it, the Reserve Act 1977 specifies that the Council is required to give public notice specifying the easement intended to be granted, and give full consideration to all objections and submissions received in respect of the proposal. However, public notice requirements are not required where the reserve:

- is vested in Council; and
- is not likely to be materially altered or permanently damaged; and
- the rights of the public in respect of the reserve are not likely to be permanently affected by the establishment and lawful exercise of the easement.

The Reserve is vested in Council and it is considered that because the services are to be located underground next to existing lines that they will not materially alter or permanently damage the reserve or permanently affect the public's rights in respect of the reserve.

Impact on policy and bylaws

The Reserve Management Plan

Council's Reserve Management Plan General Policies for 'Easements for Privately Owned Underground Facilities' contemplates such easements being granted in appropriate circumstances. This is subject to the owner being responsible for the installation, maintenance and reinstatement of the reserve. The policy also contemplates compensation for the easement if it is for private use.

There are no other policy or bylaw considerations.

Consistency with the Long Term Plan / Annual Plan

This matter is operational and does not affect the Long Term Plan/Annual Plan.

Impact on Significance and Engagement Policy

This issue is not considered significant.

Communication, consultation and decision making processes

The land is not currently leased; there are therefore no consultation issues.

Consent issues

There are no consent issues.

Timeframes

Power Co would like to progress this matter as quickly as possible.

Financial Impact

i. Cost

It is normal when requesting an easement to pay compensation for the easement value. This compensates the land owner for the loss of the unfettered enjoyment and use of the land. Council has in previous decisions waived its right to negotiate compensation (e.g. electricity easements with Power Co) on the basis that the community was gaining a specific benefit from an improved/more resilient service.

Staff understand that Power Co are currently undertaking a valuation.

Power Co has agreed to pay all costs of the easement (survey etc.), and reasonable legal costs in processing the request for easement.

ii. **Funding Source**

No funding source has been identified, it is proposed that all costs will be met by Power Co.

Attachments

- A. Morrinsville Esplanade Reserve Title and Survey Plan
- B. Easement Instrument - Right to Convey Electricity and Telecommunications
- C. Agreement to Grant Easement - Powerco Initiated Works
- D. Easement location
- E. Easement location
- F. Morrinsville Aerial

Signatories

Author(s)	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Mark Naude Parks and Facilities Planner	

Approved by	Don McLeod Chief Executive Officer	
	Susanne Kampshof Asset Manager Strategy and Policy	

Matamata-Piako Civic and Memorial Centre

Trim No.: 1918785

Executive Summary

Following a meeting between representatives of Ngati Haua, Ngati Hinerangi, Raukawa and staff, a proposal to provide carvings and other artefacts to be included in the Matamata-Piako Civic and Memorial Centre has been received. A copy of the proposal was handed to elected members at the last council workshop.

This report requests that Council formally consider the proposal.

No specific budget item was allocated to this aspect although all contingencies have not yet been specifically allocated.

It should be noted that the Resource Consent included conditions to recycle and where possible incorporated into the new build materials (wood) removed from the 1940 Borough Building. There is also a condition to provide a display of drawings, photographs and information regarding the Borough Building.

Recommendation

That:

1. **The information be received**
2. **Council considers the concept of a Pou Maumahara at an estimated cost of \$15,500 with a design to be approved**
3. **Council considers the provision of five Whaariki panels at a cost of \$500 each**
4. **Council considers an expenditure of \$450 for the Kowhaiwhai design of the reception desk front panel.**
5. **Council note the offer to suggest room names**
6. **Council considers the concept of bi-lingual signage and the offer of Mana Whenua to assist with appropriate terms and phrases**

Content

Background

Resource Consent conditions for the demolition of the 1940 Matamata Borough building included the reuse of materials removed and where possible to incorporate within the new building.

To consider possible uses of the timber staff have met with Mana Whenua – Ngati Haua, Ngati Hinerangi and Raukawa representatives to discuss options.

The stored timber has been inspected by a carver to determine its suitability; he considers it unsuitable for external use.

Resource consent conditions also include a requirement to provide a permanent display of measured drawings, photographs and history of the Borough Building.

Council is requested to give directions as to the suitability of the proposals.

Issues

One of the conditions of the Land Use consent to demolish the 1940 Matamata Borough building is:

“The adverse effects on heritage values can be mitigated by preparing a comprehensive record of the building prior to demolition, and using the information together with documentary research to develop a permanent interpretive public display of the heritage values of the building, and ‘soft’ stripping the building and reusing building elements”.

The existing Cenotaph (external) and Roll of Honour (internal) have been retained unaltered within the new complex.

New corporate signage will also be provided.

If approved, further discussion between groups facilitated by ChowHill Architects will ensure a coordinated approach and relationship of all signage to the interior design.

Analysis

Various options were considered in consultation with the architect on the reuse of removed timbers from the Borough Building these included internal panelling around the entrance foyer.

The amount and profile of recovered timbers were insufficient to satisfactorily incorporate them into the building structure. Alternatives discussed including reworking into furniture that could be located either in the new building or other suitable locations, no proposal on this aspect is being put forward at this stage.

Informal comments suggested that local iwi be invited to consider options with respect to the reuse of timbers that could be incorporated into the development and also contribute to an historical record of the district.

Ngati Haua carver has inspected the stored recovered timbers and has determined that they are not suitable for external use however can be used for new artefacts to be positioned within the new building.

The Mana Whenua proposal includes an option to erect a Pou Maumahara carved from a Totara log external to the building is to commemorate those who fought and died in the New Zealand Land Wars. The architect has confirmed the proposed location is suitable. Minor changes to the landscape plan can be made to accommodate this.

The proposal included an image of typical Pou, not the specific one for Matamata

Timber wall panels will be constructed from recycled timber and represent Whaariki Mats and Tukutuku Panels and be hung on the foyer walls. The exact location to be confirmed but most likely to be in the public foyer space as a sign of welcoming, hosting and hospitality.

Staff are suggesting a further panel to be constructed that will be used as a back-board to display the required photo's, drawings and history of the old Borough Building.

There is also a proposal to design a Corian panel to be incorporated within the Reception Counter front. The architect confirms that the current front panel can be modified to incorporate this.

The draft proposal has been viewed by ChowHill Architects who support the concept.

The proposal also includes an offer to suggest room names within the new complex and to assist with providing appropriate terms and phrases for bi-lingual signage.

Legal and statutory requirements

None

Impact on policy and bylaws

None

Communication, consultation and decision making processes

Concepts and proposals have been discussed with iwi representatives, the architect supports the proposal and it demonstrates an inclusive philosophy and commemorates those that have fought and died in various wars.

Consultation with Matamata RSA will be arranged if this proposal is accepted

Consent issues

Part of the proposal can be used to meet some of the Resource Consent conditions

Timeframes

Approximately four months to carve the Pou once log has been sourced.

Panels seven to eight weeks

Financial Impact

i. Cost

Carved Pou Maumahara (labour and materials) \$12,500

Installation cost estimate (requires further discussion) \$3,000

(Note: If council were to source or have donated a suitable totara log the cost could be reduced by \$5,000)

Recycled wood panels approximately \$500 each – dependant on size

Kowhaiwhai Design for reception desk \$450

Laser cutting/carving will require quote based on design.

ii. Funding Source

Project contingency budget

Attachments

There are no attachments for this report.

Signatories

Author(s)	Roger Lamberth Kaimai Consultants Manager	
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Approved by	Don McLeod Chief Executive Officer	
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Update on Headon Stadium

Trim No.: 1893164

Executive Summary

Headon Stadium in Matamata was discussed at a recent workshop about potential future capital works for the 2018-28 Long Term Plan. Council requested further information on the current condition of the building to facilitate discussion on whether any short-term remedies may be appropriate and practicable until such time as the long-term future of Headon Stadium has been determined. The report outlines issues regarding the Headon Stadium building.

Recommendation

That:

1. **The report be received;**

Content

Background

Headon Stadium is an indoor sports and recreation facility located at Pohlen Park, Western Street, Matamata. The building was built in 1974 and is currently owned by Council. The stadium is used for badminton, by badminton, basketball, bowls, indoor football, netball and various community gatherings.

Council staff have indicated that there are some aesthetic and structural issues with the current building. These issues have also led to complaints from stadium users (mainly about puddles on the floor and the general appearance of the building).

Headon Stadium was discussed at a recent workshop about potential future capital works for the 2018-28 Long Term Plan (LTP).

A capital allocation of \$2M in the 2019-20 Financial Year was included in the 2015-25 LTP towards an upgrade of Headon Stadium. The LTP also allocated \$150,000 in the 2018-19 Financial Year towards a feasibility study to investigate current use, future demand and options for the future of the building.

It was proposed to proceed with an investigation into an indoor sports stadium in Matamata and to allocate the \$150,000 towards this. The feasibility report would most likely include the development of a robust business case based on Sport New Zealand guidelines. The business case would identify what type of indoor sports and recreation facility is required in Matamata to meet current and future demand as well as identify the optimal location for such a facility. One of the options to be examined would be the redevelopment of Headon Stadium.

The capital funding of \$2million was proposed to be allocated in 2019-20. At the workshop it was suggested that rather than tagging this allocation to Headon Stadium in the LTP it should be given a more generic description such as "Matamata Indoor Sports Facility" as the funds may or may not be spent at Headon Stadium. The feasibility study would inform decision-making about the nature of the facility required and its preferred location.

A community group, Matamata Futures Trust Incorporated (the Trust), has been leading a campaign for a new indoor sports stadium in Matamata. Council has not, at this stage, been formally approached by the Trust to discuss the indoor stadium project. Press reports indicate that the Trust would prefer a new two court indoor facility to be built and that Pohlen Park is not their preferred location for a stadium.

Council requested further information on the current condition of Headon Stadium to facilitate discussion on whether any short-term remedies may be appropriate and practicable until such time as the long-term future of Headon Stadium has been determined.

Issues

Building description

The building is of concrete block wall construction which has been painted over. Fibre cement cladding has been installed at the gable ends of the building. All of the window joinery is aluminium. The exterior doors are either aluminium or timber.

Part of the ground floor consists of a concrete floor and the main sports surface has been constructed using a raised timber floor structure. A mezzanine floor has been built using a prefabricated block and beam flooring system.

The roof consists of painted corrugated metal roof sheeting over prefabricated timber roof trusses supported by the structural walls. There are concealed metal lined gutters on two sides of the roof which discharge into UPVC down pipes.

The ground floor contains male and female change rooms, showers and toilet facilities. The change rooms can be accessed internally or externally. The main hall, storage facilities and canteen are located on the ground floor.

A timber staircase provides access to the mezzanine floor. The mezzanine level includes a kitchen, balcony viewing area, spectator seating, male and female toilets and the Rose York Lounge.

Floor coverings are either carpet or vinyl apart from the timber sports floor.

The interior block work walls have been painted over. A timber framed wall has been installed separating the Rose York Lounge from the main hall.

Asset condition

A building condition report was completed in December 2016 by Cove Kinloch building consultants. The building consultants carried out a visual inspection of the building and provided expert opinion on the following matters:

- building fabric inside and out including the roof, cladding, glazing and whether there is any evidence of moisture ingress;
- building structure and site conditions;
- fire protection systems (no fire design allowed for);
- building services, including electrical and mechanical;

- outline scope of defective items for replacement or maintenance and approximate cost; and
- whether the Building Warrant of Fitness (BWoF) is compliant and current.

The inspection was a visual and non-invasive. It did not include any areas or components that were concealed or closed in behind finished surfaces (such as plumbing, drainage, framing, insulation, wiring etc.).

No structural building defects were observed during the inspection of the building although a number of building maintenance observations and defects were noted.

Table 1 presents a summary of the overall condition of various components. More detailed information is available in the building consultant's report. Council's Property Maintenance Supervisor has provided additional comments in Table 1.

Table 1

Building Element	Condition Grading	Building Consultants' Remarks	Property Maintenance Supervisor's Remarks
Roof cladding	Satisfactory	Sheeting in fair condition for age. Replace within five years. Fascia and barge boards rotting in several places and need replacing.	The roofing is in poor condition and in a similar state to that which was on the Matamata Memorial Centre prior to its demolition. It leaks and is at the point that it needs replacing. The internal gutter is in need of replacing. It is the same age as the roof and is leaking. Water is getting into the fascia and rotting it. This would be replaced at the same time as the roofing. This would involve work at height and sizeable costs for scaffolding, edge protection etc.
Roof drainage	Poor	Gutters are rusting in places and have no overflows. Will need replacing.	Gutters are way past their life expectancy and need replacing. If the roof was to be replaced in conjunction with the guttering consideration should be given to packing out the trusses and getting rid of the internal gutters and installing an external box gutter to eliminate inherent internal gutter problems.
Building structure	Good	Structure in good condition for its age. No structural defects were	The external structure is in reasonable good condition. No signs of concrete block cracking or

Item 7.2

Building Element	Condition Grading	Building Consultants' Remarks	Property Maintenance Supervisor's Remarks
		observed.	sagging in the end walls.
Wall cladding	Poor	<p>Fibre cement sheeting on gable ends may contain asbestos and should be removed by a specialist contractor.</p> <p>Exterior paintwork in poor condition.</p> <p>Some signs of moisture ingress at gable end windows.</p>	<p>The sheets on the Northern & Southern ends are old Fibrolite sheets containing asbestos and would need removing by an approved licenced asbestos removal contractor. This would involve working at height with scaffolding and would incur considerable cost. The cladding itself, in its current form of installation is not suitable strength-wise to take balls being kicked at it. It is a park where soccer is played so any cladding installed should be able to withstand considerable force from the impact of soccer balls etc. If replacing the end cladding it should be considered whether windows are needed. The windows on the North end have black shades over them as they cause sunstrike problems to players on the courts. They are not opening windows. They could perhaps be eliminated and another potential source of leakage avoided.</p>
External joinery	Satisfactory	Fair condition for age. Northern gable windows will need to be replaced when cladding is replaced.	The old louvre windows along the eastern facing side are at the end of their life. They do not close tightly so cold air draughts are coming in along the east side upstairs. Replacement with double-glazed aluminium joinery windows with security stays (to prohibit the windows being opened out fully where kids could climb out/lean out and fall) is recommended.
Soffits	Poor	Generally poor condition. Replace within five years.	If you were to do the internal gutters you would replace the soffits at the same time. They are Fibrolite containing asbestos. An approved licenced asbestos removal contractor would need to remove this. Again this is work at height using scaffolding and would

Building Element	Condition Grading	Building Consultants' Remarks	Property Maintenance Supervisor's Remarks
			come at some considerable expense.
Lighting	Good	Existing light fittings could be changed to more energy efficient ones.	We are progressively changing the existing fluorescent batten fittings to LED batten fittings, as they become faulty. This is to lower maintenance and running costs. LED lamps should have a 12 to 15 year life as opposed to 2 to 3 years for fluorescent tubes. Scaffolding being set up to access the fittings has been a significant cost historically. Recently, it cost around \$800 to replace one burnt light fitting.
Flooring – hall	Good	Good condition for its age.	Tongue-and-groove flooring has a 2 to 3 yearly re-glaze to keep it in top condition at a cost of around \$18000 per re-glaze.
Flooring – change rooms	Poor	Vinyl joints pulling apart. Replace within 5 years. Vinyl of that age could contain asbestos and should be removed by a specialist contractor.	The vinyl in the changing rooms is not bad for its age but is coming apart at the joints. That is purely how they laid vinyl many years ago using a “Butt Joint” method. As years go by the vinyl shrinks and joints open up. Today you would install a safety vinyl being a “Wet Area” and rod weld the joints. This should be considered if the building is going to be upgraded.
Flooring - carpets	Satisfactory	Shows signs of wear in a number of places and should be replaced within five years.	The carpet upstairs in the Lounge is getting on in age but in fairly good condition. Regular shampooing and stain removal treatment has kept it in reasonable condition.
Flooring – kitchen & toilets	Satisfactory	Shows signs of wear in a number of places and should be replaced within five years. Vinyl of that age could contain asbestos and should be removed by a specialist contractor.	The vinyl in the Kitchen is in much the same state as the downstairs changing rooms. It is not a big area involved so would not cost much to install new vinyl. Possibly contains asbestos but only a test sample will confirm.

Item 7.2

Building Element	Condition Grading	Building Consultants' Remarks	Property Maintenance Supervisor's Remarks
Wall linings – block walls	Good	Generally good condition for age. Some signs of moisture ingress due to poor condition of exterior paintwork. Repaint interior within five years as part of maintenance programme.	Moisture ingress by way of white liming on the North end wall is due to the windows and water getting in through the top of the concrete blocks and working it is way down the wall and seeping out where there are cracks in the paint. The exterior paint finish of the building is rather sad looking where numerous attempts have been carried out to remove tagging. It is at the point that it is an “eyesore” to look at and should be sandblasted or soda blasted back to the bare blocks , a waterproof sealer applied and then painted in a couple of coats of elastomeric paint with a graffiti guard coating applied.
Wall linings – infill walls	Satisfactory	Some mould growth on wall in lounge that needs to be removed.	The Rose York lounge is dowdy and lacking in appeal. The wall sheets are perfect for mould to grow on if there is moisture in the air. The product acts as a sponge to moisture where there is a poor paint coating on the surface. This could be replaced with Gib-board linings and insulation installed in the wall at the same time to make the room more energy efficient and healthy.
Ceiling linings – ground floor	Good	Generally good for age.	Most ceilings are concrete block for the floor above. They are in good condition.
Ceiling linings – first floor	Satisfactory	Some areas need replacement due to mould growth or moisture ingress. Majority need repainting within five years.	Ceiling linings in the rose York Lounge, being Pinex tiles, are water damaged from roof leaks and bowing where water has affected them. A new Gib-board Ceiling with insulation installed on top would improve the energy efficiency for this room and improve the heat retention
Internal joinery	Good	Good condition for age. Repaint within five years as part of maintenance.	All the fire exit doors are aluminium crash bar type and have been installed in the last 15 years or so.

Building Element	Condition Grading	Building Consultants' Remarks	Property Maintenance Supervisor's Remarks
			The main entrance double aluminium doors are starting to wear. The aluminium box framing along the floor level are coming apart frequently due to the weight of the doors.
Handrails and balustrades	Satisfactory	Good condition for age. Balustrade should be inspected annually and likely to need repainting within five years.	The upstairs balustrade between the viewing area and the courts was compliant in its day but would not meet the Building Code if you were to build a new building today. The top rail is too low. If a kid was to sit back on the top rail they could lean back and fall over the edge. The painted railing is a poor design and high in maintenance costs. This could be replaced with a stainless steel pipe railing with safety glass panels to allow maximum viewing from the top level. The handrails up the side of the internal staircase from the ground floor to the 1 st floor viewing area are much the same as the handrail on the viewing area. They could be replaced in stainless steel tubing to meet the current code.
Sanitary fixtures and fittings	Satisfactory	No disabled facilities. <i>[Staff comment: Providing disabled access would not have been a statutory requirement when the building was built 43 years ago].</i>	The lack of disabled facilities is an issue. If a building of this type were built today there would be disabled toilet facilities, a lift or ramp to access the top Kitchen/Lounge/Viewing area etc. This would be quite an expense but is well overdue.
Emergency exit lighting	Good	Testing is part of Building Warrant of Fitness.	All emergency lighting fittings are tested monthly and have or are progressively being changed to LED as they become faulty

The consultant's report identified the following defects and maintenance items as urgent:

- Un-blocking and cleaning of concealed gutters.

Item 7.2

- Replacement of timber barge boards and fascia boards.
- Replacement of metal gutter lining.
- Replacement of gable end windows and louvres.
- Repainting of exterior blockwork.
- Refurbishment of changing rooms and toilets.
- Refurbishment of kitchen area.
- Replacement of carpets on mezzanine level.
- Safety improvements to scoreboard platform.
- Lack of disabled facilities.

Table 2 below is a summary of the building maintenance issues identified:

Table 2

Elements	Maintenance issues
Gutters	Blocked with leaves, some rust, rotting fascia and barge boards. Soffits, fascia and barge boards will need replacing in the near future. Annual washing down of roof surface and downpipes was recommended.
Exterior paint	Paintwork in poor condition. Exterior painting every 6 to 8 years recommended.
Gable end windows and louvres	Visible signs of moisture ingress around high level windows and louvres. Window removal, installation of new windows and flashings recommended.
Changing rooms and toilets	Generally in need of refurbishment. Vinyl floor coverings, shower facilities and plumbing fixtures need upgrading.
Floor coverings	Carpeting in mezzanine and Rose York lounge need replacing. Vinyl floor coverings in toilets and change rooms need replacing.
Kitchen facilities	Cabinetry showing signs of wear and tear.
Fire protection	No early warning detection system such as heat or smoke detectors. Recommended that a fire design review be done to identify any high risk areas of the building.

General	An asbestos survey should be carried out before any maintenance work begins.
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Council's Property Maintenance Supervisor has provided the following comments about maintenance of the building:

- Due to height issues an annual wash down of the roof and gutters is idealistic. If the gutters were large box gutters on the outside of the building as opposed to an internal gutter system at present it would allow for a safe dispersal of water in the event of blocked guttering. Removal of the Casuarina Tree by the A & P Society Coloursteel Garage would help immensely with blocked guttering on the West side of the building. Gutterguard being installed on the box gutter would eliminate the ongoing problem of basketballs and soccer balls being kicked up onto the roof and getting stuck in the rainhead and blocking the downpipe.
- The whole building requires a repaint and money should be set aside for a complete repaint every 15 years.
- The Kitchen really looks dowdy and in need of modernising. A complete strip out and installation of new joinery is recommended.
- Ideally a monitored fire alarm system should be installed as the Building would be able to accommodate 100+ people for an event.

Earthquake-prone building status

A seismic assessment of the building was undertaken in August 2009 by CPG New Zealand Limited using the NZ Society for Earthquake Engineering's Initial Evaluation Procedures.

The building was found to achieve 41% New Building Standard and is therefore not considered to be earthquake-prone as defined by the Building Act 2004.

The building assessor recommended that since the building does not meet 67% of New Building Standard it should be considered for future earthquake strengthening. This is consistent with the general position taken by the New Zealand Society for Earthquake Engineering that existing buildings should be strengthened to at least 67% of NBS. This is however not a legal requirement.

Cost of repairs

Attachment A provides indicative costs for the work identified in the building consultants' report.

Attachment B provides a renewal profile based on 2015 condition-rating data.

Council's Property Maintenance Supervisor estimates that the cost of reroofing and recladding the gable ends, which is likely to result in "essentially the same building without the leaks," would be around \$200,000. The cost of this work would be fairly significant as it would involve working at height which results in additional health and safety requirements.

Asset performance

Asset performance relates to the capacity of an asset to provide the desired level of service. A building may for example be in good condition structurally but its design or fit-out may not be suitable for a desired use. The proposed feasibility study should assess the performance of Headon Stadium in light of current and forecast future demand. This should assist in decision-making on the long-term future of the building.

Asset performance is also something to consider when deciding whether to fund repairs and maintenance work to the current building. Simply replacing 'like for like' may improve asset condition but may not necessarily improve asset performance.

Other users

Pohlen Park is used for association football (soccer), cricket and croquet. Croquet have their own clubhouse on land leased from Council. Football use the park for training but use Matamata Domain for matches. Cricket have indicated that they would like to develop Pohlen Park and potentially build a cricket pavilion/clubhouse in future. The feasibility study should consider whether Headon Stadium building could potentially fulfil that need.

Analysis

Options considered

Option 1 Minimal repairs and maintenance

This option involves doing minimal maintenance to ensure the building is safe, compliant with all relevant legislation and is able to be used until the long-term future of the building has been resolved. This option would involve the least initial cost but may also lead to further deterioration of asset condition and performance. This option is not recommended as a long-term solution. It is only intended as an interim option until the feasibility study has identified the optimal option for Matamata. If the proposed feasibility study indicates that a different building or location is more appropriate to invest in than Headon Stadium then Council would not be in a position of having committed funding to a facility that is potentially surplus.

Council could potentially bring forward the feasibility study planned for 2018-19 to the 2017-18 financial year. This will however require the budget to be brought forward. The work would also need to be outsourced as staff do not have the capacity to take on the additional workload this financial year.

Option 2 Renewal work to extend the life of current asset

This option involves implementing the repairs and addressing the maintenance issues raised in the report in order to improve the condition of the asset and to continue to provide the current type of facility and level of service.

Replacement of components would tend to be of the 'like for like' variety. This would be more expensive than Option 1 but would improve the condition of the asset and slow the deterioration of the asset. There may be a slight improvement in asset performance.

This option implies that the building in its current form would continue to be used for some time.

There is a degree of risk investing in the renewal of the existing building before Council has had the opportunity to fully consider the feasibility of various indoor sports stadium options for Matamata. Council could potentially find itself in a situation where it invests in renewal of Headon Stadium in one year and may decide a year or two later that a different kind of indoor stadium is required and/or is required elsewhere.

Option 3 Capital and renewal work to extend life of current asset and provide a better level of service

This option involves implementing the repairs and addressing the maintenance issues raised in the report in order to improve the condition of the asset and to improve the performance of the asset.

Instead of mere 'like for like' replacement of components, this option would also seek to make improvements where practicable such as selecting more effective and efficient building materials, improving energy efficiency by retrofitting insulation, replacing lighting and heating elements with more efficient options, etc. This would be more expensive than Options 1 or 2 to implement but may result in cost savings on operating and maintenance costs longer term. It would improve the condition of the asset, slow the deterioration of the asset, reduce operating and maintenance costs, and improve asset performance to some extent.

This option implies that the building would continue to be used for some time.

There is a degree of risk investing in capital improvement of the existing building before Council has had the opportunity to fully consider the feasibility of various indoor sports stadium options for Matamata. Council could potentially find itself in a situation where it invests in substantial improvement of Headon Stadium in one year and may decide a year or two later that a different kind of indoor stadium is required and/or is required elsewhere.

Table 3 below provides a summary of the options.

Table 3

Option	Advantages	Disadvantages
1. Minimal repairs and maintenance until feasibility study completed	<ul style="list-style-type: none"> • Lowest initial cost • Allows feasibility study and business case to be completed • Feasibility study and business case can inform long term decision-making and investment towards an optimal facility that meets the needs of the community 	<ul style="list-style-type: none"> • Current users may have to endure current building issues a bit longer • Asset condition continues to deteriorate
2. Renewal work to extend life of current asset	<ul style="list-style-type: none"> • Likely to improve asset condition • Likely to slow deterioration of the asset • There may be a slight improvement in asset performance 	<ul style="list-style-type: none"> • More expensive than Option 1 • Implies the building in its current form will continue to be used for some time • Risk of investing in renewal when future of building is uncertain
3. Capital and renewal work to extend life of asset and improve level of service	<ul style="list-style-type: none"> • Likely to improve asset condition • Likely to slow deterioration of the asset • Some improvement in asset performance • Some reduction in maintenance and operating costs 	<ul style="list-style-type: none"> • More expensive than Options 2 or 3 • Implies the building in its current form will continue to be used for some time • Risk of investing in capital improvements and renewal when future of building is uncertain

Analysis of preferred option

Option 1 is the preferred option as it would enable a more informed decision to be made about the future of Headon Stadium.

Legal and statutory requirements

If the stadium were substantially redeveloped there may be legal requirements under the Resource Management Act, Building Act or Reserves Act that could be applicable to the project. This would depend on the nature and scale of any proposed works.

Impact on policy and bylaws

None.

Consistency with the Long Term Plan / Annual Plan

A capital allocation of \$2M was included in the 2015-25 LTP towards an upgrade of Headon Stadium in 2019-20. The LTP also allocated \$150,000 in the 2018/19 Financial Year towards a feasibility study.

Impact on Significance and Engagement Policy

Headon Stadium is not identified as a strategic asset in the Significance and Engagement Policy 2014.

Communication, consultation and decision making processes

The funding allocations in the 2015-25 LTP were subject to public consultation. Council will be consulting on the Draft LTP 2018-28.

Council may wish to consult existing user groups (Headon Stadium and Pohlen Park) and Matamata Futures Trust prior to undertaking major repairs or improvements to Headon Stadium.

The proposed feasibility study would involve consultation with user groups, sporting codes and the wider community.

Consent issues

Not applicable at this stage.

Timeframes

None.

Contribution to Community Outcomes

3(a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them

3(b) People will be well informed of the districts resources, equipment, and facilities

Financial Impact

i. Cost

Indicative repair costs are provided in the appendices. More accurate costs would require quotations from builders.

ii. **Funding Source**

The building renewal budget for Headon Stadium is provided in Attachment B.

In the Long Term Plan 2015-25, \$150,000 was allocated towards a feasibility study and \$2,000,000 towards a potential upgrade of the stadium. If the feasibility study is to be completed earlier the budget will need to be brought forward.

Attachments

- A. Attachment A - Indicative Costs
- B. Attachment B - Headon Stadium Renewal Profile 2015 to 2025
- C. Attachment C - Headon Stadium Bookings

Signatories

Author(s)	Mark Naude Parks and Facilities Planner	
	Susanne Kampshof Asset Manager Strategy and Policy	

Approved by	Manaia Te Wiata Group Manager Business Support	
	Susanne Kampshof Asset Manager Strategy and Policy	

Health & Safety Report - July 2017

Trim No.: 1917253

Item 7.3

Executive Summary

The health and safety report for July 2017 is attached.

The Health and Safety Manager will be in attendance to discuss the report.

Recommendation

That the report be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Sandy Barnes Health & Safety/Quality Manager	
Approved by	Dennis Bellamy Group Manager Community Development	

Documents Executed Under Seal - April to July 2017

Trim No.: 1912623

Item 7.4

Executive Summary

The schedule of documents executed under Council Seal is attached.

Recommendation

That the report of the schedule of documents executed under Council Seal be received.

Attachments

A. Schedule of Executed Documents - April to July 2017

Signatories

Author(s)	Vicky Oosthoek Corporate Strategy Administration Officer	
Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Chief Executive Officers Report for July 2017

Trim No.: 1919179

Item 7.5

A copy of the Chief Executive Officer's report for July 2017 is attached.

Recommendation

That the report be received.

Attachments

- A. Chief Executive Officers Report for July 2017
- B. Resource Consents Received for July 2017

Signatories

Author(s)	Don McLeod Chief Executive Officer	
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Approved by	Don McLeod Chief Executive Officer	
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