



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

FINANCE & AUDIT COMMITTEE

9AM, WEDNESDAY 24 NOVEMBER 2021
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Susan Baty (Chairperson)
Karen Naylor (Deputy Chairperson)
Grant Smith (The Mayor)

Vaughan Dennison
Renee Dingwall
Lew Findlay QSM
Patrick Handcock
ONZM
Leonie Hapeta

Lorna Johnson
Bruno Petrenas
Aleisha Rutherford
Stephen Armstrong

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter

Chief Executive | PALMERSTON NORTH CITY COUNCIL

FINANCE & AUDIT COMMITTEE MEETING

24 November 2021

ORDER OF BUSINESS

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

- 5. Confirmation of Minutes** Page 7

"That the minutes of the Finance & Audit Committee meeting of 27 October 2021 Part I Public be confirmed as a true and correct record."
- 6. Palmerston North Airport Ltd - Statement of Expectations 2022-24** Page 11

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.
- 7. Victoria Esplanade Hospitality Review** Page 21

Report, presented by Kathy Dever-Tod, Manager - Parks and Reserves.
- 8. Health, Safety and Wellbeing Report July to September 2021** Page 65

Memorandum, presented by Alan Downes, Safety and Health Manager and Wayne Wilson, People Operations Manager.
- 9. Waka Kotahi New Zealand Transport Agency 2021-24 National Land Transport Plan Funding Allocation** Page 79

Report, presented by Sandra King, Acting Transport and Infrastructure Manager.
- 10. Proposed Road Stopping - Land Adjoining 18 Carey Street, Longburn** Page 97

Report, presented by Bryce Hosking, Manager - Property.
- 11. Notice of Motion: Aotearoa Collective for Public Transport Equity's Campaign** Page 105

Memorandum, presented by Councillor Brent Barrett.
- 12. Committee Work Schedule** Page 107

13. Exclusion of Public

To be moved:

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

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Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 27 October 2021, commencing at 9.00am

Members Present: Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

Non Members: Councillors Brent Barrett, Zulfiqar Butt, Billy Meehan and Orphée Mickalad.

Apologies: Councillor Rachel Bowen, Councillor Renee Dingwall (absent on Council business), The Mayor (Grant Smith) (early departure on Council business), Councillor Lew Findlay (early departure).

Note: Councillor Orphée Mickalad and Mr Stephen Armstrong attended the meeting via audio visual link.

The Mayor (Grant Smith) left the meeting at 9.55am during consideration of clause 71. He was not present for clauses 71 to 74 inclusive.

69-21 Apologies

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 69-21 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

70-21 Confirmation of Minutes

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance & Audit Committee meeting of 22 September 2021 Part I Public and Part II Confidential be confirmed

as a true and correct record.

Clause 70-21 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

71-21 Quarterly Performance and Financial Report - Quarter Ending 30 September 2021

Report, presented by Stuart McKinnon, Chief Financial Officer and Andrew Boyle, Head of Community Planning.

The Mayor (Grant Smith) left the meeting at 9.55am.

Moved Susan Baty, seconded Aleisha Rutherford.

The **COMMITTEE RECOMMENDS**

1. That the memorandum titled 'Quarterly Performance and Financial Report – Quarter Ending 30 September 2021' presented to the Finance & Audit Committee on 27 October 2021, be received.

Clause 71-21 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

72-21 Treasury Report - 3 months ending 30 September 2021

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the performance of Council's treasury activity for the 3 months ending 30 September 2021 be noted.

Clause 72-21 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

73-21 Assurance Report - Independent Progress Update on Asset Management Planning Maturity Assessment

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Jono Ferguson-Pye, Asset and Planning Manager.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Memorandum titled 'Assurance Report – Independent Progress Update on Asset Management Planning Maturity Assessment' and its attachment, presented to the Finance & Audit Committee on 27 October 2021, be received for information.

Clause 73-21 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

74-21 Committee Work Schedule

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated October 2021.

Clause 74-21 above was carried 13 votes to 1, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

Against:

Councillor Lorna Johnson.

The meeting finished at 10.39am

Confirmed 24 November 2021

Chairperson

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Palmerston North Airport Ltd - Statement of Expectations 2022-24

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Stuart McKinnon, Chief Financial Officer

RECOMMENDATION(S) TO COUNCIL

1. That the Statement of Expectations for Palmerston North Airport Ltd 2022-24 be adopted.

1. ISSUE

Statements of Expectations (SOE) have become an established part of the accountability regime for council-controlled organisations (CCOs). A first SOE for Palmerston North Airport Ltd (PNAL) was adopted by the Council in December 2020 and that formed the basis for the preparation of PNAL's Statement of Intent (SOI) for 2021-23. An updated SOE needs to be adopted for the 2022-24 period.

2. BACKGROUND

The Local Government Act 2002 (LGA) s.64B was amended in October 2019 to provide that as part of the accountability regime for CCOs:

- 1) *The shareholders in a council-controlled organisation may prepare a statement of expectations that—*
 - (a) *specifies how the organisation is to conduct its relationships with—*
 - (i) *shareholding local authorities; and*
 - (ii) *the communities of those local authorities, including any specified stakeholders within those communities; and*
 - (iii) *iwi, hapū, and other Māori organisations; and*
 - (b) *requires the organisation to act consistently with—*
 - (i) *the statutory obligations of the shareholding local authorities; and*
 - (ii) *the shareholders' obligations pursuant to agreements with third parties (including with iwi, hapū, or other Māori organisations).*

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- (2) *A statement of expectations may include other shareholder expectations, such as expectations in relation to community engagement and collaboration with shareholders and others in the delivery of services.*
- (3) *A statement of expectations must be published on an Internet site maintained by or on behalf of each local authority that is a shareholder of the organisation.*

The Council adopted its first SOE for PNAL in December 2020.

The accountability cycle requires PNAL to present its draft Statement of Intent (SOI) for the 2022-24 period to the Council on or before 1 March 2022. If a SOE is to be produced it is necessary for this to be sent to PNAL before Christmas this year, otherwise it plays no meaningful part in the cycle.

The Council's primary rationale for its equity shareholding in PNAL is to ensure the City has an appropriate air gateway for passengers and freight. PNAL has been on a strong growth path but this has been tempered through the impact of the world-wide Covid-19 pandemic that has had significant impacts on the airline industry.

A first draft of a SOE was shared with PNAL's Chief Executive and his feedback has been taken into consideration in finalising the draft attached for consideration.

3. NEXT STEPS

Once it has been adopted by the Council, the SOE will be sent to PNAL and will be published on the Council's website. The SOI is due to be provided to Council on or before 1 March 2022.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the outcomes of the City Development Strategy	
The recommendations contribute to the achievement of action/actions in the Strategic Transport Plan	

The action is: Work with the airport company to ensure the airport's strategic intent aligns with the City's aspirations	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The airport is a key strategic gateway to the City

ATTACHMENTS

1. Draft Statement of Expectations 2022-24 [↓](#) 

6 December 2021

Murray Georgel
Chair
Palmerston North Airport Limited
PO Box 4384
Palmerston North 4442

Dear Murray

Statement of Expectations for 2022-24

Last year the Council adopted a Statement of Expectations (SOE) for 2021-23 as a new part of the governance process in accordance with the new provisions of section 64B of the Local Government Act 2002.

The SOE sets out Palmerston North City Council's (Council) expectations of Palmerston North Airport Limited (PNAL) for consideration in PNAL's business planning and the development for the Statement of Intent (SOI). We trust you found this a useful addition to the process.

As a prelude to the development of your next SOI the Council has reviewed the SOE and adopted one for 2022-24 that includes some minor changes to reflect changing circumstances. A copy is attached.

The Council recognises PNAL as not only a council-controlled trading organisation but also an important strategic partner in achieving the City's desired outcomes for the City and wider region.

If you have any queries or comments please direct them through Council's contact person, Steve Paterson, Strategy Manager – Finance (steve.paterson@pncc.govt.nz 0274 424 021) whose role includes facilitating timely interaction between the Council and the company on shareholder issues.

Yours sincerely

Grant Smith
MAYOR

ID: 15488218

Palmerston North City Council

Statement of Expectations for Palmerston North Airport Limited (PNAL)

The Palmerston North City Council (Council) is the sole shareholder of Palmerston North Airport Ltd (PNAL). The Council (as shareholder) has adopted the following Statement of Expectations for the period commencing 1 July 2022.

1 Matters addressed by schedule 8 part 2 Local Government Act (LGA)

Council's expectation is that the PNAL Statement of Intent (SOI) will comply with this legislation and in particular that it will:

- Clearly identify key objectives of PNAL
- Include the board's approach to governance
- Clearly outline the scope of activities to be undertaken
- Include performance targets and other measures by which the performance of PNAL may be judged in relation to its objective, and
- How PNAL intends to align with Council's key policies including its Vision, goals and key strategies and the District Plan.

2 Matters addressed by section 64B (1) LGA

Council expects PNAL to continue to engage with its shareholder in an open, collaborative and proactive manner and in doing so expects that PNAL will meet regularly with the Council as follows:

- Annually with the PNAL Board and full Council to discuss business performance, vision and direction
- PNAL Chair and CE present draft SOI annually to Council's Finance and Audit Committee
- PNAL Chair and CE to present 6 monthly performance report and audited annual report to Council's Finance and Audit Committee
- Other meetings addressing specific issues as appropriate

Council expects PNAL to maintain and implement a master plan for the airport and to engage proactively with the Council on matters that are likely to involve challenges to provisions of the City's District Plan.

Council expects PNAL to continue to proactively communicate with its communities on key issues.

The airport is a critical component of the City and regions transportation infrastructure and Council expects PNAL to play its part in ensuring airfreight and associated logistics activities are planned and developed to ensure connectivity to the North East Industrial Zone, and future KiwiRail Regional Freight Hub and Regional Freight Ring Road is achieved.

The airport provides a vital component of the economic infrastructure of the City and region and Council expects PNAL to proactively work with regional economic development agencies, tourism agencies and the airlines to develop sustainable passenger and freight options.

Council expects PNAL to continue to positively engage with local iwi and hapu. Council has established protocols with Rangitane.

Council requires PNAL to fulfil all its statutory duties to the Council as owner and to work collaboratively with the Council to enable Council to meet its wider statutory obligations.

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3 Matters addressed by section 64B (2) LGA

Section 64B(2) allows shareholders to identify any other expectations for the Company. The following addresses those matters of particular importance to the Council for PNAL over the forthcoming year, which Council expects to see reflected in the SOI.

i. Principles and key objectives

As outlined the LGA requires PNAL to state its proposed activities and intentions for the year and the objectives these will contribute to. Council expects PNAL to continue to service the local community and visitors for connectivity and capacity to support air traffic flows into and out of the region.

ii. The airport as a commercial entity

PNAL is required to have a commitment to retaining and growing long-term shareholder value. Council recognizes that shareholder value accretion occurs through PNAL's ongoing and significant investment in critical infrastructure including the terminal redevelopment to improve the customer experience and to facilitate sustainable growth in passenger and freight volumes, and investment in the development of Ruapehu Business Park which will provide income diversification and value accretion benefits. Council further recognizes that given the ongoing impacts of Covid-19 on the aviation industry PNAL's ability to preserve cash and to continue to invest in the long-term may require dividend payments to be suspended in the short-term. This will be a matter for review annually.

The Council expects PNAL to maintain suitably prudent risk policies, a balance sheet with a prudent debt/equity ratio, a profitable trading position and to be able to fund future renewals and growth activity without recourse to additional shareholder capital.

The Council encourages PNAL to continue to find ways of diversifying its revenue base, particularly through its property interests.

iii. Environmental impacts

The Council is committed to helping meet the national goal of achieving a 30% reduction in greenhouse gas emissions (below 2005 levels) by 2030, both as a large city organisation, and as a supporter and enabler of other businesses. The Council acknowledges PNAL's commitment to the Airport Council International Airport Carbon Accreditation programme and the goal of achieving net zero emissions by 2035.

iv. Operational capacity

The Council recognizes the importance of 24/7 airfield operations to facilitate sustainable growth in air services (passenger and freight) and to achieve regional economic growth objectives. Council will work collaboratively with PNAL to defend existing air noise boundaries. In turn Council expects PNAL to manage operations within the existing noise parameters.

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v. Consistency with the wider objectives of Council

The Council expects the Board and management of PNAL to act in the best interest of the company but to do so with a full understanding of the much broader strategic interests of the shareholder.

The key reason for Council's investment in PNAL is to ensure the City and region has an appropriate air gateway for passengers and freight.

The Council expects PNAL, as the operator of this key gateway, to be proactive in its thinking about how it can contribute to its ambitions for marketing the city and wider region.

The on-going focus on building sustainable air services and connectivity for passengers and freight will benefit the region, by improving economic viability for businesses in the city and wider region, increasing tourism expenditure and boosting the City's image.

As you will be aware the Council's vision is Small City Benefits, Big City Ambition. To fulfil its vision the Council has the following goals:

- Goal 1: An innovative and growing city
- Goal 2: A creative and exciting city
- Goal 3: A connected and safe community
- Goal 4: An eco-city
- Goal 5: A driven and enabling council

These goals are supported by a series of strategies with a number of plans for each.

The purpose of the Council's Strategic Transport Plan is to provide infrastructure to enable growth and a transport system that links people and opportunities, and provides amenity, safety, interconnectivity, accessibility, resilience and reliability.

The City's natural advantages include its central location in the North Island, the availability of key infrastructure (e.g. the road and rail hub and the airport's 24-hour freight operations are key factors in the growth of the City's logistics sector), the highly qualified workforce, and the relative affordability of land. These advantages form a basis for Palmerston North's case for regional, national and international investments and partnerships.

PNAL is a strategic partner for these strategies and plans.

4 Timeline for SOI

The timeline for development of the SOI for 2022-2024 involves the following steps:

By 23 December 2021	Council delivers Statement of Expectations
By 28 February 2022	PNAL delivers draft SOI to Council
23 March 2022	Council's Finance & Audit Committee considers draft SOI & makes recommendations to March meeting of Council
By 8 April 2022	Council feedback provided to PNAL
By 31 May 2022	PNAL provides final SOI to Council following consideration of Council comments
By 30 June 2022	Council's Finance & Audit Committee receives & considers final SOI and makes recommendations to June meeting of Council

6 December 2021

ID: 15488218

REPORT

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Victoria Esplanade Hospitality Review

PRESENTED BY: Kathy Dever-Tod, Manager - Parks and Reserves

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council allow the Lions Club to sell a restricted selection of non-café food and drink items, in the Victoria Esplanade, as part of the operation of their proposed mini-golf course.
2. That Council note lease discussions between the Council and the café tenant are progressing and that officers will report back to the Council on the requested extension to the café lease in due course.
3. That the once lease negotiations have concluded, the Chief Executive issues licences, under delegation, to a limited number of mobile vendors, with restrictions on trading hours and products for sale, to enable them to trade at the Fitzherbert Avenue end of the Victoria Esplanade playground.

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	<p>The tenant of the café premises within the Victoria Esplanade (the Esplanade), Esplanade Enterprises Limited, has requested an extension of three (3) years to their existing lease which is due to expire on 4 June 2023.</p> <p>In March 2021 Council received a report recommending a strategic review of the provision of hospitality services within the Esplanade before deciding on the café lease extension.</p> <p>This report presents the findings of the strategic hospitality review, including high level options to address the findings.</p>
OPTION 1:	Status quo – no new provision
Community Views	<p>The survey results show that the café is well used and valued. The survey results show demand for additional food and beverage availability, particularly at the playground end of the Esplanade.</p> <p>The Esplanade User Group had mixed views on provision, with some not wishing to see any new provision, and some supporting additional provision.</p>
Benefits	No impact on the Café.
Risks	<p>Identified demand for additional hospitality provision would not be met.</p> <p>The request from the Lions Club to be able to provide a limited range of food and drink at their new mini-golf facility would be declined.</p>
Financial	No financial implications.
OPTION 2:	Status quo with Mini-golf provision
Community Views	As per Option 1
Benefits	Some of the demand for additional provision would be met during the hours of operation of the Lions mini-golf – i.e. weekends, public and school holidays.
Risks	<p>May impact on the café sales of prepacked food e.g. ice-creams and drinks, as the extent of the unfilled demand has not been assessed and there will be an overlap of trading hours.</p> <p>Would not meet identified demand for the evening provision of food and beverages in the Esplanade in summer.</p>

Financial	No financial implications.
OPTION 3:	Status quo with mobile vendors in the playground end of the Esplanade
Community Views	As per Option 1
Benefits	Meets the demand for additional provision in the location most requested in the surveys.
Risks	May impact on café sales depending on the extent of unfilled demand, type of food and drink sold and hours of operation. Does not meet the request of the Lions Club to be involved in hospitality provision.
Financial	Additional revenue will be generated through kiosk licences as per Council's fees and charges schedule - \$500 per six-month period (up to 2 days trading), or \$27 per day, to cover staff administration costs.
OPTION 4:	Status quo with new provision by mini-golf and Mobile Vendors and restrictions as per sub-options: A. Playground location only, trading during Esplanade opening hours with restrictions on food/drink types, or B. Playground location only, with restrictions on food and drink types and trading hours, or C. Multiple locations, with restrictions on food and drink types and trading hours
Community Views	As per Option 1
Option 4 A:	Playground location only, restricted food and drink types, trading at any time during the usual opening hours of the Esplanade
Benefits	Meets the demand for additional provision in the location most requested in the surveys.
Risks	May potentially impact on café sales with hours of operation of mobile vendors and Lions mini-golf potentially overlapping café provision and hours.
Financial	Additional revenue will be generated through kiosk licences as per Council's fees and charges schedule - \$500 per six-month period (up to 2 days trading), or \$27 per day, to cover staff administration costs.
Option 4 B:	Playground location only, with restrictions on food and drink types, and trading hours
Benefits	Meets the demand for additional provision in the location most requested in the surveys. Trading hours limitations reduce impact on the café.
Risks	Mini-golf hours of operation may have some small impact on

	café sales of pre-packaged food and drinks. Trading hours will need to be carefully managed to ensure that they meet identified periods of demand.
Financial	Additional revenue will be generated through kiosk licences as per Council's fees and charges schedule - \$500 per six-month period (up to 2 days trading), or \$27 per day, to cover staff administration costs.
Option 4 C.	Multiple locations, with restrictions on food and drink types and trading hours.
Benefits	Meets the demand for additional provision. Trading hours limitations reduce impact on the café.
Risks	Mini-golf hours of operation may have some small impact on the café. Trading hours will need to be carefully managed to ensure that they meet identified periods of demand.
Financial	Additional revenue will be generated through kiosk licences as per Council's fees and charges schedule - \$500 per six-month period (up to 2 days trading), or \$27 per day.
OPTION 5:	Open Market
Community Views	As per Option 1. This option was not supported by the café operator and one member of the Esplanade User group.
Benefits	Provides the greatest availability of hospitality services in the Esplanade.
Risks	Viability of the café will be impacted. May dilute hospitality trade to such an extent that it is not commercially sustainable for any vendor Impact on the atmosphere and enjoyment of the Esplanade.
Financial	Possible loss of café lease rental income, should it no longer be viable to operate a café within the Esplanade.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The tenant of the café premises within the Victoria Esplanade (the Esplanade), Esplanade Enterprises Limited, has requested an extension of three (3) years to their existing lease which is due to expire on 4 June 2023.
- 1.2 There have been many changes to the Esplanade in the last 5 years and officers considered it an appropriate time to consider hospitality services provision in the Victoria Esplanade.

1.3 In March 2021 Council supported a proposal that officers undertake a strategic review of hospitality provision before decisions were made on the café lease renewal.

1.4 This report provides the findings of the review and options to address identified demand for hospitality services in the Victoria Esplanade.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

2.1 The café lease contains an exclusivity clause. The clause prevents Council establishing itself, or allowing to be established, another café and/or restaurant within the Victoria Esplanade.

2.2 Under the exclusivity clause, the Council retains the right to allow other parties from time to time to operate within the Victoria Esplanade vending machines including undertaking mobile vending and also set-up non-permanent stalls for the sale, amongst other things, of food and beverages as the Council considers appropriate.

2.3 Council's current operational practice is to decline requests from mobile vendors and ice-cream trucks to trade in the Esplanade, including attendance at children's birthday parties.

2.4 In March 2021 the Finance and Performance Committee received a report on the proposed extension of the café lease.

2.5 The report recommended that Council take the opportunity to carry out a strategic review of the provision of hospitality services in the Esplanade prior to considering the lease extension.

2.6 Council Resolution 18-21 was:

1. *That Council defer the decision on the request from the café tenant, Esplanade Enterprises Limited, to extend their lease of the café premises within the Victoria Esplanade until the completion of the strategic review is reported to Committee by November 2021.*
2. *That Council note that the findings of a strategic review of the provision of hospitality services in the Victoria Esplanade will be reported back to Finance & Audit Committee by November 2021.*
3. *That the Chief Executive enter into negotiations with Esplanade Café tenant to vary the terms and conditions, with a view to extend the lease for a further three years, and that this is reported to the Finance & Audit Committee.*

2.7 This report addresses resolution 2.6.2, the findings of the strategic review.

3. SURVEY RESULTS

3.1 The strategic review research was undertaken by survey. The survey results were analysed and summarised into themes.

3.2 Survey Methodology:

3.2.1 Three surveys were conducted:

- An intercept Survey with staff interviewing people in the park in April and July 2021.
- Hard copy survey forms available at Café Esplanade for café patrons between 18th June and 16th July 2021, with a locked box for completed surveys to be dropped into.
- An online survey through Councils website and social media channels, 18th June to 16th July 2021.

3.3 Survey Respondents:

Café hard copy survey	149	17%
Online survey	642	72%
Intercept survey	96	11%
Total	887	

3.3.1 17% of the surveys were completed by café patrons, 72% online and 11% via the intercept surveys.

3.3.2 Of the total 887 respondents 781 were from Palmerston North. The sample size of 781 is statistically representative of the population of Palmerston North with a margin of error between 3 and 4%, at the 95% confidence level.

3.3.3 Café patrons were older than the respondents to the other two survey types with 53% being over the age of 60. 40% of Online survey respondents were between 30 and 40 years old.

3.3.4 When all the surveys are combined, the overall demographics of the respondents roughly approximates the NZ population spread, with slight underrepresentation in the 60 plus age groups and over representation in the 20 to 30 age groups.

3.3.5 Café patrons are more frequent visitors to the Esplanade than other respondents with nearly 50% visiting several times a week.

3.3.6 A copy of the questions and the overall survey results are attached in Appendix One.

3.4 Where people currently purchase food and drink:

- 3.4.1 The survey methodology asked respondents to list all the places they purchase food from. Figures 1-3 show where people currently purchase food and drink, with each figure representing the results of each survey type.
- 3.4.2 The survey shows that Café Esplanade is well used by survey respondents.
- 3.4.3 Café patrons mainly purchase from the café. 35% of Online and Intercept survey respondents bring food into the Esplanade, mainly from home or from the BP service station.
- 3.4.4 Interestingly several people responded that they made purchases from a mobile vendor in the Esplanade, even though Council has not issued any licences for the park.

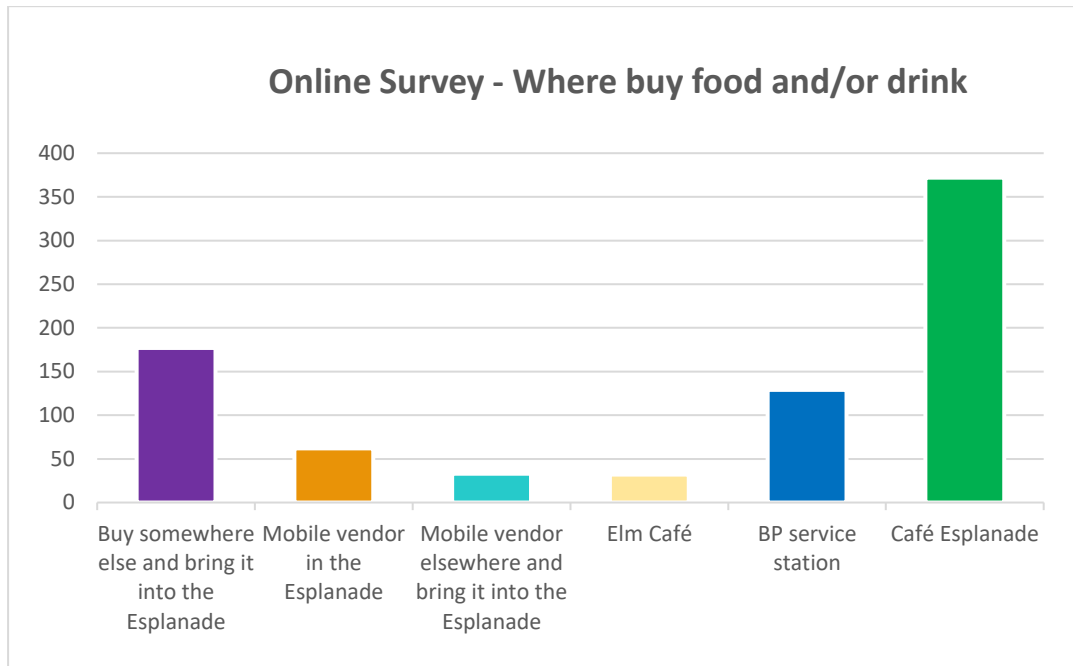


Figure One: Where Online Survey respondents purchase food/drink

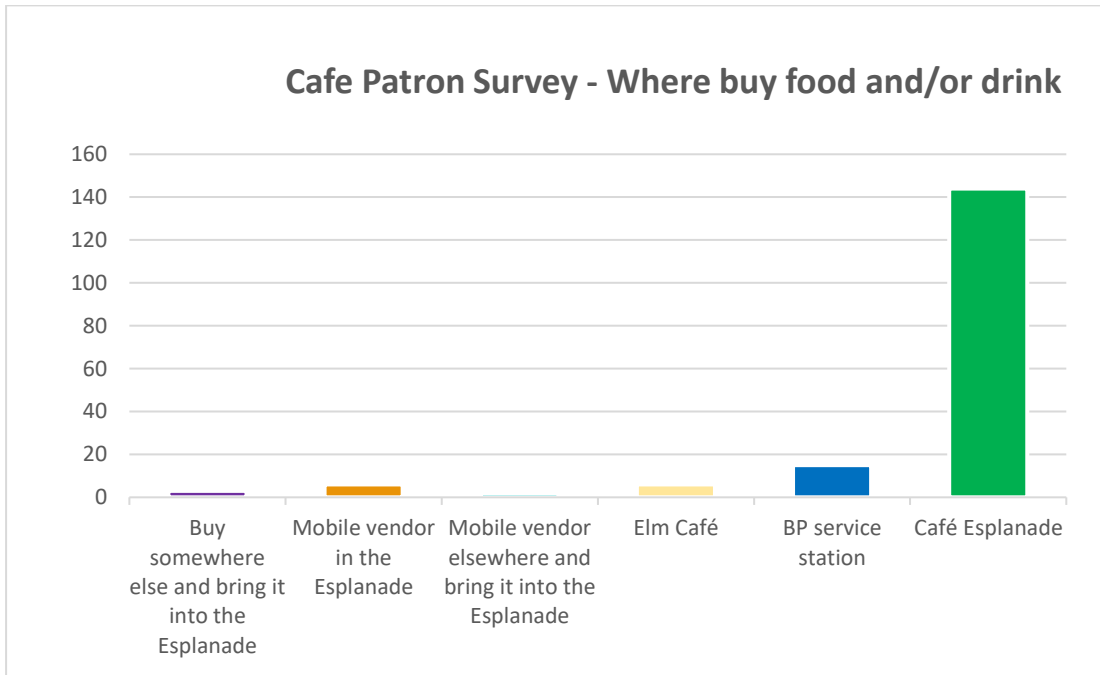


Figure Two: Where Cafe Patron Survey respondents purchase food/drink

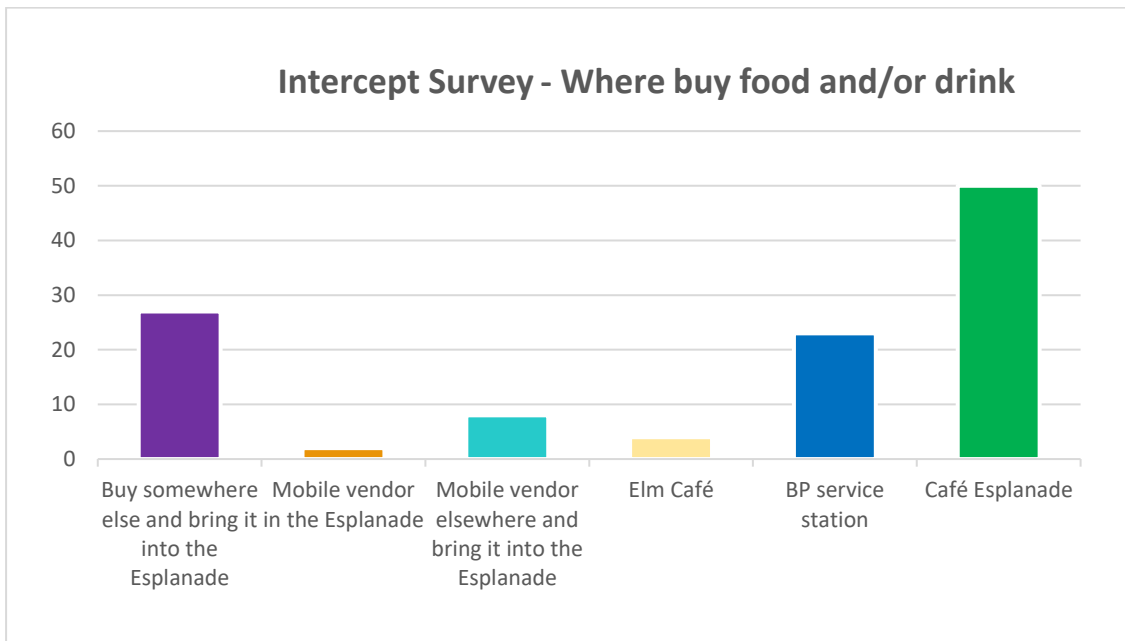


Figure Three: Where Intercept Survey respondents purchase food/drink

3.5 Provision Location Preferences

3.5.1 The survey asked respondents to indicate where they thought food and drink should be available for sale in the Esplanade.

- 3.5.2 Figure Four provides a graphical summary of the preferences by survey type.
- 3.5.3 54% of Café patrons have a preference that food and drink only be available for sale at the café and 21% support provision at the playground end of the park.
- 3.5.4 78% of Online respondents thought food and drink should be available at the playground end of the park, 53% at the Railway end and 54% in the Central (including café) area.
- 3.5.5 30% of Intercept survey respondents thought food and drink should be sold in all locations. Of those that selected individual options, 29% selected the playground and 16% selected the café only which increases to 26% if the Café only/Aviaries/central locations are combined.

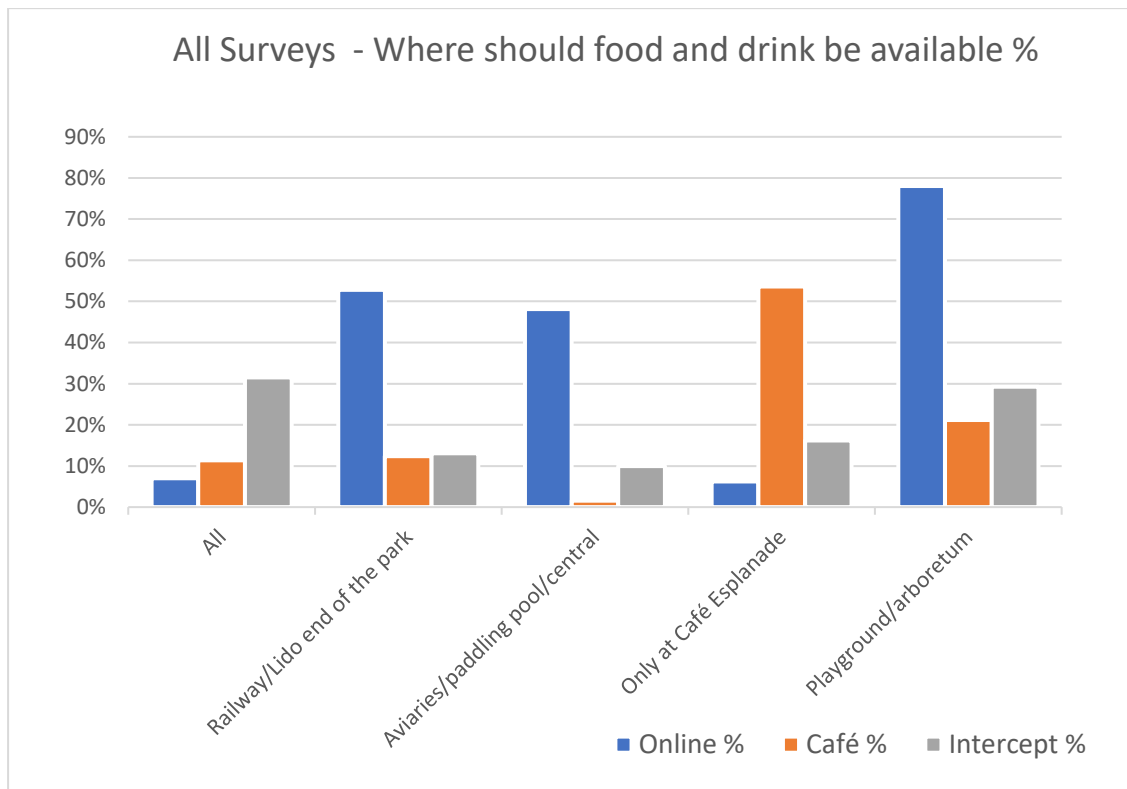


Figure Four: Survey respondents location preferences by survey type¹

3.6 Hours of availability

- 3.6.1 Respondents were asked to indicate when food and drink should be available for sale.

¹ Percentages add to over 100% as respondents can select more than one option.

- 3.6.2 The greatest demand is for mornings and afternoons during the weekend and public holidays, as shown in Figure Five. That demand is very closely followed by weekdays mornings and afternoons.
- 3.6.3 There is demand for the sale of food during evenings, with around half of all online and intercept survey respondents indicating that food and drink should be sold in the Esplanade in the evening. The survey comments, as attached in Appendix Two, indicate that this is particularly during the summer months.

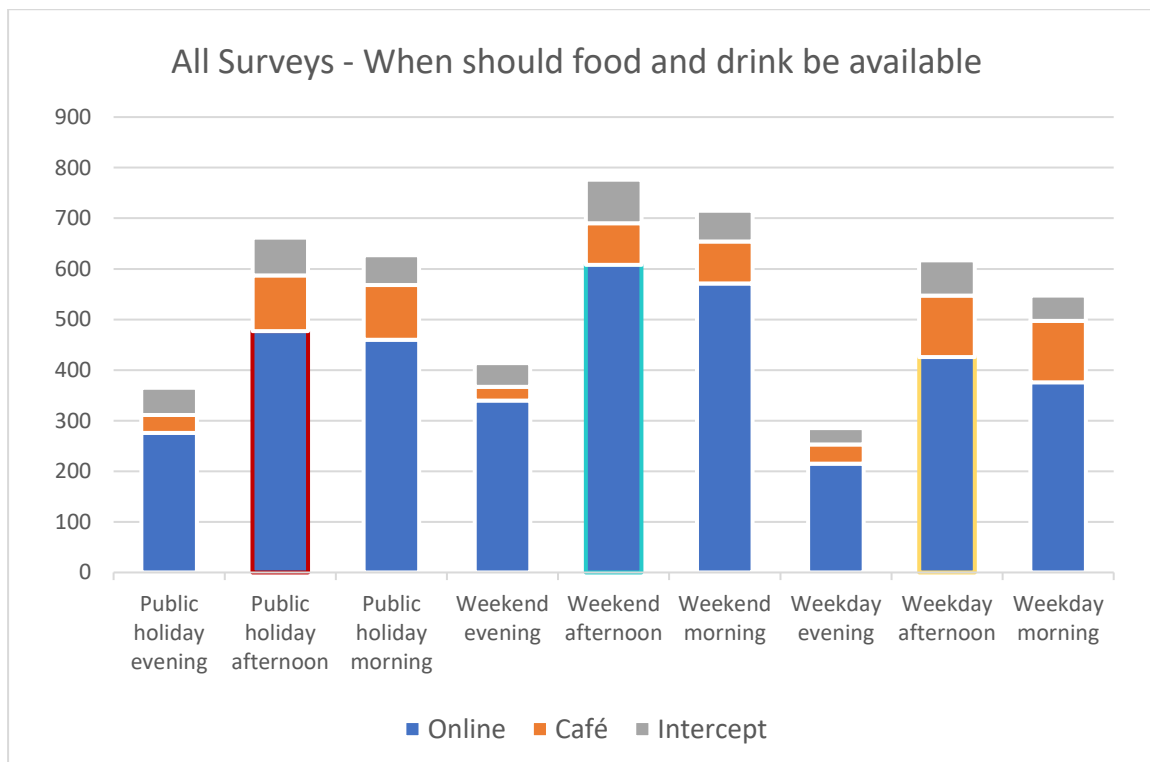


Figure Five: Survey respondents' preferences for when food and drink is sold

4. OVERALL SURVEY FINDINGS

- 4.1 The hospitality survey sample is representative of the population of Palmerston North.
- 4.2 Café Esplanade is widely used by the community.
- 4.3 At present around 60% of visitors buy food/drink elsewhere and bring it into the Esplanade.
- 4.4 Whilst 54% café patrons surveyed support food /and drink only being sold at the café, and nowhere else in the park, overall, there is support for the sale of food and drink at other locations within the Esplanade.
- 4.5 The location most often mentioned, where food and drink should be sold, is the Playground/arboretum.

- 4.6 There is demand for sales throughout the week, with morning and afternoons the most popular.
- 4.7 There is interest in food and drink being available for sale in the evening, particularly on weekends and public holidays.
- 4.8 The results show that whilst the café is popular, it does not fully meet current demand for food and drink sales in the Esplanade.

5. SUBMISSION FROM THE LIONS CLUB

- 5.1 The Lions Club made a written submission during the survey period. Their submission stated:

"Our mini-golf facility, will be primarily a family focus, where we expect the greatest participation to be during weekends, public holidays and school holidays.

A family outing to the Esplanade to use any of the numerous facilities will be enhanced if the purchase of food 'treats' is facilitated.

The kiosk, which will be part of our constructed facilities, will be 34 square metres in size with adequate space to appropriately store food items. Our window openings to the public will be constructed in a way which will enable food items to be sold not only to users of our facility, but to members of the public at large.

We therefore request that when convenient foods are permitted to be sold in the Esplanade, other than in the Cafe, we be permitted to sell cold drinks, ice creams and packaged savoury and confectionery items to members of the public."

- 5.2 The submission from the Lions Club confirms that they expect to operate on weekends and public holidays, which is also when demand for food and drink sales is at its highest.
- 5.3 The Mini-golf course will be in the Playground/Arboretum area of the park which is where survey respondents most thought food and drink should be available for sale.
- 5.4 In summary the Lions Club's request to sell food and drink during mini-golf opening hours matches well with the identified need for additional hospitality options in Victoria Esplanade.

6. DESCRIPTION OF OPTIONS

- 6.1 The following options have been identified to address visitor demand for food and drink sales in the Esplanade and to incorporate the request from the Lions Club to sell food as part of their mini-golf facility.

6.2 Option One: Status Quo – no new provision.

- Café Esplanade remains the only provider of food and drinks in the Esplanade, apart from during council approved events.
- Council declines the Lions Club request to sell food and/or drinks
- Council would continue to decline requests from mobile vendors for a kiosk licence to trade in the Esplanade.

6.3 Option Two: Status Quo with Mini-golf provision.

- Café Esplanade would continue to operate the only café/restaurant in the Esplanade.
- Council would allow the Lions to sell non-café fare² from their leased mini-golf site during the hours the mini-golf is in operation, which is expected to be weekends, school and public holidays.

6.4 Option Three: Status Quo with mobile vendors at the playground end of the Esplanade.

- Café Esplanade would continue to operate the only café/restaurant in the Esplanade.
- Council would license a limited number of mobile vendors to trade at the playground end of the park, except during events.
- The type of food and drink and the hours of operation of the mobile vendors, and the impact on the café would not be considered as part of the licensing process.

6.5 Option Four: Status quo with new provision by Mini-golf and Mobile Vendors with restrictions

There are three sub-options, each with restrictions on products sold and varying restrictions on trading hours:

6.5.1 4A: Playground location only, trading during Esplanade opening hours, with restrictions on food/drink types

- Café retains the right to operate the only café/restaurant.
- Council allows the Lions Club to sell non-café fare, with no restriction on trading hours.

² Non-café fare will need to be clearly defined, but in general is pre-packaged snacks and drinks, rather than sit down food

- Council licenses mobile vendors to operate in the playground, with restrictions the food and drink type to minimise impact on the café, but with no restriction on trading hours.

6.5.2 4B: Playground location only, restrictions on food types and trading hours

- Café retains the rights to operate the only café/restaurant.
- Council allows the Lions Club to sell non-café fare during the hours the mini-golf is in operation.
- Council licenses mobile vendors to operate in the playground. Restrictions are placed on both food and drink types and trading hours to minimise competition with the café, whilst still meeting visitor needs.

6.5.3 4C: Multiple locations, restrictions on food and drink types and trading hours.

- Café retains the right to operate the only café/restaurant.
- Council declines the Lions proposal for the mini-golf to sell non-café fare.
- Council licenses mobile vendors to operate from multiple locations through the Esplanade, with restrictions on food and drink type and trading hours to minimise competition with the café, whilst still meeting visitor needs.

6.6 Option Five: Open Market

- As part of the renewal of the lease, Council negotiates the removal of the exclusivity clause in the lease and adjusts the lease rental accordingly.
- Council determines how and where food and beverages are sold in the Esplanade with no consideration of the impact on the café business.

7. ANALYSIS OF OPTIONS

7.1 Option One: Status Quo – no new provision.

- 7.1.1 Option One does not address the identified need for more food and beverage trading locations within the Esplanade. This option should therefore be discounted.

7.2 Option Two: Status Quo with Mini-golf provision.

- 7.2.1 Option Two marginally meets the identified need for when food and drink is available for sale, as the Lions intend to ordinarily only operate the Mini-golf during weekends, public and school holidays.

7.3 Option Three: Status Quo with mobile vendors at the playground end of the park.

7.3.1 Option Three provides the opportunity to meet the need for food and drink sales in the playground, including in the evenings. It does not meet the request of the Lions to be able to be part of that provision.

7.3.2 This option would potentially impact on the cafe as it does not include restrictions on trading hours or food and drink types offered.

7.4 Option Four: Status quo with Mini-golf and Mobile Vendors with restrictions

Option Four addresses the unfulfilled need for food and drink sales in other areas of the Esplanade and at different times, with sub-options:

7.4.1 4A: Playground location during Esplanade opening hours, with restriction on food/drink types

This option gives Council little control of when food/drink is sold. It may not be favoured by members of the community who may wish to use the playground without pressure from children to buy the food/drinks on sale.

7.4.2 4B: Playground location only, restricted food/drink types and trading hours

Restricting trading hours and food and drink types sold by the mobile vendors would allow enable council to minimise the impact on the café and playground users who may not want the pressure to buy food and drink – for example Council could limit trading to after the lunchtime period through into the evening.

7.4.3 4C: Multiple locations, with restrictions on food/drink types and trading hours.

There is existing provision of mobile vendors at the He Ara Kotahi bridge, which is near the Scenic Railway. There might be some advantage to provision in multiple locations, but the majority of the identified demand is in the playground area.

7.5 Option Five: Open Market

7.5.1 The viability of the café business is at risk under this option. A reduction in the current level of service provided by the café is not recommended, therefore this option should be discounted.

7.5.2 The survey feedback contained numerous comments that the café was valued and its viability important to retain.

8. FEEDBACK ON OPTIONS

8.1 Feedback on the options was sought from the operator of the café and the members of the Victoria Esplanade User Group.

8.2 Café Operators feedback on the options

8.2.1 The points of note raised by the café operator are:

- Opposed to Option 5, the Open Market option
- Concerned about the capacity of the Esplanade visitor numbers to sustain multiple operators.
- A reluctant acceptance that some change to current policy may be forthcoming.
- Requests that:
 - Any mobile vendor provision be restricted to the Fitzherbert Avenue carpark entrance to the Esplanade.
 - That mobile vendors be restricted to days that the Mini-golf is not operating.
 - That mobile vendor agreements are explicit on locations and enforcement of agreements is undertaken.
 - That a quarterly food and operator review be put in place.
- Raises the question, if the intention is for mobile vendors to fill the void when mini-golf is not operating, should they be restricted to the same food and drink types?

8.3 Victoria Esplanade User Group feedback on the options

8.3.1 Five members of the Victoria Esplanade User Group responded to request for feedback on the options proposed. The points raised were:

- One objection to food being sold at the Mini-golf with concern it would put pressure on parents to spend money while at a free play area.
- One objection to Option 5, the open market option.
- One expressing concern for anything that would impact on the café business and supporting the operator.
- Two concerned about the impact of rubbish and litter.
- A request to avoid all fried food, due to the smell.

- One encouraging further water fountains to be provided.
- One request that tight control of any licences being recommended.
- One generally supporting filling the hours the café is not open.
- Two supported for Option 4C, provision in multiple locations with one caveating that be limited to the playground at the Scenic Railway and the other noting provision should be outside the hours the café operated and especially during daylight savings.

9. KIOSK LICENCE AGREEMENTS

- 9.1 Mobile food vendors must have a Food Licence MP1 and have secured a Kiosk Licence Agreement to trade in a Council reserve. Kiosk Licences are issued by the Manager - Parks and Reserves, under delegation.
- 9.2 The licences specify the mobile trading site, trading hours and the food and drink that can be sold. A kiosk licence is the appropriate tool to manage the location, trading hours and the food/drink sold by mobile vendors in the Esplanade.
- 9.3 It would be reasonably easy for Council to limit the goods sold and trading hours for mobile vendors in the playground end of the Esplanade, including issuing licences to a few vendors for different days of the week and times of the day to increase variety for patrons. The key to success is that trading hours are consistent so vendors can develop a regular clientele.
- 9.4 Limiting the food and drink types vendors can sell, to the same as the mini-golf, it would severely restrict Council's ability to offer alternate food options in the Esplanade, when the café and mini-golf are closed, for example hot food in the evening.
- 9.5 There are currently five operators with licences to trade as a mobile vendor at various park locations in the city. There is also good demand for kiosk licences as Council does not permit mobile vendor in the roading corridor, for safety reasons, and businesses who can not secure a site on private land, often approach Council to seeking to trade in reserves.
- 9.6 Council could trial the sale of food and drink in the evening, through the summer months, by inviting existing kiosk licence holders to occupy a site in the playground on a pre-agreed day. This would have no impact on the café which closes at 4pm each day. It would give Council greater insight into the types of food and drink people are interested in purchasing.
- 9.7 In terms of the risk of increased litter as a result of mobile trading, the following clause is part of the kiosk licence agreement:

"The Licensee shall remove all litter generated from the mobile food kiosk and shall be responsible for keeping the immediate vicinity around the licence area clear of litter and rubbish whether or not that litter and rubbish was

caused by the Licensee or any customer of the Licensee. The licensee shall remove all litter collected from the reserve for disposal at the licensee's cost."

- 9.8 Council is also in the process of including a specific clause in the licence agreement which requires the licensee to meet the same requirements for minimising waste, as for events on Council land, as provided for in Part 6 of the Administration Manual for the Palmerston North Waste Management and Minimisation Bylaw.

10. HEALTHY BEVERAGES POLICY

- 10.1 The Healthy Beverages Policy encourages the provision of healthy beverage choices to encourage improved health within the Council organisation, reduce sugar sweetened beverage consumption, encourage the choice of water within Council and at Council events, and raise awareness of the health impacts of sugar sweetened beverage consumption.
- 10.2 Clause 11 (e) of the Healthy Beverages Policy excludes commercial leases of Council owned premises which are not considered to be Council associated operations, and therefore does not apply to the café.
- 10.3 The principles of the policy could be applied to the Lions Mini-Golf and/or mobile vendors through restrictions on food and drink options as part of the lease/licence agreements.

11. CAFÉ LEASE NEGOTIATION

- 11.1 Council officers have continued to discuss the proposed lease extension with the café operator. During lease discussions the operator expressed similar views to those submitted to the hospitality review, as outlined in Section 8.1.1.
- 11.2 Negotiations of lease terms and conditions will be concluded once decisions arising from this report are adopted. The results of the lease negotiations will be reported back to Council.

12. CONCLUSION

- 12.1 The hospitality review has given Council a good understanding of the community preferences for food and drink provision in the Victoria Esplanade.
- 12.2 The café is well supported and meeting the needs of the central park area well. Its clientele tend to be regular visitors of an older age group.
- 12.3 There is demand for greater access to food and drink provision in the park. There is some demand for provision outside the hours that the café is currently open.
- 12.4 To address this demand, whilst also minimising the impact on the existing café operations, Council should:

12.4.1 Enable the Lions Club to sell a restricted selection of non-café food and drink items, during the hours that their proposed mini-golf course is open, which is likely be weekends, public and school holidays.

12.4.2 Trial trading by existing kiosk licence holders in the Esplanade, during hours the café is closed, to assess the extent of the demand.

12.4.3 Following the conclusion of the lease negotiations with the café, issue licences to a limited number of mobile vendors to trade at the Fitzherbert Avenue end of the Playground with restrictions on both trading hours and food and drink options to reduce the impact on café operations, whilst still meeting some of the identified demand.

13. NEXT ACTIONS

13.1 Confirm with the café operator the food and drink types sold and agree on the range and type of food that is deemed to be non-café fare.

13.2 Issue a minor variation to the Lions mini-golf lease, under delegation, to enable them to sell allow non-café fare food and drink sales when the course is operating.

13.3 Call for a registration of interests from mobile vendors with existing kiosk licences to trade at the Fitzherbert Ave end of the Esplanade playground, during evenings in the summer months.

14. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS



14.1 Sections 3, 5, 6 and 8 of this report outline the engagement undertaken.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in Active Communities	
The action is: Provide and maintain city reserves.	
Contribution to strategic	The Victoria Esplanade is a premier park. Provision

direction and to social, economic, environmental and cultural well-being	of hospitality services is part of the services offered in this reserve.
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ATTACHMENTS

1. Survey questions and findings [↓](#) 
2. Survey free text responses [↓](#) 

Victoria Hospitality Review – Analysis of Submissions

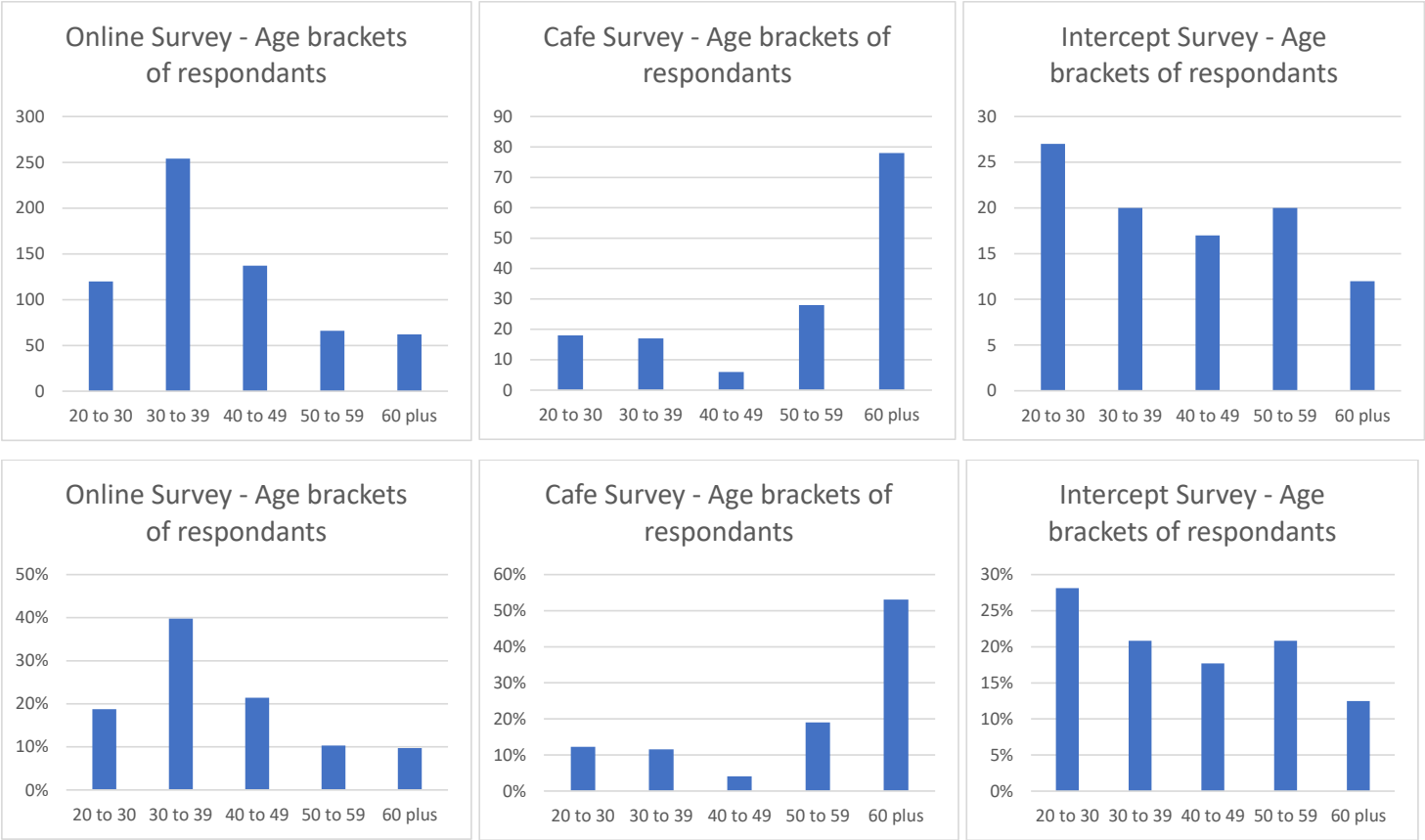
Café hard copy surveys	= 149 ¹
Online survey	= 642
<u>Intercept survey</u>	= <u>96</u>
Total respondents	= 887

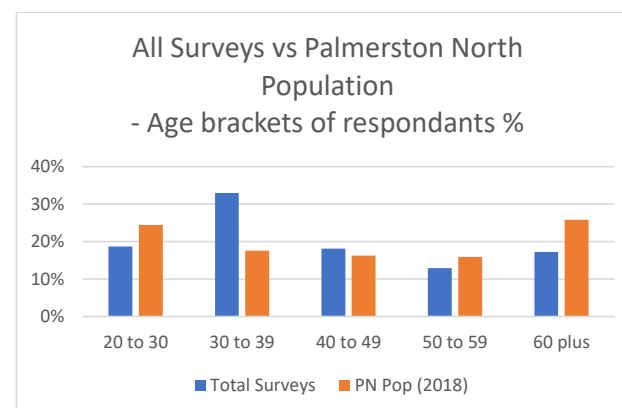
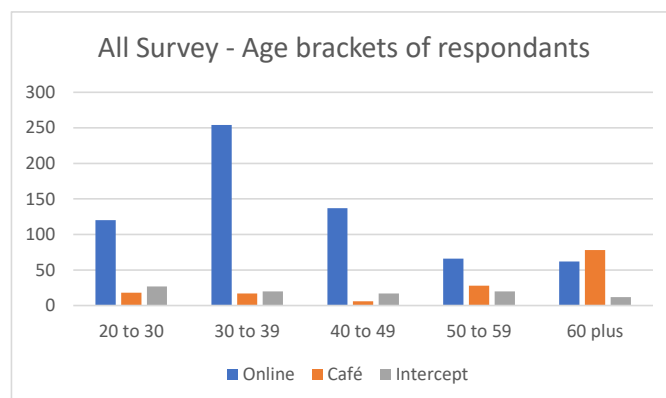
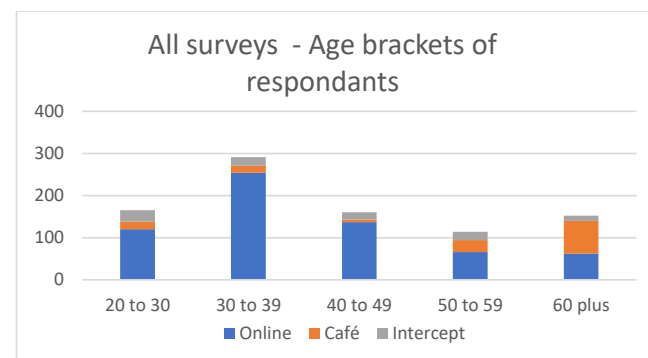
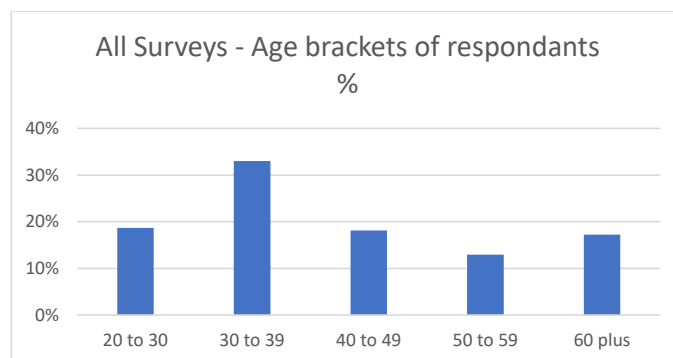
Total respondents from Palmerston North 781².

¹ Includes two mailed in surveys on the forms that were only available from the Esplanade, so the results were combined in with those.

² The sample size is statistically representative of the population of Palmerston North with a margin of error between 3 and 4%, at the 95% confidence level

Age of respondents

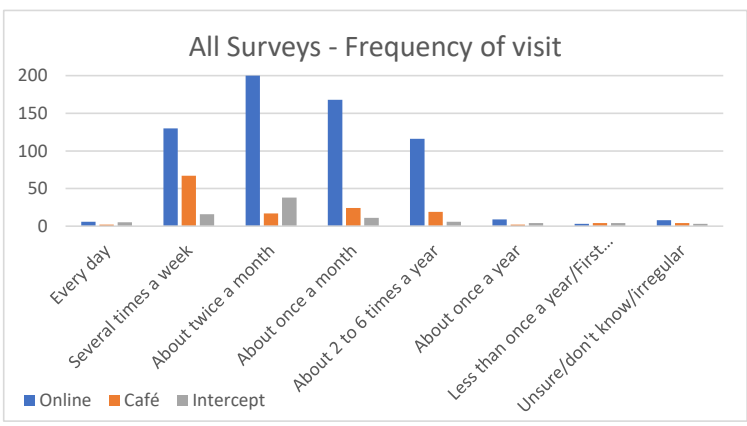
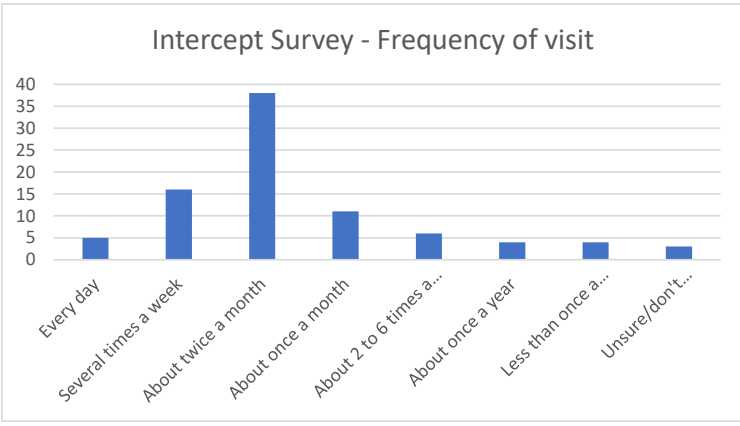
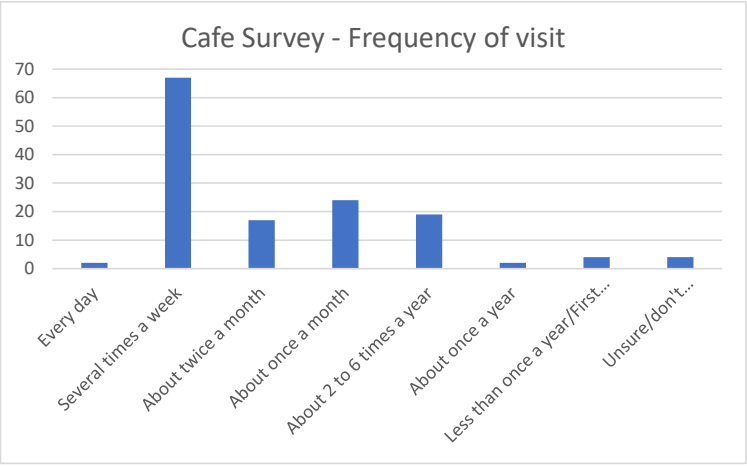
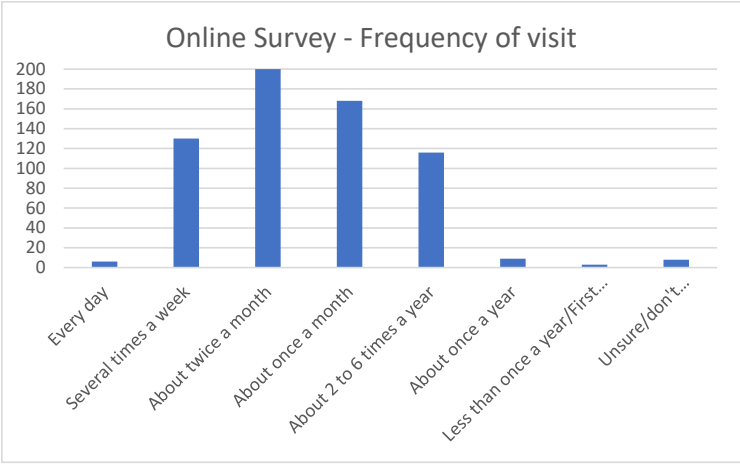


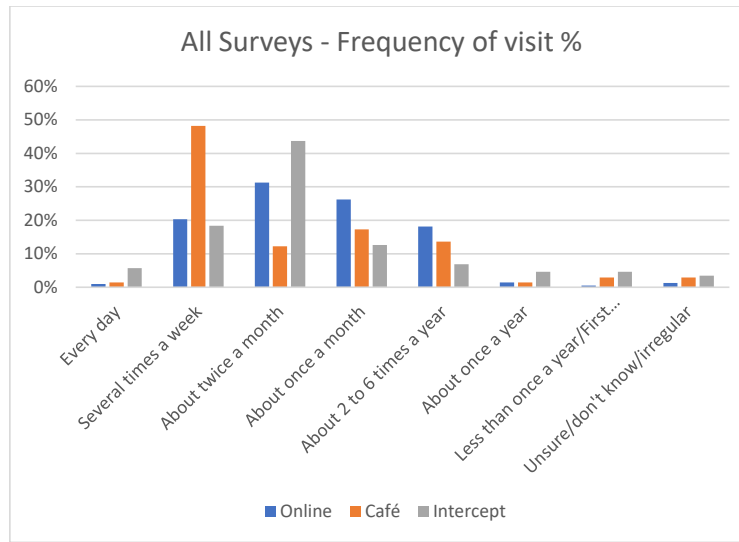


Observations:

- The café respondents are weighted towards older age groups compared to other respondents.
- The overall results roughly approximate the NZ population spread, slightly underrepresented in the 60 plus age groups and over represented in the 20 to 30 age groups.

Question: How often do you visit the park?



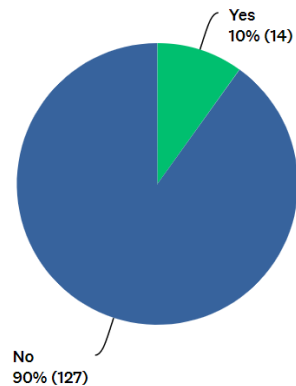


Observations:

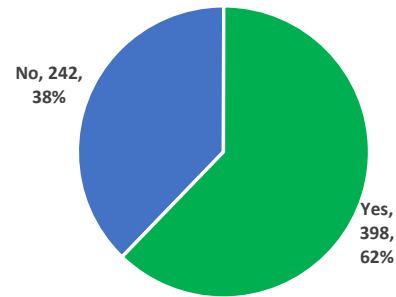
- Café users are more frequent visitors to the Esplanade; nearly half visit the Esplanade several times a week, compared to around 20% of other respondents.

Question: Do you bring your own food and/or drinks?

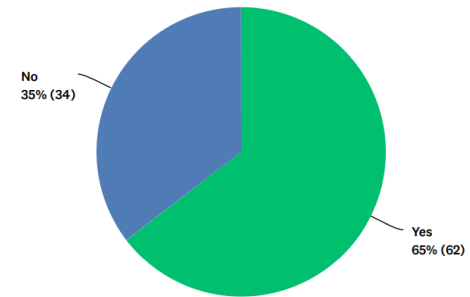
Cafe Survey – Bring your own food/drink



Online Survey - Bring own food/drink



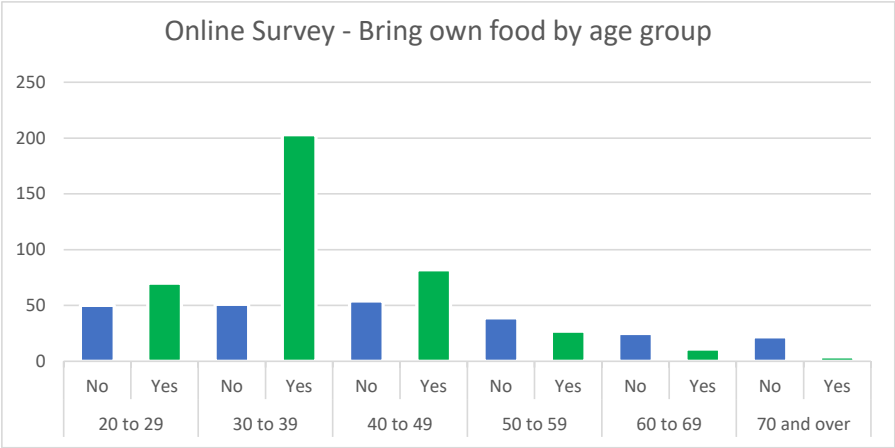
Intercept Survey – Bring your own food/drink



Observations:

- 90% of respondents surveyed in the Café do not bring their own food to the Esplanade, indicating the purpose of their visit is to go to the café.
- Around 60% of online and intercept survey respondents bring their own food to the park.

Drilling in by age to the online survey results:

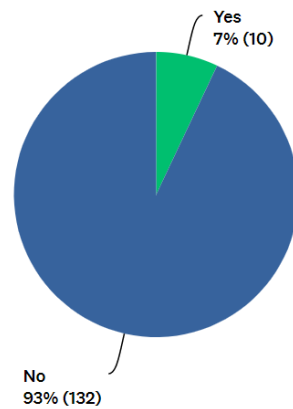


Observations:

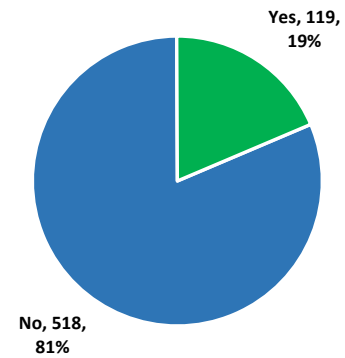
- The online survey shows the 30 to 39 age group in particular, and under 50's more generally, that are more weighted to bringing in their own food.
- It is possible these are the age groups most likely to be bringing in families with younger children.

Question: Do you use the BBQs provided?

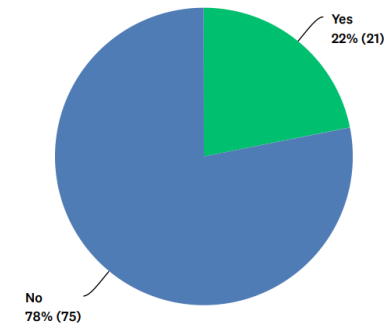
Cafe Survey – Use BBQs



Online Survey - Use BBQs



Intercept Survey – Use BBQs

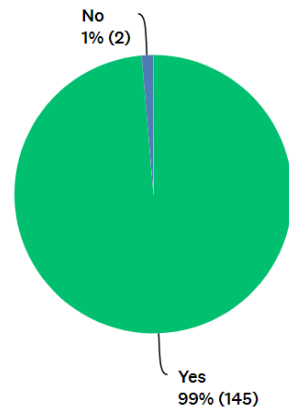


Observations:

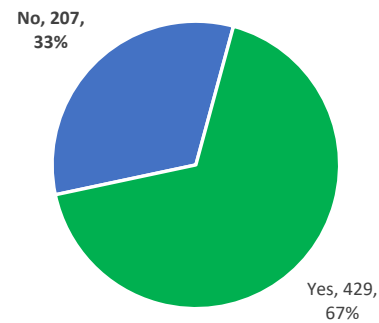
The BBQs are used by around 20% of visitors at some stage.

Question: Do you purchase food/drink when visiting?

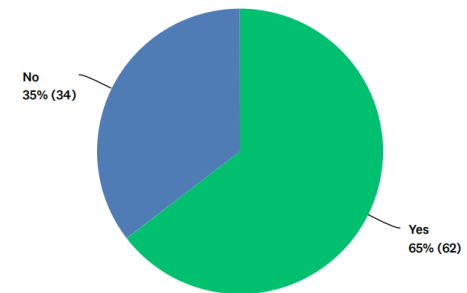
Cafe Survey – Buy food/drink
when visiting



Online Survey - buy
food/drink when visiting



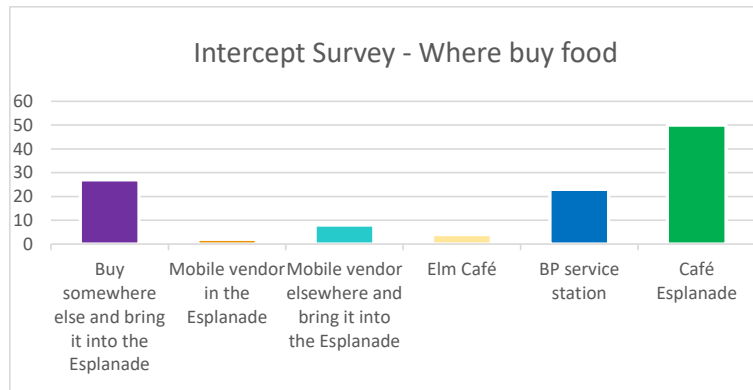
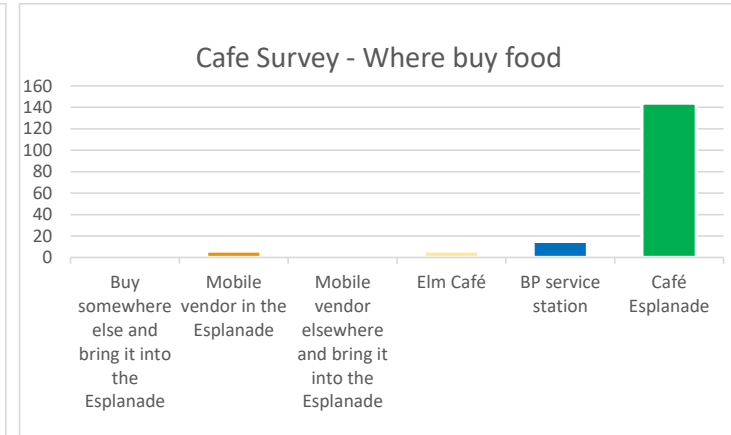
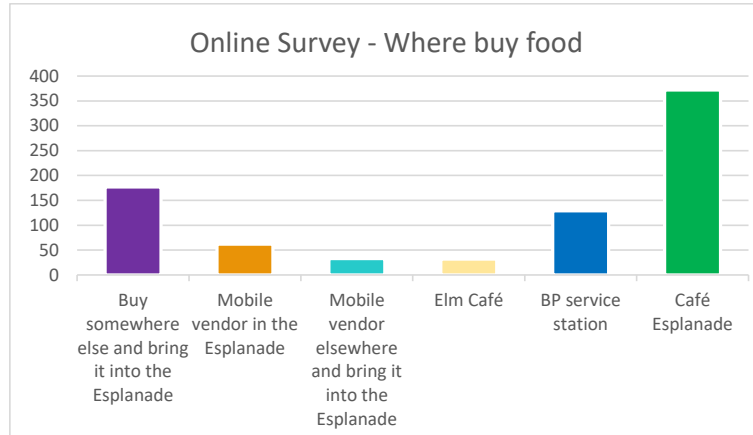
Intercept Survey – Buy food/drink
when visiting



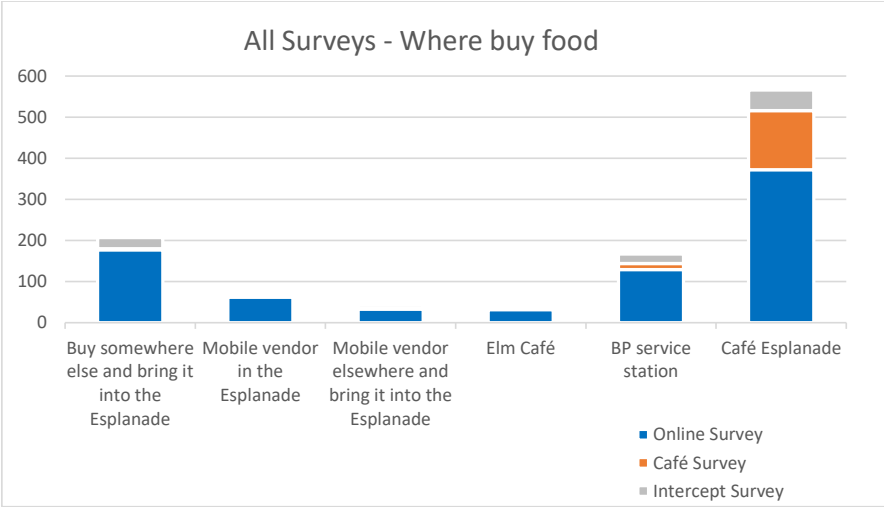
Observations:

- As would be expected given the survey within the café, the café respondents virtually all made purchases.
- The general survey techniques around 2/3rd of visitors make some sort of purchase of food and/or drink as part of their visit to the park.

Question: where do you buy food/drink?



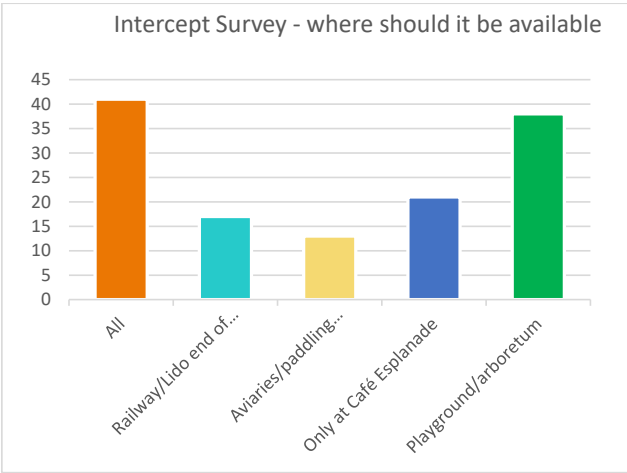
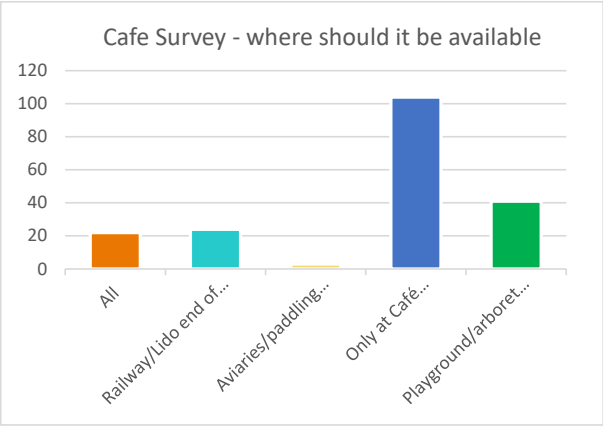
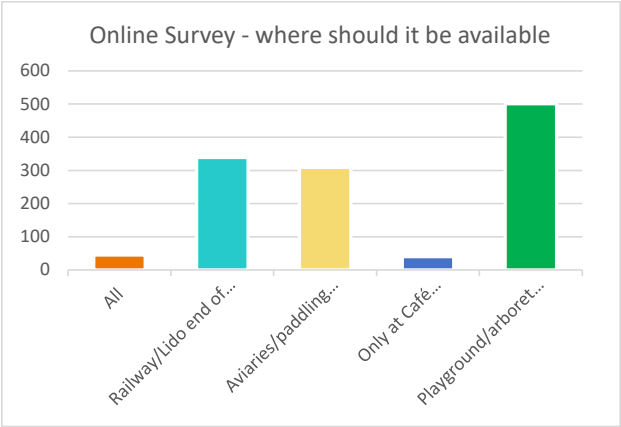
ALL SURVEYS

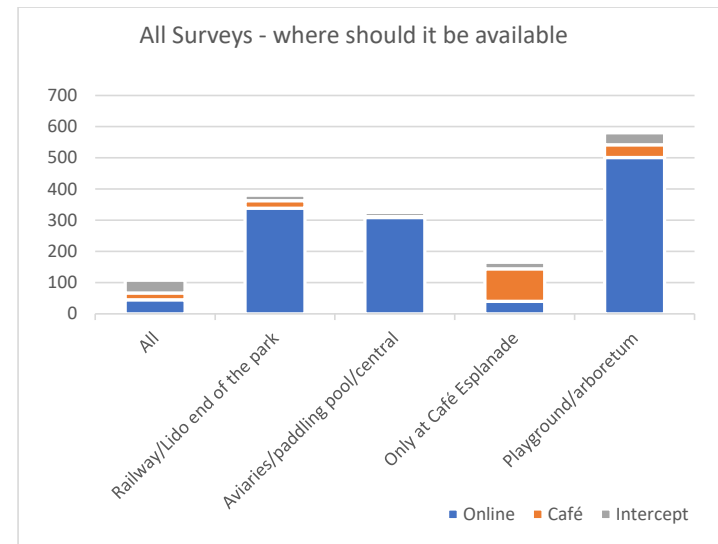
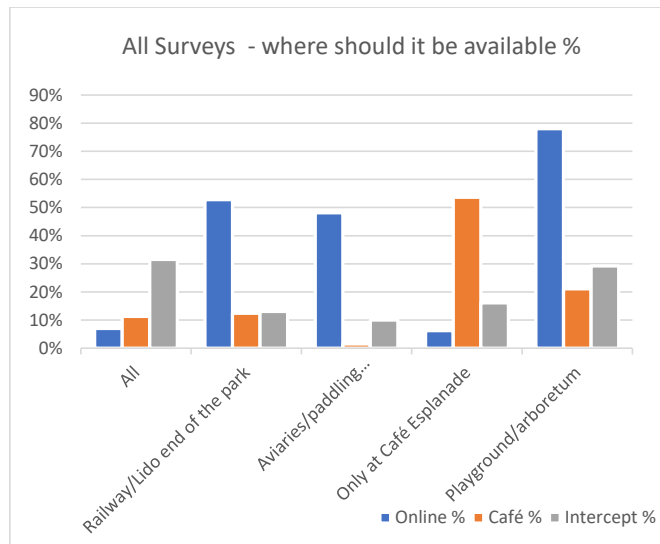


Observations:

- The café is widely used, irrespective of survey type.
- There are mobile vendors already operating in the Esplanade without a license, with 3 - 10% of respondents from the intercept and online surveys saying they have purchased from them.

Question: Where should food/drink be available from?

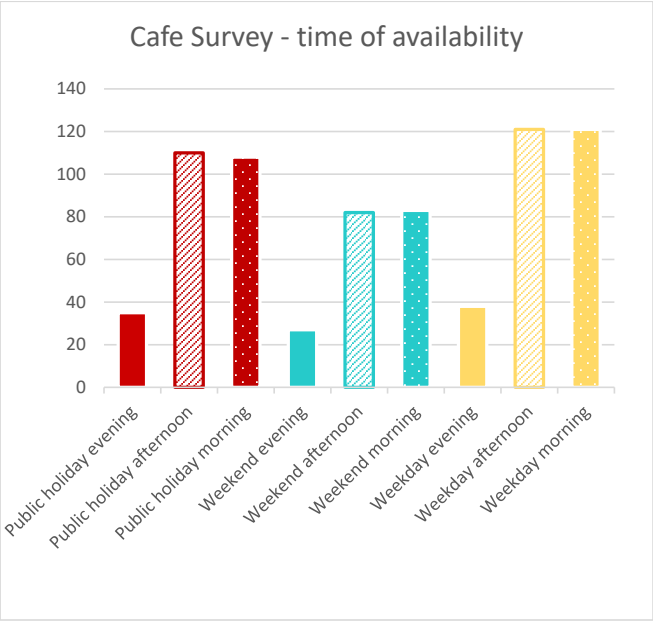
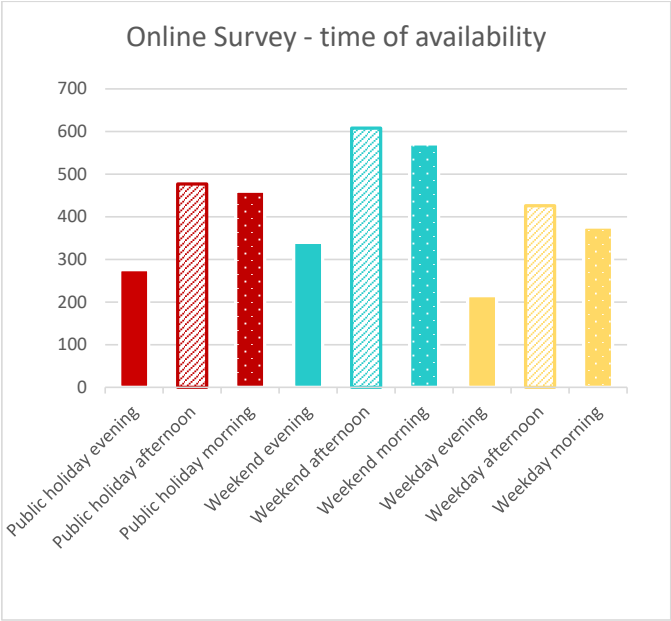




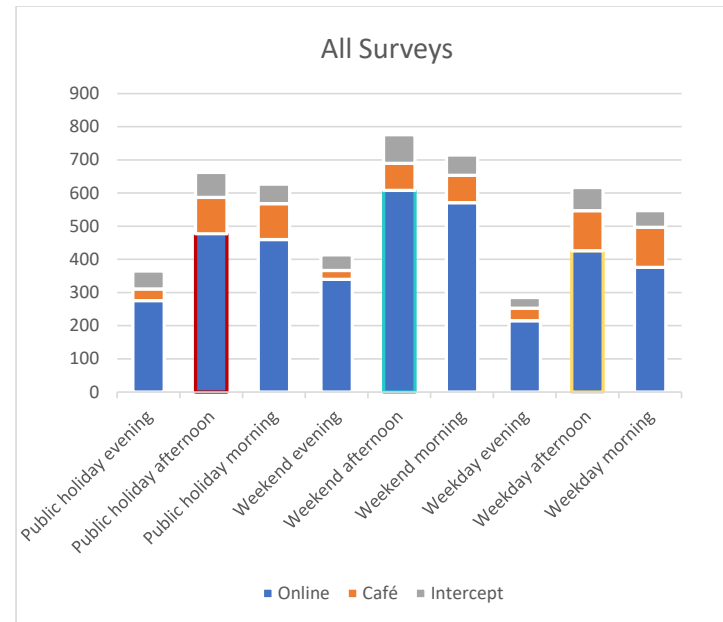
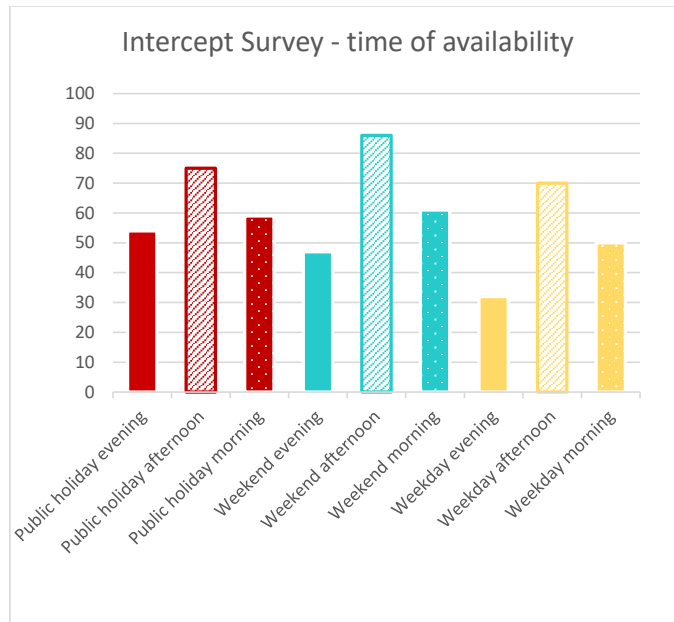
Observations:

- The café responses show a strong preference for the café only option, with a moderate number also supporting some availability at the playground area.
- The online survey shows a preference for some availability at the playground end.
- If you combine the aviaries/paddling pool and café results as all being central provision then the intercept survey has a balanced result with a slight weighting the café/central and playground locations over Railway/Lido end.

Question: When should food/drink be available from?³



³ NB people could tick multiple responses so percentages do not add to 100%



Observations:

- Morning and afternoon provision is desired consistently from the café and online respondents with a slight weighting to afternoon over mornings for the intercept surveys.
- Evening availability is less desirable from the café surveys, but had a moderate response from online and intercept surveys/.
- About half of all the online and intercept survey respondents thought some evening availability, particularly in the weekend and on public holidays, would be desirable compared to around a quarter for the café respondents.

**APPENDIX TWO:
VICTORIA ESPLANADE HOSPITALITY REVIEW
FREE TEXT FIELD RESPONSES.**

CAFÉ SURVEY FREE TEXT RESPONSES

Q11: *Evenings when yearly 'shakespeare in the park' Allow patrons to the cafe to bring their dog into the cafe "courtyard"
Don't make it a shopping centre.
In the park several times a week The esplanade cafe is a regional treasure with a competent and friendly staff. Urge council to be proactive in renewing and enlarging the lease of the present lease holder.
Having a small food/drink stand at the playground would be beneficial as most who are at the playground often just stay there.
Very nice meal (lunch) and enjoy atmosphere here, needs to stay here (cafe)
An extension of the cafe (ie and icecream or drink stand) by the playground might be profitable and a nice addition for park goers.
weekends
Lunch menu needs a salad on it say chicken, beef etc.
I think food is better consumed in or outside in the cafe area. Less rubbish around the park.
The cafe needs support! Go weekdays quiet. Support it and provide good food. Perhaps they could manage a coffee cart like the one at the bridge and NZ icecream (not streets!) You are going to lose the cafe if you don't support it.
Beautiful smiles around, good food and drink. The best cafe in the manawatu staff and owner are amazingly wonderful every time. I visit such as pleasure thank you Guys.
The cafe esplanade is the best cafe in palmerston north, the ambience and atmosphere is very soothing, the staff are wonderful, what more could you ask for ***** five star.
Cafe esplanade could do with a refresh. great spot.
Cafe is a very nice will ample parking and open fire - very cosy. Correct menu and V. Friendly staff. I would need more it if it wasnt here + so would my friends and grand- more as its a granmas group a lease at to continue here.
Always a pleasure to spend time at cafe esplanade. Beautiful service. Q11: Close in the holidays to give staff opportunity to spend time with family.
Cafe to run as they are, but icecreams, drinks, snacks, ready food, by the playground in the summer - Q11: Summer sales for weekend and holiday evenings.
I think you should be able to bring your own food if you wish - for a picnic but responsible for taking your rubbish home again.
Maybe a pop-up kiosk day once a month
The cafe is a lovely place for not only lunch but morning and afternoon tea. Very friendly staff etc and clean.
Don't spoil what already works well!
Any more outside venues will lead to cluttering of lawns, gardens and outside areas with wrappers and related food containers.
I am a frequent visitor to the esplanade cafe. Factors for this include - good service, nice food, ambience, beautiful setting and parking facilities. If I have "out of town" visitors we always head there.

Frequently use the cafe, good choice of food, (maybe more keto would be good), friendly staff, lovely premises
In P.N. a lot of cafes close at 3pm! Personally I need a drink after this time and cafes are closed. Maybe a food truck near the new mini golf site would be appreciated.
Enjoy coming to cafe - very hospitable, nice food.
We like cafe.
We love this cafe destination.
My favourite staff member at the cafe is Zoe Edwards.
Have been part of groups that meets tuesday/thursday every week and has done for many years. Happy for this to continue as is.
I have always thought there should be more options along the river.
no
Why change something that is working as well as cafe is.
Would be very disappointed if this place should go. You could be anywhere in the world it is lovely.
Hospitality is a very hard industry as it is. We should be supporting the cafe. Winter is extremely slow. Can't see all the extra people anywhere.
KEEP ONLY THIS CAFE!
Please keep cafe as only source of food/drink. Too many food outlets will spoil atmosphere of esplanade.
I love the esplanade.
Always pleasant staff nice food
Don't over do it! Not too many outlets!
Aside from maybe a weekend coffee cart by the children's playground, I think the existing cafe caters well for the needs of the esplanade. There is a wide range of food and beverage options, great seating and lovely staff. I think we need to support the existing business and its lease instead of setting up competition. the esplanade can set pretty quiet in the winter months and the central cafe needs support during this time I would assume. Seasonal options e.g ice cream truck in summer could be nice but most of the year can be dedicated to visiting the esplanade cafe.
Poorly constructed survey. Present systems hours work well. What is your ultimate aim?
Food. Drink needs to be available at events
Love the esplanade! Additional snack/food options would be appreciated.
Don't change something thats working
Don't change things as the cafe is great as it is
Add dinner service in summer - (evening sale for weekdays)
Espanande cafe is a great asset for P.N. The staff and food are great. I don't know how they survive in winter when there are so few people in the esplanade.
Q11 - Evenings in the summer (for public holidays)
Another option of food places would be great.
Having a plan to ensure a good coverage for people using the esplanade and a plan to ensure sustainability for all.
I enjoy coming to the cafe regularly. Staff are pleasant and food is good too. Would be nice to see more options in kids menu Thanks
More rubbish bins and cleared bins more lighting for nighttime.
Needs to be a plan so every vendor can survive.
Keep the esplanade cafe going - it is a great asset.

Select of food needs to be available at events in park.
Its a pleasure to come here, prompt cheerful service at the cafe esplanade.
I love the cafe, its food and the building itself, however I also love the icecream bike in the park. I'd love to come in the evenings for food trucks in the summer.
We really enjoy coming to the esplanade and always visit the esplanade cafe, where the service is great and friendly and the food has good variety.
The cafe is beautiful and awesome to have. Also the esplanade is an awesome place. Maybe having food trucks and other vendors might encourage people to use it more.
I am disables. The cafe esplanade are very disability friendly. The staff are kind patient and engage with respect. I really like their food and service.
Only one cafe for playground (coffee cart only) or by scenic railway Excellent service by cafe esplanade.
no
Recommmend cafe esplanade - service excellent always cater to requirements.
Do not weaken the foundations
Cafe esplanade offers food for all ages + groups in a friendly relaxed setting, young +old, groups + families as people enjoy this park + our heritage
Please do not ruin the esplanade with food places selling unhealthy foods to our children with wraps scattered through the gardens.
More rubbish bins + regularly emptied if more vendors
We love the cafe + wouldn't like to see its future jeopardized. Probably for families visiting the park at weekends + public holidays maybe an ice cream or coffee cart would be good. Don't want the esplanade filled with food carts + resulting rubbish.
Some food caravans would attract more people to the park. Could compliment the cafe -more people
All cafe staff are energetic and polite in all aspects of food, preparation and service to customers. I always enjoy my visits. Good surroundings and people.
Q3 (how often) - Once a week
Cafe esplanade offers a convenient atmosphere for friends to meet, and the esplanade does not need any other large structures built in it as it is a wonderful place for all ages. As I have already indicated perhaps a mobile vendor to sell ice creams, milkshakes etc near the scenic railway station/lido end of the park.
nice cafe only occasional visit.
Cut the tree over the cafe yard
This survey seems a bit arbitrary and ill designed. Not sure what it is about. It seems to be an odd time to question the park's food and drink provision preferences. Businesses are struggling in the pandemic - shouldn't council pull out all the shops supporting existing businesses?
Feel cafe esplanade is essential for sit down meals, coffee etc. Especially for older members of the community. Certainly no coffee carts close by the cafe.
The owner of the esplanade cafe has worked hard to keep this cafe going I would not like to see it interfered with re sale of food and opening times.
Cafe esplanade should be only venue for sit down hospitality and should not be encroached upon by other vendors, in the immediate area. As it is at present - a great, comfortable venue with wonderful ambience and superb service and refreshments.
We don't need any more food options. Cafe runs great as is. Probably wouldn't bother coming if its a 'food fair' in the esplanade. Would completely change the atmosphere
Easy access with the ramp.

The Playground source - more targeted to children Scenic railway source - Food truck with variety Cafe esplanade -as is.
Tick boxes would have been appropriate for a survey. Your age category ends at 65yrs?? Why is race at all relevant - I'd love to be emailed with a reason. Does the council understand what it is currently like to run a hospo business - all the challenges - it appears not PTO.
In the summer it would be nice for the cafe to be open until 5pm.
I love cafe esplanade
I work at the cafe, its a great place filled with great staff.
There should be a cafe on public holidays.
I just love coming to the esplanade cafe for me time. Love the atmosphere and decor. Staff are friendly and accomodating. The best! Perhaps there needs to be a mobile vendor over in the playground area adjacent to fitzherbert ave to cater for families with small children/prams etc. But well away from esplanade cafe so as not to interfere with their custom. Families could then ride the train to the playground, play, eat, then ride back to their vehicles in the station carpark.
Cafe esplanade has ambience: it is comfortable and cosy. The staff obviously enjoy being here - they are so helpful and friendly. The aspect over the garden is a special appeal and the building itself is special. LONG LIVE CAFE ESPLANADE
Leave the esplanade cafe as the main source for food supply. Please give the current owner certainty of his lease. During public events at the esplanade food vans should be brought in to suppliment food supplies. The esplanade is one of P.N's best assets for things to do for everyone. Bring on more usage
The cafe is great. Keep it as the main food outlet and renew its lease NOW, don't wait till it runs out. Perhaps allow permitted mobile carts in the playground area and/or the carpark by the railway terminal. But nowhere near the cafe.
The esplanade cafe is part of our history. The cafe is a lovely place to meet - I always bring out of towners here. Hope the cafe stays with current Manager's and renew his contract now.
Cafe esplanade has very competitive range of food - lots of seating ad friendly staff. I think it adequately serves the esplanade as a single entity.
I enjoy the quiet, accessible cafe, kind staff, great food and the atmosphere. FREE PARKING and NO junk food places.
Regarding Q11 - Council locks gates so who would come after dark, and why? Nice place to meet up with friends family. Friendly faces with fantastic food and flavour, love the building. Greenspace - close to park and free parking
Love to be able to bring our own dog into seated area rather than leave on the other side of the fence - possibly take fence down. Provided dogs are on a leash and under owners control. Outdoor seating needs to be revamped.

MAIL IN SURVEYS FREE TEXT RESPONSES

The Esplanade café stops serving about 3 pm. In the summer, in particular, that means no café service is available in the later part of the afternoon.
Daylight evening availability. Always been happy with the variety and service at the Esplanade Café.
a hangi at weekend. Bit of real kiwi tucker, mate, indeed a rarity in palmerston north

ONLINE SURVEYS FREE TEXT RESPONSES

Open it to vendors like food trucks with a booking system. Not hard
Only one option at the esplanade is not good enough. This should have been looked at years and years ago. Another example of inept incompetence from council.
Need other options then the cafe and somewhere that is open for longer esp in summer time.
Would be great to have another couple of options for food, and open more hours. Friday night treat and the kids can play on the park.
It is ridiculous the cafe is closed on public holidays and many sundays when I have been there
I think it would be good to see a the allowance of mobile food trucks in here. There should be a limit of how many are there, maybe there could be a rotating spot to make it fair to all vendors to have an opportunity to show case there food cart.
dogs should be allowed at whatever food areas are at the esplanade. Including the existing cafe.
There needs to be more variety of food & beverage options in more than one location. The Esplanade Cafe needs to be open longer hours especially during daylight saving, weekends & public holidays - it's ridiculous closing before 4 pm in the summer!
I am glad you are reviewing this and I continually find myself disappointed with Esplanade Cafe. The food is expensive and average and the service is slow
Food Trucks
More food options would be awesome.
I would LOVE to see more options to buy lunch and especially coffee from! I always struggle with the too busy cafe with stressed out staff, long wait times and the expensive food. Even a couple of coffee carts would be wonderful. Competition is good! The coffee carts will support small businesses and keep the adults in the family at the esplanade longer with their kids, especially if it is close to the playground :)
The shed in the middle of the bike park would be a great spot for a coffee/snacks/ice cream shed...
Many times I would love to have a meal or walk early evening- the esplanade is missing a beat having just 1 cafe and that closes at 4pm! Stay open till 8pm at least! This would be so lovely in summer and Public holidays.
Understand that some options need to be seasonal eg summer but it would be nice to be able to enjoy our incredible outdoor resource more. Winter days with the walkway now all sealed means people are getting out more - another coffee kart bridge end would be great. There is a huge democratic of people to cover - and I know when my kids were young my answers would have been very different - I hope you take all democratic groups into account.
I think it would be amazing to have more options for food at the Esplanade. Having the option of food trucks would be great! Long term it would be nice to have another good place like the cafe esplanade in the playground near the junior space. A coffee cart down that end would be great! I'm sure it would get lots of business. Food like... Mexican, Sushi, etc ...
More vegetarian options would be appreciated, as would more affordable prices for families.
How about food trucks by the river walkway?
Longer hours and more options other than the cafe
We need more food options people. Please!!!!!!

Would love to see a couple of coffee carts and a few semi/permanent food truck options.
Would be great if they were open more hours in the school holidays.
A little odd there is no "once or twice a week" - going from "several times a week" to "about once a month" is a bit of a jump.
Love the esplanade but would prob visit more if there were food options that don't break the bank and aren't too fancy.
<p>- Dogs are banned from the esplanade cafe because the place smells like dog poo and they have obviously had complaints. But the dog poo smell is from the ginko tree when its fruiting.</p> <p>Un-ban dogs which will probably mean you get more dog walkers stopping in. But put up a couple signs explaining that it is the tree and the trees significance. (Side note: whoever planted it next to the cafe is an idiot)</p> <p>- You could do very well with little cafe on the playground & bike side. Probably built in and replacing the current kitcheny bit which barely anyone uses (Would still need to make an toilets and an outdoor sink available). Add a small covered area with outdoor heaters, and some extra outdoor tables and chairs during sunny days. Do family friendly stuff e.g: coffee, ice creams, drinkings, basic food cart food (Chips, hotdogs, etc.).</p> <p>- If you were going to put a new food/drink option by the fields and train station you should build a full proper cafe in the lido carpark next to the esplanade entrance. That carpark is rarely used, and from that site you can catch customers to the lido, sports fields, train station, and if positioned correctly with direct street access to park road customers going there just as a local cafe.</p> <p>This cafe could replace the crappy lido one which is always closed and never busy. Then you could use the free space in the lido for an indoor splash pad area or to extend the swim school. It is a bit out of the way for the lido though, so not sure it would work for servicing the lido generally.</p> <p>You could just have the train station offer some basic non-cooked food. That might catch some river walkers given the new path, but you would have to put up good signage. I don't think that option would do that well.</p>
I think ice-cream vendors should be allowed and other food trucks on a regular basis. Just having the cafe is too limiting and expensive. Fundraising sausage sizzles etc should be OK too
I think ice-cream vendors should be allowed and other food trucks on a regular basis. Just having the cafe is too limiting and expensive. Fundraising sausage sizzles etc should be OK too

ONLINE SURVEYS FREE TEXT RESPONSES

I would really like more food options in the park. Taking my kids into the cafe for a takeaway coffee is a hassle, a cart near the playground would be great so I can watch the kids and get my fix.
Man a taco truck would be awesome, and a coffee cart in the playground so I can watch my kid whilst I get a drink
The cafe meals are small and pretty expensive for what you get
I think it should be available on Boxing Day as there are often a lot of families here and nothing is available
A variety of prices that are family orientated
Busy at cafe sometimes
Food in the summer at night
Cafe expense
Coffee, chips good to have
The cafe was quite expensive for what I received
Quick place to get coffee would be good
I bring down my thermos and food
Something open in summer at play ground good
Coffee place good
Lovely walking place
Great having cafe open as often as it is
We need more rubbish and recycling bins also with Te reo maori on them and also a bit more explanation of the plants in the bush would be fantastic
The cafe is quite expensive
Coffee, hot dogs chips
The cafe closes too early and a coffee/food cart in the playground area would be great
It would be nice to have a seated outdoor area that is dog friendly
Beautiful place
Coffee cart would be cool
In the summer in the evenings.
Coffee groups for mums, juice,
Need ice cream coffee easy etc just for adults

MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Health, Safety and Wellbeing Report July to September 2021

PRESENTED BY: Alan Downes, Safety and Health Manager and Wayne Wilson, People Operations Manager

APPROVED BY: Patrick Watson, Chief People & Performance Officer

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the memorandum titled 'Health, Safety and Wellbeing Report July to September 2021', presented to the Finance & Audit Committee on 24 September 2021, be received for information.

1. EXECUTIVE SUMMARY

Health, Safety and Wellbeing continues to be a significant focus area for leadership at all levels of Palmerston North City Council (PNCC). While data continues to provide encouragement (most notably in the area of reporting), Management recognises the importance of sustaining effort and investment to ensure a resilient system which keeps our people safe. We continue to experience incidents relating to Excavation and are persisting in engaging our workforce and partners to reduce the risk in this area.

Notable highlights over the reporting period include:

- Executive Team site visit to Civil Construction in July; another two ELT visits were postponed due to COVID lockdown and COVID level restrictions. These visits provide insight for the Executive Team and an opportunity assess the effectiveness of the system and behaviours and appraise the opportunities for improvement.

The external review of PNCC's Health, Safety and Wellbeing effectiveness including workshops across our workforce segments and an organisational attitudinal survey. These have informed the draft Health, Safety & Wellbeing strategy and roadmap which is being revised by management.

The new Safety and Health Advisor started on 23rd of August and adds strength to the existing team with experience and qualification in both injury management and health, safety and wellbeing.

Looking Forward:

- Management will finalise the proposed Health, Safety & Wellbeing Strategy & Roadmap.

2. REPORT

This report covers the period 1 July to 30 Sept 2021. The information included in this report is discussed at the appropriate Health & Safety Committees.

A. Hazards, Incidents and Near Misses Reported

	2019	2020			Dec 20		Mar 21		Jun 21		Sept	
Quarter	Dec	Mar	Jun	Sep	PNCC	Con	PNCC	Con	PNCC	Con	PNCC	Con
Hazards	2	4	2	13	16		21		19		6	
Incidents	32	33	24	58	44	3	38	4	44	4	38	3
Near Misses	21	25	17	20	30	7	13	1	12	3	9	6
Lost Time (days)	155	99	97	56	75		85		83		28	
Lost Time Injuries	15	12	3	9	5		4		6		5	

Key: PNCC = Staff; CON = Contractor

Comments:

- The increase in reporting of hazards and incidents continued over the last 12 months and this is assessed as a positive consequence of PNCC's efforts to raise awareness of Health & Safety and expand the use of the PeopleSafe reporting tool beyond Infrastructure to all PNCC.
- The significant reduction year on year in time lost is encouraging with a 43% reduction in days lost in the current financial year when compared to the same period last year.
- The significant 49% reduction in number of lost time injuries in this financial year is encouraging when compared to the previous year.

B. Critical Risk Table

This table has been included to provide clarity on the number of critical risk events and the category each event relates to. For more information on the individual events refer to the dashboard report.

No	Critical Risk	Near Miss	Incident
1	Bodies of water		
2	Use of powered hand tools and stationary plant		
3	Tree felling / sectional takedowns		
4	Working alone		
5	Working at height (fall to lower level)	1	
6	Excavation work		2
7	Confined space work		
8	Working with mobile plant	1	7
9	Work environment (psychological, physical and emotional)		
10	Members of the public	3	
11	Asset control		
12	Hazardous substances		

Comments:

- *Operating mobile plant is the critical risk that features the most in the 2021 year. A bowtie review of operating mobile plant is scheduled for Q3 2022 this will run parallel with trend analysis exercise.*

C. Manual Handling

Manual Handling incidents have previously been identified as being a key area which contributes to Lost Time and remains a PNCC area of focus. PNCC monitors the effectiveness of Manual Handling capabilities by identifying incidents which are attributed to it, undertaking investigations and assessing the effectiveness of controls for this area.

The Manual Handling incidents recorded over the last 24 months is shown below:

Manual Handling	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sept 21
Incidents	7	11	3	7	10	4	10	12
Manual handling incident divided by hours worked						0.000001	0.00004	0.00004
Manual handling incident frequency ratio (quarter)	1.2	1.8	0.5	1.2	1.7	0.67	1.7	2.0
12 Month Moving Average (12MMA-FR)	5.5	5.5	5.1	4.7	5.1	4.0	5.1	6

Comments:

- If we compare current 12 months Dec 2020 to Sept 2021 with the preceding 12 months there has been 22% increase in manual handling incidents. The increase in the September quarter is due to Wildbase starting report of incidents (5). The increased reporting is assessed as a positive consequence of PNCC's efforts to raise awareness of Health & Safety and the importance for reporting.
- The new 12 month moving average frequency ratio (12MMA-FR) flattens out the spikes and dips in the quarterly results and reveals we are averaging 6.0 or one manual handling incident for every 17 years of actual hours worked.
- PNCC currently has a number of proactive measures in place including:
 - Education – the manual handling procedure including stretching, warm-up/cool down and the importance of early reporting of discomfort, pain and injury is covered at induction.
 - Training – Move at work / manual handling training occurs annually with refresher training occurring every three years.
 - Monitoring – manual handling incidents are reviewed, and additional training / supervision initiated as needed.
 - The safe systems of work (SSW) manual handling procedure is also used as refresher by business unit supervisors.

D. WorkSafe Investigations

Investigations occurred this quarter 0

Previous Investigations (last 12 months)

Number of remedial actions required 0

Number of remedial actions completed 0

WorkSafe investigation information remains on the report for 12 months or until actions are completed.

Comment:

- During the period PNCC classified one incident as 'notifiable' and engaged with WorkSafe.

E. 2018 Audit Action Plan

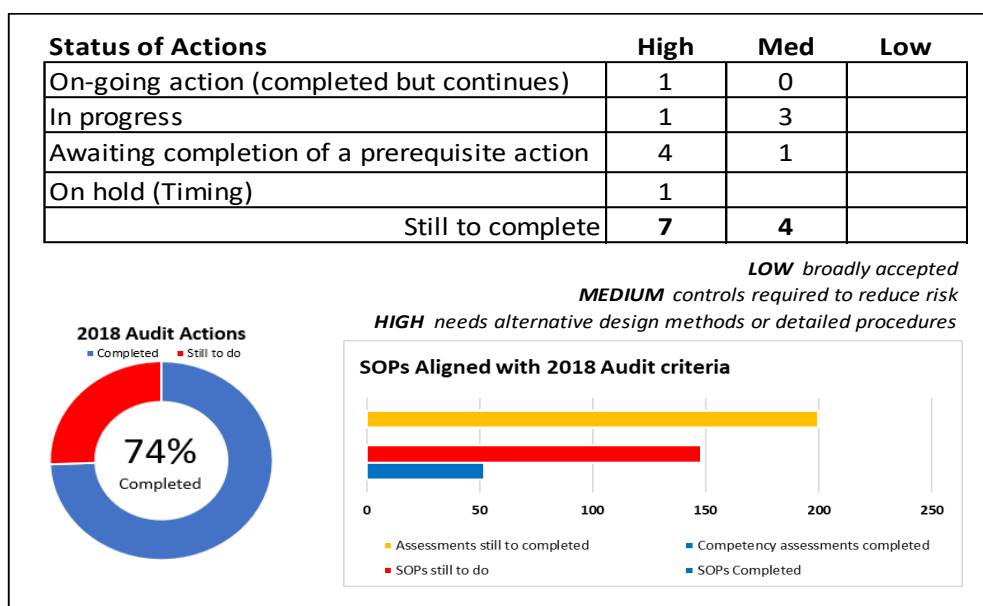
The 2018 Audit identified 47 actions of which 36 have been fully completed. PNCC undertook an external audit of Health & Safety effectiveness in April 2018 which resulted in the development of a work plan to address the agreed actions. Of the original workplace actions developed there is a balance of 11 items to complete (refer to status of actions included with the graphs).

Key focus areas progressed in this reporting period include:

- An additional 20 Safe Operating Procedures (SOPs) were revised to align with the 2018 audit recommendations.
- Site safety visits by senior managers including CEO provide them with insight for and an opportunity assess the effectiveness of the system and behaviours and appraise the opportunities for improvement. For the site it is an opportunity to present and discuss what they do, site layout benefits and constraints, critical risk exposure, safety and health issues and performance and improvement initiatives. The ELT site visit programme has been in place since March and is an important demonstration of a visible leadership engaging with its workforce.
- Contractor management audits have been followed by training where non-compliance was identified. To date twenty-seven project managers have received site specific safety plan training through Site Safe. (Moved to business as usual).
- The status of actions is now at 74% complete, which is a 2% improvement since the last report.

Comments:

- *In February 2021 the work was completed around securing and assessing data on the current SOPs and comparing them against the 2018 audit requirements. This has brought clarity around the work required to close the gaps identified and informed the approach to complete SOPs in stages.*
- *As previously reported, the percentage of audit actions still to be completed (26%) is not indicative of the time and effort required to fully close them out. It is estimated that fully completing the outstanding actions will take approximately 16 months at current capacity.*
- *Although management will continue to focus on progressing these outstanding actions, it is anticipated that any outstanding 2018 items will be combined with the 2021 Health & Safety Change Action Programme.*
- *To provide visibility on the alignment of SOPs and competency assessments to the 2018 audit a separate graph has been included below.*



F. Training

Summary information on Health & Safety training undertaken in the last 18 months is shown below. Further detail is provided in Attachment One.

Date	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21
Number of events	34	32	51	31	29	29	20
Staff attending	97	53	227	156	130	215	50

Comment:

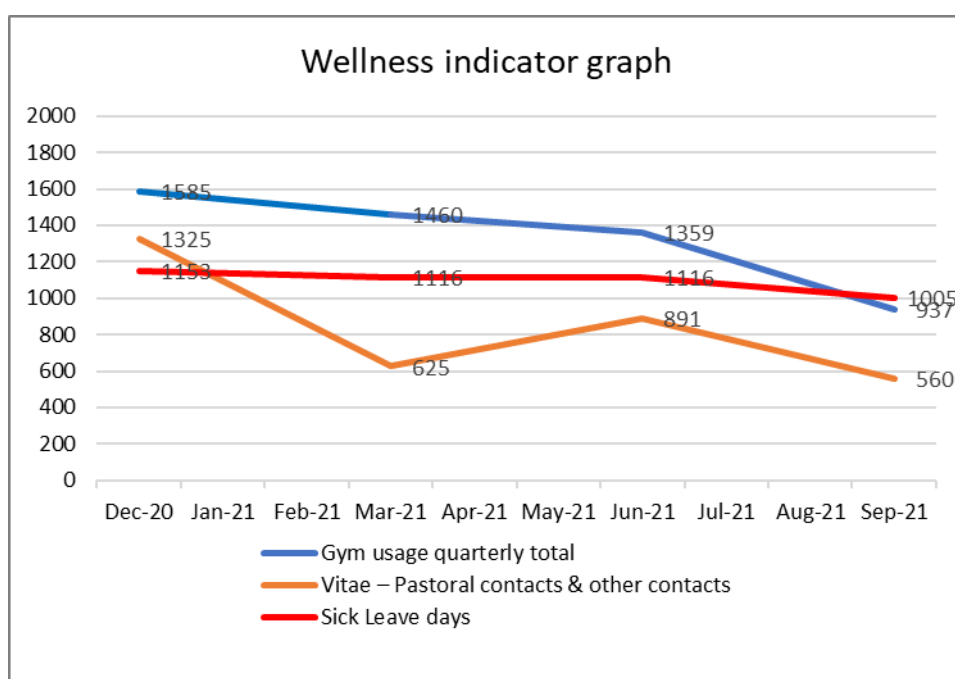
- There has been a decrease in training activity in the current financial year (July – Sept) against the same period last year (78%). This is a consequence of both the national lockdown in August 2021 and the subsequent Level 3 COVID-19 restrictions and escalation of training that occurred following the April 2020 lockdown.

G. Wellbeing

- The Activate Wellness Gyms (CAB and Depot) were used 937 times during the September quarter or an average of 72 times per week by 90 individual members during the period. Gym use in the September 2020 quarter was down considerably due to the COVID-19 lockdown and its resurgence. The Depot contributes to 15% of the overall figures below.

Gym Usage	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21
Gym usage quarterly total	1659	1585	1460	1359	937
Average weekly use	128	122	112	105	72

Wellbeing Table	Sept	YTD	
Gym usage	937	937	
Biennial health / eye check	4	4	Impeded by Lockdown and level 3 constrictions
Annual flu vaccinations	0	0	These occur annual in Q4
Vitae – Pastoral contacts	486	486	
Vitae – Other contacts	76	76	
Sick Leave days	1005	1005	1.7 pp for Q1
People Feedback - Survey	2020	2021	
Safe from physical harm	4.23	4.4	
Safe from bullying, racism, harassment	3.82	3.9	



- ii. Flu vaccination information is widely published across the organisation. The take up is seasonal and consequently will not show on the table in quarter four.
- iii. Biennial health and eye check information is sent directly to staff members on their even birthdays, e.g. age 38. The August/ Sept lockdown and Level 3 restrictions impeded uptake in Q1.
- iv. A recent survey repeated the two wellbeing questions from the survey in 2020 and although incremental they are in the right direction.

Comments:

- Wellbeing datapoints are consistent with previously reported insight on the implications of the disconnect between PNCC's commitments and resource levels.
- A Healthy Thinking & Psychological First Aid webinar promoted by Taituarā — Local Government Professionals Aotearoa was made available to all health and safety representatives, and a wider group through managers.
- Management are reviewing the provision of mental health / resilience training to identify opportunities to capture more of our workforce and equip our people with skills and tools in a timely manner.

H. Annual leave

Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21
1749	3006	1775	660	2308	4995	2562	1775	1343

Total days of annual leave taken over the quarter

Comment:

- The average annual leave balance per staff member is 24.01 days (entitled plus accrued leave). This has increased during the latest Covid restrictions. Leave is actively managed however there are a number of single points of success / failure which management are resolving.

I. Turnover

Turnover for the quarter of permanent staff was 35. Employee initiated turnover was 33 or 5.81%. The annual employee initiated turnover rate was 21.13%. Employee initiated turnover are resignations and retirements. 12% has been traditionally regarded as a healthy indicator of employee initiated turnover for our Council.

Date	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	June 21	Sep 21
Employee Initiated	19	19	26	9	19	34	28	25	33
Other	8	2	2	2	4	7	1	4	2

Comments:

- The past year has seen a significant increase in turnover which is of concern. The labour market in Palmerston North and Manawatu is increasingly buoyant and PNCC will struggle to remain an attractive option.

- *There is a particular risk of losing talent in this market, and PNCC has very limited means to compete. We are currently reviewing our market competitiveness within our resources.*
- *Management has utilised targeted retention measures to strengthen retention in business critical areas where market data suggests PNCC is not competitive and is in the final stages of designing a new remuneration framework.*

Alan Downes

HEALTH, SAFETY AND WELLBEING MANAGER

Wayne Wilson

HUMAN RESOURCES MANAGER

3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven & Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Providing a safe and healthy workplace.

ATTACHMENTS

1. Training completed July - September 2021 [!\[\]\(039cd6b2e7148ba5690aa619b922c426_img.jpg\)](#) [!\[\]\(8b9db310e3bd56ffa44f3d5130ea99e2_img.jpg\)](#)
2. H&S Dashboard Report Jul - Sep 2021 [!\[\]\(49f66b396e80c47181c1b6b90370748d_img.jpg\)](#) [!\[\]\(f186cdc5336a7be142e8eda07f4bdfc8_img.jpg\)](#)

Attachment One: The details of Health & Safety specific training undertaken in the last 12 months. Not included is the Health & Safety induction that all new staff receive.

Attachment Two: The Health & Safety Dashboard for the quarter that is discussed at Health & Safety committees.

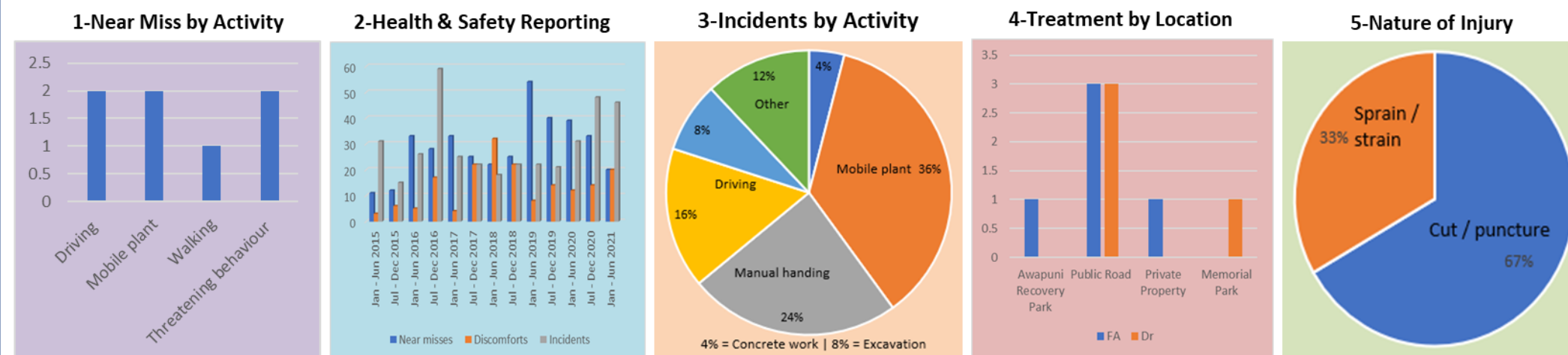
Attachment One – July – Sept 2021:

Event	Sept 20	Dec 20	Mar 21	Jun 21	Sept 21
Assessor Hort. ITO Online Training 4098					
Behaviour Safety Observed training				1	
Breathing Apparatus		1	10		
Chemical training Cleaners			6		
Confined Space Entry & Gas Detection	21	1		2	5
Covid 19 Return To Work					1
Customer Conflict Awareness		14			
Dangerous Goods (DG)			2	1	
Mental Wellbeing at Work (completed in May 2020-21)				28	
Driver Assessment Training					
Driver's License – Class 1R (Restricted)					1
Driver's License – Class 2L (Learners)			1		
Driver's License – Class 4L (Learners)			2		2
Driver's License – Class 1 (Car License)	1	5	3	2	2
Driver's License – Class 2 (Medium Rigid Vehicle)	1	2	1		3
Driver's License – Class 4 (Heavy Rigid)	1	3			
Driver's License – Class 5 (Heavy Combination)	2				
Driver's License – Class 6 (Motorcycle)					
Efficient Compaction Operators Course				42	
Electrofusion certificate	11	9			
Elevated Working Platform (Scissor Lift and Boom)		6			
Endorsement (F) Forklift	3	5	3		
Endorsement (R) Roller	5	1	2		1
Endorsement (T) Tracks	5	1	2		1
Endorsement (W) Wheeled Special Type	5	2	2		1
Fire Warden Training		1			
First Aid Certificate	26	16	2	4	5
Forklift OSH Certificate	10	15		5	5
Forklift (F) Endorsement			2	2	
Front End Loader			2		
Gantry Crane Training					9
Grow-safe	27			10	
Harassment Prevention and Awareness		36			

Harassment Prevention and Awareness – Managers workshop		10			
Certified Handlers (hazardous Substances)		4			
Height Safety Introduction				2	4
Height Safety Advanced				3	
H&S Representative	14	1			9
IVO Power Brush XL – Cleaners		5			
Kerbside collection traffic leader KCTL / WCTL	10				
Managing Mental Health			25		
Move at Work / Manual Handling (occurred July 2020-21)					
NC Utilities Maintenance L4 (water)		1			
PeopleSafe Training	55			31	
Permit To Work				44	
Public toilets & facilities cleaning /training SOP					
Resilience training (Completed in May 2020-21)				38	
Safe Work Zones					
Safety into CAB					1
Site Safe Foundation Passport			23		
Site Specific Safety Plan			31		
SOP Compost Op G/Waste Shredder			3		
SSTC situational safety & tactical communications	9				
STMS Level 1 – Site Traffic Management	10	3	5	1	
TC1 – Basic Traffic Controller Level 1	9	4	4		
T1 Tennant Battery Floor Scrubber - Cleaners		5			
TC Refresher			1	1	
Truck Loader Crane/Hi Ab					
Twintec TTB 1840 Battery Compact - Cleaners		5			
Total Number of Events	51	31	29	29	20
Total Number of Staff Attending	227	156	130	215	50

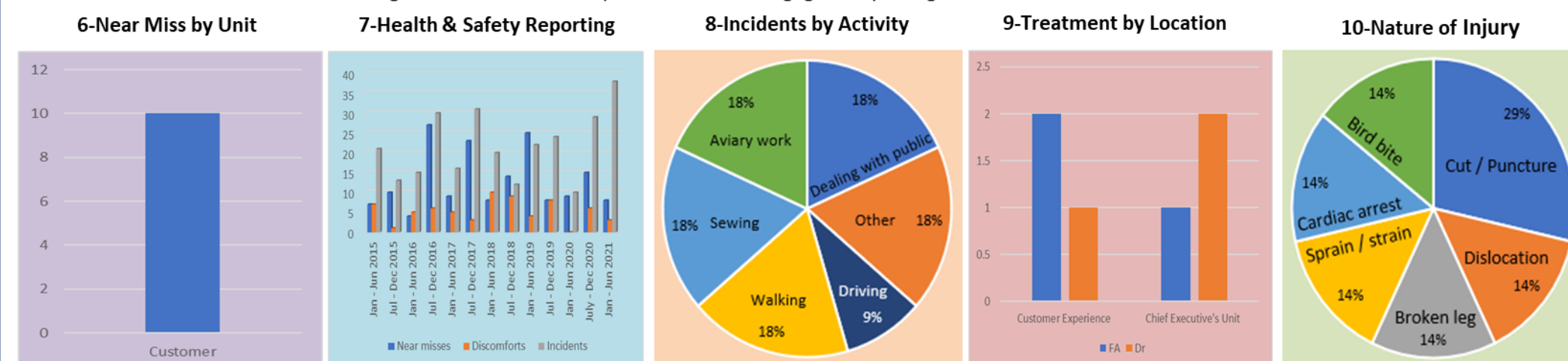
Health and Safety Quarterly Dashboard Report: July to September 2021

INFRASTRUCTURE

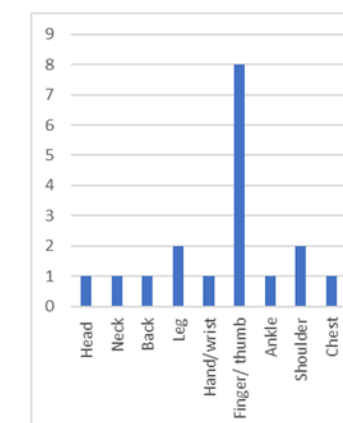


- 1 – Near Miss by Activity: were spread relatively evenly in the July to September Quarter there were no surprises
- 2 – Health and Safety Reporting graph is updated six monthly to enable increased visibility of trending
- 3 – Incidents by Activity: Operating mobile plant and manual handling incidents are the most common source of incidents. A bowtie review of operating mobile plant is scheduled for Q3 2022 this will run parallel with trend analysis exercise.
- 4 – Treatment by location graph reflects the amount of work we do using public roads and the Civil and operational work on public roads
- 5 – Nature of injuries is reflective of our manual handling incidents that result predominately in cuts and or punctures and sprain and strains.
- 6 – Customer's reporting of near miss incidents has improved over the last 12 months and which is seen as positive
- 7 – Health and Safety reporting graph is updated six monthly to enable increased visibility of trending
- 8 – Incidents by activity: this graph provides an insight into the diversity of activities that occur in the "Rest of Council" group and all have risk.
- 9 – There are two main business units that feature in work injuries under rest of council
- 10 – The cardiac arrest and the broken leg were members of the public who were engaged in sporting activities at the Arena

REST OF COUNCIL



11-Affected Body Part



11 – This graph is a combination of both Infrastructure and Rest of council. Thumb/finger injuries reflect manual handling activities

Health and Safety Quarterly Dashboard Report: July to September 2021

CRITICAL RISK

There have been 5 near miss incidents related to PNCC's critical risks in the last quarter:			
Working with mobile plant	1. While onsite and completing a pre-pour inspection we witnessed a car pull out slip lane and travel down to the set-up road in the wrong direction.	Substandard behaviour	Site was audited and it was set up correctly.
Member of public (MOP)	1. A member of the public was charging his phone by the windows on the 2nd floor of the library. He was talking loudly to himself sounding agitated and swearing frequently.	Substandard behaviour by a member of the public	The man left without incident and a number of staff ensured he exited safely. [Nice Job]
	2. Collecting recycling bins. Resident got angry because we did not empty bin due to contamination. The resident came at the driver with a metal pole and ended up throwing the pole at fence	Substandard behaviour	The collections team found a new risk and a safety plan was developed
	3. At 7am a PNCC workers was at his desk at the Albert Street Depot when an angry, very intimidating member of the public (hood up and dark glasses on) leaned over the desk and threatening and demanding immediate action on a road flooding issue. The worker felt the intruder's behaviour could have escalated to violence. Of concern was the unrestricted access to staff.	Substandard behaviour	A plan is in place to improve security at the depot to restrict work area access to only those with swipe cards. Electrical work has already started and fencing as been erected.
Working at height	1. Two contractors were seen working at height and appeared to be operating of an extended ladder with no apparent harnesses. (>2 storey)	Substandard behaviour	Manager has following up with the main contractor to ensure all sub-contractors adhere to the working at height standards. CEO update the importance of reporting incidents within 24 hours of occurring.
There have been 9 critical incidents related the last quarter and 2 Other incidents of Interest:			
Excavation	1. Gas line struck. Staff had pole holed at regular intervals up the private driveway and as a result assumed the gas line was heading directly to the gas connection at the home. They potholed again to within a metre of the gas connection to the home and no gas line was found therefore they believed this confirmed their assumption. The bucket was engaged, and the gas line was struck 100mm to the left of the last pothole. The gas line had veered away the home.	Substandard action	The learning team findings reinforced the current SOP. If the gas line cannot be found stop work and call the supervisor, do not rely on assumptions no matter how solid you believe they are.
	2. Working in trench and a large water fitting rolled into trench from the top. It fell into the trench and hit employee's leg. It bounced off but leg was a bit sore.	Substandard action	A second person will bring and hand the fittings to the operator in the trench, so they are not stored close to the edge.
Working with mobile plant	1. While manoeuvring the forklift driver misjudged his clearance and hit a parked car. The driver didn't identify the risk.	Substandard Action:	Emphasise the rules and procedures on driving a forklift. The driver will attend a forklift refresher course. Driver has since resigned
	2. Crashed into the pole gate whilst reversing the vehicle. Driver was concentrating on the vehicle next to him.	Substandard action:	We have changed a process to make things safer. Drivers to reverse into car parks when they arrive so they can drive out with less risk.
	3. Kerbside recycle collection: When picking up wheelie bins in P189 the bin lifter broke and fell to the ground (Side arm recycle)	Substandard condition	The P189 plant was repaired and the service inspection checklist was updated
	4. Parking area for collection vehicles: The driver went to move his truck but forgot truck was in reverse gear and on starting the motor it backed into another truck. The driver did not check gear selector before disengaging park brake.	Substandard behaviour	Reiterate procedures with driver and at the toolbox meeting
	5. Whilst manoeuvring in the CBD collecting recycling the driver failed to turn the truck sufficiently to miss a parked car. It was due a faulty steering box	Substandard condition	The faulty steering box was addressed.
	6. A stone has flicked from a digger and cracked the window of a car parked at the lights	Risk no identified	The working area will be widened to help mitigate the risk
	7. Reversing in a work van and hit a pole that was in a blind spot. The taillight on the van was damaged along with a small dent.	Pole was in a blind spot	We have changed a process to make things safer. Drivers to reverse into car parks when they arrive so they can drive out with less risk.
Other Incidents of Interest	1. Arena Manawatu: A member of public at broke their leg while playing Basketball. An ambulance was called	Playing basketball	All organisations booking the facility provide a health and safety plan.
	2. Marist Football player at training on artificial turf had a cardiac arrest and passed away. (28-year-old). The Fire Service, St John and Police attended	Medical issue	The defibrillator has been positioning outside, external to the foyer grandstand in a lock box with access by code (instructions provided)

REPORT

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Waka Kotahi New Zealand Transport Agency 2021-24 National Land Transport Plan Funding Allocation

PRESENTED BY: Sandra King, Acting Transport and Infrastructure Manager

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council note the significant funding allocations provided within the 2021-24 National Land Transport Plan (NLTP) from Waka Kotahi New Zealand Transport Agency (NZTA).
2. That Council note that Maintenance, Operations and Renewal (MOR) programmes across the 2021-24 NLTP period will continue as planned, and notes that officers will monitor budgets and address any additional funding requirements due to network needs, through future Annual Budgets.
3. That Council note NZTA approval of 85% of Low Cost Low Risk (LCLR) capital new programmes across the 2021-24 NLTP period, and notes that specific projects have been identified as un-funded.
4. For the un-funded Low Cost Low Risk (LCLR) programmes within the 2021-24 NLTP period, that Council confirm that:
 - a. Council's residual share (\$1.09M) of Tennent Drive Improvements (programme 1121) is refocused to enable early intervention works to facilitate Palmerston North Integrated Transport Initiative (PNITI).
 - b. For Infill Street Lighting (programme 1367), EITHER;
 - i. Reduce the programme to match Council residual funding budget (\$1.305M) over the 2021-24 NLTP period, following existing prioritisation of work, OR
 - ii. Provide additional capital borrowing to fund NZTA share (\$1.32M) to deliver the whole programme.
 - c. For Regional Shared Path Network (programme 2057) that due to limited Council's residual funding (\$19.6k), Napier Road Shared path (Te Matai to Gasworks drain link) be removed from the programme.
 - d. For Off-Road Shared Path Network Improvements (programme 2021), EITHER,
 - i. Provide additional capital borrowing to fund NZTA share (\$285,600) to deliver the programme, OR

- ii. Redirect Council's residual funding budget of this programme (\$279,000) to the Infill Street Lighting programme (1367).
5. That Council note probable funding from NZTA in the 2021-24 NLTP for the following larger programmes of work is subject to finalisation of business case work for:
 - a. Improvement to existing Asset Management Plan (AMP)
 - b. Palmerston North Integrated Transport Improvement (PNITI) – Local Road Improvements (Package 4 of PNITI Programme Business Case)
 - c. Palmerston North to Feilding Shared Path (Implementation)
 - d. Roberts Line/Kairanga Bunnythorpe Road Intersection Safety Improvements.
6. That Council note the following larger programmes are NOT approved by NZTA in the 2021-24 NLTP:
 - a. Urban Bus Terminal Redevelopment
 - b. Palmerston North – Enabling Streets for People, Local Road Improvements (Package 7 of PNITI Programme Business Case).
7. That Council approve the transfer of \$500,000 from Sealed Pavement Renewals (Programme 115) for 2021/22 to Sealed Pavement Maintenance (Operational Expense) to enable urgent heavy maintenance to be carried out on the transport network, including Summerhill Drive.

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	Transport programmes across the city have received co-funding from NZTA/Waka Kotahi as part of the 2021-24 National Land Transport Plan (NLTP). Maintenance, Operations and Renewals (MOR) programmes received \$37.2M, while capital new programmes under \$2M received \$26.775M (85% of our application) through the simplified Low Cost Low Risk (LCLR) process. Only four programmes were either declined in total or partially declined. This successful funding confirmation is strong recognition from NZTA/Waka Kotahi of the strategic approach Council has taken in development of the programme. Direction is required to address programmes with no or partial co-funding. Increased need for road pavement maintenance and renewal work across the city requires targeted repairs within existing budgets. With co-funding arrangements now confirmed, an opportunity arises to transfer funding from renewal to operational expenditure to provide critical areas of targeted heavy maintenance.
ISSUE 1:	Council residual share (\$1.09M) of Tennent Drive Improvements programme (1121) is refocused to enable early intervention works to facilitate Palmerston North Integrated Transport Initiative (PNITI)
Community Views	The programme is currently not supported by NZTA/Waka Kotahi due to linkage with PNITI and wider network changes required. Council, Food HQ and Massey University support the outcomes sought from this programme.
Benefits	Redirection of the programme would enable some early intervention work as part of PNITI.
Risks	Further work is required by officers to investigate, scope and price any intervention work.
Financial	Intervention work would be prioritised based on alignment to PNITI strategic direction and budget. A future funding application for Tennent Drive Improvements programme would be prepared for the 2024-34 10 Year Plan and 2024-27 NLTP period.
ISSUE 2:	Infill Street Lighting programme (1367) is EITHER a) Reduced to match Council residual funding budget (\$1.305M) over the 2021-24 NLTP period, following existing prioritisation of work, OR b) Provided with additional capital borrowing to fund NZTA share (\$1.32M) to deliver the whole programme
Community Views	Strongly supported by the community to provide additional street lighting within streets across the network

Benefits	Enhances safety outcomes for the community and residents
Risks	Risks are related to timeframes to deliver safety outcomes from the programme.
Financial	No additional financial commitments to support Option 3a. Additional capital borrowing required to support Option 3b will be required
ISSUE 3:	Napier Shared path (Te Matai to Gasworks drain link) project within the Regional Shared Path Network programme (2057) is removed from the programme due to limited Council residual funding (\$19.6k)
Community Views	Unknown. Proposal is to connect the shared path access from Te Matai Road to Gasworks drain link along the southern side of SH3.
Benefits	Works are being investigated for integration with the SH3 upgrade works currently under design.
Risks	Low risk - this network connection will be assessed in conjunction with the SH3 network upgrade works.
Financial	No additional funding commitment required
ISSUE 4:	Off-road Shared Path Network programme (2021), is EITHER: a) Provided with additional capital borrowing to fund NZTA share (\$285,600) to deliver the programme, OR b) Council residual funding budget of this programme (\$279,000) is redirected to the Infill Street Lighting programme (1367)
Community Views	Unknown. Programmes declined are for the provision new LED lighting to shared paths.
Benefits	Provision of additional capital funding will enable the programme to be delivered. Alternatively redirection to the Infill Street Lighting programme will enable earlier delivery of the outstanding works.
Risks	Programme can't be partially delivered, requires full funding to install to appropriate standard.
Financial	Additional capital borrowing is required for Option 4a. No additional financial commitments are required for Option 4b.
ISSUE 5:	Transfer \$500,000 from Sealed Pavement Renewals programme (115) to Sealed Pavement Maintenance (operational expense) to enable urgent heavy maintenance work on the transport network
Community Views	Significant feedback received from community to resolve network failures

Benefits	Transfer of budget between existing co-funded programmes will enable urgent heavy maintenance work to be completed in key areas
Risks	Heavy Maintenance is a cost-effective solution to resolve network failures across the city.
Financial	Current assessment of the financial impact of this transfer is capable of being managed within existing budgets.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW

- 1.1 Transport programmes across the city that meet criteria outlined by the New Zealand Transport Agency (NZTA/Waka Kotahi) are eligible for funding through the National Land Transport Plan (NLTP) approved every three years.
- 1.2 Eligible programmes must provide strategic alignment to the Government Policy Statement for Land Transport 2021 (GPS21).
- 1.3 Co-funded budgets for eligible programmes are determined by individual Councils' financial assistant rate (FAR). Palmerston North City Council's FAR for the 2021-24 NLTP period has been set at 51%, similar to previous years.
- 1.4 Following normal process, final funding bids were submitted to NZTA at the end of 2020. Under normal circumstances, indicative funding allocations are released by NZTA/Waka Kotahi board during Council 10 Year Plan consultation periods with final allocations determined prior to Council's adoption of 10 Year Plans. However, this year funding allocated for the 2021-24 NLTP was determined late by NZTA/Waka Kotahi board, post Council 10 Year Plan adoptions, on 7th September 2021. Further refinement to capital new programmes under \$2M in value was published by NZTA on 4th October 2021.
- 1.5 This report outlines the funding allocations that Palmerston North City Council has received for eligible transport programmes from NZTA/Waka Kotahi and identifies options where there are budget shortfalls from what was resolved to be funded by Council.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 Final funding bids were submitted to NZTA at the end of 2020, based on assumptions for the draft 2021-31 10 Year Plan. At the end of May 2021, information on indicative funding for continuous maintenance, operational and renewal (MOR) programmes was released by NZTA/Waka Kotahi.
- 2.2 Palmerston North City Council's indicative funding approval against the assumptions built into the draft 10 Year Plan at that time is outlined in the table below:

Activity Class	2021-24 programme with indicative funding approval (Gross \$)	Draft 10 Year Plan assumptions over the 2021-24 period (Gross \$)
Local Road MOR*	\$34,205,000	\$36,540,000
Road Safety Promotion	\$240,000	\$240,000

*MOR = Maintenance, Operations and Renewal transport programmes

- 2.3 At the Council meeting of 9th June 2021 to deliberate the 10 Year Plan, the above indicative funding allocation against 10 Year Plan assumptions was presented to Council.
- 2.4 A determination was made by Council to retain Council's share (49%,) of the total three-year gross funding shortfall (\$2.335M) for Maintenance, Operations and Renewal (MOR) programmes, with reductions in planned work across footpath maintenance/renewal and cycle path maintenance work, to reflect the shortfall.
- 2.5 No indicative approvals were provided at this time by NZTA/Waka Kotahi with respect to the Low Cost Low Risk (LCLR) programme of works – programmes of work under \$2M in value. As such, an assumption was made through the adopted 2021-31 10 Year Plan of NZTA/Waka Kotahi co-funding for Council's total LCLR programme. NZTA/Waka Kotahi subsequently advised officers that there was high competition for limited funds.
- 2.6 It was anticipated that indicative approval for LCLR programmes would be made in July, with final approvals for MOR and LCLR programmes determined in late August 2021.

3. 2021-24 NLTP FUNDING ALLOCATION

- 3.1 Following the availability of late borrowings from Treasury, final confirmed funding approvals from NZTA/Waka Kotahi were received on 7th September 2021, some time after adoption of Council's 2021-31 10 Year Plan and refined on 4th October 2021.
- 3.2 Funding allocations are generally higher than May 2021 indicative funding across Council's MOR programmes, and relatively high funding levels for LCLR programmes (considering indications of a \$4B national bid for a \$1B fund).

Maintenance, Operations and Renewals (MOR)

- 3.3 Gross funding of \$37.2M has been received for Council's MOR programme for the 2021-24 NLTP period.
- 3.4 This translates to an increase in funding for local road maintenance, operations and renewals of \$2.995M, from the indicative funding notification (\$34.205M) received at the end of June 2021. Council's Road safety promotion funding remains unchanged.

- 3.5 Final Council 10 Year Plan adopted budgets now closely match the 2021-24 NLTP MOR allocated budgets (refer analysis in Section 6 below).

Low Cost Low Risk (LCLR)

- 3.6 Gross funding of \$26.775M has been received for Council's LCLR programme for the 2021-24 NLTP period, against an original funding bid of \$31.389M.
- 3.7 This translates to receiving 85% of our adopted 10 Year Plan transport capital new programmes under \$2M, with strong recognition from NZTA/Waka Kotahi of the strategic approach Council has taken in development of the programme.
- 3.8 NZTA/Waka Kotahi, in their determination of funding allocation, undertook specific analysis of individual projects within the LCLR programme of works, with approvals requiring either Very High or High alignment to the strategic priorities of the Government Policy Statement on Land Transport 2021 (GPS21). The four strategic priorities of GPS21 are; Safety, Better Travel Options, Improving Freight Connections and Climate Change.
- 3.9 Programmes for funding in full by NZTA/Waka Kotahi are underway towards delivery. Officers will monitor this programme closely for deliverability over the remainder of the year, given the delay in confirmed funding allocations.
- 3.10 Specific programmes where funding has been declined or partially declined for individual projects are outlined below, with Council's proportion of the funding identified as residual funding:

Programme	21/22	22/23	23/24	Total	Status of Projects
1121 – Tennent Drive Improvements – Food HQ & Massey	\$0	\$220k	\$1.5M	\$1.72M	\$1.7M DECLINED (73%) - Intersection upgrade to traffic signals on Tennent/Main Street
	\$0	\$40k	\$600k	\$640k	\$640k APPROVED – Tennent Drive Underpass shared path connection
	Council 2021-31 10 Year Plan Budgets				
	\$0	\$260k	\$2.6M	\$2.86M	Total Budget
				\$2.22M	Budget (less Approved)
				\$1.09M	Residual Council funding (49%)
1367 - Infill Lighting Whole programme	\$846k	\$869k	\$869k	2.584M	TOTAL DECLINED Programme 1367 (Infill Street lighting) - Sets 1, 2 & 3

declined	Council 2021-31 10 Year Plan Budgets				
	\$846k	\$895k	\$923k	\$2.664M \$1.305M	Total Budget Residual Council funding (49%)
2057 – Regional Shared Path Network \$200k declined \$1.48M approved	\$35K	\$165K	0	\$200K	\$200k DECLINED (12%) - Programme 2707 Napier Road Shared Path (Te Matai to Gasworks drain link)
	\$200k	\$360k	\$920k	\$1.48M	\$1.48M APPROVED - Programmes 2704 (PN to Ashhurst Shared path), 2706 Riverside Drive - River Path to Napier Road & 2797 Summerhill Drive Shared Path
	Council 2021-31 10 Year Plan Budgets				
	\$1.83M	\$1.87M	\$2.18M	\$5.88M \$40k \$19.6k	Total Budget* Budget (less APPROVED & PN to Feilding Shared Path*) Residual Council Fund (49%)
	\$1.64M	\$1.38M	\$1.34M	\$4.36M	*Note this includes PN to Feilding Shared Path, which is separate business case application to LCLR programme, and must be removed from the budget.
2120 – Off road shared path network improvements/lighting \$560K declined \$740k approved	\$110k	\$450k	\$0k	\$560k	\$560k DECLINED (43%) - Kelvin Grove/Parnell Heights Drive accessways LED lighting; Tennent Drive/Summerhill Shared Path LED lighting; Longburn Shared Path LED lighting; 2709 Manawatu River Shared Path Lighting He Ara Kotahi to Dairy Farm Road
	\$310k	\$0	\$430k	\$740k	\$740k APPROVED - 2708 City wide off-road shared path network improvements

Council 2021-31 10 Year Plan Budgets				
\$415k	\$453k	\$441k	\$1.31M	Total Budget
			\$570k	Budget (less APPROVED)
			\$279k	Residual Council Fund (49%)

Other Programmes

- 3.11 Programmes larger than \$2M do not fall into the LCLR simplified approval process and require separate business case approvals. There are six programmes of work that fall into this category. Four have 'probable funding' status, subject to further business case work, and two have been declined funding in the 2021-24 NLTP allocations.
- 3.12 The following four programmes have 'probable' funding reserved, with officers working collaboratively with NZTA/Waka Kotahi through the approval processes:
- Improvement to existing Asset Management Plan (AMP)
 - PNITI – Local Road Improvements
 - PN to Feilding Shared Path
 - Roberts Line/KB Road Intersection Safety Improvements
- 3.13 The following two programmes have been declined through the 2021-24 NLTP programme allocations. Noting that Council officers are continuing to work through business case planning for future funding applications.
- Urban Bus Terminal Redevelopment
 - Palmerston North – Enabling Streets for People, Local Road Improvements (Package 7 of PNITI Programme Business Case).

4. OTHER FUNDING ISSUES

- 4.1 A reduction in road maintenance and rehabilitation across the city's transport network over the past year has seen increasing pavement damage that requires urgent repairs. In order to manage this within budgets set, officers will need to balance heavy maintenance (operational expenditure) against full road rehabilitation (capital renewal).
- 4.2 Heavy maintenance is large patch stabilisation works and is a cost effective strategic approach taken to extend the life of the road pavement before full renewal work is required. This approach is endorsed by NZTA and is used extensively across the state highway network.

- 4.3 In order to address existing problem areas across the city, an increase in operational budgets is required. A proposed solution to address this within the overall Council roading budget allocations is outlined in Sections 6 and 7 below.

5. DESCRIPTION OF OPTIONS

- 5.1 The following options are proposed.

Maintenance, Operations and Renewals (MOR)

- 5.2 Overall budget allocations (\$37.2M co-funded and \$1.07M unsubsidised budgets) for Maintenance, Operations and Renewal (MOR) transport programmes are within contingency management allowances. It is proposed to continue to deliver the 10 Year Plan. The programme will be monitored by officers, and any funding challenges that arise through network needs will be addressed within future Annual Budgets.

Low Cost Low Risk (LCLR)

- 5.3 Strategic alignment with the Government Policy Statement 2021 (GPS21) and the Palmerston North Integrated Transport Initiative (PNITI) mean Low Cost Low Risk (LCLR) programmes have been successfully co-funded with NZTA/Waka Kotahi for 85% of Council's transport programmes (under \$2M in value).
- 5.4 For the remaining 15% of unapproved programmes, the following options are recommended over the 2021-24 NLTP period (as outlined in section 7):

- Tennent Drive Improvements – Food HQ & Massey (programme 1121)
 - It is proposed that Council agree to refocus Council residual funding of \$1.09M to enable early intervention works to facilitate PNITI, such as intersection works on Pioneer Highway
- Infill Street Lighting (programme 1367)

It is proposed to either;

- reduce the programme of work to match Council residual funding budget of \$1.305M. Noting that this will double the length of time for the existing 4-year programme (2021/22 to 2024/25), or
- provide additional capital borrowing to fund NZTA share (\$1.32M) to deliver the whole programme
- Regional Shared Path Network (programme 2057)

- It is proposed that Council confirm that due to limited Council residual funding (\$19.6k), Napier Road Shared Path (Te Matai to Gasworks drain link) be removed from the programme
- Off-road shared path network improvements (programme 2120)

It is proposed to either;

- provide additional capital borrowing to fund NZTA share (\$285,600) to deliver the programme, or
- redirect Council's share of this programme (\$279,000) to the infill street lighting programme (1367)

Other Programmes

- 5.5 Officers will continue to work collaboratively with NZTA/Waka Kotahi to progress the business case approvals for the following larger programmes of work, where funding has been set aside within the NZTA/Waka Kotahi 2021-24 NLTP:

- Improvement to existing AMP
- PNITI – Local Road Improvements (largely Package 4 of PNITI Programme Business Case)
- PN to Feilding Shared Path (Implementation)

Roberts Line/KB Road Intersection Safety Improvements

- 5.6 Officers will continue to work collaboratively to prepare for future funding applications for the following programmes that were not approved by NZTA/Waka Kotahi in the 2021-24 NLTP programme:

- Urban Bus Terminal Redevelopment
- Palmerston North – Enable Streets for People, Local Road Improvements (Package 7 of PNITI Programme Business Case)

Other Funding Issues

- Network need analysis currently underway has identified urgent heavy pavement maintenance requirements. A \$500,000 transfer of co-funded budgets from sealed pavement renewals (programme 115) to sealed pavement maintenance (operational expense) is required to enable urgent heavy maintenance to be carried out on the transport network, including Summerhill Drive.

6. ANALYSIS OF OPTIONS

- 6.1 The following analysis supports the options outlined in Section 5 above.

Maintenance, Operations and Renewals (MOR)

- 6.2 A detailed analysis of the final MOR budgets adopted through Council's 10 Year Plan has identified co-funded budgets are equivalent to NZTA/Waka Kotahi confirmed funding of \$37.2M. With additional MOR budgets in some areas totalling \$1.07M being fully funded by Council. Specific details are outlined in Appendix A.
- 6.3 Unsubsidised portions of funding that were reallocated in the final 10 Year Plan adoption (based on the interim funding allocation) are shown below Council NZTA budgets where applicable. These need to be considered by officers as we may be able to claim co-funding on a portion of this funding.
- 6.4 Officers are able to apply for cost scope adjustments to move NZTA funding allocations between work categories (WC), over the three-year NLTP period, to be responsive to network needs across the city.
- 6.5 Given the funding allocations provided alongside Council unsubsidised allocations over a three-year period, it is recommended that officers monitor actual spend and network need against budgets, and report back to Council through future annual budgets should any shortfall be realised.

Low Cost Low Risk (LCLR)

- 6.6 A significant amount of work was undertaken by officers to ensure strategic alignment of our transport programmes to the Government Policy Statement for Land Transport 2021 (GPS21), Council's strategic direction, and the Palmerston North Integrated Transport Initiative (PNITI). The result has enabled Council to secure co-funding for 85% of transport programmes under \$2M in value.
- 6.7 The remaining 15% of the LCLR programme that are unfunded by NZTA/Waka Kotahi (refer section 5.4), involve a total of four programmes. Working through these unapproved programmes individually, the following analysis is provided.
- 6.8 *Tennent Drive Improvements – Food HQ & Massey (Programme 112)* - \$1.72M declined; \$640,000 approved. This programme involves the “detuning” of Tennent Drive to provide for slow speed movements between Food HQ, Massey University and the off-road shared path network. The programme is linked to PNITI which requires realignment of the transport network on State Highway 57 into Palmerston North city.

Given the timing to deliver this programme, officers consider that it is better to refocus Council's share of this work on the opportunity to deliver some early intervention works to facilitate PNITI, such as, intersection works on Pioneer Highway.

- 6.9 *Infill Street Lighting (Programme 1367)* – Whole programme declined; 49% council share remains. The full programme was programmed over four years

from 2021/22 to 2024/25. This is intended to address road user safety through providing additional lighting in areas that don't meet the current national lighting standard.

Officers are currently proceeding with a reduced programme of work based on Council's residual funding for the packages of infill lighting identified. A reduced programme will stretch the infill streetlight works out over a longer period. The alternative opportunity is for Council to provide additional capital borrowing of \$1.32M (NZTA/Waka Kotahi share) to deliver the full programme outlined in Council's adopted 10 Year Plan.

- 6.10 *Regional Shared Path Network (Programme 2057)* - \$200,000 declined; \$1.48M approved. There is only one declined project of small capital value within this programme of works, being Napier Road Shared path (Te Matai to Gasworks drain link).

This project is being investigated for integration with the SH3 upgrade works currently under design. Therefore, officers consider that the Council residual funding (\$19.6k) be removed from the programme.

- 6.11 *Off road shared path network improvements/lighting (Programme 2120)* - \$560,000 declined; \$740,000 approved. A total three small LED lighting improvement projects (\$60,000), and one larger LED lighting improvement project on the Manawatu Shared Path between He Ara Kotahi and Dairy Farm Road (\$500,000), were declined.

To deliver these projects within reduced budgets requires a reduced level of lighting service which is not considered feasible for safety reasons. The alternatives are to provide additional capital borrowing to fund NZTA share (\$285,600) to deliver the programme or redirect Council's residual funding of this programme (\$279,000) to the infill street lighting programme (1367).

Other Programmes

- 6.12 Council officers will continue to actively progress finalisation of business case work for the remaining larger programmes of work that NZTA/Waka Kotahi have identified as probable for funding. These programmes are outlined in section 5.5 above.
- 6.13 Council officers will work in collaboration with NZTA/Waka Kotahi to plan for future funding approvals for the declined programmes in the 2021-24 NLTP, as outlined in section 5.6 above.

Other Funding Issues

- 6.14 Analysis is underway in conjunction with the new Road Maintenance Contract to identify network needs against contracted costs and budget allocations. While this work will continue to feed into the monitoring of budget allocations, an interim solution has been identified to address pavement failures around the city.

- 6.15 Large patch stabilisation works (heavy maintenance) is a method used to patch sections of a road rather than full road rehabilitation works. It is cheaper than full rehabilitation and enables the life of the road to be extended. Heavy maintenance is also required prior to resurfacing work.
- 6.16 There are several areas across the city that require heavy maintenance work, the most significant being Summerhill Drive. To address this, officers recommend transferring \$500,000 from Sealed Pavement Renewals (115) to Sealed Pavement Maintenance (Operational Expense) to enable urgent heavy maintenance work to be carried out during 2021/22. This sum is gross expenditure and attracts 51% co-funding for both renewals and operational expenditure.
- 6.17 The current assessment is the financial impact of this transfer is capable of being managed within existing budgets.

7. CONCLUSION

- 7.1 Significant funding has been received from NZTA/Waka Kotahi to support the majority of Council's Maintenance, Operations, Renewal and Low Cost Low Risk capital new programmes of work.
- 7.2 Only 4 LCLR programmes have been declined. Council funding (49% of total remains, and direction is required from Council on whether to add additional funding to cover the whole costs of works, to proceed with programmes at a slower rate, or to divert funds.
- 7.3 Given the priority that Council has placed on PNITI, Officers are recommending that funds directed towards Tennent Drive safety improvements are re-directed to other PNITI-related improvements.
- 7.4 Infill lighting has also been identified as a priority by Council – in this case a decision is needed on whether to proceed with works more slowly or fund additional investment to meet the initial timeframe.
- 7.5 The off-road shared path LED lighting projects cannot be progressed with half the funding, therefore Officers recommend that Council either redirect the funds for the first 3 years to the infill street lighting programme, or agree to allocate sufficient funds to complete the work.
- 7.6 Additional funding issues have identified a need to transfer funding from pavement renewals to pavement maintenance to manage urgent repairs pavement damage across the city.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No

Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
The action is: Develop, maintain, operate and renew the transport network to deliver on the Council goals, the purpose of this plan, and the Government Policy Statement on Transport	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The recommendations will enable transport budgets to be directed to developing, maintaining, operating and renewing the transport network, in accordance with Council's strategic direction and the Government Policy Statement on Transport

ATTACHMENTS

1. Transport Maintenance, Operation and Renewal Budgets [↓](#) 

Appendix A – Maintenance, Operation, Renewal Budgets (2021-24)

Maintenance	21-22	22-23	23-24	Total
Sealed Pavement Maintenance (111)	\$1.5M [\$1.55M]	\$1.5M [\$1.65M]	\$1.5M [\$1.73M]	\$4.5M [\$4.92M]
<i>Plus, unsubsidised portion – ITKA01</i>	\$46k	\$46k	\$70k	\$162k
Unsealed Pavement Maintenance (WC112)	\$45k [\$35k]	\$50k [\$36k]	\$55k [\$37k]	\$150k [\$108k]
<i>Plus, unsubsidised portion – ITKA01</i>	\$7k	\$7k	\$7k	\$22k
Routine Drainage Maintenance (WC113) <i>(Routine, Channel Cleaning unchanged)</i>	\$470k [\$463k]	\$480k [\$477k]	\$490k [\$507k]	\$1.44M [\$1.45k]
Structures Maintenance (WC114)	\$205k [\$152k]	\$205k [\$167k]	\$275k [\$182k]	\$685k [\$501k]
<i>Plus, unsubsidised portion – ITKA01</i>	\$27k	\$22k	\$52k	\$101k
Cycle Path Maintenance (WC124)	\$144k [\$243k]	\$144k [\$251k]	\$144k [\$259k]	\$430k [\$753k]
<i>Plus, unsubsidised portion – ITPD01</i>	\$107k	\$107k	\$205k	\$419k
Footpath Maintenance (WC125)	\$250k [\$270k]	\$250k [\$279k]	\$260k [\$325k]	\$765k [\$874k]
<i>Plus, unsubsidised portion – ITQA01</i>	\$35k	\$35k	\$35k	\$104k
Maintenance Total				\$7.98M [\$8.61M] \$808k
Operations				
Environmental Maintenance (WC121) <i>(Slips, Vegetation, Crash Debris)</i>	\$407k [\$340k]	\$416k [\$361k]	\$424k [\$382k]	\$1.25M [\$1.08M]
<i>Plus, unsubsidised portion – ITLF01</i>	\$24k	\$19k	\$19k	\$63k
Network Service Maintenance (WC122) <i>(Lighting, Signs)</i>	\$955k [\$902k]	\$943k [\$917k]	\$930k [\$931k]	\$2.83M [\$2.75M]
Network Operations (WC123) <i>(Operational Traffic Management)</i>	\$155k [\$123k]	\$173k [\$127k]	\$190k [\$163k]	\$518k [\$413k]
<i>Plus, unsubsidised portion – ITNA01</i>	\$18k	\$18k	\$17k	\$53k
Rail Level crossing warning devices Maintenance (WC131)	\$19k [\$19k]	\$19k [\$19k]	\$19k [\$20k]	\$56.4k [\$58k]
Network Asset Management (WC151)	\$1.615M [\$1.671M]	\$1.647M [\$1.775M]	\$1.680M [\$1.963M]	\$4.94M [\$5.51M]

<i>Less, unsubsidised portion – ITKA01</i>	<i>-\$167k</i>	<i>-\$167k</i>	<i>-\$167k</i>	<i>-\$501k</i>
Operations Total				\$9.591M [\$9.801M] -\$385k
Renewals				
Unsealed Road Metalling (WC211)	\$50k [\$26k]	\$50k [\$27k]	\$50k [\$28k]	\$150k [\$81k]
Sealed Road Resurfacing (WC212)	\$2.17m [\$2.0M]	\$2.17M [\$2.2M]	\$2.17M [\$2.4M]	\$6.498M [\$6.6M]
Drainage Renewals (WC213)	\$365k [\$496k <i>incl cfwd</i>]	\$372k [\$382k]	\$380k [\$399k]	\$1.12m [\$1.27M]
Sealed Road Pavement Rehabilitation (WC214)	\$1.8M [\$2.62M]	\$1.95M [\$1.8M]	\$2.1M [\$1.94M]	\$5.85M [\$6.39M]
<i>Plus unsubsidised portion – prog #2109</i>	<i>\$49k</i>	<i>\$0k</i>	<i>\$26k</i>	<i>\$75k</i>
Structures Component Replacement (WC215)	\$120k [\$100k]	\$140k [\$129k]	\$160k [\$159k]	\$420k [\$388k]
Environmental Renewals (WC221)	\$30k [\$0]	\$40k [\$0]	\$50k [\$0]	\$120k [\$0]
Traffic Service Renewals (WC222) <i>(Traffic Services Markings (opex) + Street light replacements (renewal))</i>	\$720k [\$633k]	\$734k [\$662k]	\$749k [\$693k]	\$2.2M [\$1.988M]
<i>Plus, unsubsidised portion – ITNBO1</i>	<i>\$18k</i>	<i>\$18k</i>	<i>\$18k</i>	<i>\$55k</i>
Cycle Path Renewals (WC224)	\$20k [\$20k]	\$20k [\$21k]	\$20k [\$21k]	\$60k [\$62k]
Footpath Renewals (225)	\$1.05M [\$650k]	\$1.07M [\$675k]	\$1.09M [\$700k]	\$3.21M [\$2.025M]
<i>Plus, unsubsidised portion – prog #2110</i>	<i>\$172k</i>	<i>\$172k</i>	<i>\$172k</i>	<i>\$515k</i>
Renewals Total				\$19.632M [\$18.77M] \$645k
MOR Total				\$37.2M [\$37.2M] \$1.07M

Notes:

1. Top line of each budget area are the confirmed NZTA/Waka Kotahi budgets
2. Council co-funded budgets are in brackets below the NZTA/Waka Kotahi budgets
3. Unsubsidised Council budgets are in italics at the bottom

REPORT

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Proposed Road Stopping - Land Adjoining 18 Carey Street, Longburn

PRESENTED BY: Bryce Hosking, Manager - Property

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council declare that the 46 square metres (more or less) of the road reserve adjacent to the property at 18 Carey Street, Longburn is not required for public work and is surplus to Council's operational requirements.
2. That Council proceeds with the formal road stopping process for the 46 square metres (more or less) of road reserve adjacent to the property at 18 Carey Street, Longburn.
3. That Council agree to dispose of the 46 square metres (more or less) of road reserve adjacent to the property at 18 Carey Street, Longburn through sale to the owner of the adjacent property owner.
4. That Council delegate to the Chief Executive Officer the power to conclude all matters in relation to the road stopping and disposal of the Land, including all legal matters including issuing the relevant public notice, declaring the road stopped, negotiating the terms of the sale, imposing any reasonable covenants and any other necessary actions.

SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	<p>The owner of the property at 18 Carey Street, Longburn is seeking to subdivide their property and has consequently applied for a subdivision consent.</p> <p>Upon applying for consent, it was discovered that the owner has inadvertently built a dwelling partially located on the road reserve. Whilst the exact date of construction is unable to be determined, records show this dwelling was built prior to 1995.</p> <p>The area of road reserve land affected is only 46m² and as it is at the end of Carey Street, does not have any useful function in the road network.</p> <p>Despite being a long-standing issue, this matter must be rectified prior to a subdivision consent being granted.</p> <p>Council approval is now sought to provide delegated authority to the Chief Executive to undertake both the formal road stopping process and the disposal of the affected land.</p>
Community Views	<p>The dwelling has been in place for a significant length of time and has no function in the road network.</p> <p>It is very unlikely that the public would be aware of this issue or that the affected land is not already part of the 18 Carey Street property. This assumption is supported by the fact that Council Officers have never received feedback or comment in relation to this matter.</p> <p>Considering this, no public consultation or community views are being sought for this matter as it has no impact on the wider community and can instead be considered good practice to remedy a long-standing issue.</p>
OPTION 1:	Approve the formal road stopping process be undertaken and approve the disposal of the associated land
Benefits	<p>The following benefits have been identified:</p> <ul style="list-style-type: none"> • The existing use of the land does not change as the dwelling has been in place for over 26 years so disposing of the land will no impact on the wider community. • Remedying the matter is considered good governance practice. • The road stopping process and disposal of the land will enable the subdivision consent to proceed, which will result in an additional dwelling. • The owner of 18 Carey Street will meet all costs associated with this matter so it will be cost neutral for Council. • Council has no plan for the future use of the affected land and Council Officers confirm it is surplus to requirements and is not needed for roading.

Risks	There is no risk in stopping the road as the area has been utilised by the Owner for many years.
Financial	The owner of 18 Carey Street will pay Council the agreed value of the land which is circa \$2,500. The owner of 18 Carey Street will meet all costs associated with this matter so it will be cost neutral for Council.
OPTION 2:	Decline the formal road stopping process be undertaken and do not dispose of the associated land
Benefits	No benefits have been identified for this option.
Risks	The implications of Option 2 are: <ul style="list-style-type: none"> • The owner of 18 Carey Street will have to withdraw their subdivision consent as subdivision cannot proceed; or • The existing dwelling must be moved or removed off the road reserve prior to a subdivision consent being able to be granted. <p>Given this is a long-standing issue with minimal impact, Council may be viewed negatively and be seen as being difficult to deal with and causing undue disruption.</p>
Financial	There are no financial implications with this option as all costs are met by the owner of 18 Carey Street.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The owner of the property at 18 Carey Street, Longburn is seeking to subdivide their property and has subsequently applied for a subdivision consent.
- 1.2 Upon applying for consent, it was discovered that the owner has inadvertently built a dwelling partially on the road reserve. Whilst the exact date of construction is unable to be determined, records show this dwelling was built prior to 1995.
- 1.3 Please see the below aerial photo which illustrates the situation. The area in blue is the area of the dwelling located on the road reserve:



- 1.4 The road reserve land affected (in blue above) is only 46m² and as it is at the end of Carey Street, does not have any useful function within the roading network.
- 1.5 Despite being a long-standing issue, this matter must be rectified prior to a subdivision consent being granted.
- 1.6 Council approval is now sought to provide delegated authority to the Chief Executive to undertake both the formal road stopping process and to dispose of the affected area of land.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 When the Dwelling was built, 18 Carey Street was located within the Manawātū District Council boundary.
- 2.2 As such Council Officers are unsure of exactly when the dwelling that is partially located on the road reserve was constructed as there are no records of this. However, there are records for alterations to the dwelling dated in 1995, so at the very least, the dwelling was encroaching on the road in 1995.

- 2.3 The 46m² section of land covered by the dwelling is a grassed area of road reserve and not road carriageway.
- 2.4 Following a district boundary adjustment in July 2012, Carey Street was vested in fee simple within the Palmerston North City boundary.
- 2.5 Council officers have sought legal advice on how best to deal with this matter. Officers were advised that either the encroachment will need to be removed, or the portion of the road transferred to the owner of the dwelling before Council approve any subdivision consent.

Road Stopping Process

- 2.6 The owner of Carey Street has submitted the application for roading stopping as an official request and agreed to pay all costs involved in the road stopping process along with purchasing the land at the current valuation price of \$2500.
- 2.7 Road stopping can be managed under one of the two statutory processes:
 - a) Section 116 and 117 of Public Works Act 1981 ("PWA"), or
 - b) Section 342 and 345 of Local Government Act 1974 ("LGA").
- 2.8 Council Officers believe the PWA process is the preferred method as the road stopping does not result in any public access considerations.
- 2.9 Under the PWA, Council may make an application to the Minister to stop a road and a road that is stopped may be sold, subject to LINZ's approval.
- 2.10 However, if LINZ does not agree to the PWA process, the alternative mechanism to stop and vest the road is by the LGA process.
- 2.11 Subject to the Land being stopped pursuant to either the PWA or the LGA, the Land will be amalgamated with 18 Carey Street such that its current use would not change.
- 2.12 It is also important to note that the road stopping process could be declined by LINZ. The owner acknowledges this and acknowledges that Council cannot guarantee the road stopping process will be successful. This is considered a minimal risk, however.

3. DESCRIPTION AND ANALYSIS OF OPTIONS

Community Views

- 3.1 The dwelling has been in place for a significant length of time and has had no functional impact on the road reserve.
- 3.2 It is very unlikely that the public are aware of this issue and that the affected land is not already part of the 18 Carey Street property. This assumption is

supported by the fact that Council Officers have received no feedback or comment in relation to this matter.

- 3.3 Considering this, no public consultation or community views are being sought for this matter as it has no impact on the wider community and can instead be considered good governance practice to remedy the long-standing issue.

Option 1: Approve the formal road stopping process be undertaken and approve the disposal of the associated land

- 3.4 Option 1 sees Council approve the formal road stopping process proceeding and approve the disposal of the associated land through its sale to the owner of 18 Carey Street, Longburn.

Benefits

- 3.5 The following benefits have been identified for Option 1:
- The existing use of the land does not change as the dwelling has been in place for over 26 years so disposing of the land will have no impact on the wider community;
 - Remedying the matter is considered good governance practice;
 - The road stopping process and disposal of the land will enable the subdivision consent to proceed, which will enable an additional dwelling to be built;
 - The owner of 18 Carey Street will meet all costs associated with this matter so it will be cost neutral for Council; and
 - Council has no plan for the future use of the affected land and Council Officers confirm it is surplus to requirements and is not needed for roading purposes.

Risks

- 3.6 There is no risk identified for Option 1 as the land is not being used as road currently and the existing use will continue as is.
- 3.7 It is also very unlikely that the public would be aware of this issue and that the affected land is not already part of the 18 Carey Street property so no public interest would be expected.

Financial Implications

- 3.8 The owner of 18 Carey Street will pay Council the agreed valuation for the land which is circa \$2,500.
- 3.9 The owner of 18 Carey Street will meet all costs associated with this matter so it will be cost neutral for Council.

Option 2: Decline the formal road stopping process proceeding and do not dispose of the associated land

- 3.10 Option 2 would see Council decline the proposed road stopping and disposal of the associated land.
- 3.11 The implications of this are:
- The owner of 18 Carey Street will have to withdraw their subdivision consent as subdivision could not proceed; or
 - The owner will be required to move or remove the existing dwelling from off the road reserve prior to a subdivision consent being able to be granted.

Benefits

- 3.12 No benefits have been identified for this option.

Risks

- 3.13 Given this is a long-standing issue with minimal impact, Council may be viewed negatively, seen as being difficult to deal with, and causing undue disruption.

Financial Implications

- 3.14 There are no financial implications with this option as all costs are to be met by the Owner.

4. CONCLUSION

- 4.1 The encroachment of the existing dwelling on the road reserve is a long-standing issue which has minimal, if any, impact. The 46m² area of road reserve affected is an unformed part of the road at the very end of the street.
- 4.2 Option 1 is considered good governance practice and can be considered a prudent and practical way to remedy the encroachment issue. It has several benefits and very little risk.
- 4.3 Option 1 will also create a very small revenue for Council through sale of the land and can be transacted at no cost to Council.
- 4.4 Declining to undertake the road stopping and disposal processes as proposed in Option 2 will provide no benefit and will potentially just result in Council being seen to be difficult to deal with and obstructive.
- 4.5 Therefore, it is recommended that Council proceeds with Option 1 and approve the formal road stopping process and disposal of the associated land.

5. NEXT ACTIONS

- 5.1 If Option 1 is approved Council will enter into a sale and purchase agreement for the Land with the Owner subject to the approval of LINZ for the road stopping.

6. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 6.1 No public consultation or community views are being sought for this matter as it has no impact on the wider community.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in City Growth	
The action is: To meet the legal requirements for building and resource consents.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	This action ensures Council is taking a more credible approach to working with consent applicants and their agents.

ATTACHMENTS

NIL

NOTICE OF MOTION

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Notice of Motion: Aotearoa Collective for Public Transport Equity's Campaign

FROM: Councillor Brent Barrett

THAT THE FINANCE & AUDIT COMMITTEE RESOLVES:

1. That Palmerston North City Council endorse the Aotearoa Collective for Public Transport Equity's nationwide campaign for free fares on public transport for people under 25 years of age, Community Service Card holders and tertiary students."

NOTICE OF MOTION

I, Councillor Brent Barrett, in accordance with Standing Orders 2.7.1, hereby GIVE NOTICE OF MOTION that I will move at the Finance & Audit meeting of 24 November 2021 the following motion:

"That Palmerston North City Council endorse the Aotearoa Collective for Public Transport Equity's nationwide campaign for free fares on public transport for people under 25 years of age, Community Service Card holders and tertiary students."

AND I further give notice that in compliance with Standing Order 2.7.2 the reason for the Notice of Motion include:

1. The purpose of this Notice of Motion is to support the ACPTE (Aotearoa Collective for Public Transport Equity, www.freefares.nz) nationwide "Free Fares" campaign.
2. The ACPTE is a recently formed coalition of community organisations from across Aotearoa New Zealand, joined together to advocate for more equitable public transport.
3. ACPTE on 5 November 2021 wrote to all elected members of the Palmerston North City Council, requesting we endorse their Free Fares campaign.
4. ACPTE's Free Fares campaign calls for centrally-funded, nationwide provision of public transport services to be free at the point of travel for youth under 25, Community Service Card holders, and tertiary students.

5. The ACPTE believes these priority groups are the right place to start, because they represent a large portion of public transport users who rely on the service the most, but are the most likely to be unable to afford it.
6. The campaign outcome would enable enhanced social, economic and environmental well-being; and especially so in Palmerston North where 33 is the median age, in contrast to 37 nationwide.
7. The campaign is specifically requesting all free fares for these priority groups be funded by the central government. Endorsing this campaign will not impact on Palmerston North City Council finances.

Moved: Councillor Brent Barrett
Seconded: Councillor Renee Dingwall

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Finance & Audit Committee

MEETING DATE: 24 November 2021

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO FINANCE & AUDIT COMMITTEE

1. That the Finance & Audit Committee receive its Work Schedule dated November 2021.

ATTACHMENTS

1. Committee Work Schedule_November 2021 [↓](#) 

FINANCE & AUDIT COMMITTEE

COMMITTEE WORK SCHEDULE – NOVEMBER 2021

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	November 2021	Health & Safety Quarterly Update	Health, Safety & Wellbeing Manager		
2.	November 2021	Report re findings of a strategic review of the provision of hospitality services in the Victoria Esplanade	Chief Infrastructure Officer		24 March 2021 Clause 18.2
3.	November December 2021	Rates review progress update	Chief Financial Officer	Will be addressed in conjunction with report on city revaluation in December.	Committee of Council 28 May 2018 Clause 9.3.3.6
4.	December 2021	Business Assurance Accountability Report	Business Assurance Manager		16 December 2020 Clause 68.2
5.	December 2021	Update on Business Assurance Audit Plan	Business Assurance Manager		
6.	February 2022	Internal audit on the Arena Development Project	Business Assurance Manager	A delay occurred in receiving information from consultant in Auckland, due to COVID-19 lockdown. This is now underway.	Infrastructure 24 March 2021 Clause 5.1
7.	November 2021 February 2022	CET Arena Redevelopment Project Close Out Report	Chief Infrastructure Officer	Transferred from Infrastructure Committee Work	Council 7 October 2019 Clause 127.2

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Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
				Schedule; to be presented along with the Internal Audit on the Arena Development Project report.	
8.	November 2021 2022	Victoria Esplanade – Café lease extension negotiations	Chief Infrastructure Officer	Council Officers have continued to discuss the proposed lease extension with the café operator. Negotiations of lease terms and conditions will be concluded once decisions arising from the report titled 'Victoria Esplanade Hospitality Review' are adopted. The results of the lease negotiations will be reported back to Council once concluded.	24 March 2021 Clauses 18.1, 18.3
9.	2022	Review of Property Asset Renewals	Business Assurance Manager	Subject to revised Business Assurance Audit Plan timeframes.	16 December 2020 Clause 67.2

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
10.	2022	Procurement Review	Business Assurance Manager	Subject to revised Business Assurance Audit Plan timeframes.	16 December 2020 Clause 67.2
11.	2022	Financial Delegation of Authority Policy Review Review of Project Planning and Budgeting Enterprise Risk Management Framework Review Benefits Realisation Framework and Strategic Prioritisation Review Sustainable Practices Review Financial Processes Analytics (FPA) Six-monthly Business Assurance Accountability Report	Business Assurance Manager		16 December 2020 Clauses 67.2 and 68.2

CONFIDENTIAL DECISIONS RELEASED

Meeting date	Title	Released	Not Released

More information on the decisions released can be found on [released decisions](#)