



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

STRATEGY & FINANCE COMMITTEE

9:00 AM, WEDNESDAY 13 NOVEMBER 2024

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Vaughan Dennison (Chair)
Karen Naylor (Deputy Chair)
Grant Smith (The Mayor)

Mark Arnott
Brent Barrett
Low Findlay (QSM)
Patrick Handcock
(ONZM)
Leonie Hapeta

Lorna Johnson
Orphée Mickalad
William Wood
Kaydee Zabelin

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

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

STRATEGY & FINANCE COMMITTEE MEETING

13 November 2024

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. 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.

4. 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.

5. 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.)

6. Confirmation of Minutes

Page 7

That the minutes of the Strategy & Finance Committee meeting of 14 August 2024 Part I Public be confirmed as a true and correct record.

7. Quarterly Performance and Financial Report - period ending 30 September 2024

Page 15

Memorandum, presented by Scott Mancer, Manager - Finance and John Aitken, Manager - Project Management Office.

8. Treasury Report - quarter ending 30 September 2024

Page 81

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

9. Local Water Done Well Funding Reallocation

Page 93

Report, presented by Scott Mancer, Manager - Finance and Julie Keane, Transition Manager.

10. Palmerston North City District Plan: Proposed Plan Change I - Increasing Housing Supply and Choice

Page 99

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager and Sarah Jenkin, Consultant Planner.

11. Elected Member Expenditure 2023/24

Page 113

Memorandum, presented by Scott Mancer, Manager - Finance.

- 12. Deliberations - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024** Page 119

Report, presented by Lili Kato, Policy Analyst.
- 13. Draft Waste Management and Minimisation Bylaw - approval for consultation** Page 157

Report, presented by Peter Ridge, Senior Policy Analyst.
- 14. Policy and bylaw work programme 2024-2027** Page 229

Memorandum, presented by Julie Macdonald, Manager Strategy and Policy.
- 15. Small vehicle fleet ownership and long-term lease investigation results** Page 241

Memorandum, presented by Cameron McKay, General Manager Corporate Services.
- 16. Public Notification of a Community Occupancy Lease to Manawatū Racing Pigeon Club Incorporated** Page 285

Report, presented by Bill Carswell, Manager Property and Resource Recovery.
- 17. Public Notification of a Community Occupancy Lease to Manawatū Woodworkers Guild Incorporated** Page 295

Report, presented by Bill Carswell, Manager Property and Resource Recovery.
- 18. 916 Tremaine Avenue (part of Vautier Park) - Proposal to grant lease of Council land to Red Sox Sports Club Incorporated** Page 307

Memorandum, presented by Bill Carswell, Manager Property and Resource Recovery.
- 19. 65 Totara Road - Proposal to grant lease of Council land to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated** Page 311

Memorandum, presented by Bill Carswell, Manager Property and Resource Recovery.

20. Committee Work Schedule

21. Karakia Whakamutunga

22. 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].

PALMERSTON NORTH CITY COUNCIL

Minutes of the Strategy & Finance Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 14 August 2024, commencing at 9.00am.

Members Present: Councillor Vaughan Dennison (in the Chair), The Mayor (Grant Smith) and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood and Kaydee Zabelin.

Non Members: Councillors Rachel Bowen, Debi Marshall-Lobb and Billy Meehan.

Apologies: Councillors Pat Handcock and Leonie Hapeta (early departure).

Councillor Leonie Hapeta left the meeting at 10.05am during consideration of clause 36. She returned to the meeting at 10.08am during consideration of clause 37. She left the meeting at 11.34am during consideration of clause 39. She was not present for clauses 36 and 39 to 45 inclusive.

Councillor Rachel Bowen left the meeting at 10.56am during consideration of clause 37. She was not present for clauses 37 to 45 inclusive.

The Mayor (Grant Smith) was not present when the meeting resumed at 11.17am. He was not present for clauses 38 to 45 inclusive.

Karakia Timatanga

Councillor Kaydee Zabelin opened the meeting with karakia.

33-24 Apologies

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 33-24 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb, Rachel Bowen and Billy Meehan.

34-24 **Confirmation of Minutes**

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the minutes of the Strategy & Finance Committee meeting of 8 May 2024 Part I Public and Part II Confidential be confirmed as a true and correct record.

Clause 34-24 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Rachel Bowen.

Abstained:

Councillor Billy Meehan.

35-24 **Quarterly Performance and Financial Report - period ending 30 June 2024**

Memorandum, presented by Scott Mancer, Manager - Finance and John Aitken, Manager – Project Management Office.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – period ending 30 June 2024', and related attachments, presented on 14 August 2024.
2. That the Committee note that \$1.2M of prior year capital expenditure relating to planning, design and tendering work for the CAB Strengthening Project was written off to expenses in FY2024 due to decisions made through the Long-Term Plan 2024-2034 process.

The **COMMITTEE RECOMMENDS**

3. That Council approve the adjustments to carry forward values, including adjustments to Better off Funding, per the carry forward report (Attachment 6 to the 'Quarterly Performance and Financial Report – period ending 30 June 2024', presented to the Strategy & Finance Committee on 14 August 2024).
4. That Council amend section 5.4.1 of the Delegation Manual to read:
 - 5.4.1 (d) applies except for the Low Carbon fund, where
 - (e) the Chief Executive may allocate up to 100% of the Low Carbon Fund programme budget in any financial year, either alone or in total: to any Activity, whether Capital New or Capital

Renewal.

Clause 35-24 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb, Rachel Bowen and Billy Meehan.

36-24

Treasury Report - year ending 30 June 2024

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

Councillor Leonie Hapeta left the meeting at 10:05am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee note the performance of Council's treasury activity for the year ending 30 June 2024.

Clause 36-24 above was carried 13 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb, Rachel Bowen and Billy Meehan.

37-24

City Planning Priorities and 3-Year Work Programme

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager.

Councillor Leonie Hapeta returned to the meeting at 10:08am.

Councillor Rachel Bowen left the meeting at 10:56am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'City Planning Priorities and 3-Year Work Programme' presented to the Strategy & Finance Committee on 14 August 2024.

Clause 37-24 above was carried 13 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

The meeting adjourned at 11.00am.

The meeting resumed at 11.17am.

The Mayor (Grant Smith) was not present when the meeting resumed.

38-24 Palmerston North City District Plan: Proposed Plan Change E: Roxburgh Residential Area

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager and Andrea Harris, Technical Principal - Planning, WSP.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee approve the Palmerston North City District Plan: Proposed Plan Change E – Roxburgh Residential Area (Attachment 1) for public notification under clause 5, schedule 1 of the Resource Management Act 1991.
2. That the Chief Executive prepare a public consultation document for part of the Council owned land at 22 Roxburgh Crescent to be classified as Recreation Reserve, and the balance part to be classified as Local Purpose (Road) Reserve, pursuant to section 14 of the Reserves Act 1977, and for this consultation to be undertaken in parallel with the public notification of the Palmerston North City District Plan: Proposed Plan Change E – Roxburgh Residential Area.

Clause 38-24 above was carried 12 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb, Rachel Bowen and Billy Meehan.

39-24 Statutory review of the Signs and Use of Public Places Bylaw 2015 (s155 LGA determination report) and initiation of the review of the Policy for the Use of Public Space 2019

Memorandum, presented by Ann-Marie Mori, Policy Analyst and Stacey Solomon, Policy Analyst.

Councillor Leonie Hapeta left the meeting at 11:34am.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Strategy & Finance Committee receive the findings in the 'Palmerston North Signs and Use of Public Places Bylaw 2015 Review - Section 155 Determination Report' included as Attachment 1 to this report.
2. For the purpose of meeting the requirements of s.155(1) of the Local Government Act 2002 (LGA), the Committee agree:
 - a) the perceived problem is that the shared use of Council-controlled public places in Palmerston North can create health, safety, nuisance, and accessibility issues;
 - b) a bylaw response is the most appropriate way to address the perceived problem; and
 - c) that the statutory review of the Palmerston North Signs and Use of

Public Places Bylaw 2015 required by s.155(1) of the LGA is complete.

3. That the Chief Executive prepare further advice for the Committee on amending the current Bylaw for consultation approval, including the determinations needed to meet the requirements of s.155(2) (a) and (b) of the LGA.
4. That the Committee note the initial stages of the Policy for the Use of Public Space 2019 review will be done alongside the review of the Palmerston North Signs and Use of Public Places Bylaw 2015.

Clause 39-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

40-24

Approval to consult on the draft Dangerous, Affected, and Insanitary Buildings Policy 2024

Report, presented by Lili Kato, Policy Analyst.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That Council approve the draft Dangerous, Affected, and Insanitary Buildings Policy for consultation (included in Attachment 1: Statement of Proposal – Draft Dangerous, Affected, and Insanitary Buildings Policy 2024).

Clause 40-24 above was carried 10 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

Note:

Councillor Orphee Mickalad did not vote.

41-24

Reserve Declarations and Classifications

Report, presented by Aaron Phillips, Activities Manager Parks.

The Officer amended the recommendations to exclude Roxburgh Crescent Reserve from the reserves listed in Appendix 1.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council propose to declare all land parcels contained in Appendix 1: *Reserves for Declaration and Classifications* and identified in Column 5, excluding Roxburgh Crescent Reserve under Section 14 of the Reserves Act 1977, to be reserves.
2. That Council propose to classify all reserves and land parcels

identified in Column 5 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 14 of the Reserves Act 1977, excluding Roxburgh Crescent Reserve to be classified as per the classifications contained in Column 3.

3. That Council propose to classify all reserves and land parcels identified in Column 6 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 16 of the Reserves Act 1977, to be classified as per the classifications contained in Column 3.
4. That Council propose to re-classify the three land parcels of Pari Reserve identified in Column 7 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 24 of the Reserves Act 1977, from Recreation to Local Purpose: Stormwater.

The **COMMITTEE RESOLVED**

5. That the Committee note that the proposals contained within recommendations 1-4 above are subject to a Section 119 and Section 120 Reserves Act 1977 consultation process with the community; and all submitters will be offered the opportunity to speak to their submissions as per Section 120.
6. That the Chief Executive report back on the results of the Section 119 and Section 120 consultation with recommendations.

Clause 41-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

42-24

Whakarongo Land Swap - Consultation Submissions Summary

Memorandum, presented by Bryce Hosking, Manager - Property and Resource Recovery, and Perene Green, Property Officer.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council proceed with the land swap with Summerset Villages (Kelvin Grove) Limited within the Whakarongo Growth Area as agreed by Council 1 May 2024, noting no submissions were received from consultation under the Reserve Act 1977.

Clause 42-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

43-24 Public Notification of a Community Occupancy Lease to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated

Public Notification of a Community Occupancy Lease to Red Sox Sports Club Incorporated

Reports, presented by Bryce Hosking, Group Manager Property and Resource Recovery and Perene Green, Property Officer.

Items 15 and 16 were taken together.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee continue to support Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated by notifying the public of its intention to grant community occupancy of Council land at 65 Totara Road, Palmerston North in accordance with the Support and Funding Policy 2022.
2. That the Committee note the land affected by the community occupancy of Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated is described as Lot DP 26198.
3. That the Committee continue to support Red Sox Sports Club Incorporated by notifying the public of its intention to grant community occupancy of Council land at 916 Tremaine Avenue (part of Vautier Park), Palmerston North in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.
4. That the Committee note the land affected by the community occupancy of Red Sox Sports Club is described as Part Section 249 TN of Palmerston North.

Clause 43-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

44-24 Ongley Park - Proposal to grant a lease on Council land to Rose Gardens Croquet Club Incorporated

Ongley Park - Proposal to grant a lease on Council land to Manawatu Cricket Incorporated

Memorandums, presented by Bryce Hosking, Group Manager Property and Resource Recovery and Perene Green, Property Officer.

Items 17 and 18 were taken together.

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee grant a lease of the land at Ongley Park, Palmerston North as part of Lot 2 DP 77988 to Rose Gardens Croquet Club Incorporated in accordance with the Support and Funding Policy 2022.
2. That the Committee grant a lease of the land and part building at Ongley Park, Palmerston North as part of Section 248 Town of Palmerston North, WN16B/1168 to Manawatū Cricket Incorporated, in accordance with Council's Support and Funding Policy and Section 54 of the Reserves Act 1977.

Clause 44-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

45-24 Committee Work Schedule

Moved Vaughan Dennison, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive its Work Schedule dated August 2024.

Clause 45-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Vaughan Dennison, Karen Naylor, Mark Arnott, Brent Barrett, Lew Findlay, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin, Debi Marshall-Lobb and Billy Meehan.

Karakia Whakamutunga

Councillor Kaydee Zabelin closed the meeting with karakia.

The meeting finished at 12.12pm.

Confirmed 13 November 2024

Chair

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Quarterly Performance and Financial Report - period ending 30 September 2024

PRESENTED BY: Scott Mancer, Manager - Finance and John Aitken, Manager - Project Management Office

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – period ending 30 September 2024', and related attachments, presented to the Strategy & Finance Committee on 13 November 2024.

RECOMMENDATION TO COUNCIL

2. That Council approve the adjustments to activities due to an internal realignment per Attachment 4 - Realignment Budget Variations.
-

1. ISSUE

To provide an update on the performance and financial achievements of the Council for the period ending 30 September 2024.

2. BACKGROUND

Details of operating and financial performance are included in the attached report, with further information provided through the appendices to the report.

3. REALIGNMENT BUDGET VARIATIONS & ASSOCIATED UPDATE OVERHEAD ADJUSTMENTS

- 3.1 The Chief Executive implemented a new organisational structure from 1 July 2024. As those changes impacted where teams reside, this has had implications for the overhead distribution model. At the time of the Long-Term Plan adoption (including the overhead model), we were yet to quantify the level of change required.
- 3.2 One of the biggest changes has been as a result of the fleet usage not correctly allocating to the users of the fleet. As such, the biggest change proposed is to correctly allocate the fleet usage to one of the biggest users, Resource Recovery.

- 3.3 There have been some other minor changes as a result of the new Corporate Services Group and where in the calculation order the associated Divisions are processed.
- 3.4 There is no increase to the budget as part of this proposal. The changes proposed are all to reallocate across the activities to fairly reflect the costs each activity is incurring.
- 3.5 If these changes are not processed from a budget position, there will be variances generated each month that will require the explanation of Officers.
- 3.6 The Chief Executive's Financial Delegation for altering budgets relies on the activity budget to be correctly set. A consequence of this not being done correctly is that more items would require Council approval, resulting in further delays to progressing work, pending the approval of Council before Officers could enact decisions.





4. NEXT STEPS

The December 2024 results will be presented to Strategy & Finance Committee.

5. COMPLIANCE AND ADMINISTRATION

Does the Council 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: All of Council's Goals.	
The recommendations contribute to the achievement of objectives in: (Not Applicable) (Not Applicable) The objective is: to enable Council to exercise governance by reviewing financial performance and operating performance and provide accountability for these to the public.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	As above.

ATTACHMENTS

1. Quarterly Performance and Financial Report - period ending 30 September 2024 [↓](#) 
2. Quarterly Report - Appendix 1 [↓](#) 
3. Quarterly Report - Appendices 2-9 [↓](#) 
4. Attachment 4 - Realignment Budget Changes [↓](#) 

Performance and Financial Report to Council

September 2024

Contents

Chief Executive's Summary	2
Operating Performance	3
Capital Delivery	5
Net Debt.....	9
Funding Update.....	10
Performance Measures.....	12
Resourcing.....	14

Chief Executive's Summary

This report covers the first quarter of the 2024/25 financial year. At the end of September Council's net operating position was 0.4M favourable against the revised (and phased) budget. This variance is predominantly related to professional services spend for the Digital Transformation programme due to timing and delays, although the programme budget is anticipated to be fully utilized by the end of this financial year.

Key variances across operating revenue and expenditure and further information outlining operating variances is provided in the subsequent sections of this report and associated appendices.

Some cost pressures that have been identified through the first quarter include utilities (power and gas), which are tracking higher than budget so far, and capitalised remuneration and overheads. Whilst it is too early to determine the impact on these, Management will work to monitor, analyse and manage the budgets to the parameters set in year 1 of the LTP.

The total capital spend for Quarter 1 of the FY2025 financial year reached 12.5M as compared to 16.7M for the first quarter of FY2024. The variance against budget is predominantly related to delays in works due to a wet August, and changes in the delivery timelines of some major projects (including Amberley Avenue Bridge Design and Build). Additionally, the uncertainty around the transport programme has impact the first quarter spend.

The Transport budgets currently represented in the report reflect the adopted budget, adjusted for the carry forwards. A paper was presented to Council on 2 October outlining the challenges due to changes in NZTA Funding for Council seeking direction from Council on how to approach adjusting these budgets. A subsequent paper was presented on 6 November. The outcome of this was not known at the time of this report being written.

Further information on capital delivery is provided in subsequent sections of this report and associated appendices.

Operating Performance

Summary of Financial Performance For the period to 30 September 2024	2024/25 (\$M)			
	Year to Date			FY
	Actual	Budget	Variance	Budget
Fees and charges	2.7	2.7	0.0	7.8
Grants and subsidies received	1.6	1.6	0.0	6.8
Other revenues	6.7	6.9	(0.2)	27.7
Operating Revenue	11.0	11.1	(0.1)	42.3
Remuneration	15.9	15.6	(0.2)	58.5
Other operating expenses	8.6	9.3	0.7	21.5
Contractors	6.8	6.3	(0.5)	26.4
Grants and subsidies paid	3.2	3.3	0.1	11.7
Materials	1.0	1.2	0.1	5.0
Professional Services	3.1	3.7	0.6	15.4
Utilities	1.0	0.9	(0.2)	3.2
Net Internal Expenses	(1.4)	(1.7)	(0.3)	(7.0)
Operating expenses	38.2	38.6	0.5	134.7
Net Operating Surplus/(Deficit)	(27.1)	(27.5)	0.4	(92.5)
Rates Revenue	34.6	34.3	0.3	136.9
Net Interest	(3.1)	(3.3)	0.2	(14.3)
Operating Controllable Surplus/ (Deficit)	4.3	3.5	0.9	30.1
Depreciation and amortisation	(12.4)	(12.4)	0.0	(49.4)
Non-operating revenues	2.0	2.5	(0.5)	20.3
Non-operating expenses	(7.0)	0.0	(7.0)	0.0
Net result	(13.0)	(6.4)	(6.7)	0.9

The net controllable operating position at the end of September is favourable to budget by 0.4M (before net interest and rates). There are some key deviations from budget to highlight:

- Operating revenue
 - Other revenues are unfavourable by 0.2M related to Roothing (Parking and Infringements revenues).
- Operating expenditure
 - Contractors are unfavourable YTD by 0.5M related to Roothing (Traffic Services, Street Facilities, and Roads)
 - Professional services are favourable by 0.6M related to the Digital Transformation operating programme. The YTD variance is a result of timing of expenditure against the phased budget however, the programme is expected to be delivered this financial year.

- Other operating expenses are favourable by 0.7M predominantly driven by insurance. The variance against budget for insurance is a result of lower than expected annual premiums to date.
- Net internal expenses are unfavourable to budget by 0.3M due to lower than anticipated capitalisation of labour and plant use. This is being monitored closely in light of the change in funding from NZTA.
- Non-operating
 - Non-operating expenditure is unfavourable to budget by 7.0M due to valuations of financial instrument valuations. These relate to the fixed interest rate swaps which reduce in value when floating interest rates fall.

For further information on YTD performance see:

- Appendix 1 - Detailed Non-Financial Performance Measures
- Appendix 2 – Activities Net Operating Cost
- Appendix 3 – Operating Programme Reporting
- Appendix 7 – Financial Statements
- Appendix 8 – Approved variations to Annual Budget

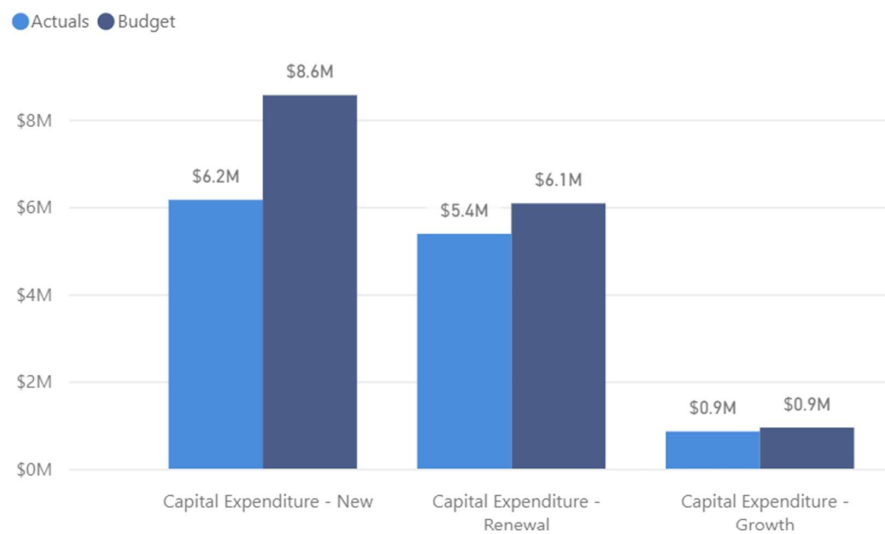
Capital Delivery

The total capital spend for Quarter 1 of the FY2025 financial year reached 12.5M as compared to 16.7M for the first quarter of FY2024. The capital delivery variance against budget YTD is due to a wet August and changes in delivery timelines of some major projects including Amberley Avenue Bridge Design and Build.

The Transport budgets currently represented in the report reflect the adopted budget, adjusted for the carry forward adjustment. A paper was presented to Council on 2 October outlining the challenges due to changes in NZTA Funding for Council seeking direction from Council on how to approach adjusting these budgets. A subsequent paper was presented on 6 November. The outcome of this was not known at the time of this report being written. Consequently, work on transport programmes aligned with the funding shortfalls were put on hold pending Council decisions.

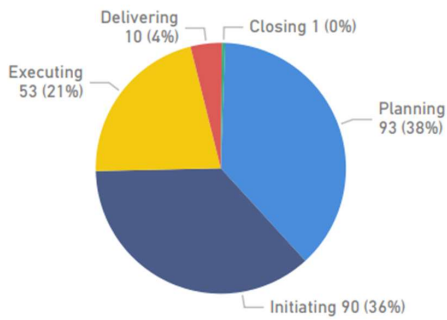
	YTD Actual	YTD Budget	YTD Variance	FY2025 Revised Budget	% FY Rev. Budget	FY2025 AP Budget
Capital Expenditure - New	6.2	8.6	2.4	47.0	13.2%	47.4
Capital Expenditure - Growth	0.9	0.9	0.1	14.8	6.1%	15.0
Capital Expenditure - Renewal	5.4	6.1	0.7	33.3	16.2%	33.0
Total Capital	12.5	15.6	3.2	95.1	13.1%	95.4

YTD capital spend

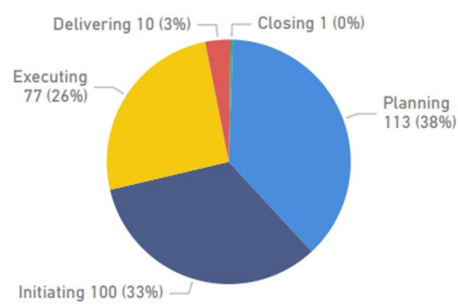


The newly established project management tool has been in use for three months and provides the delivery group a workflow with milestones. The tool feeds into a dashboard that provides the delivery group daily information which ensures deliverability risk can be identified early so mitigation can be made.

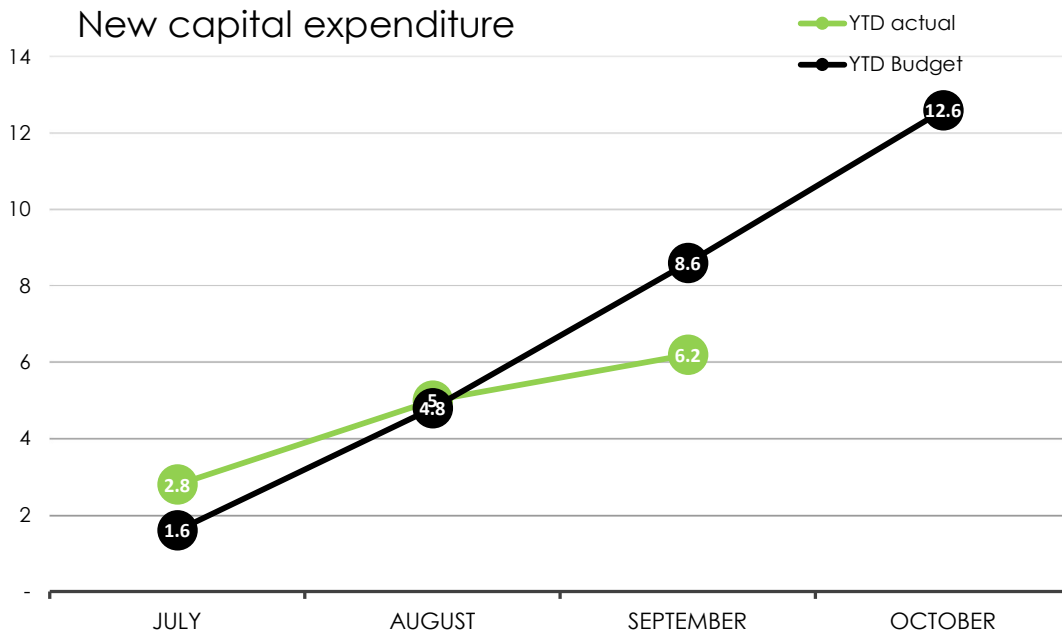
Capital programme - FY25 (Infrastructure)



Full capital programme (Infrastructure)



- **Initiating:** The project is not yet started
- **Planning:** Underway but not yet considering to be executing
- **Executing:** Project is in progress
- **Delivering:** Project work is complete, closing of the project is underway
- **Closing:** The project is considered complete



Two major programmes contributed to the Q1 variance for Capital New:

- Amberley Avenue Bridge Design and Build – delays related to design and consenting – programme remains on track to be fully delivered this financial year.
- Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures – some works underway albeit slower than anticipated, on track for the programme to be fully delivered this financial year.

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Treasury Report - quarter ending 30 September 2024

PRESENTED BY: Steve Paterson, Manager - Financial Strategy

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Committee note the performance of Council's treasury activity for the quarter ending 30 September 2024.
-

1. ISSUE

- 1.1 To provide an update on the Council's treasury activity for the quarter ending 30 September 2024.

2. BACKGROUND

- 2.1 The Council's Long-term Plan 2024-34 forecast additional debt of \$53.3m would need to be raised during the 2024/25 year to fund the \$62.4m of new capital expenditure programmes (including assumed carry forwards from 2023/24). On 26 June 2024 Council authorised the Chief Executive to borrow up to an additional \$54m for its purposes during 2024/25.
- 2.2 Council's Financial Strategy (adopted 26 June 2024) contains the following ratios which the Council has determined to be prudent maxima:
 - Net debt as a percentage of total assets not exceeding 20%
 - Net debt as a percentage of total revenue not exceeding 250%
 - Net interest as a percentage of total revenue not exceeding 15%
 - Net interest as a percentage of annual rates income not exceeding 20%
- 2.3 The Treasury Policy (embracing the Liability Management and Investment Policy), an updated version of which was adopted by the Council on 14 February 2024, also contains a number of other criteria regarding debt management.

3. PERFORMANCE

3.1 Following the annual review published on 7 May 2024 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1.

3.2 **Schedule 1** attached shows the details of Council's debt as at 30 September 2024. Debt levels were within the policy parameters outlined in section 2 of this report.

3.3 The summarised **term debt** movements are shown in the following table:

	LTP Budget for year #1 (2024/25) \$000	Actual – 3 months (2024/25) \$000
Debt balance at 1 July 2024:		
• Core Council debt	256.1	267.0
• Debt on behalf of PNAL	0	8.0
Plus new debt #2	53.3	44.0
Less debt repayments #2	0	(10.8)
Closing gross debt balance	309.4	308.2
<u>Comprising:</u>		
Bank advance (on call)		0
LGFA stock		308.2
<u>Less:</u>		
Deposits held for debt repayment #3	0	(18.0)
Sum advanced to PN Airport Ltd	0	(8.0)
Net Council related term debt	\$309.4	\$282.2

#1 The Council's LTP does not currently include the debt related to PNAL

#2 A portion of the Council's debt is drawn on a daily basis – daily drawdowns and repayments are not included in these figures but the net draw or repayment for the year to date is shown as part of new debt or debt repayment as appropriate.

#3 To ensure there were sufficient funds on hand to meet outgoings in a period of uncertain cashflows a term loan of \$15m was raised in mid-August. As at 30 September \$12.7m of this was held on short-term investment. If this was taken into account, then the net Council related debt was effectively \$269.5m as at 30 September.

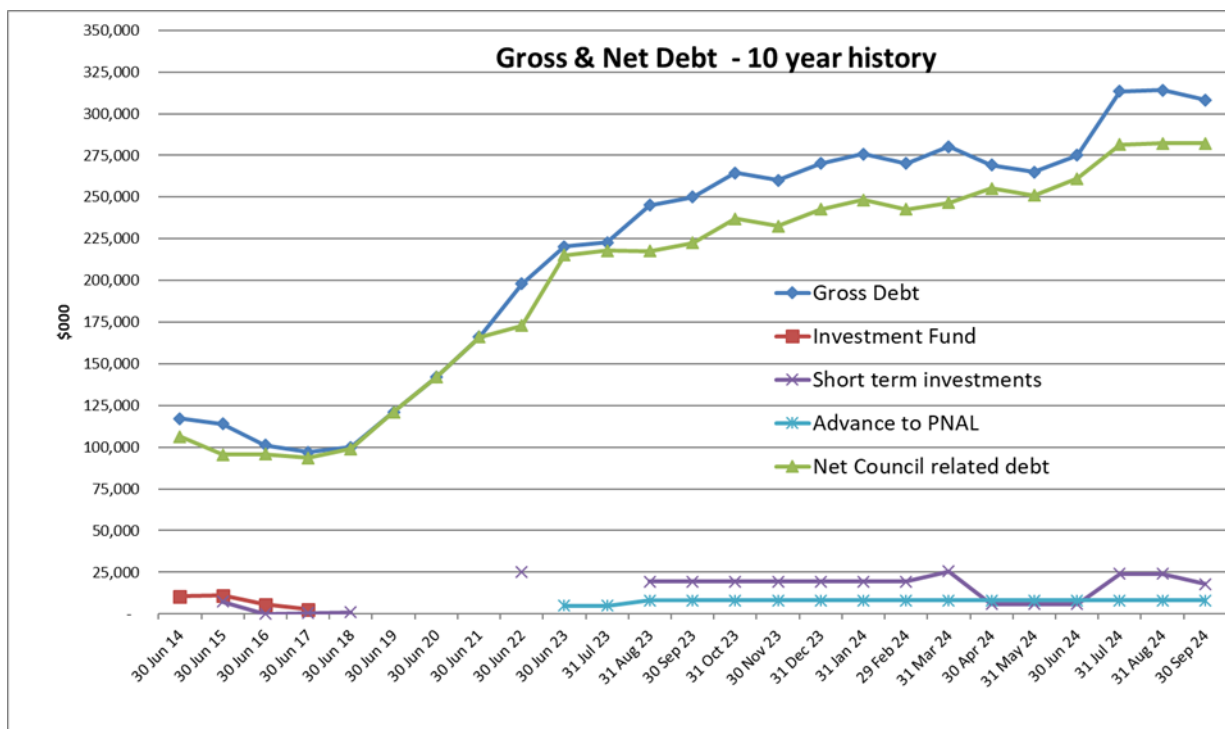
3.4 Gross debt at 30 September 2024 was \$308.2m compared with \$275m at 1 July 2024.

3.5 The debt raised in the three months to 30 September is explained further in the following table:

	Position as at 1 July 2024 \$m	Position as at 30 September 2024 \$m	Change YTD \$m
Gross debt	275.0	308.2	33.2
Less portion relating to PNAL	(8.0)	(8.0)	0
Gross debt relating to Council	267.0	300.2	33.2
Less term deposit held to repay maturing debt	(6.0)	(18.0)	(12.0)
Net Council related debt	261.0	282.2	21.2

This shows net additional term debt of \$33.2m was raised during the three months. This compares with the authorised total sum for the year of \$54m mentioned in clause 2.1. \$29m was raised on 8 July with \$19m of this being to fund debt maturing in April 2025. \$18m of this has been placed on term deposit in the meantime.

3.6 A 10-year history of the gross & net debt is shown in the following graph:



- 3.7 Actual finance costs incurred by the Council depend on the actual debt levels and the interest rate. During the three months gross finance costs (including interest, line fees and the effects of payments relating to swaps) amounted to \$3.67m compared with the budget for the year of \$14.52m.
- 3.8 \$271k of this expense relates to \$19m raised on 8 July 2024 to prefund debt maturing on 15 April 2025. This was offset by unbudgeted interest income of \$265k received from short term investment of \$18m. A further \$93k of this expense relates to the \$8m of loans raised on behalf of Palmerston North Airport Limited (PNAL) and this was offset by \$99k received from PNAL for the advance.
- 3.9 Deducting interest income from the gross interest expense of \$3.67m means a net interest expense for the quarter of \$3.09m compared with the annual budget of \$14.16 m.
- 3.10 The effective weighted average interest rate for the year to date is 4.8% compared with the budgetary assumption of 5%.
- 3.11 The Council has entered financial instruments related to its debt portfolio utilising swap trading lines established with Westpac, ANZ and BNZ. The details of these are shown in **Schedule 2** attached.

The value of these instruments is measured in terms of its 'mark-to-market', i.e. the difference between the value at which the interest rate was fixed and the current market value of the transaction. Each of these transactions was valued at the date they were fixed and again at the reporting date. Financial reporting standards require the movement in values to be recorded through the Council's Statement of Comprehensive Income (Profit & Loss Account). They have been revalued as at 30 September 2024. The latest valuation is an asset of \$2.29m compared with an asset of \$9.35m as at 30 June 2024. The reduction in asset value of \$7.06m is a consequence of reducing market interest rates.

- 3.12 The Council's Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:
 - Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods, e.g. < 3 years, 3 - 7 years, 7 years +.
 - Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.
- 3.13 The position compared to the policy is illustrated in the graphs in **Schedule 3** attached.
- 3.14 The funding and liquidity risk position can be summarised as follows:
 - Council's liquid position complies with policy.

- Since 1 July 2024 \$44m of term debt has been raised and \$4.8m of bank debt and \$6m of term debt has been repaid.
- 3.15 The interest rate risk position describes the portion of the overall forecast debt that is fixed versus floating and can be summarised as follows:
- There is significant uncertainty about forecast levels of future debt – this very much depends on a number of factors including future Council decisions on the proposed capital expenditure programme, the future structure for the provision of three waters and the extent of external funding able to be organised from other arrangements.
 - Policy compliance at 30 September 2024 is based on the debt forecasts in the adopted Long-term Plan.
- 3.16 The Treasury Policy also contains requirements in relation to counterparty credit risk – this relates to investments and financial risk management instruments. A new \$20m forward start swap agreement was entered on 12 July fixing interest rates for this sum at 3.695% from 2025 to 2030.
- The position as at 30 September 2024 is shown in **Schedule 4** attached.
- 3.17 Council's credit lines with the banks include a \$18m three-year credit facility with Westpac Bank (maturing 31 October 2025) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2027).

4. CONCLUSION AND NEXT STEPS

- 4.1 Gross finance costs for the quarter to 30 September (including interest, line fees and the effect of swaps) was \$3.67m compared with budget for the year of \$14.52m. The net finance cost (after considering the interest income from term investments and the advance to Palmerston North Airport Ltd) is \$3.09m compared with the budget for the year of \$14.16m.
- 4.2 In conjunction with Council's treasury advisors hedging instruments are regularly reviewed in an effort to ensure the instruments are being utilised to best advantage as market conditions change. The level of hedging cover is also reviewed as the forecasts of future debt levels are revised.
- 4.3 Council's borrowing strategy is continually reviewed, in conjunction with Council's treasury advisors, to ensure best advantage is taken of Council's quality credit rating.
- 4.4 A further performance report will be provided after the December 2024 quarter.

5. 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?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.

ATTACHMENTS

1. Schedules 1 to 4 [↓](#) 

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Local Water Done Well Funding Reallocation

PRESENTED BY: Scott Mancer, Manager - Finance and Julie Keane, Transition Manager

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the reallocation of \$928,503 DIA funding for Better Off Funding from Programme 1054 – Ashhurst Water Quality Improvements to Local Water Done Well Transition Support in the Wastewater operating budget, subject to DIA approval.
2. That Council note that the capital expenditure budget for programme 1054 was reduced at the Council meeting on 6 November 2024.
3. That Council increase the Wastewater operating budget for both revenue and expenditure by \$306,672 in the 2024/25 Financial Year for Transition Support.
4. That Council refer to the Annual Budget process a revenue and expenditure budget of \$621,831 for Transition Support for the 2025/26 Financial Year.
5. That Council agree that \$928,503 will be spent across the 2024/25 and 2025/26 Financial Years and that any unspent funding in 2024/25 will be adjusted via carry forwards at 30 June 2025.

1. BACKGROUND

- 1.1 The previous Government of New Zealand was undertaking a reform programme for 'Three Waters' (drinking water, wastewater and stormwater) service delivery for communities. Under this reform programme the Department of Internal Affairs (DIA) provided 'Council Transition Support' to local authorities under the Three Waters Transition Funding Agreement to the value of \$825,000 (Tranche 1). This was to offset the additional costs Council would incur from supporting the establishment and transition of activities to the proposed 'Water Services Entities'.
- 1.2 The current Coalition Government of New Zealand repealed the previous Government's water services legislation in February 2024. The Minister of Local Government has outlined the Coalition Government's plan to implement a new programme, Local Water Done Well, through two further pieces of legislation.

- 1.3 This change placed unspent funds and yet to be claimed funds in limbo. Subsequently, the Government agreed these funds would transfer to its new programme and DIA contacted Councils to advise how any unspent Transition Support Funding would be transferred. A new 'Local Water Done Well Support' Agreement was issued to Council in May 2024 (value \$412,500 – Tranche 2) making the unclaimed funds under the previous Three Waters Transition Support Funding Agreement available to Council to support Local Water Done Well activities.
- 1.4 In addition to the request to redirect Transition Funding, the DIA wrote to Councils in April 2024 to advise the Cabinet had directed them to work in partnership with CIP and Councils to:
- Review the status of current Better Off projects, including expenditure incurred to date and currently committed expenditure; and
 - Identify, by mutual agreement, if any opportunities existed for Council to redirect unspent Better Off Funding to increase investment in water infrastructure or to help establish new water services delivery organization.
- 1.5 PN City Council's Better Off Funding agreement totalled \$8.16M of which \$1.52M had been spent to 31 December 2023, leaving a balance of \$6.64M to consider for redirection. Council made this decision as part of the Long-term Plan (LTP) Deliberations at the meeting of 29 May 2024 (95.5-24).
- 1.6 Programme 1054 is currently receiving the Better Off Funding, as reallocated in the LTP. In the current year, Officers have conducted a thorough procurement and tender process, signing a contract that firmly establishes the costs for the planned work. This has resulted in savings of \$928,503 to be reallocated.

2. FORECAST EXPENDITURE TO 30 JUNE 2024

- 2.1 For transition funding to date, Council has received \$1,237,500 (Tranche 1 and 2) from Central Government. At 30 June 2024, Council had spent \$941,865. From 1 July 2024, there was funding available for use towards transition support totalling \$295,634.
- 2.2 A budget forecast for 2024/25, including actuals from July – September and assumptions from October to June, has been prepared taking into consideration the requirements necessary to deliver the full work package based on best available information at this time. Table 1 below shows the Total Cost Basis which calculates the overall total cost of the project, taking into account the remaining transition funding available from DIA as at 1 July 2024.

Table 1: Total Cost

Total Cost Basis	
Opening Balance	\$295,634
PN City Council Internal Costs	(\$478,852)
External Costs	(\$602,306)
Total Costs	(\$1,081,158)
Forecasted Total Budget Shortfall	(\$785,524)

2.3 Internal PN City Council costs relate to staff time that is already funded as part of Council Budgets, meaning the actual outstanding funding required is limited to those for external service providers only. External costs are for services including:

- Programme management
- Specialist advice
- Backfilling of staff where required

2.4 Table 2 below shows the External Costs only:

Table 2: External Cost Only

External Cost Basis	
Opening Balance	\$295,634
External Costs	(\$602,306)
Forecasted Total Budget Shortfall	(\$306,672)

2.5 Under the External Costs shown in Table 2, it is expected that the last of the DIA Transition Support funding will be fully used by January 2025 and that the shortfall will need to be funded to continue the transition programme.

2.6 Transition Support is likely to increase through the 2025/26 Financial Year to meet the demands of the Local Water Done Well programme and deliver upon any Council direction that is given.

2.7 The available funding from savings in the current year will be greater than what is required for transition support in 2024/25 Financial Year and it is

intended that any funding not used for transition support in 2024/25 will be required for transition support in 2025/26.

3. CONCLUSION

3.1 Officers believe that transferring the surplus Better Off Funding from programme 1054 – Ashhurst Water Quality Improvements to fund transition costs in the current year is the best use of the available funding from DIA and is in line with the guidance outlined in 1.4 of this report.

4. NEXT ACTIONS

4.1 Officers will seek approval from DIA to reallocate the funding from a capital project to Transition Support.

4.2 Officers will confirm actual year spend and forecasts as soon as practical, to inform the Annual Budget 2025/26 process.

5. 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 objectives?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: (Not Applicable) (Not Applicable)	
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: Gather and use data to inform decision making and council activities	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Contribution to Council's Strategic Direction regarding transparent financial decision making.

ATTACHMENTS

Nil

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Palmerston North City District Plan: Proposed Plan Change I - Increasing Housing Supply and Choice

PRESENTED BY: Jono Ferguson-Pye, City Planning Manager and Sarah Jenkin, Consultant Planner

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATIONS TO STRATEGY & FINANCE COMMITTEE

1. That the Committee approve for public consultation Palmerston North City District Plan: Proposed Plan Change I – Increasing Housing Supply and Choice (Attachment 4), under clause 5, schedule 1 of the Resource Management Act 1991.
-

1. INTRODUCTION

- 1.1 The purpose of this memorandum is to seek approval for Palmerston North City District Plan: Proposed Plan Change I – Increasing Housing Supply and Choice (PC:I) to proceed to public notification.
- 1.2 PC:I has been prepared to ensure it gives effect to the National Policy Statement for Urban Development (NPS-UD 2020) and the 2023 Housing and Business Needs Assessment (HBA) by providing options for different housing typologies through the District Plan.
- 1.3 PC:I proposes to rezone 815 hectares of the existing Residential Zone to create a Medium Density Residential Zone (MRZ).¹ PC:I also seeks to rezone 17 Summerhays Street, the Huia Street Reserve (Pt Lot 1 DP545 and PT Lot 2 DP545 only, being the part not used by the Manawatū Lawn Tennis Club) and 216-218 Ferguson Street to MRZ.²
- 1.4 Consistent with the approach outlined in the [City Planning Priorities and 3-Year Work Programme report](#) presented to the Strategy & Finance Committee on 14 August 2024, the new planning framework for the MRZ simplifies the process for medium density development compared to the current Multi-Unit Housing Area (MUHA) District Plan provisions.

¹ See Attachment 1 showing the extent of the proposed MRZ and Stormwater Overlay.

² See Attachment 2 showing the location of 17 Summerhayes Street, Huia Street Reserve and 216-218 Ferguson Street.

- 1.5 PC:I forms part of the response to the issues raised by the development community regarding the complexity of urban design assessment required by the current MUHA provisions. The 14 August 2024 City Planning Priorities and 3-Year Work Programme report outlines the broader response to these issues.
- 1.6 The primary purpose of PC:I is to enable medium density housing by rezoning part of the Residential Zone to create a MRZ in those parts of the city which:
- **Accessibility:** have good accessibility between housing, jobs, education, neighbourhood centres, community services, natural spaces, open spaces, public transport and active transport;
 - **Density, Form, Amenity and Safety:** support a range of densities and forms in the plan change area with a good level of both onsite and offsite amenity and safety outcomes;
 - **Climate Change:** support reductions in greenhouse gas emissions and are resilient to the likely current and future effects of climate change;
 - **Stormwater:** mitigate increased stormwater discharges as a result of intensification;
 - **Adjoining Properties:** mitigate the effects of medium density residential development on adjoining properties and sites of significance; and
 - **Respond to Constraints:** respond to the surrounding environment's land uses and site constraints, in particular those areas that abut significant infrastructure or have infrastructure and natural hazard constraints that need to be addressed.
- 1.7 **Replacement of Multi Unit Housing Areas:** MUHA areas A & B (Central-City) and MUHA Areas C & D (at Awapuni, Highbury, Hokowhitu & Milson) will be replaced by the proposed MRZ.³
- 1.8 The MUHA areas at Napier Road, Hokowhitu Lagoon, Matangi, and Aokautere will remain and be subject to the existing provisions of the Operative District Plan (ODP).
- 1.9 **Providing for Papakāinga:** Papakāinga is being enabled as a permitted activity subject to meeting the MRZ development standards.
- 1.10 **Responding to Stormwater Constraint:** PC:I will enable medium density housing across those parts of the city which are not impacted by existing stormwater constraints and provide for medium density housing across those parts of the city where site-specific mitigation for flooding and stormwater is likely to be required, through the introduction of a Stormwater Overlay.⁴

³ See Attachment 3 showing the extent of the existing Residential Zone and Multi-Unit Housing Areas.

⁴ See Attachment 1 showing the extent of the proposed MRZ and Stormwater Overlay.

- 1.11 The Stormwater Overlay is informed by the PC:I Stormwater Servicing Assessment (SSA)⁵. The SSA identifies areas that may be at risk from flood hazard and is not intended for site-specific assessments.
- 1.12 The PC:I trigger for site specific stormwater assessment is when a consent application is made for subdivision or development for a site located within the Stormwater Overlay.
- 1.13 **Housing Choice and Supply:** enabling medium density housing means enabling the construction of different types of houses (stand-alone, terraced housing and apartments) to provide a wider variety of housing sizes (1, 2 and 3-bed+) and tenures across a broader range of property sizes. This is consistent with Council's projections for infill development identified as part of the HBA completed in 2023 (and updated in March 2024).
- 1.14 The scope of the plan change **excludes:**
- Zoning new greenfield growth areas outside the existing Residential Zone.
 - Enabling as a 'permitted activity' residential intensification in those parts of the existing Residential Zone which are currently impacted by flooding, and stormwater capacity and management constraints.
 - A review of engineering standards applicable to new development (Engineering Standards for Land Development).
 - Residential Zone land at Aokautere, Ashhurst, Longburn and Bunnythorpe.
 - Amendments to give effect to the National Policy Statement for Indigenous Biodiversity Part 3, subpart 2 and Clause 3.24 (in relation to Significant Natural Areas).

2. BACKGROUND

- 2.1 **The Need to provide for Growth:** Palmerston North is experiencing strong population growth. The most recent population growth estimates in the 2024 Future Development Strategy (FDS) predict that the population will increase from ~94,500 people (2023) to ~117,700 people by 2054 – a change of nearly 25%. More people living in Palmerston North means a need for more housing. Over the next 30 years, an additional 9,884 homes are required to support the growing population.
- 2.2 PC:I responds to the Council's obligations under the NPS-UD to:
- enable greater density, housing choice, and supply;

⁵ See Attachment 4, PC:I Section 32, Planning Provisions and Supporting Technical Reports.

- make planning decisions that contribute to well-functioning urban environments; and
- take into account the urban development values and aspirations of Rangitāne o Manawatū as articulated in FDS.

- 2.3 **Providing for Greater Supply and Choice of Housing will be Contested:** Over the next 10-15 years, Palmerston North will transition from a large provincial centre to a small metropolitan city. PC:I will play a role in this transition by enabling a greater variety and density of homes, while also ensuring a well-functioning urban environment and improved accessibility between housing, jobs, community services, open spaces, and public and active transport.
- 2.4 PC:I signals future change to the form and function of the urban environment as we transition to a small metropolitan city. Consequently, PC:I will be highly contested. Some submitters may feel PC:I introduces too much change too quickly, while others may see it as an opportunity for more homes in areas with better accessibility to housing, jobs, community services, open spaces, and public and active transport.
- 2.5 The participatory principles of the District Plan change process under the RMA emphasise public involvement and transparency in decision-making. These principles ensure the community has a voice in shaping local planning outcomes. The RMA process will provide an opportunity for our community to respond to and shape PC:I through public notification, submissions, further submissions, and hearings.
- 2.6 It is noted changes were made to PC:I in response to consultation on draft development standards in September and November - December 2022. In particular, PC:I now provides for up to 3 dwellings as a permitted activity rather than 6 dwellings, as initially proposed in 2022.
- 2.7 **A Balanced Approach:** PC:I seeks to deliver increased housing supply and choice, while providing for built form outcomes that are appropriate for the City. As a Tier 2 Council under the NPS-UD, PC:I has adopted some of the core elements required of Tier 1 councils, such as providing for up to 3 dwellings as a permitted activity, building coverage, and building height.
- 2.8 PC:I has also been customised to respond to local needs. The plan change aims to avoid some of the negative outcomes associated with Tier 1 requirements in the areas of height relation to boundary, setbacks, and outdoor living areas.
- 2.9 PC:I introduces additional requirements to address the needs of the City, in particular the management of stormwater quality and quantity.
- 2.10 **Rate of Change Over Time:** While PC:I is proposing to rezone approximately 815 hectares of Residential Zone land to MRZ, the rate of uptake and change to residential amenity and character across the City will be incremental over time.

- 2.11 The 2023 HBA predicts that 142 new dwellings will be needed annually to meet the demand from projected population growth for residential intensification over the next 30 years. Whilst PC:I will not provide all the capacity needed to meet this predicted demand, based on historic building consent data, development in the MRZ could provide at least 56 dwellings per year.
- 2.12 Other intensification and brownfield residential development opportunities identified in the FDS will need to be investigated in the future to help provide additional capacity. Other development opportunities include Massey University, the Business Zones (city centre), the Civic and Cultural Precinct project and remaining historical industrial sites, e.g. Featherston Street adjacent to the Hoffman Kiln. The scheduled wider review of the Residential Zone will also provide opportunities to explore planning techniques to further increase capacity.
- 2.13 **Streamlined Planning Approach:** Currently, the District Plan manages medium density housing development through the MUHA provisions. The development community has raised issues about the complexity of urban design assessment required by the MUHA provisions.
- 2.14 The planning framework developed for the MRZ simplifies the process for medium density development within the new Zone by enabling up to 3 units as a permitted activity outside the Stormwater Overlay and putting in place a simplified path for land use consent when development exceeds this threshold.
- 2.15 By way of example, the built form and design for 4 or more dwellings in the MRZ will be assessed against 7 matters in one policy rather than 27 assessment criteria contained in the MUHA planning provisions.
- 2.16 The Stormwater Overlay introduces additional planning controls on MRZ development that are specific to stormwater effects only, i.e. the balance of the planning assessment in these areas will be the same as development located outside of the Stormwater Overlay.
- 2.17 **Albert Street Depot:** The underlying zoning of the Albert Street Depot is Residential Zone. Because the site meets the NPS-UD accessibility requirements relating to open greenspace, local business areas, schools and public transport, it is proposed to be zoned to MRZ. Given the current public works designation at this location, this change does not affect Council's ability to continue to use the site as a depot.
- 2.18 **Summerhays Street:** Council approved ([Resolution 134-21](#)) the future use of 17 Summerhays Street for housing development on 3 November 2021.
- 2.19 **Huia Street Reserve:** Council approved ([Resolution 123-20](#)) the future use of the Huia Street Reserve for housing development on 14 October 2020.

3. CONSULTATION

3.1 The Council has undertaken the following consultation:

- Clause 3 (RMA) consultation (November – 7 December 2022). Feedback was received from Horizons Regional Council, Kainga Ora, KiwiRail and the Ministry of Education.
- Phase one - Pre-engagement (28 September – 19 October 2022) – invited the community to provide feedback. The Council received 291 feedback forms and approximately 435 comments on PN City Council Facebook posts were made.
- Phase two – formal pre-consultation (9 November – 7 December 2022) - the draft District Plan section and zone extent were published and feedback sought from the community on the extent, proposed standards and any other relevant matters. The Council received 388 feedback forms, 18 emails/letters, and 890 Facebook comments. The Council ran two drop-in sessions which were attended by approximately 200 people.
- FDS (26 March – 5 May 2024) – as part of preparing the FDS, the Council sought feedback on several options for meeting the demand for housing, business and industrial growth over the next 30 years, including an option focused on intensification. Council received 138 submissions. The housing growth locations identified in the FDS included the Huia Street and Summerhays recreation reserves.
- Information about PC:I has also been available on the website since September 2022.
- Rangitāne o Manawatū have also been consulted throughout the process going back to 2019.
- Pursuant to Clause 4(A) of the RMA, a copy of draft PC:I and supporting information was provided to Tanenuiarangi Manawatū Incorporated (as Rangitāne o Manawatū's mandated iwi authority) on 4 September 2024, followed by a workshop on 4 October 2024.
- PC:I has been developed in partnership with Rangitāne and their feedback (via Tanenuiarangi Manawatū Incorporated) influences the proposed provisions.

3.2 The above work meets our consultation obligations under Clauses 3 and 4A of the Resource Management Act 1991.

4. KEY CHANGES

4.1 The key changes proposed by PC:I include the following:

- The rezoning of 815ha of Residential Zone land to MRZ. This represents approximately 32% of the existing Residential Zone land in the City.
- The new planning framework for the MRZ simplifies the process for medium density development compared to the current MUHA District Plan provisions. This change directly responds to concerns raised by the development community.
- The rezoning of 17 Summerhays Street, the Huia Street Reserve (Pt Lot 1 DP545 and PT Lot 2 DP545, being the part not used by the Manawatū Lawn Tennis Club), the Albert Street Depot and 216-218 Ferguson Street to MRZ.
- The identification of a Stormwater Overlay over 624ha (75%) of the MRZ.
- Within the MRZ (for properties outside the Stormwater Overlay) up to three dwellings will be a permitted activity (not needing a resource consent) subject to compliance with standards.
- Developers of properties within the Stormwater Overlay will require resource consent and will be required to provide a stormwater assessment to identify the extent and effects of flood and/or overland stormwater flow hazards and any required mitigation.
- Developers of properties proposing four or more dwellings on a site will require a resource consent.
- Enabling Papakāinga as a permitted activity.

5. NEXT STEPS


- 5.1 Notify PC:I for submissions under the Resource Management Act 1991.
- 5.2 Officers are planning to commence citywide notification of PC:I on 19 November 2024. The notification period will extend beyond the required minimum 20 working day period, continuing until 4 February 2025.

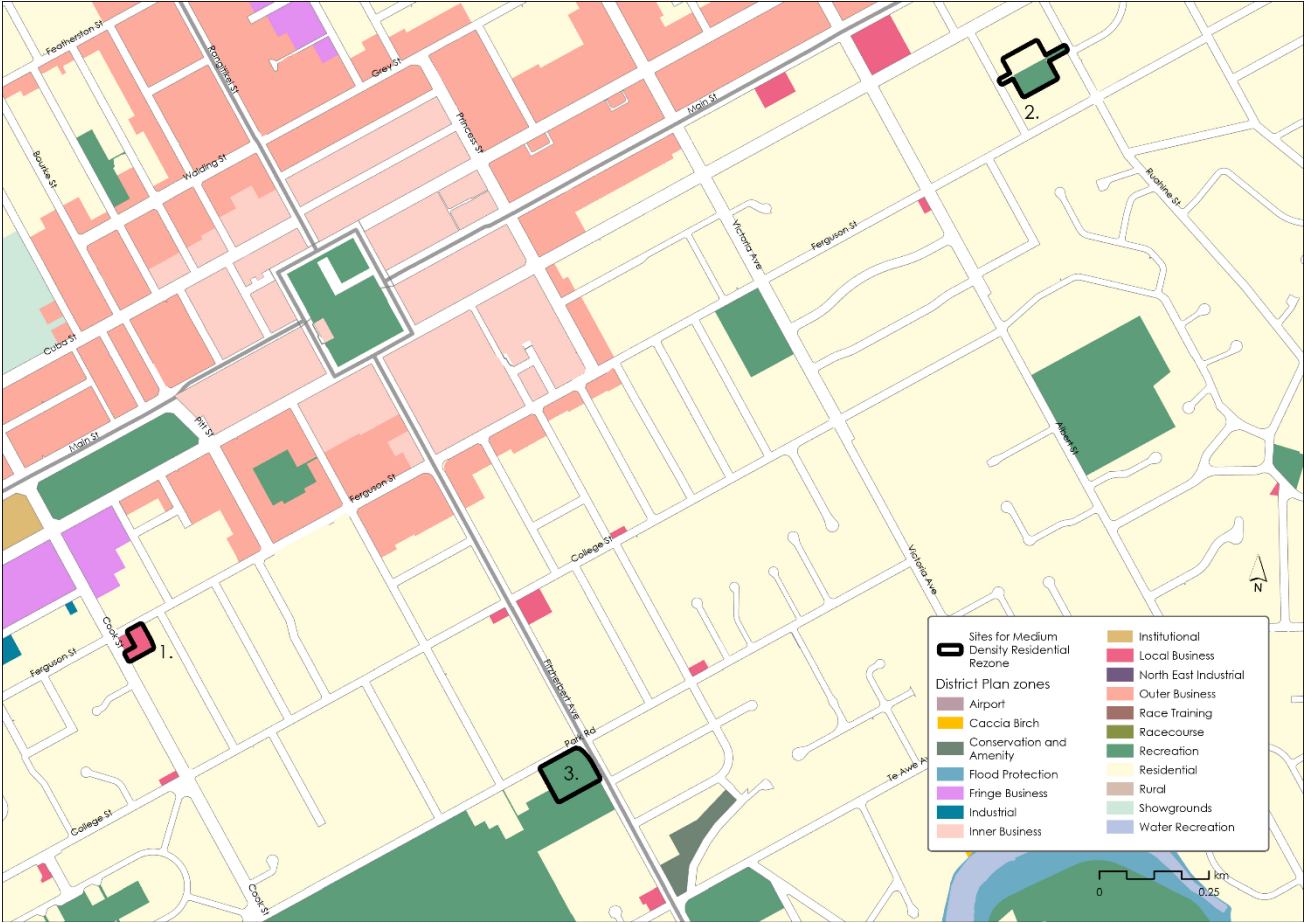
6. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual (4.6)	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?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	
<p>The recommendations contribute to the achievement of objective/objectives in the:</p> <p>15. Mahere whare</p> <p>15. Housing Plan</p> <p>The objectives are:</p> <ul style="list-style-type: none"> • Implement the National Policy Statement on Urban Development Capacity • Rezone part of the Residential Zone to Medium Density Residential. 	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Proposed PC:I will assist Council in meeting its obligations to ensure there is sufficient development capacity to meet projected demand, which will assist with improving housing affordability and being responsive to growth.

ATTACHMENTS

1. Attachment 1: MRZ and Stormwater Overlay [!\[\]\(b9ff2a1a0c53756b3a8fdcba92319832_img.jpg\) !\[\]\(f2c8e67eb331df36c8d5df44bf9575d8_img.jpg\)](#)
2. Attachment 2: Sites Proposed for Rezoning to MRZ [!\[\]\(767b884fdbbdd561159b6124fa600cc6_img.jpg\) !\[\]\(112b4da49bf77248adc1b20d9fa419c9_img.jpg\)](#)
3. Attachment 3: Existing Residential Zone and MUHA [!\[\]\(f2dede6c3abab8c2625be15a97120769_img.jpg\) !\[\]\(4b296b0a193c30dd1dfe33fff14df20a_img.jpg\)](#)
4. Attachment 4: PC:I Planning Provisions, Section 32 Report and Supporting Technical Assessments (attached separately) 



MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Elected Member Expenditure 2023/24

PRESENTED BY: Scott Mancer, Manager - Finance

APPROVED BY: Cameron McKay, General Manager Corporate Services

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Elected Member Expenditure 2023/2024', presented to the Strategy & Finance Committee on 13 November 2024.
-

1. ISSUE

- 1.1 This report is presented annually in accordance with the Elected Member Expenses Policy. Section 10 states: '*Reporting of Expenses: All expenses (including the cost of taxis) claimed by Elected Members are to be reported annually to the Strategy & Finance Committee (or equivalent committee). This will include all discretionary expenditure of the Mayor and Deputy Mayor, including credit card expenses.*'
- 1.2 This report covers the financial year from 1 July 2023 to 30 June 2024.

2. BACKGROUND

- 2.1 At its meeting of 16 November 2022, Council gave delegation to the Chair of the Strategy & Finance Committee or the Chair of Risk & Assurance Committee to approve expenses, including credit card transactions incurred by the Mayor. Credit card expenses are approved retrospectively.
- 2.2 Furthermore, the expenditure reported here is subject to audit undertaken by Audit NZ through the audit of the annual report. Their scope includes reviewing the effectiveness and efficiency, and testing for a lack of probity or financial prudence. Findings are then reported to the Risk & Assurance Committee. At the time of writing the report, Officers had just completed the audit for the 2023/24 financial year and the close out meeting, including the Management Letter with findings, had not yet been received.
- 2.3 This report, therefore, adds a level of good practice by providing a summary of the expenses of the Mayor and Deputy Mayor to the Strategy & Finance Committee in a regular and timely manner.

3. EXPENDITURE

- 3.1 In Table 1 below is a summary of relevant expenditure from the Mayoral Office, Mayor’s Discretionary, Mayor’s Relief Fund and Elected Member Support. The Mayoral Office budget includes items for Citizenship Ceremonies and Civic Awards. The summary presents only the controllable expenditure for these budget lines for the 2023/24 financial year.
- 3.2 Uncontrollable expenditure includes overheads and internal staff time.
- 3.3 Table 1 includes expenditure from Tables 2 and 3. It also includes only some expenditure from Tables 4 and 5, as some expenditure is covered from other budgets such as Governance, Events or International Relations when Elected Members are on official Council business.
- 3.4 Even though expenditure items are over budget in Tables 2 and 3, overall expenditure has remained under budget. Overall total controllable expenditure was \$181k versus a budget of \$199k for the year.

Table 1: Comparative totals for the previous three financial years

Financial year	Total controllable expenditure	Budget
2021/22	90,685	156,216
2022/23	145,142	160,125
2023/24	181,323	199,200

Table 2: Mayor’s Office budgets (sensitive expenditure only)

	23/24 Actual	23/24 Budget	22/23 Actual
Hospitality	45,799	24,700	22,451
Training	2,327	8,700	6,650
Travel and Accommodation	32,397	23,600	27,595
Gifts	5,628	Not separately budgeted	6,490
Taxi Charges	3,247	Not separately budgeted	3,597
SUB - TOTAL	\$89,398	\$57,000	\$66,784
Other Expenses*	\$91,925	\$145,400	\$78,358
GRAND TOTAL	\$181,323	\$199,200	\$145,142

* Other Expenses includes items related to the running of the Mayor's Office activity and covers expenditure items like consultancy, media support, venue hire (Citizenship/Civic Awards/Duke of Ed. Awards, etc.) as well as discretionary fund grants and donations

Table 3: Discretionary Fund budgets (Mayor)

	23/24 Actual	23/24 Budget	22/23 Actual
Mayoral Discretionary Fund	13,379	11,400	16,458
Mayoral Relief Fund	4,458	1,100	8,292
(Donations received)	(8,648)	-	(3,352)
TOTAL	\$9,189	\$12,500	\$21,398

4. SENSITIVE EXPENDITURE

4.1 Tables 4 and 5 provide a summary of the sensitive expenditure as the policy for both non-credit card and credit card transactions respectively.

Table 4: Sensitive expenditure (by Mayor, Deputy Mayor) excluding credit card transactions

	GRANT SMITH	DEBI MARSHALL- LOBB
Hospitality	44,670	-
Travel and accommodation	24,868	45
Training	2,327	-
Gifts	8,953	-
Internet	-	-
Taxi Charges	3,247	-
TOTAL	\$84,066	\$45

Table 5: Credit card (by Mayor, Deputy Mayor)

	GRANT SMITH	DEBI MARSHALL- LOBB
Hospitality	9,305	-
Travel and accommodation	5,950	-
Gifts	5,818	-
Training	1,166	-
TOTAL	\$22,239	-

5. EXPENSE CLAIMS

5.1 Below is a summary of all expense claims made by all Elected Members. There is an overlap with expenses stated in tables above.

Table 6: Reimbursements (all Elected Members)

	TRAVEL & ACCOMODATION	HOSPITALITY	INTERNET /PHONE	TAXI CHARGE S	TOTAL
Kaydee Zabelin	442	-	-	-	\$442
Orphée Mickalad	1,902	-	-	-	\$1,902
Patrick Handcock	1,162	-	-	-	\$1,162
Rachel Bowen	998	-	-	-	\$998
Roly Fitzgerald	936	-	-	-	\$936
William Wood	45	-	-	-	\$45

Table 7: Elected Member taxi use – invoiced to Council

	TAXI CHARGES
Orphée Mickalad	\$185
Patrick Handcock	\$237
Rachel Bowen	\$277
Roly Fitzgerald	\$131
William Wood	\$124

6. NEXT STEPS

Annual reporting to the Committee will continue next year.

7. 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: N/A	
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Open and transparent governance contributes to trust and reputation of the Council.

ATTACHMENTS

NIL

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Deliberations - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024

PRESENTED BY: Lili Kato, Policy Analyst

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the submissions relating to the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 (Attachment 3).

RECOMMENDATIONS TO COUNCIL

2. That Council adopt the Dangerous, Affected, and Insanitary Buildings Policy 2024 (Attachment 1).
3. That Council rescind the Dangerous and Insanitary Buildings Policy 2006.

SUMMARY OF OPTIONS ANALYSIS FOR THE DELIBERATIONS ON THE DRAFT DANGEROUS, AFFECTED, AND INSANITARY BUILDINGS POLICY

Problem or Opportunity	<p>Community consultation on the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 has concluded. Community views have been gathered and analysed and further changes proposed to the draft Policy.</p> <p>The Committee can recommend Council either adopt the Policy (Attachment 1) or not adopt the Policy.</p>
OPTION 1:	<p>Recommend that Council adopt the Dangerous, Affected, and Insanitary Buildings Policy 2024</p> <p>This option is recommended.</p>
Community Views	<p>Different views on the proposal have been shared by members of the community – some in favour, some not in favour. Six submissions were received and the majority were in support of the proposed changes to the Policy. We note that the scope of this Policy is very narrow (as determined by legislation) and we did not expect wide community interest.</p>
Benefits	<p>Adopting the draft Policy means that current best practice is able to be incorporated into a Policy that has not been reviewed since it was adopted in 2006. Council will also fulfil a statutory obligation to update the Policy to include 'affected buildings'.</p>
Risks	<p>None identified.</p>
Financial	<p>None identified.</p>
OPTION 2:	<p>Recommend that Council does not adopt the Dangerous, Affected, and Insanitary Buildings Policy 2024</p> <p>This option is not recommended.</p>
Community Views	<p>Two submissions received by Council from individuals on the draft Policy supported not making the proposed changes. Option 2 supports those submitters. We note that the scope of this Policy is very narrow (as determined by legislation) and we did not expect wide community interest.</p>
Benefits	<p>None identified.</p>
Risks	<p>Council will not comply with the obligation to update the Policy to include 'affected buildings'. Council will therefore be unable to invoke powers to identify and remedy these buildings.</p>
Financial	<p>None identified.</p>

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 Community consultation on the Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 has concluded.
- 1.2 Council received 6 submissions to its proposal, and none of the submitters chose to speak in support of their submission.
- 1.3 The Committee should now deliberate. For the purposes of deliberation, this report and its attachments provide analysis and advice, and outline any recommended changes to the Policy in response to submissions received.
- 1.4 Following deliberation, the Committee may recommend Council adopt the Policy.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 In 2006 Council adopted the Dangerous and Insanitary Buildings Policy. The Buildings Act 2004 section 132(4) requires Council to review the Policy within five years of its adoption. However, failure to review within this timeframe does not render it ineffective as stipulated in section 132(5) of the Act. This is the first review of the Policy since its adoption.
- 2.2 On 14 August 2024, the Strategy & Finance Committee⁶ considered the draft Dangerous, Affected, and Insanitary Buildings Policy 2024 and approved it for public consultation.
- 2.3 The written submission period was open from 02 September until 07 October 2024.
- 2.4 We note that the scope of this Policy is very narrow (as determined by legislation) and we did not expect wide community interest.

3. DESCRIPTION OF OPTIONS

- 3.1 The Committee has two options.

Option 1: Recommend Council adopt the Policy.

Option 2: Not recommend Council adopt the Policy.
- 3.2 Advice on each of these options is elaborated on in section 4 of this report.

⁶ https://palmerstonnorth.infocouncil.biz/Open/2024/08/SAFC1_20240814_MIN_11225_WEB.htm

4. ANALYSIS OF OPTIONS

Option 1: Recommend Council adopt the Policy

- 4.1 Council has consulted the community on its proposed changes to the Policy.
- 4.2 Of the 6 written submissions received on the draft Policy, 2 were opposed to the proposed Policy. The remaining 4 submissions were generally supportive, with some suggestions for changes to the Policy.
- 4.3 Attachment 2 provides a breakdown of the 6 submissions received. All changes which were consulted on are recommended for adoption, with additional changes made in response to a submission received. There are also some additional minor changes to the strategic context recommended that were omitted from the draft.

Submissions opposing proposed Policy

- 4.4 The main theme for one submitter who was opposed to the Policy was in relation to cutting costs. The submitter assumed that changes to the Policy would amount to increasing costs, particularly in rates. There are no financial implications in the proposed changes to this Policy.
- 4.5 The other submitter who was opposed to the proposed Policy expressed concerns in relation to the Mātangi (Whiskey Creek) residential area private plan change. The submitter claims that the area is a flood plain. These concerns were outside the scope of the review and have been directed to the relevant staff to follow up.

Submissions in support of proposed Policy

- 4.6 The remaining 4 submissions (2 from individuals and 2 from organisations) were supportive of the Policy overall. The submission from the Manawatū Tenants' Union was supportive of the proposed Policy but did seek changes to incorporate the 'Healthy Homes Standard'⁷ as another mechanism to hold landlords to account. This change was not accepted because the definitions of dangerous, affected and insanitary buildings are set out in the Building Act 2004, which is what the Policy enforces. Therefore, it is not within Council's mandate to extend these definitions to incorporate the Healthy Homes Standard. Changes of this nature can only be made by Parliament.
- 4.7 We note that the Community Committee resolved on 23 October to recommend a broader resolution in support of the Healthy Homes Standard to Council.
- 4.8 The submission from Te Whatu Ora – Health New Zealand was also supportive of the Policy. They sought to include one change to the draft Policy, in regard to Te Whatu Ora being notified by Council when they have determined a

⁷ <https://www.hud.govt.nz/our-work/healthy-homes-standards>

building to be 'insanitary' under the Building Act 2004. This change is accepted and is included in the proposed Policy.

Recommended changes to the Policy

4.9 Following public consultation the recommended changes include:

Changes to Section 2 - Strategic Context

- Changing the format of this section to align with other Council policies.
- Adding goal one, two and the relevant outcomes that this Policy will contribute to. These goals and outcomes were not included in the draft Policy. The exact wording proposed is:

"The Policy contributes to Whāinga 1: He tāone auaha, he tāone tiputipu - Goal 1: An innovative and growing city, and specifically to the following outcome, where we want our communities to have:

- *A city that fosters pride, and supports the aspirations of people and communities*

The Policy contributes to Whāinga 2: He tāone whakaihihi, tapatapahi ana - Goal 2: A creative and exciting city, and specifically to the following outcome, where we want our communities to have:

- *Our unique heritage preserved and promoted."*

- Deleting the reference to the *Community Safety and Health Plan*. The reference to this Plan is redundant because reference to Goal 3 and the relevant outcomes which encompass this Plan is already included. The following wording is deleted from the proposed Policy:

"The Policy contributes to fulfilling the Mahere haumarū hapori, hauora hapori - Community Safety and Health Plan to make Palmerston North a healthy city, where our community is safe and feels safe."

Changes to Section 6 (e) – Taking action under the Building Act 2004

- Adding a requirement to notify Te Whatu Ora – Health New Zealand when Council have determined a building to be insanitary. The exact wording:

"(vi) Notify Te Whatu Ora – Health New Zealand through the Palmerston North Health Protection Team or other relevant staff when Council has determined a building to be insanitary."

Option 2: Not recommend Council adopt the Policy

4.10 Option 2 stops the current process. Unless further instruction is provided by the Committee to staff, no additional work will be completed.

- 4.11 If Option 2 proceeded, the current Policy will remain in force. Council will be non-compliant with the statutory obligation to update the Policy to include 'affected buildings'.

5. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 5.1 Council completed early engagement and formal consultation with the community as required under [section 132\(1\)](#) of the Building Act 2004. Partners and stakeholders, the community more widely, and other interested parties were invited to make a submission on the proposals during the consultation period.
- 5.2 Printed copies of the Statement of Proposal, which included hardcopy submission forms, were made available from the Customer Service Centre and all Council libraries. A consultation page that explained the proposal of Council and information about how people could get in touch, including an online submission form, was published on the Council's website.
- 5.3 Consultation information was also shared through Council's social media channels, Build Palmy email newsletter, and also a postal letter to over 1000 commercial building owners and occupiers.

6. CONCLUSION

- 6.1 Council consulted with the community on proposed changes to the Dangerous, Affected, and Insanitary Buildings Policy. Through submissions, the community responded to the proposal, indicating reasons they supported the proposal (or specific aspects of it), why they did not support the proposal, and requested Council consider further changes.
- 6.2 Following an analysis of the submissions, one further change to the Policy is proposed, along with minor changes to the strategic context that were omitted from the initial draft.
- 6.3 The report recommends that the draft Dangerous, Affected, and Insanitary Buildings Policy 2024 is adopted (Attachment 1).
- 6.4 If adopted the Policy will be effective from the date of adoption.

7. NEXT ACTIONS




- 7.1 Once adopted Council will provide a copy of the Policy to the Chief Executive of the Ministry of Business, Innovation and Employment as required by [section 132 \(3\)](#) of the Building Act 2004.
- 7.2 The community will be notified that the Policy has come into effect on the date of adoption.
- 7.3 Public notices will be placed, and submitters will be contacted and advised of the outcome of the consultation process. The Policy will be published on

Council's website, with physical copies available in the Customer Service Centre.

8. 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?	Yes
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations primarily contribute to: Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in: 9. Mahere haumarū hapori, hauora hapori 9. Community Safety and Health Plan The objective is: Assess and manage risks arising from dangerous and insanitary city buildings.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The Dangerous, Affected and Insanitary Buildings Policy ensures that Council can have a pragmatic and agile response to identifying and remedying buildings that may endanger the people who use them and surrounding property in Palmerston North.

ATTACHMENTS

1. Dangerous, Affected, and Insanitary Buildings Policy 2024 [↓](#) 
2. Summary of Submissions - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 [↓](#) 
3. Submissions - Draft Dangerous, Affected, and Insanitary Buildings Policy 2024 [↓](#) 

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Draft Waste Management and Minimisation Bylaw - approval for consultation

PRESENTED BY: Peter Ridge, Senior Policy Analyst

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee agree for public consultation the draft Waste Management and Minimisation Bylaw and Administration Manual (as shown in Attachment 1).

SUMMARY OF OPTIONS ANALYSIS FOR DRAFT WASTE MANAGEMENT AND MINIMISATION BYLAW - APPROVAL FOR CONSULTATION

Problem or Opportunity	Council decided in August 2021 to produce a revised Waste Management and Minimisation Bylaw for public consultation. Following the adoption of the Waste Management and Minimisation Plan earlier this year, the opportunity is for the Committee to agree for consultation the draft Bylaw and Administration Manual and seek the views of the community on the proposed changes.
OPTION 1:	Agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation
Community Views	Staff have undertaken some early engagement to get initial feedback on the proposed changes. The Council also received valuable feedback on many of the same issues via the consultation on the Waste Management and Minimisation Plan earlier this year.
Benefits	Public consultation allows the Council to receive input from the community so that it can understand the community's views before it makes a decision.
Risks	There are no particular risks identified for this option.
Financial	There are no significant financial issues. Public consultation on the draft Bylaw and Administration Manual will be met from within existing budgets.
OPTION 2:	Do not agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation
Community Views	Staff have undertaken some early engagement to get initial feedback on the proposed changes. The Council also received valuable feedback on many of the same issues via the consultation on the Waste Management and Minimisation Plan earlier this year.
Benefits	There are no benefits identified for this option.
Risks	Not consulting on a revised Bylaw and Administration Manual and leaving the existing Bylaw unchanged would be inconsistent with the decision of Council in August 2021 to develop a revised Bylaw for consultation. It would also be inconsistent with the strategic direction that Council has signalled through the Waste Management and Minimisation Plan.

Financial	There are no financial considerations for this option.
-----------	--

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

1.1 In August 2021 the Council made determinations under S155 that a bylaw was the most appropriate means of addressing the perceived problem and agreed to develop a revised bylaw. Two other pieces of work were completed in advance of revising the Waste Management and Minimisation Bylaw:

- A report to the Sustainability Committee in June 2023 providing an overview of regulatory and service provision options to minimise waste to landfill;
- The development of the Resource Recovery Plan and Waste Management and Minimisation Plan (WMMP), as part of the Long-Term Plan 2024/34.

1.2 With the conclusion of that work, and the adoption of the WMMP in 2024, we have now prepared a revised Waste Management and Minimisation Bylaw for consultation. The opportunity is for the Committee to approve this draft Bylaw for consultation and seek the views of the community on the proposed changes.

2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

2.1 The current Waste Management and Minimisation Bylaw (and Administration Manual) were first adopted in 2016. Both documents have been amended over the past 8 years.

2.2 Under the Local Government Act 2002 (the Act) a bylaw must be reviewed within 5 years of its adoption. In this context, the review process requires the Council to reconsider whether a bylaw is the most appropriate way of addressing the perceived problem. If the Council considers that a bylaw remains the most appropriate way of addressing the perceived problem, then it must make that determination under S155 of the Act. On 11 August 2021, the Council received a report that set out the matters for reconsideration, and resolved that:

“a bylaw is the most appropriate way of addressing the perceived problems of maximising the diversion of waste to beneficial uses; regulating and managing the operation of kerbside waste and recycling collection activities; and minimising the potential for waste to create a nuisance in public places.”

3. DESCRIPTION OF OPTIONS

3.1 There are two main options for the Committee to consider.

Option 1: Agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

3.1.1 This option would enable the Council to consult the community on the proposed changes in the draft Bylaw and Administration Manual and take the community's views into consideration before making a final decision about whether to adopt the Bylaw.

3.1.2 Staff identified a range of issues and potential areas of change within the Waste Management and Minimisation Bylaw and Administration Manual. These were identified:

- from the issues raised by submitters on the draft Waste Management and Minimisation Plan/Resource Recovery Plan in 2024;
- from the issues raised by members of the public in general queries and requests for service since the Bylaw was adopted in 2016;
- in discussion with staff involved in the implementation of the Bylaw and in the delivery of resource recovery activities.

3.1.3 The potential areas of change that staff explored were:

- Events waste management and minimisation;
- Construction and demolition waste;
- Commercial waste collector licensing;
- Kerbside recycling bins (placement, contamination, and replacement costs);
- Unsolicited mail;
- Maps showing the kerbside collection service area; and
- Polystyrene collection.

3.1.4 Staff evaluated these issues and explored potential solutions for each. Attachment 2 includes a summary of the discussion and analysis of these issues. This analysis informed the proposed changes to the draft Bylaw and Administration Manual, as outlined below:

Licensing commercial waste collectors

- The current Bylaw includes provisions to license waste collectors, however these provisions have not been implemented to date. There are significant complexities involved in developing the necessary systems to implement this provision, and more resources will be needed.

- The WMMP 2024 includes an action (with budget) to license waste collectors in 2026/27. The proposed changes in the draft Bylaw and Administration Manual expand the scope of conditions that may be applied to commercial waste collectors, including the type and size of container they may use, and the days/times they may be licensed to operate. The details of how these conditions would be applied will be determined through the licensing system that is planned to be developed in 2026/27.

Construction and demolition waste

- The draft Bylaw includes a new provision that provides a means for requiring site waste management and minimisation plans. These plans would set out how construction and demolition waste is managed and require builders and demolition teams to include processes for minimising the amount of waste that goes to landfill.
- The new provision would give Council the ability to pass a resolution requiring site waste management and minimisation plans to be submitted alongside a building consent application. This would apply only for building work requiring consent over a specified threshold.
- The inclusion of this provision in the draft Bylaw does not – in itself – create the requirement to submit a site waste management and minimisation plan. If this provision is adopted, then staff will undertake further work to determine a new system, including considering:
 - the appropriate threshold for the value of building work;
 - the systems necessary to enable the consideration;
 - monitoring of site waste management and minimisation plans; and
 - the impacts on both the Council and the building sector.
- There are many details about this approach which are not yet known. For instance, we don't know what an appropriate threshold is to set for the value of building work. We don't know what the impact would be on the building sector. We don't know what impact such a system would have on existing Council services, specifically the Building Services team and the Resource Recovery team, and whether further resources would be required. Before the Council made a resolution using this new provision we would need to do further work to evaluate the impact on Council resources and the building sector and be confident that it would not create unintended consequences.
- The provisions proposed for the draft Bylaw include a requirement for the Council to consult further before making a resolution to require site waste management and minimisation plans. If the Council was not satisfied with the impacts of this provision, it would not be obliged to make a resolution bringing the new requirements into effect. The ability to do so in future would remain.

Events waste management

- The draft Administration Manual includes stronger language around the requirements for waste minimisation by event managers. The draft Administration Manual Event requires participants to use only recyclable or reusable packaging or serveware wherever possible, and not use non-recyclable materials. Additionally, the event organiser would be required to record the types and quantities of waste and recyclable material they collect, sort it, and dispose of it correctly.

Various wording improvements and updates

- The kerbside collection service area maps have been updated to reflect the most current collection areas. We have also amended the 'Three Strikes' process map for dealing with contaminated recycling bins in the draft Administration Manual. The period within which three strikes remain 'active' has increased from three months to six months. This allows a recycling bin collection service to be further suspended for a property where a person continues to contaminate their recycling bin even after the initial suspension has been lifted. We also included a new provision that allows the Council to charge for a replacement recycling bin or glass crate. While the Council expects and budgets for a certain number of replacement bins and crates each year, some properties have an unusually high number of requests for replacement bins. This new provision enables the Council to charge for the replacement bin or crate.

3.1.5 We were able to undertake some early engagement on these proposed changes with identified stakeholders.

- We met with the coordinator for Environment Network Manawatū and outlined the scope of proposed changes and the reasons for those proposals. This was a general discussion of the matters covered by the Bylaw.
- We sent a survey to event managers who had organised events on Council land or with Council funding, to gauge the impact of existing requirements for events waste management and minimisation. We received four responses. The response rate was not sufficient to draw strong conclusions, but none of the responses identified significant concerns with the current requirements for events waste management.
- We extended an invitation to businesses and organisations operating in the waste and recycling sector to meet with us and discuss any concerns or observations about the current Bylaw, or gaps that the Council could address. The opportunity was not taken up.
- We also drew on the submissions received on the Waste Management and Minimisation Plan, which the Council consulted on earlier this year.

Option 2: Do not agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

- 3.1.6 This option would halt the current process of revising the Bylaw, pending further decisions by the Council. If no additional decisions were made, then the current Bylaw and Administration Manual would remain in place.

4. ANALYSIS OF OPTIONS

- 4.1 This analysis of options considers the benefits and disadvantages for the two options identified in section 3 above – the decision to approve the draft Bylaw and Administration Manual for public consultation, or to not consult. It does not however include discussion of the specific changes included in the draft Bylaw and Administration Manual.
- 4.2 For the discussion of the scope of changes we considered while drafting the Bylaw and Administration Manual please refer to Attachment 2 to this report. It sets out the areas we explored while drafting the Bylaw and Administration Manual, along with any alternatives we considered and the reasoning for the changes to the Bylaw and Administration Manual that we recommend.
- 4.3 The following analysis of options assumes that the suggested changes to the Bylaw and Administration Manual proposed in Attachment 1 are generally supported by the Committee. If the Committee wishes to make further or different changes in the draft Bylaw or Administration Manual, then these changes can be incorporated in the final document prior to consultation.

Option 1: Agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

- 4.4 Approving the draft Bylaw and Administration Manual for public consultation has several benefits. It allows the community to make its views known to Elected Members, so that those views can be considered as part of the Council's decision-making process. A broad public consultation process gives the Council the chance to set out the changes it is proposing to make and seek input from the community that can identify improvements not identified by staff. It can also identify gaps in the scope of proposed changes and suggest alternatives that we may not have considered. Public consultation gives the Council the opportunity to make the best possible decision.
- 4.5 Public consultation also ensures good communication with key stakeholders and the general community about the direction that the Council is intending to take. For instance, with the proposed changes to the draft Bylaw and Administration Manual, the Council can signal its intention to move forward with licensing commercial waste collectors. Similarly, by including a new requirement for building consent applicants to submit a site waste management and minimisation plan for work over a specified threshold, the Council can signal how it intends to improve the rate of diversion of construction and demolition waste from landfill.

- 4.6 There are no identified disadvantages to public consultation. The changes we are proposing to make in the draft Bylaw and Administration Manual are aligned to the Waste Management and Minimisation Plan. However if the community strongly disagrees with the proposed changes, then the public consultation process provides the community with the opportunity to make its views known. Council then has the chance to revisit its proposals following consultation if submissions indicate significant concerns with those proposals.

Option 2: Do not agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation

- 4.7 If the Committee is not satisfied with the proposed changes included in the draft Bylaw and Administration Manual, then option 2 is appropriate. Such a decision allows the Committee to request staff to do further work or revisit specific parts of the proposal.
- 4.8 If the Committee chooses option 2 but does not want any further work to be done on the Waste Management and Minimisation Bylaw, then the current Bylaw will remain in effect. However, this decision would be inconsistent with the decision that the Planning & Strategy Committee made on 11 August 2021:

24.4-21

“That the Chief Executive be instructed to draft a revised Waste Management and Minimisation Bylaw which addresses the perceived problems of maximising the diversion of waste to beneficial uses; regulating and managing the operation of kerbside waste and recycling collection activities; and minimising the potential for waste to create a nuisance in public places.”

The Council would need to resolve the inconsistency by rescinding the earlier decision.

- 4.9 Considering the benefits and disadvantages of both options, staff recommend that option 1 – agree the draft Waste Management and Minimisation Bylaw and Administration Manual for public consultation – is the appropriate decision. In addition to the clear benefits that consultation offers, the proposed revisions to the draft Bylaw are consistent with the direction that the Council signalled through the adoption of the Waste Management and Minimisation Plan in June 2024. Furthermore, the community views expressed through the consultation on the WMMP earlier this year showed community support for that direction.
- 4.10 If the Committee is in favour of consulting on the draft Bylaw and Administration Manual but wishes to make further or different changes to the documents before consultation, then this can be accommodated. Minor changes or improvement may be able to be incorporated by resolutions of the Committee. More substantial revisions or further work may require staff to bring a revised version of the documents back to the Committee for further consideration.

5. CONCLUSION

- 5.1 The recommendation is to agree the draft Bylaw and Administration Manual for public consultation. This will provide the opportunity to articulate the proposed changes the Council is considering, and give the community, along with key stakeholders, the opportunity to make their views known to the Council before a final decision is made. There are no significant disadvantages to this recommendation.
- 5.2 If the Committee would like to include other or different changes in the draft Bylaw or Administration Manual then these could be incorporated by a resolution of the Committee. If substantial re-working of the draft Bylaw or Administration Manual is required, then it would be appropriate for staff to bring a revised set of documents to a subsequent meeting of the Committee for approval for consultation.

6. NEXT ACTIONS

- 6.1 We expect to begin public consultation on 30 November, with the written submission period closing on 24 January 2025. The longer written consultation period accounts for the Christmas/New Year break.

7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS



- 7.1 A consultation plan has been developed and will be implemented. Consultation will include:
 - Making the Statement of Proposal (which includes the draft Bylaw and Administration Manual) widely available;
 - Direct contact with partners and identified stakeholders and interested groups and organisations. We will also include those who made a submission on the draft WMMP earlier in 2024.
 - Discussion of the draft Bylaw and Administration Manual with our iwi and mana whenua partners.
- 7.2 Following the written consultation period, we expect to hold hearing of oral submissions at the Committee's February meeting.
- 7.3 A report with advice on the issues raised by submitters will be presented to the Committee's May meeting. This will allow the final Bylaw and Administration Manual to be adopted by June 2025.

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?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>The recommendations contribute to:</p> <p>Whāinga 4: He tāone toitū, he tāone manawaroa</p> <p>Goal 4: A sustainable and resilient city</p>	
<p>The recommendations contribute to the achievement of objective/objectives in:</p> <p>12. Mahere taumanu para</p> <p>12. Resource Recovery Plan</p> <p>The objective is: Provide waste collection services, including kerbside collection, the Ashhurst Transfer Station, and public space rubbish bins; provide recycling collection services, including kerbside recycling, drop-off centres and public space recycling bins; promote waste reduction; divert waste from landfill.</p>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>The Waste Management and Minimisation Bylaw supports almost all of the objectives of Mahere taumanu para/Resource Recovery Plan. It provides the regulatory basis for implementing the range of waste management and minimisation activities that Council delivers. Revisions that bring improvements to the Bylaw and Administration Manual help Council to achieve its objectives in the resource recovery activity.</p>

ATTACHMENTS

1. Statement of Proposal - Draft Waste Management and Minimisation Bylaw 2025 [↓](#) 
2. Waste Management and Minimisation Bylaw 2025 - Analysis of Issues Considered by Staff [↓](#) 

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Policy and bylaw work programme 2024-2027

PRESENTED BY: Julie Macdonald, Manager Strategy and Policy

APPROVED BY: David Murphy, General Manager Strategic Planning

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee receive the report titled 'Policy and bylaw work programme 2024-2027', presented to the Strategy & Finance Committee on 13 November 2024.

1. PURPOSE OF THIS MEMO

The purpose of this memo is to inform Elected Members about the proposed policy and bylaw programme (within the scope of the Strategy and Policy Team) for the next three years.

2. BACKGROUND

Role of the Strategy and Policy Team

This team of 6.8 FTEs has four main functions:

Function	Activities include:
1. Gathering, analysing and presenting data and research to inform decision-making	<ul style="list-style-type: none"> • The City Dashboards • Quarterly Economic reporting • Population projections • Recreation needs assessments • Residents' Survey • Economic analysis for planning projects
2. Working with Elected Members and the community to develop the Long-Term Plan strategic	<ul style="list-style-type: none"> • Research and engagement • Drafting of strategic documents (the City Strategy and plans)

direction	
3. Contributing to service delivery	<ul style="list-style-type: none"> • Managing the Sport Manawatū contract • Convening the Smokefree Auaahi Reference Group • Supporting the implementation of He rā ki tua and sports facility proposals • Advising operational areas of Council on policy implementation
4. Developing and reviewing policies and bylaws	See Attachment 1 for the current policy and bylaw work programme.

This fourth team function, to develop and review policies and bylaws, is the subject of this memo.

Policy Framework

In 2020 a review was completed by the Business Assurance Team. The outcomes of this review included the recommendation to develop a policy framework to articulate the roles and responsibilities for Council-adopted policies (which includes bylaws). In February 2022 the then Executive Leadership Team (now Senior Leadership Team, SLT) approved the Policy Framework. A summary diagram of the policy process is Attachment 2.

One of the responsibilities of the Strategy and Policy Team is to implement the Policy Framework when developing and reviewing policies and bylaws. This team also has a role in supporting other teams to successfully implement a sound policy process when developing or reviewing policies that are the responsibility of those areas of Council. These include the City Shaping Team (e.g. Earthquake Prone Buildings Policy, Development Contributions Policy) and the Finance Team (e.g. Procurement Policy). The Framework requires that each policy adopted by Council has an implementation plan approved by SLT.

What is policy?

Simply put, a policy is a statement of ideas or principles that commit the decision-maker to a course of action. A policy is typically a response to a problem.

Figure 1 from the Policy Framework provides an illustration of the different roles policy can have in our organisation:

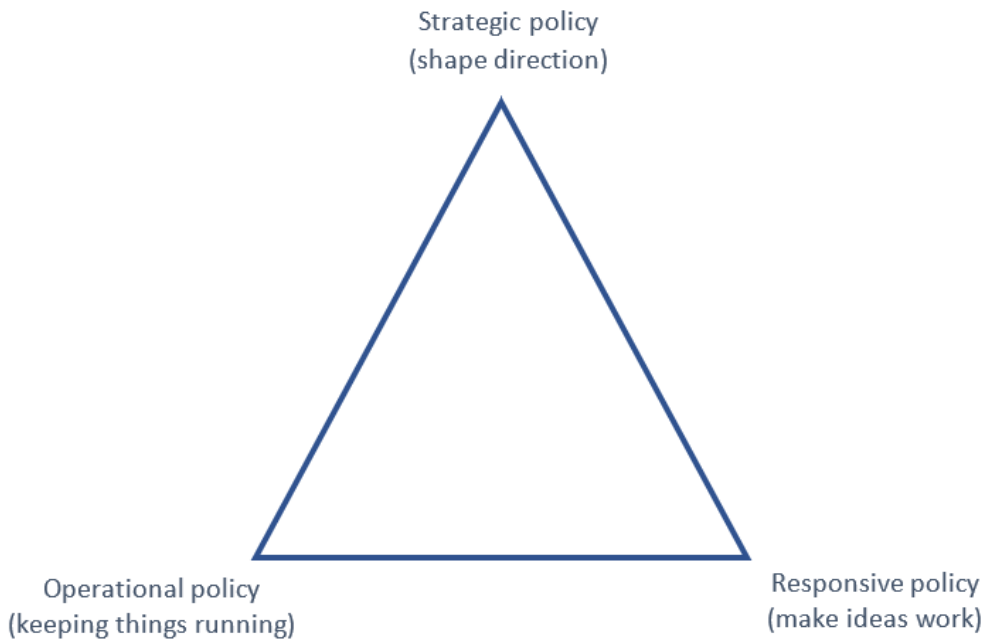
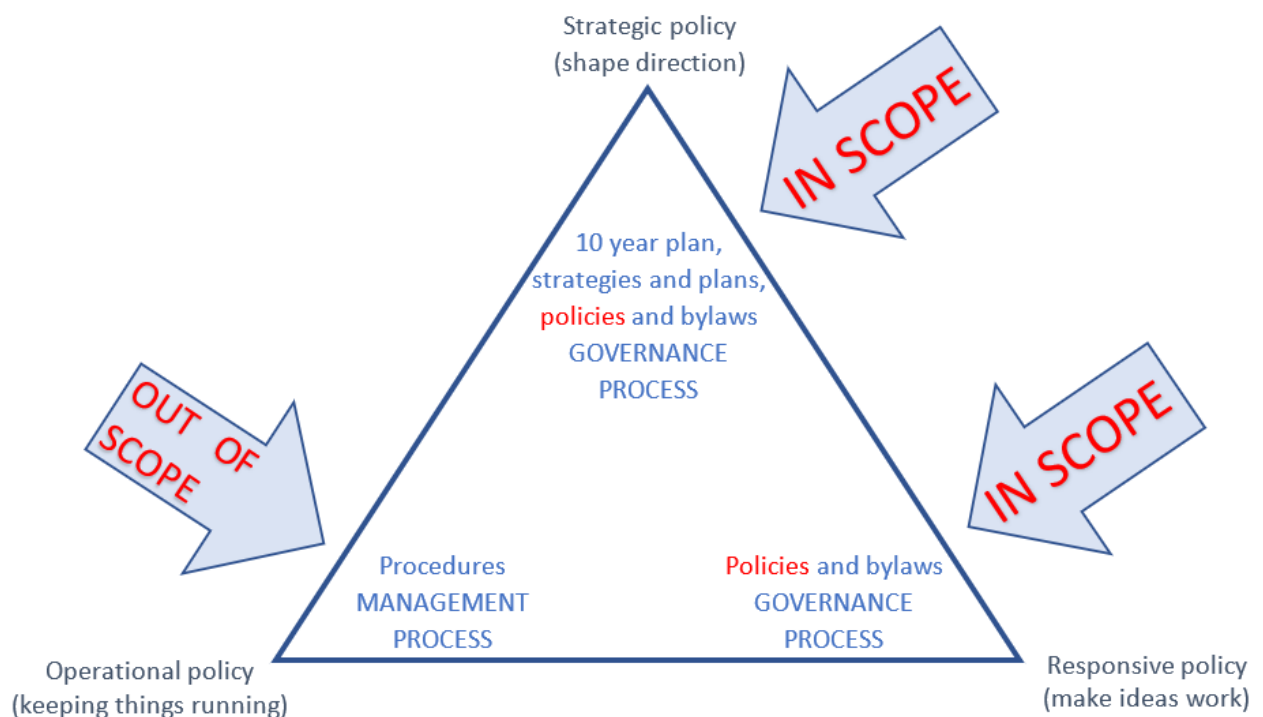


Figure 1: Type of policy (adapted from Scott and Baehler, 2010)

The scope of the Policy Framework is policies that are publicly consulted on and adopted by Council, as illustrated in Figure 2, below. This excludes the myriad of guidelines that assist our organisation to deliver on Council's direction to operate effectively (such as policies for staff, or operational guidelines). Those things sit more appropriately within the oversight of management rather than the governance arm of Council.

Figure 2: Type of policy with corresponding Council processes



Scope of this report

Development of the overarching strategic direction of Council (the second function of the team, listed above) is within scope of the 'Strategic policy' part of Figures 1 and 2. However, the vision, goals, outcomes, plans, and objectives adopted by Council are outside of the scope of this report. These important policy elements may be the subject of a further report once planning for the next LTP is underway.

3. POLICY AND BYLAW WORK PROGRAMME

Efforts to reinforce the Policy Framework approach

For some years now we have endeavoured to provide Elected Members with consistent and early advice on the options available to respond to an identified policy problem. We hope this approach provides Elected Members with the advice they need to make informed decisions. There is always a variety of options available to Council, including (depending on the issue) a simple resolution, a policy or bylaw process, or a request for further information. Notable successes with this 'early advice' approach include the amendment to the Traffic and Parking Bylaw in response to issues about street racing, and advice informing the draft Food Security and Resilience Policy.

SLT has also made efforts to reinforce the Policy Framework by requiring approval of implementation plans that follow the adoption of any policy or bylaw. Council receives regular reports on the implementation of some policies (such as the Play Policy and the Waste Management and Minimisation Plan), however for the most part this monitoring is the responsibility of SLT.

Work programme for 2024/2025 – 2026/2027

The development and review of 11 of Council's 41 policies sit outside the work programme of the Strategy and Policy Team. These are the:

- Governance policies (Appointment of Directors, Code of Conduct, Elected Members' Development and Training, Local Government Statement)
- Planning policies (Business Improvement District, Development Contributions, Earthquake Prone Buildings, Vegetation Framework)
- Finance policies (Procurement, Rates Remission and Postponement, Treasury)

Responsibility for development and review of the remaining 30 policies sits with the Strategy and Policy Team. Attachment 1 describes the Team's policy and bylaw work programme developed in response to the 2024-2034 LTP.

The Strategy and Policy Team does not have consultancy resources to complete its work, unless explicitly allocated by Council for a particular purpose (e.g. the indoor courts study). This means that there is continual prioritising of staff resources as different issues arise in Council and the community. Not all work can be easily

anticipated, and in the past several years there have been some new pieces of work requested by Council that impact on the delivery of the work programme.

One of the ways we have sought to be more efficient in the use of our resources is to find common ground amongst previously-adopted policies to enable combining or at least the parallel review processes. For example, three different policies are in the process of being combined into the new Health Promotion Policy. Similarly, we are reviewing the Policy for the Use of Public Space alongside the broader Signs and Use of Public Places Bylaw. These two policy documents have some common issues, and it makes sense to discuss these with the community as a wider policy problem.

Uncertainties with specific projects

At present it is difficult to include the following projects in the work programme with any degree of certainty.

- Speed Management Plan development

Council has done considerable work to develop a Speed Management Plan following the previous Government's change to the process for setting speed limits. The new Speed Limits Rule is now published, and staff are reviewing the Rule to identify the impacts for Council.

- Local Alcohol Policy

Options for continuing this work were considered in a Part 2 report to the Community Development Committee in October 2024. The decision made by Council on this matter could impact on the Team's other planned work.

4. CONCLUSION

The Policy Framework is gradually becoming embedded in the Council organisation. Policy advice to Council consistently references the stages of policy development, and SLT endorses policy implementation plans as they are developed by policy 'owners' throughout the organisation. We anticipate that these measures will contribute to a growing confidence for Elected Members and the community that policy is being developed, reviewed, and implemented appropriately.





As we move through this first three years of the LTP, there are bound to be new policy questions, or Government decisions that impact on decisions able to be made by Council. In these instances we will provide advice to Council about the potential for revisions to the agreed work programme and the impact of any changes made.

5. 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 objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: All four Council strategic goals.	
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: 'Base our decisions on sound information and advice' and 'Provide clear and accessible information and opportunities for community input into Council decisions' and 'Oversee Council operations and communicate outcomes and decisions to our communities'.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Council operations are guided by a series of Council-adopted policies and bylaws. Ensuring that these documents are developed and reviewed appropriately contributes to the Governance and active citizenship plan objectives.

ATTACHMENTS

1. Policy and bylaw work programme  
2. Policy Framework process diagram  

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Small vehicle fleet ownership and long-term lease investigation results

PRESENTED BY: Cameron McKay, General Manager Corporate Services

APPROVED BY: Waid Crockett, Chief Executive

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee note the advice that Council continues to own its own small vehicle fleet.

1. ISSUE

- 1.1 Council resolved in November 2023 (193.3-23) to investigate options to transition out of small vehicle fleet ownership and long-term lease, with a view to utilisation of a carshare or similar services from Financial Year 2027 onwards.
- 1.2 This memorandum summarises that investigation.

2. BACKGROUND

Council small vehicle fleet

- 2.1 The current fleet is made up of 173 vehicles, of which 45 are classified as passenger vehicles, 64 as heavy and 64 as commercial vehicles. Passenger vehicles can then be further categorised according to the table below.

Table 1: Small vehicle breakdown

Vehicle type	Senior Leadership Team/ Mayor	Kitted with specific work-related equipment	Located at remote sites	Pool vehicles based at Central Administration Building	Pool vehicles based at Depot
Number of vehicles	6	18	3	14	4

2.2 The focus of the memorandum is the 18 pool vehicles which Officers consider are suitable for the operation of a Movement as a Service (MaaS) type solution. The remaining small fleet has not been included as they are kitted with specialised equipment or used in a manner not suitable for a MaaS solution.

3. OPTIONS- DEFINITIONS

Continued ownership model

Council purchasing, operating and selling passenger vehicles for organisational use. Efficiency savings may be possible with hybrid/electric options or fleet rationalisation.

Lease

Transition away from ownership to a lease option with vehicles owned by a third party who would take responsibility for purchasing, maintenance and disposal of passenger vehicles. Operational costs would remain the same.

Movement as a Service (MaaS)

Transition to a MaaS or on-demand service where vehicles would be made available to staff on an 'as needed' basis through subscription to a specific service, most likely through a mobile phone app. Ownership costs would be eliminated in exchange for a reduction in ease of access and increased operational costs. There is potential for co-benefits depending on the details of the service selected.

4. OPTIONS- DISCUSSION

Lease vs. ownership

4.1 A comparison of four-year lease costs carried out by Carbn Asset Management (as at September 2023; see Attachment 1), taking into account depreciation considerations against lease payments, found that vehicle ownership is approximately \$2000 cheaper than an equivalent lease arrangement per vehicle. Due to Council being able to access All of Government pricing, savings would increase by a further \$850 per vehicle (based on BYD Atto 3 passenger vehicle).

4.2 Outside of the purchase price savings, other factors have been considered by Officers:

Pros

- A fixed term lease arrangement eliminates unknowns around future sales price, cost fluctuations and interest rates/depreciation.
- Replacements can be timed to take advantage of new or emerging technology (assuming this is available in the lease market).
 - There is potential to consider a mixed ownership model, where the organisation would take on a portion of the lease whilst a staff member would take on the remainder.

Cons

- Costs are transferred from debt funded CAPEX to rate funded OPEX for new vehicles. Renewals are rates funded over 3 years, however Council would lose the benefit of being able to stretch the renewal interval if desired.
- Loss of control of costs and possible termination costs if the fleet size needs to shrink.
- Lease pricing misses the opportunity to access the benefits of All of Government pricing when purchasing vehicles.
- Lease pricing takes into account financing costs whereas Council has much lower borrowing rates than lease companies are likely to achieve.
- Relies on the ongoing viability of the service provider.
- Leased vehicles often have mileage restrictions, leading to fees if exceeded, and where usage is lower than contracted, the lease company benefits on the resale value of the vehicle.
- Modifications to the vehicle are generally not permitted.

MaaS vs. ownership

- 4.3 In this option, providers such as Mevo and Zilch could be encouraged into the city through the agreement of a contract with Council and other local organisations/businesses. They would then provide access to a fleet of electric vehicles through a mobile phone app in a similar way to the e-scooters currently in operation in the City.
- 4.4 In the 12-month period ending 31 July 2024, the 18 passenger vehicles in the pool fleet were in operation (drive time) for 15,404 hours. Fleet operational costs include fuel Road User Charges, servicing etc. as well as the cost of vehicle purchase spread across a 4-year period. Total fleet (current hybrid fleet) operational costs have been equated to \$124,763 per year.
- 4.5 The table below compares operational costs against Mevo and Zilch subscriptions for 18 vehicles per annum. It should be noted that both Mevo and Zilch services charge for a variety of issues including cleaning costs, cancellation costs, access card replacement, failure to plug in a car on return, etc. This has been assumed at \$50 per vehicle per year for the purposes of this calculation. It is also worth noting that the MaaS providers have a minimum hourly usage charge of 1 hour, whereas the base usage of the current fleet in 2023/24 was actual hours used, rather than hourly rounding.

Table 2: Annual operational costs comparison

Vehicle Type	Ownership	Lease	Mevo Subscribe	Mevo Hourly	Zilch
BYD Atto3	\$ 124,763	\$ 186,462	\$ 253,458	\$ 369,705	\$ 257,274
Variance against Ownership	0	+ \$ 61,669	+ \$ 128,695	+ \$ 244,942	+ \$ 132,511

4.6 In addition to operational cost savings, other factors have been considered by Officers:

Pros

- Eliminates the need to own and manage passenger vehicles, notably pool cars.
- Provides an incentive to reduce mileage travelled by staff.
- Reduces carbon emissions by rapidly transitioning to an all-electric fleet.
- Potentially provides a new service to city residents and visitors as vehicles will be publicly available.
- Encourages other organisations and businesses to take up MaaS options.
- Allows staff access to vehicles (at their own expense) without incurring fringe benefit tax.

Cons

- May lead to cars not being available when desired leading to a reduction in response times and could have an impact in emergencies and a stricter booking and collection requirement.
- Available vehicles may not be located at appropriate location between work sites for ease of access.
- The Mevo and Zilch subscribed options are only available between the hours of 6am and 5pm Monday to Friday.
- May require the establishment of a new system in Palmerston North potentially including creation of a 'hub' where vehicles will be based when not in use.
- Would require a behaviour change programme including staff training and a period of user support.
- Increased administrative burden, including providing a support service to users.
- Potential for fines due to breach of terms and conditions.
- Relies on the ongoing viability of the service provider.

5. SUMMARY ANALYSIS

- 5.1 Fleet ownership by the organisation remains more advantageous financially and non-financially than other lease or carshare options.
- 5.2 Officers recommend that the organisation retains the current ownership model and continues to progress electrifying the fleet where practical to minimise emissions and reduce annual operating costs.


6. NEXT STEPS

- 6.1 The Fleet and Supply Team will focus on maximising utilisation of the fleet by exploring additional pooling of vehicles to optimise the size of the fleet. This could result in a reduction of capital costs.
- 6.2 The Fleet and Supply team will continue to explore options to minimise carbon emissions and potential operating savings, such as new alternate fuel options, and monitor any future opportunities as they emerge, such as the potential of Micro vehicles.

7. 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 objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city	
The recommendations contribute to the achievement of objective/objectives in: 10. Mahere āhuarangi hurihuri, toitūtanga 10. Climate Change and Sustainability Plan The objective is: Reduce the production of greenhouse gases from Council activities	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Ongoing review of our practices ensures effective and efficient government.

ATTACHMENTS

1. Commissioned Fleet Audit, Optimisation and Transition Study (Carbon Asset Management) [↓](#) 

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Public Notification of a Community Occupancy Lease to Manawatū Racing Pigeon Club Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee continue to support Manawatū Racing Pigeon Club Incorporated by notifying the public of its intention to grant community occupancy of Council land at 53 Totara Road, Palmerston North in accordance with the Support and Funding Policy 2022.
2. That the Committee note the land affected by the community occupancy of Manawatū Racing Pigeon Club Incorporated is described as Part Lot 2 DP 2003.

SUMMARY OF OPTIONS ANALYSIS FOR PUBLIC NOTIFICATION OF A COMMUNITY OCCUPANCY LEASE TO MANAWATŪ RACING PIGEON CLUB INCORPORATED

Problem or Opportunity	<p>The Racing Pigeon Club has requested support from Council by granting community occupancy through a new lease agreement.</p> <p>This report seeks Council's approval to commence the public notification process for the preferred option (Option 1) in accordance with the Support and Funding Policy 2022.</p>
OPTION 1:	Notify the public of Council's intention to continue supporting the Club by granting occupancy via a lease under the Support and Funding Policy of the site being 53 Totara Road
Community Views	<ul style="list-style-type: none"> Community views will be sought during the public notification period.
Benefits	<ul style="list-style-type: none"> The community views, along with any objections received, will be considered to inform the decision. Council can continue supporting and developing the relationship with the Club and enable them to continue their activities.
Risks	<ul style="list-style-type: none"> There is a reputational risk where other community organisations may feel aggrieved that they have not been given the opportunity to lease the land. This risk can be mitigated through the transparent submission process.
Financial	<ul style="list-style-type: none"> The costs of public notification will be minor. Council will receive the annual rent of \$150.00 plus GST.
OPTION 2:	Do not notify the public of the preferred option (intention to support through a lease) which would effectively end the Club's occupancy of Council land
Community Views	<ul style="list-style-type: none"> Community views to inform the Council's decision on the Club's proposed occupancy will not be sought.
Benefits	<ul style="list-style-type: none"> Should the lease end, and the Club be requested to vacate the premises, the Support and Funding Policy provides a process for Council to explore alternative use options of the land prior to potentially seeking an alternative occupant. This allows for a strategic view of land use when an arrangement ends. Under the current lease, at the expiration of the lease, Council has the option to purchase the Club's buildings and improvements within three months of the date of

	expiration at a price agreement between both parties.
Risks	<ul style="list-style-type: none"> • There is a reputational risk that Council may be criticised for not supporting the activities of the Club, especially given they are established on the site. This risk cannot be mitigated. • There is a further reputational risk where Council may be criticised for placing a financial burden on the Club after asking them to vacate. If Council wishes to proceed with this option, the Club will be required to vacate the land and, unless agreed otherwise, remove all assets, and return the land to its original state at their cost. Whilst this is set out in the lease conditions, that will not mitigate the reputational risk caused from perception.
Financial	<ul style="list-style-type: none"> • Council would no longer receive the existing annual rent of \$150.00 plus GST. • Council staff time would be required to assist in the process of the removal of improvements.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Club was formed over 44 years ago and have been occupying the site since 1995, to promote and provide the opportunity for any interested persons to participate in the sport of Racing Pigeons.
- 1.2 The Club has recently become an incorporated society and wishes to enter into a new lease agreement, to remove the personal liability from its two committee members, currently listed as the leaseholders, and to meet the requirements of the Support and Funding Policy.
- 1.3 Council only leases the land to the Club. The Club owns all improvements within the lease area.
- 1.4 Under the Council's Support and Funding Policy, if a for-purpose organisation requests a new lease for the occupancy of Council land at the end of their agreed term, the proposal is to be publicly advertised to seek feedback from the public.
- 1.5 This report seeks Council's approval to commence the public notification process in accordance with the Support and Funding Policy, noting that this is the first step in the process, and only seeks approval for consultation.
- 1.6 The final decision to lease to the Club will be brought to the Strategy & Finance Committee in a subsequent report which will discuss any feedback received.

2. THE PROPOSAL

- 2.1 The proposed lease area is approximately 271m² as outlined in Figure 1 below.
- 2.2 If the land lease is granted the proposed annual rental is \$150.00 plus GST. This is consistent with the framework in Council's Support and Funding Policy.
- 2.3 The proposed term would be for five (5) years, with one right of renewal for a further five (5) years.
- 2.4 If a new lease is commenced, the use of the site will remain the same.



Figure1: Proposed leased area

- 2.5 The proposed 10-year term structure, made up of two 5-year terms, is consistent with the standard lease terms entered on Council land. This tenure has been discussed with, and agreed to, by the proposed tenant. If Council wishes to grant a longer term, then direction will need to be given to do so.

3. ASSESSMENT OF PROPOSAL UNDER THE SUPPORT AND FUNDING POLICY

- 3.1 The Support and Funding Policy provides a framework for how Council will deliver support and funding to groups, organisations, and individuals to achieve the vision of the city. One form of support within the Policy is to enable for-purpose groups to occupy Council-owned property at community rental rates.
- 3.2 All for-purpose groups expressing an interest in occupying Council-owned property, either for a new occupancy or renewal of an existing occupancy, must make an application. The application is then assessed by Council Officers to ensure that firstly they meet the Policy's eligibility criteria before proceeding any further.
- 3.3 Further assessment considerations are outlined in the Policy. In broad terms, the assessment covers three main areas:
- The Policy for the Use of Public Space – guidelines relevant to the application.
 - Reserves Act 1977 – including consideration of the values and purpose of the reserve and the impacts on the public use of the reserve.
 - Impact on the locality and park operations.

A copy of the assessment is attached as Attachment 1.

- 3.4 In summary, following the assessment against the Policy, Council Officers conclude that the Club meets all criteria required.

4. GIVING EFFECT TO THE PRINCIPLES OF THE TREATY OF WAITANGI

- 4.1 Rangitāne o Manawatū representatives have considered the proposal; Rangitāne are comfortable with this proposal and happy for it to proceed.

5. DESCRIPTION AND ANALYSIS OF OPTIONS

Option 1: Notify the public of Council's intention to continue supporting the Club by granting occupancy via a lease under the Support and Funding Policy of the site being 55 Totara Road

- 5.1 This is the preferred option.
- 5.2 Council will seek feedback on continuing to support the Club through the process outlined in the Support and Funding Policy.
- 5.3 After considering feedback, Council can then decide to enter a formal lease with the Club.
- 5.4 The Club contributes to the community and shows strong alignment with Council's strategic direction. The Club adds to Council's priority to lease

Council land and facilities to for-purpose organisations in line with the Community Funding Policy.

Option 2: Do not notify the public of the preferred option (intention to support through a lease) which would effectively end the Club's occupancy of Council land

- 5.5 The impact of this option would mean that the opportunity to seek community feedback on the Club's continued occupancy of the site would not occur.
- 5.6 In turn, this would mean that the lease would cease, and Council would follow the process outlined in the Support and Funding Policy to determine the future use of the land (refer 5.5.1 (b)). The first step in this process is to carry out a strategic options review.
- 5.7 The implication of this option on the Club would mean that they would not be able to continue leasing the site. Under the lease provisions, a decision would then need to be made regarding the improvements owned by the Club.
- 5.8 This option poses the risk that Council will be perceived as not supporting the activities of the Club.

6. CONCLUSION

- 6.1 The proposal is consistent with the requirements of the Support and Funding Policy. Continued occupancy will allow the Club to offer its activities to pigeon racing enthusiasts and the community.
- 6.2 Public notification on the continuing support will provide opportunities for submissions and objections to be made before a decision is made, fulfilling the requirements of the Support and Funding Policy 2022.
- 6.3 It is recommended the Committee proceed with Option 1. The Society's activities contribute to outcomes to achieve Goal 2 of Council's strategic direction.

7. NEXT ACTIONS

- 7.1 Public notification of the intention to grant the lease, seeking submissions and objections.
- 7.2 Provide the opportunity for any submitters that wish to be heard to speak to Council.
- 7.3 Consider the objections and submissions and provide to Council on whether to accept, modify or decline the lease proposal.

8. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

8.1 The proposed consultation process meets the public notification requirements of the Support and Funding Policy 2022 which includes a minimum of one-month period advertised in the Manawatū Standard, Dominion Post and on the Council website.

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?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāianga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A Connected and Safe Community	
The recommendations contribute to the achievement of objective/objectives in 6. Mahere rēhia 6. Recreation and Play Plan The objective is: Administer the Reserves Act 1977.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic, environmental, and social wellbeing of the city.

ATTACHMENTS

1. Assessment of Lease Proposal [↓](#) 

REPORT

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Public Notification of a Community Occupancy Lease to Manawatū Woodworkers Guild Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Committee continue to support Manawatū Woodworkers Guild Incorporated by notifying the public of its intention to grant community occupancy of Council Land at 38 Featherston Street, Palmerston North in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.
2. That the Committee note the land affected by the community occupancy of Manawatū Woodworkers Guild Incorporated is described as Part Lot 13 DP2938 and Lot 2 DP605123.

SUMMARY OF OPTIONS ANALYSIS FOR PUBLIC NOTIFICATION OF A COMMUNITY OCCUPANCY LEASE TO MANAWATŪ WOODWORKERS GUILD INCORPORATED

<p>Problem or Opportunity</p>	<p>The Woodworkers Guild has requested support from Council by granting community occupancy through a new lease agreement.</p> <p>This report seeks Council's approval to commence the public notification process in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.</p>
<p>OPTION 1:</p>	<p>Notify the public of Council's intention to continue supporting the Woodworkers Guild by granting occupancy via a lease of the existing site at 38 Featherston Street (next to the Takaro Sports Club)</p>
<p>Community Views</p>	<ul style="list-style-type: none"> Community views will be sought during the public notification period.
<p>Benefits</p>	<ul style="list-style-type: none"> The community views, along with any objections received, will be considered to inform the decision. Council can continue supporting and developing the relationship with the Club and enable them to continue their activities.
<p>Risks</p>	<ul style="list-style-type: none"> There is a reputational risk where other community organisations may feel aggrieved that they have not been given the opportunity to lease the land. This risk can be mitigated through the transparent submission process.
<p>Financial</p>	<ul style="list-style-type: none"> The costs of public notification will be minor. Council will receive the annual rent of \$150.00 plus GST.
<p>OPTION 2:</p>	<p>Do not notify the public of the preferred option (intention to support through a lease), which would effectively end the Woodworkers Guild's occupancy of Council land</p>
<p>Community Views</p>	<ul style="list-style-type: none"> Community views to inform the Council's decision on the Club's proposed occupancy will not be sought.
<p>Benefits</p>	<ul style="list-style-type: none"> Should the lease end, and the Club be requested to vacate the premises, the Support and Funding Policy provides a process for Council to explore alternative use options of the land prior to potentially seeking an alternative occupant. This allows for a strategic view of land use when an arrangement ends. Under the current lease, at the expiration of the lease, Council has the option to purchase the Club's buildings

	and improvements within three months of the date of expiration at a price agreed between both parties.
Risks	<ul style="list-style-type: none"> • There is a reputational risk that Council may be criticised for not supporting the activities of the Club, especially given they are established on the site. This risk cannot be mitigated. • There is a further reputational risk where Council may be criticised for placing a financial burden on the Club after asking them to vacate. If Council wishes to proceed with this option, the Club will be required to vacate the land and, unless agreed otherwise, remove all assets, and return the land to its original state at their cost. Whilst this is set out in the lease conditions, that will not mitigate the reputational risk caused from perception.
Financial	<ul style="list-style-type: none"> • Council would no longer receive the existing annual rent of \$150.00 plus GST. • Council staff time would be required to assist in the process of the removal of improvements.

RATIONALE FOR THE RECOMMENDATIONS

1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY

- 1.1 The Woodworkers Guild has been occupying Council land at 38 Featherston Street since 2007. Their current lease is due to expire in 2027 and the Club requests a new lease so it can continue to occupy the site.
- 1.2 Since the Club has occupied Council land, the Club has developed the site to provide opportunities for participation in woodworking activities.
- 1.3 Council only leases the land to the Club. The Club owns all improvements within the lease area.
- 1.4 Under the Council's Support and Funding Policy, if a for-purpose organisation requests a new lease for the occupancy of Council land at the end of their agreed term, the proposal is to be publicly advertised to seek feedback from the public.
- 1.5 In addition, as the leased land is reserve land, any new lease is also subject to the requirements of the Reserves Act 1977, which also requires public notification of Council's intention to grant a new lease.
- 1.6 This report seeks Council's approval to commence the public notification process in accordance with the Reserves Act 1977 and the Support and Funding Policy, noting that this is the first step in the process, and only seeks approval for consultation.

1.7 The final decision to lease to the Club will be brought to the Strategy & Finance Committee in a subsequent report, which will discuss any feedback received.

2. THE PROPOSAL

2.1 The proposed lease area is approximately 539m² as outlined in Figure 1 below.

2.2 If the land lease is granted the proposed annual rental is \$150.00 plus GST. This is consistent with the framework in Council's Support and Funding Policy.

2.3 The proposed term would be for five (5) years, with one right of renewal for a further five (5) years.

2.4 If a new lease is commenced, the current lease will be surrendered and a new lease will be entered; the use of the site will remain the same.



Figure 1: Proposed leased area

2.5 The proposed 10-year term structure, made up of two 5-year terms, is consistent with the standard lease terms entered on Council land. This tenure has been discussed with, and agreed to, by the proposed tenant. If Council wishes to grant a longer term, then direction will need to be given to do so.

3. ASSESSMENT OF PROPOSAL UNDER THE SUPPORT AND FUNDING POLICY.

3.1 The Support and Funding Policy provides a framework for how Council will deliver support and funding to groups, organisations, and individuals to achieve the vision of the city. One form of support within the Policy is to enable for-purpose groups to occupy Council-owned property at community rental rates.

3.2 All for-purpose groups expressing an interest in occupying Council-owned property, either for a new occupancy or renewal of an existing occupancy, must make an application. The application is then assessed by Council Officers to ensure that firstly they meet the Policy's eligibility criteria before proceeding any further.

3.3 Further assessment considerations are outlined in the Policy. In broad terms, the assessment covers three main areas:

- The Policy for the Use of Public Space – guidelines relevant to the application.
- Reserves Act 1977 – including consideration of the values and purpose of the reserve and the impacts on the public use of the reserve.
- Impact on the locality and park operations.

A copy of the assessment is attached as Attachment 1.

3.4 In summary, following the assessment against the Policy, Council Officers conclude that the Club meets all criteria required.

4. LEASING POWERS UNDER THE RESERVES ACT

4.1 In addition to the Support and Funding Policy requirements, as the land is a reserve held under the Reserves Act 1977, the leasing provisions also apply.

4.2 Section 54(1)(b) of the Reserves Act 1977 allows for an administering body to:

'lease to any voluntary organisation part of the reserve for the erection of stands, pavilions, gymnasiums, and, subject to sections 44 and 45, other buildings and structures associated with and necessary for the use of the reserve for outdoor sports, games, or other recreational activities, ... which lease shall be subject to the further provisions set out in Schedule 1 relating to leases of recreation reserves issued pursuant to this paragraph:

provided that a lease granted by the administering body may, with the prior consent of the Minister given on the ground that he or she considers it to be in the public interest, permit the erection of buildings and

structures for sports, games, or public recreation not directly associated with outdoor recreation.'

- 4.3 'Necessary' is not interpreted as requiring that all or even most visitors or users of the reserve need/want to use the service or activity provided under the lease. Reserves often have activities on them that only some of the visitors to the reserve use. The balance of the reserve is available for general use by the community.
- 4.4 The proposal would see the continued use of part of the reserve by the Club. The lease does not alter the current user experience or change the existing capacity for other activities.

5. LAND STATUS

5.1 A summary of the land status information is:

Title	Reserve Status	Officer Comment
Part Lot 13 DP2938 and Lot 2 DP605123	Recreation Reserve	Subject to the Reserves Act 1977

6. GIVING EFFECT TO THE PRINCIPLES OF THE TREATY OF WAITANGI

- 6.1 The Reserves Act 1977 is subject to Section 4 of the Conservation Act and requires that administering bodies under the Reserves Act 1977 give effect to the principles of the Treaty of Waitangi.
- 6.2 Rangitāne o Manawatū representatives have considered the proposal, Rangitāne are comfortable with this proposal and happy for it to proceed.

7. DESCRIPTION OF OPTIONS

Option 1: Notify the public of Council's intention to continue supporting the Woodworkers Guild by granting occupancy via a lease of the existing site at 38 Featherston Street

- 7.1 This is the preferred option.
- 7.2 Council will seek feedback on continuing to support the Club through the process outlined in the Support and Funding Policy.
- 7.3 Council must give people the opportunity to submit on the proposal and be heard before deciding to grant a lease as per sections 119 and 120 of the Reserves Act 1977.
- 7.4 After considering feedback, Council can then decide to enter a formal lease with the Club.

7.5 The Club contributes to the community and shows strong alignment with Council's strategic direction. The Club adds to Council's priority to ensure the use of all community recreation facilities is optimised.

Option 2: Do not notify the public of the preferred option (intention to support through a lease) which would effectively end the Woodworkers Guild occupancy of Council land

7.6 The impact of this option would mean that the opportunity to seek community feedback on the Club's continued occupancy of the site would not occur.

7.7 In turn, this would mean that the lease would cease, and Council would follow the process outlined in the Support and Funding Policy to determine the future use of the land (refer 5.5.1(b)). The first step in this process is to carry out a strategic options review.

7.8 The implication of this option on the Club would mean that they would not be able to continue leasing the site. Under the lease provisions, a decision would then need to be made regarding the improvements owned by the Club.

7.9 This option poses the risk that Council will be perceived as not supporting the activities of the Club that has occupied the site since 2007.

8. CONCLUSION

8.1 The proposal is consistent with the requirements of the Support and Funding Policy. Continued occupancy will allow the Club to offer its activities to the community.

8.2 Public notification on the continuing support will provide opportunities for submissions and objections to be made before a decision is made, fulfilling the requirements of the Support and Funding Policy 2022 and section 54 of the Reserves Act 1977.

8.3 It is recommended the Committee proceed with Option 1. The Club's activities contribute to outcomes to achieve Goal 3 of Council's strategic direction.

9. NEXT ACTIONS

9.1 Public notification of the intention to grant the lease, seeking submissions and objections.

9.2 Provide the opportunity for any submitters that wish to be heard to speak to Council.

9.3 Consider the objections and submissions and provide to Council on whether to accept, modify or decline the lease proposal.

10. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

10.1 The proposed consultation process meets the public notification requirements of the Support and Funding Policy 2022 and the Reserves Act 1977 that requires a minimum of one-month period advertised in the Manawatu Standard, Dominion Post and on the Council website.

11. 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 objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in: 6. Mahere rēhia 6. Recreation and Play Plan The objective is: Administer the Reserves Act 1977.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic, environmental, and social wellbeing of the city.

ATTACHMENTS

1. Assessment of Lease Proposal [↓](#) 

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: 916 Tremaine Avenue (part of Vautier Park) - Proposal to grant lease of Council land to Red Sox Sports Club Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy and Finance Committee grant a lease for the land at 916 Tremaine Avenue (part of Vautier Park) Palmerston North described as *Part Section 249 TN of Palmerston North* to Red Sox Sports Club Incorporated, in accordance with section 54 of the Reserves Act 1977 and Council's Support and Funding Policy.
-

1. ISSUE

- 1.1 The Club has occupied Council land at 916 Tremaine Avenue (part of Vautier Park) since 1999. Their previous lease expired in 2019 and they have been operating on a month-by-month lease since.
- 1.2 The Club requested a new lease to continue operation. The land leased is subject to the requirements of section 54 of the Reserves Act 1977 and Council's Support and Funding Policy 2022. These requirements include public notification of Council's intention to grant a new lease.
- 1.3 The public notification process is now complete with no submissions received.
- 1.4 This report seeks approval to grant a new lease to the Red Sox Sports Club Incorporated in accordance with section 54 of the Reserves Act 1977 and Council's Support and Funding Policy.

2. BACKGROUND

- 2.1 A report to the Strategy and Finance Committee on 14 August 2024 assessed the proposal and as a result the Committee resolved:
 1. *That the Committee continues to support Red Sox Sports Club Incorporated by notifying the public of its intention to grant community occupancy of Council land at 916 Tremaine Avenue (part of Vautier*

Park), Palmerston North in accordance with the Support and Funding Policy 2022 and Section 54 of the Reserves Act 1977.

2. That the Committee notes the land affected by the community occupancy of Red Sox Sports Club is described as Part Section 249 TN of Palmerston North.

2.2 Consultation was completed in September 2024. No submissions were received.

2.3 If entered the proposed lease will commence 1 April 2024 and will be for a term of five (5) years, with two rights of renewal for a further five (5) years. The rental is \$150 + GST per annum.

3. CONCLUSION

3.1 Council has been supporting the Club by granting occupancy of Council land since 1977.

3.2 Given there were no objections to the new lease proposal and the requirements of the Support and Funding Policy have been met, it is recommended that Council continue to support the group and proceed with granting a new lease to the Club.

4. NEXT STEPS

4.1 A new lease will be executed between Palmerston North City Council and the Red Sox Sports Club Incorporated.

5. 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?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to: Whāinga 3: He hapori tūhonohono, he hapori haumarū Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in:	

<p>6. Mahere rēhia</p> <p>6. Recreation and Play Plan</p> <p>The action is: Lease Council land and facilities to for-purpose organisations in line with the Support and Funding Policy.</p>	
<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic and environmental and social wellbeing of the city.</p>

ATTACHMENTS

Nil

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: 65 Totara Road - Proposal to grant lease of Council land to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated

PRESENTED BY: Bill Carswell, Manager Property and Resource Recovery

APPROVED BY: Chris Dyhrberg, General Manager Infrastructure

RECOMMENDATION(S) TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy and Finance Committee grant a lease for the land at 65 Totara Road, Palmerston North described as Lot DP 26198 to Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated, in accordance with Council's Support and Funding Policy.
-

1. ISSUE

- 1.1 The Club has occupied Council land at 65 Totara Road since 1977. Their previous lease expired in 2019 and they have been operating on a month-by-month lease since.
- 1.2 The Club requested a new lease to continue operation. The land leased is subject to the requirements of the Support and Funding Policy 2022. These requirements include public notification of Council's intention to grant a new lease.
- 1.3 The public notification process is now complete with no submissions received.
- 1.4 This report seeks approval to grant a new lease to the Radio Club in accordance with the Support and Funding Policy.

2. BACKGROUND

- 2.1 A report to the Strategy & Finance Committee on 14 August 2024 assessed the proposal and as a result the Committee resolved:
 1. *That the Committee continues to support Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated by notifying the public of its intention to grant community occupancy of Council land at 65 Totara Road, Palmerston North in accordance with the Support and Funding Policy 2022.*

2. *That the Committee notes the land affected by the community occupancy of Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated is described as Lot DP 26198.*

2.2 Consultation was completed in September 2024. No submissions were received.

2.3 If entered the proposed lease will commence 1 July 2024 and will be for a term of five (5) years, with two rights of renewal for a further five (5) years. Council pays for the rent of \$150 + GST per annum, plus all rates on the property, as part of the Society's arrangement with Emergency Management.

3. CONCLUSION

3.1 Council has been supporting the Radio Club by granting occupancy of Council land and building since 1977.

3.2 Given there were no objections to the new lease proposal and the requirements of the Support and Funding Policy have been met, it is recommended that Council continue to support the group and proceed with granting a new lease to the Radio Club.

4. NEXT STEPS

4.1 A new lease will be executed between Palmerston North City Council and the Manawatū Amateur Radio Society Branch 20 NZ Art Incorporated.

5. 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?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Whāinga 3: He hapori tūhonohono, he hapori haumaruru Goal 3: A connected and safe community	
The recommendations contribute to the achievement of objective/objectives in:	
6. Mahere rēhia	
6. Recreation and Play Plan	

The action is: Lease Council land and facilities to for-purpose organisations in line with the Support and Funding Policy.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The recommendation is in line with Council's Support and Funding Policy which supports community groups to deliver benefits contributing to the cultural, economic and environmental and social wellbeing of the city.

ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Strategy & Finance Committee

MEETING DATE: 13 November 2024

TITLE: Committee Work Schedule

FROM:

RECOMMENDATION TO STRATEGY & FINANCE COMMITTEE

1. That the Strategy & Finance Committee receive its Work Schedule dated November 2024.

COMMITTEE WORK SCHEDULE – NOVEMBER 2024					
Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Clause number
1.	13 November 2024	Options to transition out of small vehicle fleet ownership and long term lease, with a view to utilisation of a carshare or similar services Financial Year 2027 onwards	General Manager Strategic Planning General Manager Infrastructure		Council 29 November 2023 Clause 193.3-23
2.	13 November 2024	Draft Waste Management and Minimisation Bylaw – Approval for Consultation	General Manager Strategic Planning		11 August 2021 Clause 21
3.	13 November 2024	Quarterly Performance & Financial Report	General Manager Corporate		Terms of Reference

		(Quarter 1 ending 30 September 2024)	Services / CFO		
4.	13 November 2024	Treasury Report (Quarter 1)	General Manager Corporate Services / CFO		Treasury Policy
5.	13 November 2024	Lease – Manawatu Amateur Radio Society Branch 20 NZ Art Incorporated	General Manager Infrastructure		14 August 2024 Clause 44-24
6.	13 November 2024	Lease – Red Sox Sports Club Incorporated	General Manager Infrastructure		14 August 2024 Clause 44-24
7.	13 November 2024 26 February 2025	Vegetation Framework to include a Tree Policy focused on Council administered streets and public spaces	General Manager Strategic Planning	Competing demands on planning resources; priority given to growth work, eg. Plan Change I	Committee of Council 9 June 2021 Clause 31.8
8.	13 November 2024 26 February 2025	Te Apiti Ashhurst Loop Track – negotiations and Recreation Fund application	General Manager Infrastructure	Negotiations in progress	8 May 2024 Clause 32
9.	26 February 2025	Public Spaces: policy and bylaw options	General Manager Strategic Planning		
10.	26 February 2025	Reserves Classifications – deliberations	General Manager Infrastructure		14 August 2024 Clause 41-24
11.	28 May 2025	Public Spaces: approval to consult on draft policy and	General Manager Strategic Planning		

		bylaw			
12.	28 May 2025	Quarterly Performance & Financial Report (Quarter 2 ending 31 December 2024)	General Manager Corporate Services / CFO		Terms of Reference
13.	28 May 2025	Treasury Report (Quarter 2)	General Manager Corporate Services / CFO		Treasury Policy
14.	28 May 2025	Engage with the community around the option of designating part of Linklater Park as dog-on-lead, and report back	General Manager Strategic Planning		8 May 2024 Clause 26
15.	20 August 2025	Quarterly Performance & Financial Report (Quarter 3 ending 30 April 2025)	General Manager Corporate Services / CFO		Terms of Reference
16.	20 August 2025	Treasury Report (Quarter 3)	General Manager Corporate Services		Treasury Policy
17.	TBC	Nature Calls - Prospective funding and finance options	General Manager Corporate Services		Council 10 June 2024 Clause 111-24
18.	TBC	Delegation Manual – Fees & Charges review	General Manager Corporate Services		8 May 2024 Clause 24
19.	TBC	Revenue & Finance Policy review	TBC		8 May 2024 Clause 24
20.	TBC	Contact Centre	General		Council

		– Breakdown of expenses	Manager Corporate Services		3 April 2024 Clause 52-24
21.	TBC	Draft Interim Speed Management Plan	General Manager Strategic Planning	Waiting on Government direction	Council 5 April 2023 Clause 46-23

ATTACHMENTS

NIL