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Report to the Local Government Commission on the proposal for a Golden Bay Local Board as part of Tasman District Council

Executive Summary

I have considered the additional financial implications of the likely support costs for the proposed Golden Bay Local Board (the Board) as part of Tasman District Council (the Council).

Most of the activities that are being proposed are already being undertaken by the Council but there will be a higher decision-making requirement and monitoring by the local board, compared with the existing Community Board. This will require both additional resources and reallocation of existing resources, however this report only considers the additional resources to support the proposed Board. Some of the additional resources will be required as a one-off in the setup of the Board, or every three years as part of the Long term plan (LTP) process.

Summary of additional responsibilities are as follows:

1. To adopt a 3-year plan and then reach an annual agreement with the governing body (the Council) on the services to be provided in that year and how these are to be funded.
2. Monitor implementation of the annual agreement, and develop and propose bylaws for the local board area.
3. Responsible for decision-making in the local board area relating to:
 - parks & reserves,
 - community facilities,
 - community relations,
 - public health & safety,
 - transportation & roading,

The role of being an advocate on behalf of the community and working in collaboration with the Council are roles similar to that undertaken by the existing Community Board.

Note: It is the role of Council to adopt a Local boards funding policy (as part of its LTP). The Local Board needs to be part of the development of this policy.

The functions and activities listed in 3 above are already being delivered to the community, and the setting of levels of service and monitoring are undertaken by Council. If a Local Board was introduced, this would result in a reduction on the responsibilities of a committee

of Council or Council itself to consider the levels of service and monitoring. However, there is a possibility of some disaggregation where some issues within the Golden Bay area may have to be considered by the Local Board, and then the issues for the remainder of the District by a committee of Council. These would require two separate reports and attendance by staff at both meetings, I have made allowances for this requirement.

I have made an assessment of the additional resources required to support the additional requirements above. To support the Local Board, there will be two types of support required. The first is the staff who are totally dedicated to supporting the board and the reallocated resources from other parts of the Council.

I estimate that there needs to be one additional dedicated resource to ensure that there is support for the proposed Board with the key roles of:

- Direct Board support including advice on process and development of policy
- Ensuring good decision-making
- Liaison with Board members
- Liaison with key staff concerning reporting requirements.

This is estimated to have an annual cost of \$240K including provision for overhead costs which includes accommodation costs.

The second area of additional requirements is related to the support staff based at Richmond:

- Assistance to both Council and the Local Board in development of Local board funding policy, the 3-year plan and annual agreement
- Development and reporting of services that are delivered within the Golden Bay area
- Development of local asset management plans
- Development of local by-laws
- Consultation and communication

While these requirements will be delivered over a three-year period, the estimated annualised cost is \$190K including provision for overhead costs.

While I have assessed the work in terms of Full-time equivalents (FTE), the requirements will be across the different levels within each area, for example the Board will need to be supported by the Chief Finance Officer, financial planner and management accountant over a three-year period.

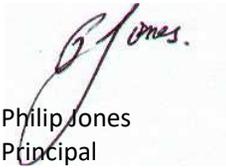
I have estimated the impact in the following areas that will require additional resources to support the proposed Board:

- | | |
|--|----------------|
| • Board advisor (based in Golden Bay) | 1.0 FTE |
| • Asset management | 0.2 of an FTE |
| • Finance | 0.25 of an FTE |
| • Community engagement and communication | 0.25 of an FTE |
| • Regulatory | 0.2 of an FTE |

Currently the Council does not recover the indirect costs of the current Community Boards through the Community Board rate(s). Because there is an existing Community Board, those

resources will be reallocated to supporting the Board. Therefore, the actual resources required to support the Board will be higher than those listed above.

The current Golden Bay Community Board Rate is a fixed amount over all rating units in Golden Bay Ward. This rate only recovers the direct cost of the Community Board as currently the Council does not allocate any corporate overheads to the Community Board. A new targeted rate, subject to the Council following the requirements of the Local Government and Local Government (Rating) Acts 2002, could be developed to recover the cost of the proposed Board. This rate could be set either based on a fixed amount per rating unit or Rate in \$ based on Capital value. This rate or another separate rate could also include any additional costs associated with activities that have an additional level of service which are at a greater level than those compared with the remainder of the District.

A handwritten signature in black ink, appearing to read "P. Jones", is written over a light grey rectangular background.

Philip Jones
Principal
PJ and Associates

Background

You have asked me to undertake the following:

- 1) Identify likely support costs for the local board (the board) – an assessment of the number of dedicated staff required, over and above the capacity of the existing Tasman District Council (the Council) staff resource, to undertake support for the proposed board.
- 2) Related to the number of staff above, make an assessment of any other cost implications including accommodation costs.
- 3) Identify the impact on council finances of any changes/reductions in its commercial portfolio.
- 4) Confirmation of the scope of the existing Golden Bay targeted rate, as a base for Local Government Commission (the Commission) recommendations on items appropriate for any new targeted rate.

Estimated support costs for the local board

I have based my assessment of the support costs on the following three areas below. The first area is where the Local Board will be responsible for the decision-making in the local board area. Currently the Council is responsible for the decision-making for these areas, but these will be transferred to the Board. The second area is an advocacy role on behalf of the community. The third area is where the Board will collaborate with the council and, where appropriate, local iwi. These areas are similar but enhanced to the existing role of the Community Board. In my assessment of resources required to support the proposed Board, I have excluded the current expected resources that need to be provided to a Community Board and where applicable the Council.

1. Responsible for decision-making in the local board area relating to:

- parks & reserves
- community facilities:
 - Takaka library
 - cemeteries
 - playgrounds
 - public toilets
 - Recreation Park Centre
 - location of new/upgraded community facilities
 - oversight of community halls
- community relations:
 - community projects, activities and events
- public health & safety:
 - dog access rules
 - objections to liquor licence applications
 - alcohol bans
- transportation & roading:
 - traffic control signs
 - bus stops and shelters
 - street names
 - street furniture, planting and trees

2. Advocates on behalf of the community in relation to:

- roading and footpaths
- three waters
- flood protection and river control
- Collingwood library
- community museums
- Takaka Community Centre
- Takaka Information Centre
- community funding and operational grants
- community housing
- any other issues that effect the wider community of Golden Bay
- council enterprises:
 - Pohara and Collingwood motorcamps
 - Takaka aerodrome
 - Port Tarakohe

3. Works in collaboration with the Council and, where appropriate, local iwi on:

- environmental management:
 - projects and programmes to improve local environments
 - input into resource consent notifications
- public health & safety:
 - helping build community networks and relationships to strengthen community cohesion, preparedness for emergencies and participation
- coastal structures:
 - gathering information on existing structures
- solid waste:
 - promoting recycling and waste minimisation
- parks & reserves:
 - application of financial contributions

As noted above, I have excluded the current expected resources that need to be provided to a Community Board. These resources include but are not limited to the need for Council officers to attend existing Community Board meetings, assistance with communication with community organisations, consider and report on matters of interest, and the general governance roles including local iwi considerations.

The functions above are already being undertaken by the Council, and any transfer to a Local Board would not necessarily see an increase in resources required to support the reallocation. However, there is likely to be the need to disaggregate information from a district wide basis to a local Golden Bay area. This disaggregation may require activities located within the Golden Bay area to be considered by the Local Board, and then issues for the remainder of the District by a Committee of Council or the Council itself. Another option that needs to be considered is where the Council makes a decision that effects the level of service of the whole District, then the Local Board would need to consider the impact on the Local Board Area. Both of these scenarios would require two separate reports and attendance at both meetings by staff to ensure that the Local Board is democratically accountable to the local community. I have made allowances for this requirement.

In my assessment I have identified two types of support. These are firstly dedicated staff required for the Local Board, and then secondly staff who undertake support for the proposed board as well as other functions of the Council.

The staff who are to support the Board will need to be based in Golden Bay. While there are resources already supporting the current Community Board, there will be a need for a greater level of dedicated staff to support the meeting of the following:

- Advice on the requirements of the Local Government Act 2002 and associated processes in the development of policy
- Ensure that the Board has the appropriate processes to make good decisions
- Ensure that there is good communication to and between members of the Board and Council
- Ensure there is the appropriate level of information from key staff for decisions to be made
- Ensure there is the appropriate level of information from key staff for reporting purposes.

While this resource is to support the Board, it still is employed by the Chief Executive of the Council, therefore the above accountabilities will be set and agreed by the Chief Executive.

There will also be a need for administrative support including meeting support. Because there is an existing Community Board, those resources will be reallocated to supporting the Board. I estimate that there needs to be one additional dedicated resource to ensure that there is support for the proposed Board. This person will need significant local government knowledge, and given the breadth of the role, I estimate the cost of the additional FTE including corporate overheads to be \$240K¹.

I also made an assessment of the additional resources required to support the additional requirements above. The estimated annualised cost is \$190K including provision for overhead costs. These support staff are based at Richmond.

Asset team

While there is a legal requirement to have a Reserve Management Plan under the Reserves Act, good practice requires² an Asset management plan (AMP) which is updated every three years to support the Long term plan. These are developed on a district wide basis however these will need to be disaggregated so this requires the development of a local asset management plan.

The proposed role for the Local Board includes the following functions for parks & reserves:

- oversee management and maintenance

¹ The information provided by the Council in developing this report did not assist in the development of an assessment of cost implications including accommodation costs, so I have added a general overhead component to the salary costs. A range of overheads is generally between 90% and 120% of salary.

² As specified by the International Infrastructure Management Manual (IIMM)

- approve declarations, classifications, re-classifications and revocations relating to reserve status
- names of parks and reserves
- grant leases and licences.

It is important the Local Board receives reports on those services that are delivered within the Golden Bay area.

These functions will need to be completed over a three-year period and cannot be completed by one individual but by the Asset team including the Community Development Manager, Parks & reserves manager and support staff. I have excluded costs and time of the review and development of local reserve management plans as these are an existing requirement. I estimate that these tasks will require a total of 0.2 of an FTE with an estimated cost of \$50K including an allowance for overheads.

Finance

The finance functions that will be required to undertake the following function in supporting the Board include:

- Assistance in development of Local board funding policy and the 3-year plan and annual agreement
- Development and reporting of services that are delivered within the Golden Bay area
- Providing advice if required on local rating options.

These functions will need to be completed over a three-year period and cannot be completed by one individual, but by the Finance team including the Chief Finance Officer, financial planner and management accountant. I estimate that these tasks will require a total of 0.25 of an FTE with an estimated cost of \$60K including an allowance for overheads.

Community engagement and communication

In addition to the current district wide engagement and communication there will be a requirement for specific local community engagement and communication, and this will require an additional 0.20 of an FTE at an estimated cost of \$40K.

Regulatory

As the Local Board may propose local by-laws, this may require an additional 0.20 of an FTE at an estimated cost of \$40K. In the regulatory area for assistance and development of local by-laws.

Impact on commercial portfolio.

After discussions with staff, considering the linkages to Council's strategic objectives including the need for transport alternatives, it is recommended that Takaka aerodrome and Port Tarakohe are excluded from being transferred to the Local Board responsibilities. The two campgrounds are now long term leases, therefore there is little role for either Council or

the Local Board in the medium term. Again, it is recommended that these are excluded from being transferred to the Local Board responsibilities.

Impact of rating

The current Golden Bay Community Board Rate is a fixed amount over all rating units in Golden Bay Ward. This rate only recovers the direct cost of the Community Board as currently the Council does not allocate any corporate overheads to the Community Board. The current corporate overheads are charged to the Governance activity which is funded by all ratepayers.

Set out below is the current budgeted cost of the Golden Bay Community Board.

Remuneration	41,525
Miscellaneous Expenses	3,144
Community Board discretionary fund	13,578
Contingency allowance	836
Total	\$ 59,083

A new targeted rate subject to the Council following the requirements of the Local Government and Local Government (Rating) Acts 2002 could be developed to recover the cost of the proposed Board. This rate could be set either based on a fixed amount per rating unit or Rate in \$ based on Capital value. This rate or another separate rate could also include any additional costs associated with activities that have an additional level of service which are at a greater level than those compared with the remainder of the District.

Apart from the additional cost in supporting the proposed board as detailed in this report, unless the board requires a higher level of service than the remainder of District, I see no need to increase rates or debt.