



**The Extraordinary Meeting of the  
Kawerau District Council will be  
held on Wednesday 12 June 2024  
commencing at 9.00am**

**A G E N D A**

## **GUIDELINES FOR PUBLIC FORUM AT MEETINGS**

1. A period of thirty minutes is set aside for a public forum at the start of each Ordinary Council or Standing Committee meeting, which is open to the public. This period may be extended on by a vote by members.
2. Speakers may address meetings on any subject. However, issues raised must not include those subject to legal consideration, or be issues, which are confidential, personal, or the subject of a formal hearing.
3. Each speaker during the public forum is permitted to speak for a maximum of three minutes. However, the Chairperson has the discretion to extend the speaking time.
4. Standing Orders are suspended for the duration of the public forum.
5. Council and Committees, at the conclusion of the public forum, may decide to take appropriate action on any of the issues raised.
6. With the permission of the Chairperson, members may ask questions of speakers during the period reserved for public forum. Questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

The Extraordinary Meeting of the Kawerau District Council  
will be held on Wednesday 12 June 2024  
commencing at 9.00am

## **AGENDA**

1 **Karakia Timatanga | Opening Prayer**

2 **Apologies**

3 **Leave of Absence**

4 **Declarations of Conflict of Interest**

5 **Meeting Notices**

6 **Nga Mihimihi | Acknowledgements**

7 **Public Forum**

8 **Amendments to Proposed Budget for the Annual Plan 2024 / 25 (Group Manager, Finance and Corporate Services) (110400)**

**Pgs. 1 - 7**

Attached is a report on the Amendments to Proposed Budget for the Annual Plan 2024 /25

### **Recommendations**

1. *That the report "Amendments to Proposed Budget for the Annual Plan 2024 / 25" be received.*
2. *That Council adopt the recommended budget amendments to reduce the rates requirement to 12.2% for the 2024 / 25 budget for inclusion in the preparation of the Final Annual Plan 2024 / 25 which will be adopted by Council on 26 June 2024.*
3. *That Council set the Uniform Annual General Charge (UAGC) for 2024 / 25 at either:*
  - i. \$950
  - ii. \$900
  - iii. \$850

9 **Stoneham Park Reserve Revocation Process (Communication and Engagement Manager) (110553)**

**Pgs. 8 - 11**

Attached is a report on the Stoneham Park Reserve Revocation Process.

## Recommendations

1. *That the report “Stoneham Park Reserve Exchange and Reserve Revocation” be received.*
2. *The Council resolves to approve the application of the Reserve Revocation process for the Reserve, being Lot 1 DPS 54056, noting that there were no objections received, to the Minister via the Department of Conservation:*
  - a. *To enable the reserve status to be revoked and be replaced by freehold status enabling the eventual development and sale of the section;*
  - b. *To maximizes the use of the recreational reserve no longer required or being used for orgained sport.*
  - c. *Acknowledging the fee simple land located on Fenton Mill Road being 5.44ha (Lot 2 DPS 77805), has been exchanged, becoming recreational reserve which will be developed and enhanced for this purpose.*

### 10 **Adoption of the Draft Dangerous and Insanitary Buildings Policy 2024 for Consultation (Group Manager, Regulatory and Planning) (304100)**

**Pgs. 12 - 33**

Attached is a report on the Adoption of the Draft Dangerous and Insanitary Buildings Policy 2024 for Consultation.

## Recommendations

1. *That the report “Adoption of the Draft Dangerous and Insanitary Buildings Policy 2024 for Consultation” be received.*
2. *That Council adopts the draft Dangerous, Affected and Insanitary Buildings Policy 2024 as presented/as amended (delete one) for commencement of the special consultative procedure, with submissions closing at 5.00pm on Friday 19 July 2024.*

### 11 **Activity Review for the Parks and Reserves Service (Group Manager, Operations and Services) (408000)**

**Pgs. 34 - 40**

Attached is a report on the Activity Review for the Parks and Reserves Service.

## Recommendations

1. *That the report “Activity Review for the Parks and Reserves Service” be received.*
2. *That Council adopt the Parks and Reserves Service as proposed in the report and appendix.*

### 12 **Activity (s17A) Review for Firmin Lodge (#2) – Booking Terms and Fees (Economic and Community Development Manager) (103015)**

**Pgs. 41 - 49**

Attached is a report on the Activity Review for Firmin Lodge

## **Recommendations**

1. *That the report “Activity (s17a) Review for Firmin Lodge (#2) - booking terms and fees” be received.*
2. *That Council adopt **option two** – (Section One – Payment & Cancellation Terms).*
3. *That Council adopt **option two** – (Section Two – Booking Type & Fees)*
4. *That Council **retains** the current bonds – (Section Three - Bonds):*
  - a) *Accommodation Booking - \$500.00*
  - b) *Casual Booking - \$200.00*
5. *That Council **Tracks & Monitors** the new Payment & Cancellation Terms and Booking Type & Fees, and undertake a further review in 12 months – (Section Three - Request for Expressions of Interest (RFEI)).*
6. *That Council adopt the Firmin Lodge delivery as proposed in this report and Appendix A.*

## **Karakia Whakamutunga**

M Godfery

**Chief Executive Officer**

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**Meeting:** Extraordinary Council

**Meeting Date:** 12 May 2024

**Subject:** **Amendments to Proposed Budget for the Annual Plan 2024/25**

**File No.:** 110400

## 1 **Purpose**

The purpose of this report is for Council to consider and deliberate on the potential savings identified for the proposed budget and rates to be included in the final Annual Plan 2024/25.

## 2 **Background**

At the Extraordinary Council meeting of 20 March 2024, Council resolved to prepare an Annual Plan 2024/25 and an Annual Plan Consultation Document 2024/25. Rather than preparing a Long Term Plan for the period 2024 to 2034, Council took the decision to adopt the transitional option preparing an Enhanced Annual Plan under the options provided to Local Authorities under clauses 48 and 49 of Schedule 1AA of the Local Government Act 2002 (inserted by the Water Services Acts Repeals Act 2024).

At the Extraordinary meeting of 10 April 2024, Council adopted the draft budget 2024/25 and proposed rates for inclusion in the preparation of the Annual Plan Consultation Document for 2024/25. Council decided on a proposed rates increase of 15.1% and an increase in the Uniform Annual General Charge to \$950 for the Annual Plan Consultation Document.

From 12 April to 14 May 2024, the special consultative procedure was undertaken, with extensive Consultation with the community. At the Extraordinary Meeting on 22 May 2024, Council received a report with the 59 written submissions, being those received as of 17 April 2024, with three additional submissions tabled on the day. Six submitters indicated they wished to speak to the hearing; with one apology, five submitters were heard on the day.

At the Council meeting on 29 May 2024, Council considered and deliberated on the submissions as received and heard on 22 May 2024. Council having due consideration for all the feedback on the rates, requested that Council staff review the budget and look to make operational savings to reduce the rates increase from the proposed 15.1%.

The purpose of this report is for Council to consider the operational savings as presented and determine what savings are to be made for inclusion in the Annual Plan 2024/25 to be adopted on 26 June 2024.

### 3 **Potential Budget (Rates) Savings**

Following the receipt and hearing of submissions, Council requested that a review be performed, and staff provide recommended savings to reduce the rates requirement. The following are budget adjustment recommendations for Council to consider and approve all or some of these changes:

#### **3.1. Depreciation Funding** – increase level of depreciation not funded back to 35%

In the 2023/24 budget Council undertook consultation with the community to help determine whether to increase the level of depreciation not funded across all assets to 35%. With inflation high at the time, and the cost of living increasing, Council considered it a prudent measure to help reduce costs without creating a direct impact on the levels of service provided in the 2023/24 financial year. After positive feedback from the community, and deliberations among Elected Members, Council adopted the proposal increasing the level of depreciation not funded to 35%.

In the Annual Plan 2024/25 Consultation Document, Council proposed decreasing the level of depreciation not funded to 30%, a 5% reduction to acknowledge that a phase back should occur over time. However, setting depreciation at this level is contributing to the rates requirement while high inflation and the cost of living remain a concern. To reduce the rates requirement for 2024/25 if Council remain consistent with 2023/24 and reset the level of depreciation funding back to 35%, this would decrease the rates requirement by \$114,500 (0.8%).

(Note funding of depreciation excludes roading which is subject to Waka Kotahi (NTZA) subsidies and non-strategic assets as has been the case previously).

#### **3.2. Personnel Costs**

Contributing to the proposed rate requirement of 15.1% included the impact of increasing staffing costs due to inflation, labour market dynamics, and additional staffing requirements within key activity areas. To reduce the impact of staffing costs on the rates requirement there is an option to not establish additional roles in governance support, policy and planning, finance, and administration as originally proposed. Adopting this option will impact the support roles for the delivery of key services. However, the intention is to try to manage this so there is minimal direct impact on service delivery. An allowance for additional contractor expenditure has been set aside to ensure that key risk areas where performance is crucial are protected by a contingency in the event of risks arising as a result of not establishing the additional roles.

There are current vacancies with Parks & Reserves and Events Management, which if the filling of these roles are delayed it will provide additional personnel saving in the short term. These delays will have an impact on the timeframes for service delivery due to reduced staff. No redundancies are proposed as part of this savings option.

The impact of these staff reductions, net the increases in contractor expenditure, equates to a rates reduction of \$213,000 (1.6%).

### 3.3. Finance Costs

Finance Costs have been recalculated for the latest projected interest rates, which are trending downwards from the initial projections used in the budget. The timing of uploading loans and total funds management have also been revised to reduce the total finance costs for 2024/25. The impact of this recalculation is a rates reduction of \$45,000 (0.3%)

Long term Council's finance (debt servicing) costs will continue to rise as Council plans to borrow funds for the water reticulation renewals.

### 3.4. Community Grants

There is a total Community Grants budget of \$36,700, which includes a grant that in the past has been allocated for administrative support for Neighbourhood Watch. With changes in the Neighbourhood Watch space, there has been no grant payment for 2023/24. If the grant is not allocated for the 2024/25 year it represents a potential saving of \$10,000 (0.08%).

### 3.5. Asbestos Containment

The Community was asked for feedback regarding the funding for the Asbestos Containment Site further viability study of \$150,000. The submission feedback was:

- 38 of the 59 submitters or 64% **do not** want Council to fund the project.
- 17 of the 59 submitters or 17% want Council to **investigate** the project.

The proposed budget planned to fund this project from depreciation reserves, therefore the rates would not decrease significantly, however the interest revenue from not spending these funds would reduce the rates requirement by approximately \$3,000, which has been taken into account in the finance costs above.

### Summary of Potential Budget (Rates) Savings

The following is a summary of the potential budget (rates) savings as detailed above:

Description	Amount	% of Rates Decrease
Depreciation Funding	\$114,500	0.87%
Personnel Costs	\$213,000	1.64%
Finance Costs (interest expense)	\$45,000	0.33%
Community Grants	\$10,000	0.07%
<b>Total Potential Savings</b>	<b>\$382,500</b>	<b>2.91%</b>
Revised Rates Requirement 2024/25	<b>\$14,515,560</b>	<b>12.2%</b>

## 4 Rates Impact

While the overall budgeted rates increase is 15.1%, individual properties will have rate increases different to this, as the average increase will vary depending on the value of individual properties.



The Uniform Annual General Charge (UAGC) is a minimum charge per property. To smooth the impact of the rates increase, Council proposed increasing the Uniform Annual General Charge (UAGC) from \$850 to \$950 for 2024/25 in the Annual Plan Consultation Document. The submission feedback with regards to increasing the Uniform Annual General Charge was:

- 36 of the 59 submitters or 61% **do not agree** with raising the UAGC to \$950.
- 17 of the 59 submitters or 29% **agreed** with Council's preferred option of increasing the UAGC.

The attached tables in Appendix 1 show the impact of a 12.2% rates increase with the UAGC set at the proposed Annual Plan amount of \$950, a possible middle ground of \$900, or the current 2023/24 UAGC of \$850.

For the final Annual Plan Council needs to confirm the level of the UAGC for the 2024/25 which also forms part of the Council rates resolution to be adopted on 26 June 2024.

## **5 Risks**

Council has discretion to delay expenditure, such as the level of depreciation funding. The risk is that funding of depreciation will need to be increased in the future, which will add to rates increases in future years or external funding, such as loans will be required to fund asset renewals.

With the reduction of staff resources by not filling positions this has the potential to impact on service delivery in that activity. The recommended reductions are not in high risk service delivery areas such as infrastructure service delivery, however it is important to be cognisant there may still be impacts on other services.

Council will be preparing a Long Term Plan for the 2025-2034 years, which will be a good opportunity to fully assess service levels and the rates increases in the long term.

## **6 Financial Considerations**

Development of the Kawerau District Council Annual Plan 2024/25, including the process of the special consultation procedure, was met within existing estimates.

The key financial considerations are for Council to determine the budget and rates requirement for the Annual Plan 2024/25. This report details all the financial implications of the decisions to be made.

## **7 Legal Considerations**

As Council adopted the transitional option provided by the Government to prepare an Annual Plan for 2024/25, there was a requirement to use the special consultative procedure for the development of the Annual Plan, which Council has undertaken.

Council will adopt the Annual Plan 2024/25 on 26 June 2024 in compliance with legislative requirements.

## **8 Significance and Engagement**

Council adopted the Consultation Document for the Proposed Annual Plan 2024/25 on 10 April 2024, with the consultation period being from 12 April until 5.00 pm on 14 May 2024. Council completed a thorough engagement process with the community.

Council received a total of 62 submissions and five submitters spoke to their submissions. Following this engagement and community feedback Council, having considered and deliberated on this feedback, must decide on the final budgets and rates requirement for the adoption of the Annual Plan 2024/25.

## **9 Strategic Context**

Council fully consulted with the community on the Draft Annual Plan 2024/25 and received a total of 62 submissions. Following considering and deliberating the submissions Council requested staff recommendations to reduce the rates requirement while not having a significant impact on current levels of service.

This report presents rates reduction options for the Annual Plan 2024/25 for Elected Members to consider and then confirm the amendments to be made in the final Annual Plan for the period 1 July 2024 to 30 June 2025 which must be adopted on 26 June 2024.

## **10 RECOMMENDATIONS**

1. That the report "Amendments to Proposed Budget for the Annual Plan 2024/25" be received; and
2. That Council adopt the recommended budget amendments to reduce the rates requirement to 12.2% for the 2024/25 budget for inclusion in the preparation of the final Annual Plan 2024/25 which will be adopted by Council on 26 June 2024.
3. That Council set the Uniform Annual General Charge (UAGC) for 2024/25 at either:
  - i. \$950
  - ii. \$900
  - iii. \$850



Lee-Anne Butler, CA, BMS

**Group Manager Finance & Corporate Services**

**Appendix 1 – Rates Impact****Rates Impact on selected properties for proposed rates increase based on UAGC of \$950** (status quo rates differential 48% Residential and 52% Commercial)

<b>Residential</b>					
<b>Capital Value</b>	<b>Rates 2023/24</b>	<b>Rates 2024/25</b>	<b>Increase in Rates \$</b>	<b>%</b>	<b>Weekly increase \$</b>
310,000	2,458	2,730	272	11.1%	5
390,000	2,757	3,055	297	10.8%	6
445,000	2,963	3,278	315	10.6%	6
520,000	3,243	3,583	340	10.5%	7
660,000	3,766	4,151	385	10.2%	7
<b>Commercial/Industrial</b>					
<b>Capital Value</b>	<b>Rates 2023/24</b>	<b>Rates 2024/25</b>	<b>Increase in Rates</b>	<b>%</b>	<b>Weekly increase \$</b>
240,000	7,132	8,001	869	12.2%	17
405,000	11,305	12,673	1,368	12.1%	26
940,000	24,836	27,822	2,989	12.0%	57
11,695,000	296,789	332,290	35,501	12.0%	683
20,400,000	516,807	578,622	61,815	12.0%	1,189
34,750,000	879,896	985,229	105,333	12.0%	2,026
46,250,000	1,170,754	1,310,877	140,123	12.0%	2,695

**Rates Impact on selected properties for proposed rates increase based on UAGC of \$900** (status quo rates differential 48% Residential and 52% Commercial)

<b>Residential</b>					
<b>Capital Value</b>	<b>Rates 2023/24</b>	<b>Rates 2024/25</b>	<b>Increase in Rates \$</b>	<b>%</b>	<b>Weekly increase \$</b>
310,000	2,458	2,718	260	10.6%	5
390,000	2,757	3,053	296	10.7%	6
445,000	2,963	3,283	320	10.8%	6
520,000	3,243	3,596	353	10.9%	7
660,000	3,766	4,182	416	11.0%	8
<b>Commercial/Industrial</b>					
<b>Capital Value</b>	<b>Rates 2023/24</b>	<b>Rates 2024/25</b>	<b>Increase in Rates</b>	<b>%</b>	<b>Weekly increase \$</b>
240,000	7,132	7,958	826	11.6%	16
405,000	11,305	12,635	1,330	11.8%	26
940,000	24,836	27,801	2,965	11.9%	57
11,695,000	296,789	332,597	35,808	12.1%	689
20,400,000	516,807	579,195	62,388	12.1%	1,200
34,750,000	879,896	986,240	106,344	12.1%	2,045
46,250,000	1,170,754	1,312,239	141,485	12.1%	2,721

**Rates Impact on selected properties for proposed rates increase based on UAGC of \$850** (status quo rates differential 48% Residential and 52% Commercial)

<b>Residential</b>					
<b>Capital Value</b>	<b>Rates 2023/24</b>	<b>Rates 2024/25</b>	<b>Increase in Rates \$</b>	<b>%</b>	<b>Weekly increase \$</b>
310,000	2,458	2,706	248	10.1%	5
390,000	2,757	3,050	293	10.6%	6
445,000	2,963	3,287	324	10.9%	6
520,000	3,243	3,610	367	11.3%	7
660,000	3,766	4,213	447	11.9%	9
<b>Commercial/Industrial</b>					
<b>Capital Value</b>	<b>Rates 2023/24</b>	<b>Rates 2024/25</b>	<b>Increase in Rates</b>	<b>%</b>	<b>Weekly increase \$</b>
240,000	7,132	7,915	783	11.0%	15
405,000	11,305	12,598	1,293	11.4%	25
940,000	24,836	27,780	2,944	11.9%	57
11,695,000	296,789	332,904	36,115	12.2%	695
20,400,000	516,807	579,767	62,960	12.2%	1,211
34,750,000	879,896	987,251	107,355	12.2%	2,065
46,250,000	1,170,754	1,313,601	142,847	12.2%	2,747

**Meeting:** Extraordinary  
**Meeting Date:** 12 June 2024  
**Subject:** Stoneham Park Reserve Revocation Process  
**File No.:** 110553

## **1 Background**

The community and Council initially discussed the need for Council to enable new residential housing in the district in 2017. The aim was to ensure growth and sustainability of the district, and the provision of new housing stock.

At that time, the Stoneham Park recreational reserve had no longer been used for organised sport for several years, and it was an ideally suited parcel of land for development.

During the Long Term Plan 2021-2031 engagement process, Council again discussed the proposed Stoneham Park residential development with Tangata Whenua and Iwi, neighbours, Kowhai Park Body Corporate and the wider community.

Following the completion of initial concept and some baseline objectives completed in 2021, Council secured the support of property developers to assist with the project. In 2022, Council was successful in obtaining \$4.32 million via the Three Waters Reform Better Off Funding through Central Government.

This funding enables the development to be completed in stages, with a payback for the Kawerau community in addition to the Better Off Funding also being released. The funding has been secured with contracts between Council and Central Government.

The development required an exchange of the reserve status of original Stoneham Park Reserve (Lot 39 DPS 27247, 5.42ha) being one of the parcels that make up Stoneham Park Recreation Reserve under the provisions of section 24 of the Reserves Act 1977, with land identified as the Stock Pound on Fenton Mill Road (Lot 2 DPS 77805 5.44ha). This exchange was approved by the Department of Conservation in October 2023. The change of designations of Lot 39 DPS 27247 and Lot 2 DPS 77805 have now been lodged with LINZ by Holland Beckett acting on behalf of Council.

In addition, the District Plan change process was successfully made operative in 2023 that puts a 'Residential Growth Precinct' in place over the area, as part of the Kawerau Operative District Plan. This followed considerable engagement and two submission processes, including an Independent Commissioner-led Hearing and Report.

Council has obtained the necessary Subdivision Resource Consent and the final areas are being worked through for the Earthworks Resource Consent with the Bay of Plenty Regional Council with the oversight of Stratum who have carried out the technical design phase with the oversight of Veros property developers and Council.

Council now needs to revoke the reserve status of the final land parcel on Stoneham Park, being 5626m<sup>2</sup> (Lot 1 DPS 54056) (the **Reserve**) under s 24 of the Reserves Act 1977 (the Act) to complete the development.

## **2 Options Considered**

Council is the administering body of the Reserve. This report requests that Council, as administering body of the Reserve, resolve to revoke the reserve status of the Reserve under s 24 of the Act.

The reasons for the revocation of the Reserve are that:

Formerly used as soccer club grounds, Stoneham Park has not been used for organised sport since 2012. The amalgamation of multiple sports clubs saw the move of the former soccer club to Tarawera Park.

Therefore, the Stoneham Park reserve is not needed for its values as a recreational area. The completed reserve exchange for land on Fenton Mill Road secures the local availability of reserve, which in time will be developed for recreational purposes, ensuring there will not be loss of reserve land in the district.

Additionally, the flat land at Stoneham Park can be better utilised for housing meeting social outcomes.

This Reserve was originally gifted to Council from Tasman Pulp and Paper Limited for use as part of the soccer field complex and did not form part of the initial exchange process. Council did not derive title to the Reserve from the Crown and therefore ownership of the Reserve will not revert to the Crown upon revocation.

The process for the revocation is as follows:

1. Council consults with Department of Conservation (*completed*).
2. Council resolves to revoke the reserve status and publicly notify the revocation and the reasons for doing so. (*completed*)
3. Council notifies the proposal and allows one month for public objections in accordance with the requirements under s 24(2)(c) of the Act 1977 with a period of one month for objections. *Council notified the proposal on 19 January 2024 until 16 February 2024, and then again on 23 February 2024 to 25 March 2024.*
4. Council considers any objections and passes a resolution. (*No objections were received during the notification periods*).
5. Council forwards the objections and resolution to the Minister (via Department of Conservation) along with the application form Reserve Act consent application form. (The Minister will decide how the land can be disposed of and for what purposes, so Council will need to advise the Minister that it intends to retain the land and use it for housing.)
6. The Minister receives and considers objections and resolution of Council and makes a decision.
7. The Reserve status revoked via a Gazette Notice and Land Information New Zealand (LINZ).

### **3 Policy and Plan Considerations**

Revoking the reserve status of the Reserve is consistent with the policy and plan considerations of Council. The Council has completed significant engagement regarding the development as a whole and this revocation is, in effect, a tidying up of the exchange process.

In parallel with the revocation, the status of the Stoneham Park recreational reserve is being changed to freehold (non-reserve) for the purpose of residential development as authorised by Department of Conservation.

### **4 Risks**

The subdivision plan requires full utilisation of all the land identified as Stoneham Park, including the Reserve and the land parcel owned by Kowhai Park Body Corporate. The risks lie in the areas of economies of scale and cost efficiencies with earthworks required across the entire land parcel upfront.

Given there were no objections to the notification, there is low risk for Council to proceed with the application to the Department of Conservation for final approval.

### **5 Legal Considerations**

The process to revoke the reserve status for the Reserve is set out in section 2 above.

Council has met its legal obligations and seeking a resolution today from elected members for approval to lodge the reserve revocation application to the Minister of Conservation via the Department of Conservation.

Council has completed the earlier stages of the revocation process, with engagement and consultation through the reserve exchange process and through the notification of the reserve revocation process as outlined under section 24(2)(b) of the Act to consult with the Commissioner, prior to the public notification process.

As per the Consultation with the Commissioner under s.24(2)(b) of the Reserves Act 1977 – Lot 1 DPS 54056 on 10 November 2023: Pursuant to section 25(1) of the Reserves Act, as ownership of the reserve was not derived from the Crown, upon revocation of the reservation the subject land may be disposed of by Council in such a manner for such purpose as may be specified by the Minister.

### **6 Significance and Engagement**

Council has completed significant engagement with Tangata Whenua, Iwi, Kowhai Park Body Corporate, Kawerau Pūtauaki School and other neighbours, and the community from 2021 through to 2023 with regard to the residential development proposed.

The proposed revocation is the final step required to enable the development by removing the Recreational Reserve status on Stoneham Park as a whole.

## 7 **Conclusion**

In conclusion, having identified the implications, assessed the degree of risk and significance and previous engagement, the recommendation of this report is that Council resolves to proceed with the reserve revocation of the Reserve by making an application to the Minister of Conservation via the Department of Conservation as directed by the Conservation Commissioner/Operations Manager Whakatane David Beattie on 10 November 2023 (attached).

## 8 **RECOMMENDATIONS**

1. That the report "Stoneham Park Reserve Exchange and Reserve Revocation" be received.
2. That Council resolves to approve the application of the Reserve Revocation process for the Reserve, being Lot 1 DPS 54056, noting that there were no objections received, to the Minister via the Department of Conservation:
  - a. To enable the reserve status to be revoked and be replaced by freehold status enabling the eventual development and sale of the sections;
  - b. To maximise the use of the recreational reserve no longer required or being used for organised sport;
  - c. Acknowledging the fee simple land located on Fenton Mill Road being 5.44ha (Lot 2 DPS 77805), has been exchanged, becoming recreational reserve which will be developed and enhanced for this purpose.



Tania Humberstone

### **Manager Communications and Engagement**

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**Meeting:** Extraordinary Council

**Meeting Date:** 12 June 2024

**Subject:** **Adoption of the Draft Dangerous and Insanitary Buildings Policy 2024 for Consultation**

**File No.:** 304100

## **1. Purpose**

The purpose of this paper is for the Council to adopt the reviewed Draft Dangerous, Affected and Insanitary Building Policy and supporting information for public consultation.

## **2. Background**

The Building Act 2004, requires Council to adopt a policy on Dangerous, Affected and Insanitary Buildings and to review the policy every five years. Council's current policy was enacted on 1 August 2019 and incorporated the 2016 amendments removing the requirement for councils to have policies for earthquake-prone buildings and requiring that a new category of 'affected building' be included in the policies for dangerous and insanitary buildings.

A review of the existing policy has been undertaken and while meeting most requirements, some additions or amendments have been made to enable a better understanding of Council's approach to dangerous, affected and insanitary buildings.

Along with the change in appearance, the following amendments have been made:

1. The inclusion of 'affected' to the heading of the policy as required by the Act.
2. Policy Information Table included.
3. Introduction added.
4. Background removed and incorporated into the Policy Purpose.
5. Definition for Building Owner removed and replaced with definition of Owner to align with section 7 of the Building Act 2004.
6. Definition of Heritage Building added.
7. Definition of Notice amended to included the definition as set out in section 125 of the Building Act 2004.
8. Council Approach heading amended to Policy Approach and section updated incorporating information previously under the Functions section.
9. Approach table removed as legislation outlines process and is covered later in the policy.
10. Economic Impact of Policy incorporated into policy to acknowledge a balancing of social and economic interest alongside of associated costs.
11. Council Priorities updated to included additional clauses.

12. Policy Statement heading removed as it is not required.
13. Identifying Dangerous, Affected and Insanitary Buildings section expanded to acknowledge all complaints will be investigated.
14. Assessing Dangerous, Affected or Insanitary Buildings section amended to incorporate the legislation in which assessments are completed and that Council can seek further advice.
15. Taking Action heading and section expanded to outline the actions Council may take including undertaking urgent work and recovering fees from the building owner, and where the danger is a result of non-consented building work, Council may question the owners.
16. Copy of Notices section removed and incorporated into the Taking Action section.
17. Working with Building Owners section reworded and clause added identifying Council may take urgent remedial action prior to contact being successfully made with owner.
18. Remedial Work section removed as these matters were addressed under Taking Action and Working with Building Owners.
19. Disputes section added.
20. Recording the Status of Dangerous, Affected and Insanitary Buildings section added to set out the record keeping, addition to property files and inclusion of notices on land information memorandum and project information memorandum.

Please note at point 9, the Approach Table has been removed. On the face of things, this appears to be a significant change, however operational the effect is minimal. The table provides generic enforcement options, which do not specifically relate to dangerous, affected and insanitary buildings. The purpose of this section is to set out Council's approach, however the inclusion of the table provides little narrative around Council's approach to dealing with dangerous, affected and insanitary buildings. The inclusion may also run the risk of the community believing we would take a graduated response.

The requirements of this policy is to address Council's approach around how buildings are identified, assessed and remedied. This is covered throughout the policy and is based on the requirements of the Act. While Council's approach to enforcement will remain available as an underlying consideration for enforcement action, the inclusion in the policy is not considered directly relevant to Council's approach to how buildings are identified, assessed and remedied. On a side note a new enforcement policy is being developed and will be coming to Council for review, this will supersede previous iterations such as this table.

The attached draft is presented to Council to consider and, if appropriate, to adopt for commencement of the special consultative procedure.

### **3. Policy and Plan Considerations**

The draft policy aligns with Council's other policies, plans and bylaws.

#### **4. Risks**

There is some risk that the policy may increase community expectations in regards to Council taking action on buildings which are unsightly or otherwise unpleasant to look at, but do not meet the threshold of being dangerous or insanitary. The definitions are included and it is hoped that the policy will help improve clarity and understanding around dangerous, affected and insanitary buildings which will help mitigate this risk.

The writer is unaware of any financial risks arising from the policy.

#### **5. Financial Considerations**

Development of the policy is being met within the existing budget.

#### **6. Legal Considerations**

Council is required by the Building Act 2004 to adopt a policy about dangerous, affected and insanitary buildings and to review the policy every five years. Specific content is required under legislation and has been incorporated within the policy.

Legislation dictates that a special consultative procedure must be used when making and reviewing this policy, in alignment with s83 of the Local Government Act 2002.

#### **7. Significance and Engagement**

The draft policy is subject to the special consultative procedure of the Local Government Act 2002. This will provide an opportunity for community members, industry representatives to engage in the policy making process.

It is intended that consultation will commence on 17 June 2024 and submissions will close at 5.00pm on Friday 19 July 2024. It is proposed that Council will hear and consider any submissions to the draft policy at its meeting on 31 July 2024.

#### **8. Options**

Council has the following options concerning the Draft Dangerous, Affected and Insanitary Buildings Policy 2024:

1. Adopt the draft policy as proposed. (preferred option)
2. Make amendments to the draft as proposed and adopt.
3. Adopt the existing policy with the minimum changes to meet legal requirements. If this option is considered, it would be suggested to keep changes at points 1, 2, 5, 6, 7, 10, and 20 above.

The preferred option is for Council to adopt the draft policy as proposed. It is intended that the changes to the draft policy will improve clarity and understanding for users.

## 9. **Conclusion**

The policy before Council has been drafted to reflect current legislative requirements and to improve user understanding about the regime to identify, assess and take action in relation to dangerous, insanitary and affected buildings in Kawerau.

Council may adopt the draft policy for commencement of the special consultative procedure.

## 10. **RECOMMENDATIONS**

1. That the report "Adoption of the Draft Dangerous, Affected and Insanitary Buildings Policy 2024 for Consultation" be received.
2. That Council adopts the draft Dangerous, Affected and Insanitary Buildings Policy 2024 as presented/as amended (*delete one*) for commencement of the special consultative procedure, with submissions closing at 5.00pm on Friday 19 July 2024.



Michaela Glaspey

**Group Manager, Regulatory and Planning**

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<b>Date First Adopted:</b>	30 May 2006
<b>Last Reviewed :</b>	1 August 2019
<b>Next Review Date:</b>	
<b>Engagement Required:</b>	Special Consultative Procedure (s83 LGA)
<b>Document Number:</b>	POL 001
<b>Responsibility:</b>	Group Manager, Regulatory and Planning

## **Draft Dangerous, Affected and Insanitary Building Policy**

### **1. INTRODUCTION**

- 1.1. This policy sets out Kawerau District Council's approach in respect to the identification, assessment and management of dangerous, affected and insanitary buildings.
- 1.2. A combination of aging buildings, lack of maintenance, overcrowding and unauthorised building alterations can cause serious building problems for occupants and those who use buildings.
- 1.3. Failure to obtain a building consent or use a building for a purpose for which it is not suitable can also result in a building no longer complying with the building code and posing a danger to the occupants, the general public or other properties.

### **2. POLICY PURPOSE**

- 2.1. The purpose of this policy is to meet the legislative requirements under s131 of the Building Act 2004 ('the Act') which requires Council to adopt and maintain a policy on dangerous, affected and insanitary buildings.
- 2.2. This policy sets out:
  - Councils approach to performing its functions under part 2 of the Act; and
  - Councils priorities in performing those functions; and
  - How the policy will apply to heritage buildings.

### **3. POLICY OBJECTIVE**

- 3.1. The objectives of this policy are to:
  - To improve the control of, and encourage better practice in design and construction; and

- To reduce the potential risk posed to residents in the district by dangerous, affected or insanitary buildings;
- To provide a clear framework on how Council will manage unsatisfactory building conditions.

## 4. DEFINITIONS

4.1. **Act** means the Building Act 2004 and its amendments.

4.2. **Affected building** (section 121A of the Act or subsequent amendments)

- (1) A building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby -
- a dangerous building as defined in section 121; or
  - a dangerous dam within the meaning of section 153.<sup>1</sup>

4.3. **Council** means the Kawerau District Council.

4.4. **Dangerous building** (section 121 of the Act or subsequent amendments)

- (1) A building is dangerous for the purposes of this act if, -
- in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause -
    - injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
    - damage to other property; or
  - In the event of fire, injury or death to any persons in the building or to persons on other property is likely.
- (2) For the purpose of determining whether a building is dangerous in terms of subsection 1b) a territorial authority—
- may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and
  - if the advice is sought, must have due regard to the advice.

4.5. **Heritage Buildings** (section 7 of the Building Act 2004 or subsequent amendments)

- (a) in subpart 6B of Part 2,—
- a building that is included on the New Zealand Heritage List/Rārangī Kōrero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or
  - a building that is included on the National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu list maintained under section 81 of the Heritage New Zealand Pouhere Taonga Act 2014; or

<sup>1</sup> There are no dams in the Kawerau District.

- (iii) a place, or part of a place, that is subject to a heritage covenant under section 39 of the Heritage New Zealand Pouhere Taonga Act 2014 and is registered under section 41 of that Act; or
  - (iv) a place, or part of a place, that is subject to a heritage order within the meaning of section 187 of the Resource Management Act 1991; or
  - (v) a place, or part of a place, that is included in a schedule of a district plan because of its heritage value.
- 4.6. **Insanitary building** (section 123 of the Act or subsequent amendments) A building is insanitary for the purposes of this Act if the building -
- a) is offensive or likely to be injurious to health because -
    - i) of how it is situated or constructed; or
    - ii) it is in a state of disrepair; or
  - b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
  - c) does not have a supply of potable water adequate for its intended use; or
  - d) does not have sanitary facilities adequate for its intended use.
- 4.7. **Notice** (section 125 of the Act or subsequent amendments) means
- (1) A notice issued under section 124(2)(c) must—
    - (a) be in writing; and
    - (b) be fixed to the building in question; and
    - (c) be given in the form of a copy to the persons listed in subsection (2); and
    - (d) state the time within which the building work must be carried out, which must not be less than a period of 10 days after the notice is given or a period reasonably sufficient to obtain a building consent if one is required, whichever period is longer; and
    - (e) state whether the owner of the building must obtain a building consent in order to carry out the work required by the notice.
  - (1A) A notice issued under section 124(2)(d)-
    - (a) must be in writing; and
    - (b) must be fixed to the building in question; and
    - (c) must be given in the form of a copy to the persons listed in subsection (2); and
    - (d) may be issued for a maximum period of 30 days; and
    - (e) may be reissued once only for a further maximum period of 30 days.
  - (2) A copy of the notice must be given to—

- (a) the owner of the building; and
  - (b) an occupier of the building; and
  - (c) every person who has an interest in the land on which the building is situated under a mortgage or other encumbrance registered under the Land Transfer Act 2017; and
  - (d) every person claiming an interest in the land that is protected by a caveat lodged and in force under section 138 of the Land Transfer Act 2017; and
  - (e) every statutory authority that has exercised a statutory power to classify or register, for any purpose, the building or the land on which the building is situated; and
  - (f) Heritage New Zealand Pouhere Taonga, if the building is a heritage building.
- (3) However, the notice, if fixed on the building, is not invalid because a copy of it has not been given to any or all of the persons referred to in subsection (2).
- 4.8. **Owner** (section 7 of the Act or subsequent amendments) in relation to land and any buildings on the land, -
- a) means the person who -
    - i) is entitled to the rack rent from the land, or
    - ii) would be so entitled if the land were let to a tenant at a rack rent; and
  - b) Includes -
    - i) the owner of the fee simple of the land; and
    - ii) for the purposes of section 32, 44, 92, 96 97 and 176(c), any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.

## 5. POLICY APPROACH

- 5.1. The provisions of the Act in regard to dangerous, affected or insanitary buildings reflect the government's broader concern with the safety of buildings. However, Council recognises that public safety must be balanced against the broader economic issues and in relation to other council policies.
- 5.2. Council will continue to encourage the public to discuss their development plans with Council and obtain building consents prior to commencing building work. This is particularly important to help avoid creating dangerous or insanitary conditions or safety risks that may arise from a change in building use, that could be injurious to the health of occupants.
- 5.3. Sections 124 to 130 of the Act provide the authority for Council to take appropriate action regarding dangerous, affected or insanitary buildings and sets out how this action is to be taken. This includes:



- Inspecting and assessing buildings;
  - Issuing formal notices;
  - Requiring building owner(s) to carrying out remedial work;
  - Council undertaking the remedial work where required; and/or
  - The demolition of buildings.
- 5.4. Council will seek immediate or early resolution of any defect to minimize potential risk to public health and safety and where possible will work pro-actively with building owners to ensure the best outcome for all parties.

## 6. ECONOMIC IMPACT OF POLICY

- 6.1. In setting this policy, Council has endeavoured to strike a balance between the risks proposed by dangerous, affected and insanitary buildings and the broader social and economic issues affecting the community.
- 6.2. Due to the lower number of dangerous, affected, or insanitary building encountered annually by Council, the economic impact of this policy is, at this date, considered low.
- 6.3. Council will be conscious of the costs of any work required to remove dangerous, affected or insanitary conditions, however this must be consider alongside the broader social and economic context for the community.

## 7. COUNCILS PRIORITIES

- 7.1. Council will give priority to buildings where it has been determined urgent action<sup>2</sup> is necessary to fix dangerous, affected or insanitary conditions.
- 7.2. Buildings determined dangerous, affected or insanitary, but not requiring urgent action, will be subject to timeframes in order to prevent the building from remaining dangerous or insanitary.
- 7.3. Where Council needs to prioritise work on buildings, the following matters will be taken into account:
- (a) The potential to cause harm to people and the likely degree of harm;
  - (b) The potential to damage other property and the likely level of damage;
  - (c) The building's importance to the community public e.g. a school, health facility, or marae;
  - (d) The number of people who use the building;
  - (e) The level of vulnerability of people who use the building;
  - (f) The location of the building in relation to key infrastructure;

<sup>2</sup> Building Act 2004, section 41(1)(c) defines urgently as the the purpose of saving or protecting life or health or preventing serious damage to property.

- (g) The size of the building;
- (h) The age of the building and its expected life.

## **8. IDENTIFYING DANGEROUS, AFFECTED OR INSANITARY BUILDINGS**

- 8.1. Council recognises most dangerous, affected and insanitary buildings will be identified by complaints received from occupants, members of the public and adjoining property owners or through investigations by Police or Fire Emergency New Zealand ('FENZ').
- 8.2. Council will actively respond and investigate all building complaints received to identify dangerous, affected or insanitary buildings.

## **9. ASSESSING DANGEROUS, AFFECTED OR INSANITARY BUILDINGS**

- 9.1. Council will investigate and assess every building identified as being potentially dangerous, affected or insanitary in accordance with sections 121, 121A and 123 of the Act.
- 9.2. Where a building is assessed as being dangerous, affected or insanitary, the risk level of the building will be established, in accordance with Council's priorities.
- 9.3. During the assessment of any building, and prior to setting actions, Council may seek advice from:
  - A subject matter expert;
  - Fire and Emergency New Zealand (dangerous or affected buildings);
  - Medical Officer of Health (insanitary buildings).
- 9.4. The risk assessment, any required remedial work and guidelines for undertaking remedial work, including the timeframe for completion, will be recorded in a written report. Council will give the report to the building owner and include a copy on the relevant property file.

## **10. TAKING ACTION ON DANGEROUS, AFFECTED AND INSANITARY BUILDINGS**

- 10.1. Once a building has been deemed to be dangerous or affected, in accordance with s124 and s125 of the Act, the Council will:<sup>3</sup>
  - a) Liaise with building owner(s);
  - b) Require a hoarding of fence to prevent people approaching an unsafe building;

<sup>3</sup> Building Act 2004, section 124

- c) Attach a notice to the building requiring work to be carried out, within a set timeframe (not less than 10 days) to reduce or remove danger or make sanitary;
  - d) Give copies of the notice to the building owner, occupier and to every person who has an interest in the land, or is claiming an interest in the land, including Heritage New Zealand Pouhere Taonga where the building is a heritage building.
  - e) On the expiry of any notice issued, Council will contact the owner in order to ascertain whether the notice has been complied with.
- 10.2. Where any building is assessed as immediately dangerous, affected or insanitary, the Council will:<sup>4</sup>
- a) Cause an action to be taken to remove the danger (this may include prohibiting persons using or occupying the building and the demolition of all or part of the building) and;
  - b) Take action to recover costs from the owner(s) if the Council must undertake work to remove the danger or prevent the building remaining insanitary.
  - c) The owner(s) will also be informed that the amount recoverable by Council will become a charge on the land upon which the building is situated.
- 10.3. Where any building is assessed as requiring urgent work to address the dangerous, affected or insanitary conditions, the Council may not require a building consent. However, prior to any remedial action being taken, Council will require from owners, a written scope of work. The owner must, as soon as practicable after the completion of the building work, apply for a Certificate of Acceptance.
- 10.4. Where the danger is a result of non-consented building work, the owner will be formally requested to provide an explanation as to who carried out the work, and under whose instructions.
- 10.5. It is the building owner's responsibility to undertake works required to reduce danger, by making the building safe and sanitary, including covering the financial responsibility for those works.

## **11. WORKING WITH BUILDING OWNERS**

- 11.1. Council will take all reasonable steps to make contact with the owner(s) of any building assessed as dangerous, affected or insanitary, before any action is taken or notice issued under s124 of the Act.
- 11.2. Council will give the building owner(s) the opportunity to discuss and take into account, the owner(s) circumstances and future plans for the building. Where

<sup>4</sup> Building Act 2004, section 129

the expense of remedial work will place an unreasonable cost burden on the owner, this will be discussed with the owner and other alternatives, such as demolition or temporary hoardings will be considered.

- 11.3. Where a dangerous or insanitary building poses an urgent risk, Council may take remedial action first, where initial contact is unsuccessful, and then consult with the owner as soon as is practicable thereafter.

## **12. RELATIONSHIP WITH OTHER BUILDING ACT 2004 PROVISIONS**

- 12.1. When a building owner applies for a building consent to alter an existing building, Council may assess the building as dangerous or insanitary if the alterations would affect:

- The means of escape in the event of a fire, and/or
- The ability of disabled persons to use the building, and/or
- The ability of the building to continue to meet the Building Code.

- 12.2. When a building owner applies for a building consent for remedial work required by a notice, Council will ensure the owner also makes the building compliant with building code requirements including those for people with disabilities.

- 12.3. A building owner will be required to comply with any outstanding notice before Council will issue a building consent for any work unrelated to the notice.

## **13. DISPUTES**

- 13.1. Building owners may appeal Council's decision, relating to Council's exercise of powers under the Act, by lodging an application for a determination with the Chief Executive of the Ministry of Building Innovation and Employment, in accordance with section 177(3)(f) for the Act.

## **14. RECORDING THE STATUS OF DANGEROUS, AFFECTED AND INSANITARY BUILDINGS**

- 14.1. Council will keep a register of all dangerous, affected or insanitary buildings, recording the status of requirements to remedy, and remedies undertaken.

- 14.2. Where a building is identified as dangerous, affected or insanitary, a notice will be placed on the associated property file. This notice will remain on the file, along with any other information showing the requirements to remedy and the remedies undertaken.

- 14.3. Information relating to dangerous, affected an insanitary buildings will be included on any Land Information Memorandums (LIMS) and Project Information Memorandum (PIMS) produced for the associated properties, until all remedial actions have been completed and approved by Council.

14.4. In granting access to information concerning dangerous, affected or insanitary buildings, Council will comply with the requirements of the Local Government Official Information and Meetings Act 1987 and the Local Government Act 2002.

## **15. HERITAGE BUILDINGS**

15.1. Kawerau district currently has no buildings classified as heritage and Council is yet to assess Kawerau's built heritage or develop a heritage strategy. While this is a reflection that Kawerau having a relatively young building stock, Council will consider the heritage values of each building on their merits.

15.2. Where a building is deemed dangerous, affected or insanitary and is considered to hold heritage values, it will be assessed in the same way as other potentially dangerous or insanitary buildings.

15.3. Council will work with the building owners and if appropriate, Heritage New Zealand Pouhere Taonga to identify mutually acceptable remedy for the building, while respecting the heritage values.

15.4. When considering heritage values under this policy, consideration will be given to:

- The importance of recognising any special traditional or cultural aspects of the intended use of the building; and
- The need to facilitate the preservation and ongoing use of buildings and areas of significant cultural historical or heritage value.

## Statement of Proposal

### Draft Dangerous, Affected and Insanitary Buildings Policy 2024

#### Introduction

Kawerau District Council ('the Council') is committed to ensuring Kawerau District is a safe place to live, work and play.

The Council has reviewed its existing Dangerous and Insanitary Building Policy, as required under section 131 and 132A of the Building Act 2004 ('the Act'). Council is now seeking your views on the proposed draft.

This statement of proposal has been prepared in accordance with section 83 of the Local Government Act 2002 and relates to section 132 of the Building Act 2004.

This statement of proposal is seeking to adopt the Kawerau District Council Dangerous, Affected and Insanitary Policy 2024 and revoking the Dangerous and Insanitary Buildings Policy 2019.

#### Reasons for the proposal

The Act requires Council to have a policy for dangerous, affected and insanitary buildings. After reviewing the existing policy, Council is proposing a number of changes to the Dangerous and Insanitary Building Policy 2019. As changes are proposed, Council are required to consult on the proposal and provide an opportunity for public feedback.

Council has approved the draft policy for consultation and is now seeking your views on the proposed draft.

#### Summary of proposed changes:

The key proposed changes in the Draft Dangerous, Affected and Insanitary Buildings 2024- are outlined below:

1. The inclusion of 'affected' to the heading of the policy as required by the Act.
2. Included Policy Information Table.
3. Introduction added.
4. Background removed and incorporated into the Policy Purpose.
5. Definition for Building Owner removed and replaced with definition of Owner to align with section 7 of the Building Act 2004.
6. Definition of Heritage Building added.
7. Definition of Notice amended to included the definition at set out in section 125 of the Building Act 2004.
8. Council Approach heading amended to Policy Approach and section updated incorporating information previously under the Functions section.

9. Approach table removed as legislation outlines process and is covered later in the policy.
10. Economic Impact of Policy incorporated into policy to acknowledge a balancing of social and economic interest alongside of associated costs.
11. Council Priorities updated to included additional clauses.
12. Policy Statement heading removed as it is not required.
13. Identifying Dangerous, Affected and Insanitary Buildings section expanded to acknowledge all complaints will be investigated.
14. Assessing Dangerous, Affected or Insanitary Buildings section amended to incorporate the legislation in which assessments are completed and that Council can seek further advice.
15. Taking Action heading and section expanded to outline the actions Council may take including undertaking urgent work and recovering fees from the building owner, and where the danger is a result of non-consented building work, Council may question the owners.
16. Copy of Notices section removed and incorporated into the Taking Action section.
17. Working with Building Owners section reworded and clause added identifying Council may take urgent remedial action prior to contact being successfully made with owner.
18. Remedial Work section removed as these matters were addressed under Taking Action and Working with Building Owners.
19. Disputes section added.
20. Recording the Status of Dangerous, Affected and Insanitary Buildings section added to set out the record keeping, addition to property files and inclusion of notices on land information memorandum and project information memorandum.

### **Policy Objective**

The proposed Draft Dangerous, Affected and Insanitary Buildings Policy has three main objectives:

1. To improve the control of, and encourage better practice in design and construction; and
2. To reduce the potential risk posed to residents in the district by dangerous, insanitary or affected buildings;
3. To provide a clear framework on how Council will manage unsatisfactory building conditions.

## Have your say on this policy?

Council is seeking your opinion on the Draft Dangerous, Affected and Insanitary Buildings Policy 2024. Any person or organisation is welcome to make a submission.

The consultation period for the Draft Dangerous, Affected and Insanitary Buildings Policy 2024 will begin on 17 June 2024 and conclude on 19 July 2024.

The Council will take all submissions into account when it decides on the final content of the policy.

There are many different ways you can tell us what you think.

You can:

- Visit our website – [www.kaweraudc.govt.nz](http://www.kaweraudc.govt.nz) and use our online submission form.
- Email – [submissions@kaweraudc.govt.nz](mailto:submissions@kaweraudc.govt.nz)
- Drop in – Hard copy of submission forms to Council Office
- Post – post to Chief Executive, Kawerau District Council, Private Bag 1004, Kawerau 3169

Copies of the Statement of Proposal and the Draft Dangerous, Affected and Insanitary Buildings Policy 2024 are available on our website or from our District Office.

- The following documents are available on the Kawerau District Council's website: Draft Dangerous, Affected and Insanitary Buildings Policy 2024;
- Statement of Proposal – Draft Dangerous, Affected and Insanitary Buildings Policy 2024;
- Submission form - Draft Dangerous, Affected and Insanitary Buildings Policy 2024
- Current Dangerous and Insanitary Buildings Policy 2019

Hard copies are available from:

- Kawerau District Council, Islington Street, Kawerau

### **Submissions close at 5pm on Friday 19 July 2024.**

Submitters should note that their submission will be copied and made available to the public after the submission period closes.

Submissions should state if you wish to speak to Council in support of your submission.

Hearings of submissions are scheduled to be held in 31 July 2024.

The Council will contact all submitters who wish to be heard to advise the confirmed time, date and venue of the hearing.

Council will then deliberate on any changes required and adopt the final Dangerous, Affected and Insanitary Policy 2024.





## COUNCIL POLICY

<b>TITLE:</b>	<b>Dangerous and Insanitary Buildings</b>
<b>EFFECTIVE DATE:</b>	1 August 2019
<b>FILE REFERENCE:</b>	304100
<b>REVIEW:</b>	June 2024

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### 1. BACKGROUND

The Building Act 2004 (the Act) requires councils to adopt a policy on dangerous and insanitary buildings. The policy must state the approach the council will take to performing its functions under the Act, council's priorities in undertaking those functions, and how the policy will apply to heritage buildings. It must take into account affected buildings, as defined in the legislation.

The policy must be reviewed every five years.

### 2. POLICY OBJECTIVES

The objectives of this policy are to:

- Improve the control of, and encourage better practice in design and construction
- Reduce the danger to people caused by dangerous, affected or insanitary buildings
- Establish the approach Council will take in performing its functions under the Act
- Set out the priorities Council has in performing those functions.

### 3. DEFINITIONS

**Act** means the Building Act 2004 and its amendments.

**Affected building** (section 121A of the Act) means a building that is adjacent to, adjoining, or nearby:

- a) a dangerous building; or
- b) a dangerous dam as defined in the Act.<sup>1</sup>

**Building owner** (section 7 of the Act) means

- a) The person who

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<sup>1</sup> There are no dams in the Kawerau District.

- i) is entitled to the rack rent from the land, or
- ii) would be so entitled if the land were let to a tenant at a rack rent; and
- b) Includes
  - i) The owner of the fee simple of the land; and
  - ii) Any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.

**Council** means the Kawerau District Council or any officer authorised to exercise the authority of Council.

**Dangerous building** (section 121 of the Act)

1. A building is dangerous if:
  - a) In the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause:-
    - i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
    - ii) damage to other property; or
  - b) In the event of fire, injury or death to any persons in it or to persons on other property is likely.
2. For the purpose of determining whether a building is dangerous in terms of subsection 1b) a territorial authority—
  - a) may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and
  - c) if the advice is sought, must have due regard to the advice.

**Insanitary building** (section 123 of the Act)

A building is insanitary if the building:

- a) Is offensive or likely to be injurious to health because:-
  - i) of how it is situated or constructed; or
  - ii) it is in a state of disrepair; or
- b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- c) does not have a supply of potable water adequate for its intended use; or
- d) does not have sanitary facilities adequate for its intended use.

**Notice** means a notice requiring building work to be done or restricting entry to a dangerous, affected, or insanitary building, set out according to the requirements of section 125 of the Act.

## 4. COUNCIL APPROACH

### 4.1 Functions

Council's functions in relation to dangerous, affected or insanitary buildings are to:

- Identify or respond to notifications about potentially dangerous, affected or insanitary buildings,
- Assess the buildings; and
- Take action in relation to the buildings.

### 4.2 Approach

Council approaches its functions in accordance with the model of enforcement remedies it has developed for a range of legislation, regulations and bylaws. The procedural steps are shown in the table below:

Informal Non-Statutory	Formal Statutory	Formal Statutory
Co-operative/Coercive	Directive	Punitive
1. Education/Awareness	5. Verbal Instruction	7. Infringement Notice
2. Warning	6. Written Instruction	8. Prosecution
3. Instruction (Verbal)		
4. Instruction (Written)		

### 4.3 Priorities

Council's priorities for action under this policy are determined by the following:

1. The potential to cause harm to people and the likely degree of harm
2. The potential to damage other property and the likely level of damage
3. The building's importance to the public e.g. a school, health facility or marae
4. The number of people who use the building
5. The level of vulnerability of people who use the building
6. The location of the building in relation to key infrastructure
7. The size of the building
8. The age of the building and its expected life.

## **5. POLICY STATEMENT**

### **5.1 Identifying dangerous, affected or insanitary buildings**

Council will respond to building complaints received from the public, the Fire Service or any other person or organisation with a health and safety interest in a particular building.

### **5.2 Assessing whether a building is dangerous, affected or insanitary**

Council will investigate every building identified as being potentially dangerous, affected or insanitary. An investigation will establish the building's level of risk in accordance with Council's priorities for action under this policy.

The risk assessment, any required remedial work and guidelines and a timeframe for completion will be recorded in a written report. Council will give the report to the building owner and include a copy on the relevant property file and any LIM report produced.

### **5.3 Taking action**

Council will take action in relation to every building which is dangerous, affected or insanitary in accordance with its powers under section 124 of the Act. These powers include any or all of the following:

- a) putting up a hoarding or fence to prevent people from approaching the building nearer than is safe;
- b) attaching in a prominent place on, or adjacent to, the building a notice that warns people not to approach the building
- c) except in the case of an affected building, issuing a notice requiring work to be carried out on the building to:-
  - i) reduce or remove the danger; or
  - ii) prevent the building from remaining insanitary;
- d) issuing a notice restricting entry to the building for particular purposes or restricting entry to particular persons or groups of persons.

### **5.4 Copy of notices**

In addition to the building owner, Council will also provide a copy of all notices to:

- The occupier/s of the building;
- Every person who has an interest in the land on which the building is situated under a mortgage or other encumbrance registered under the Land Transfer Act 1952;
- Every person claiming an interest in the land which is protected by a caveat lodged and in force under the Land Transfer Act 1952;
- Any statutory authority, if the land or building has been classified; and
- The New Zealand Historic Places Trust if the building is a heritage building.

Notice will not be invalid only because a copy is not given to any or all of the above persons.

### **5.5 Working with the building owner**

In every case where Council takes action in relation to a dangerous or insanitary building, it will make contact with the building owner. A reasonable attempt will be made to contact the owner before or at the same time as the issue of a notice. Where a dangerous or insanitary building poses an immediate risk, Council may take remedial action first and then consult with the owner as soon as is practicable thereafter.

Council will give all building owners the opportunity to discuss their circumstances and future plans for their buildings and will take these into consideration. Where the expense of remedial work will place an unreasonable cost burden on the owner, this will be discussed with the owner and other alternatives, such as demolition or temporary hoardings will be considered.

### **5.6 Remedial work**

Where a notice requires remedial work, Council will discuss with the owner the most suitable approach.

In most cases it will be sufficient to use hoardings or similar to prevent the public from approaching the building until the remedial building work has been carried out.

If an owner fails to either undertake remedial work or to complete the work within the required timeframe, Council may obtain a district court order to carry out the work. The work may include the demolition of the building.

### **5.7 Relationship with other provisions of the Building Act**

When a building owner applies for a building consent to alter an existing building, Council may assess the building as dangerous or insanitary if the alterations would affect:

- The means of escape in the event of a fire, and/or
- The ability of disabled persons to use the building, and/or
- The ability of the building to continue to meet the Building Code.

When a building owner applies for a building consent for remedial work required by a notice, Council will ensure the owner also makes the building compliant with Building Code requirements for people with disabilities.

A building owner will be required to comply with any outstanding notice before Council will issue a building consent for any work unrelated to the notice.

## **5.8 Heritage buildings**

There are no buildings in Kawerau carrying heritage classification and Council has yet to assess Kawerau's built heritage or develop a heritage strategy. While this is a reflection that Kawerau has a relatively young building stock, Council will nevertheless consider the heritage values of buildings on their merits.

A heritage building will be assessed in the same way as other potentially dangerous or insanitary buildings.

## **RELEVANT DELEGATIONS**

The Chief Executive Officer or his/her nominee has delegated authority for the implementation of this policy.

## **REFERENCES AND RELEVANT LEGISLATION**

Building Act 2004  
Health Act 1956  
Historic Places Act 1993  
Kawerau Operative District Plan

**Meeting:** Extraordinary Council

**Meeting Date:** 12 June 2024

**Subject:** **Activity Review for the Parks & Reserves Service**

**File No.:** 408000

## **1 Purpose**

The Local Government Act requires that a local authority review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and regulatory function performance.

This review of the Parks & Reserves Service must consider governance, funding, and service delivery and requires specified options to be considered (see Appendix B). Governance relates to how decisions are made about a service, Finance relates to how funding is provided, and Delivery is how the service is operated.

## **2 Activity Goals**

The activity's primary goal is to provide and maintain gardens and amenities, sports fields and reserves, berms, and other green areas in the District to meet the social, cultural, and environmental requirements of our community.

This requires providing gardening, mowing, and arborist services while considering the community's needs in a sustainable way.

## **3 Service and Scope**

This Service provides:

- Maintenance of all public gardens and amenities in public areas.
- Maintenance of all reserves including tracks and trees in the reserves.
- Maintenance of all sports fields in collaboration with sports clubs and other users.
- Mowing and maintenance of all berms and public grassed areas
- Support the maintenance of all green areas at the Pools, Cemetery, and other Council facilities.
- Maintenance, removal, and planting of all street trees.
- Maintenance of all playgrounds, including equipment and fences.

#### **4 Current Governance and Service Delivery**

The Parks & Reserves Service is governed by the Council.

All operations of the Parks & Reserves Service are carried out by Council staff.

Council uses in-house Asset Management and Project Management as needed to deliver the service.

Specialist Arborist businesses are contracted for large tree work.

Specialised providers are contracted for fertilizing spreading and turf seeding.

In-house teams handle the installation of minor equipment, while specialist providers are contracted for large installations.

#### **5 Current Performance Measures for Level of Service**

The current levels of service, performance measures, current performance, targets and sources of information is attached to this review (see Appendix A).

#### **6 Current cost of Service**

The service is provided at an annual operational cost of \$1,997,000. The capital renewals budget for the 2023/24 financial year was \$1,060,000 which includes the Rangī Delamere Sports Centre rebuild. During other years where a major capital project is not planned, the capital renewals budget is in the order of \$80,000 per year.

Sports fields	\$ 341,000
Passive Reserves	\$1,125,000
Road Berms	\$ 126,000
Street Trees	\$ 160,000
Annual Bedding Displays	\$ 169,000
Playgrounds	\$ 56,000

The cost of the service is funded through rates, club lease fees, and event charges. External funding is applied for projects when applicable and available.

#### **7 Analyses of the Service**

##### **Need of the Service**

The council provides green spaces and reserves according to its District Plan. Statutory requirements under the Reserves Act 1977 cover many issues relating to the administration of reserves, including the declaration, classification, revocation, management planning and leasing of reserves, and public consultation. These requirements are managed under the Council's Reserves Management Plan.

The provision of all related recreational and parks & reserves services flows from these requirements.



Ratepayers highly appreciate the Parks and Reserves service. The 2023 Triennial Residents' survey achieved approval ratings of 84% and 82% (82% NZ benchmark) for community attractiveness and parks and reserves, respectively. 85% of all respondents visited public parks and reserves on a regular basis.

### **Efficiency and Effectiveness of the Service**

The service is delivered in-house for general maintenance and small works and through contractors for large works. Utilising local staff is highly efficient and cost-effective.

Asset and Project management of the Parks and Reserves service is relatively small and is appropriately managed by staff.

### **Improvements of the Service**

With the development of Stoneham Park residential development, the old stock pound is being designated as a reserve. This reserve will be developed and discussed with the Council in separate workshops, consulted with members of the public, and other interest groups.

### **Constraints of the service**

There are currently no constraints on this service.

### **Risks of the service**

All risks of the service are managed through Council risk management policies and a health and safety system.

The play parks are regularly inspected to ensure the equipment is safe for children.

## **8 Delivery Options of the Service**

### Current arrangement

The service is governed and delivered by Council.

### Governance

There are no other governance options.

### Funding

The cost of the service is funded through rates, club lease fees, and charges for events. External funding is applied for projects when applicable and available.

### Delivery

The service is delivered by Council staff and appropriate contractors where works exceed staff capabilities. The mowing and gardening service may be contracted out, however, it provides direct employment to residents, and any savings will be relatively small.

No other identified external agencies or contractors could be considered to provide this service.

## 9 **RECOMMENDATIONS**

1. That the report “Activity Review for the Parks & Reserves Service” be received.
2. That Council adopt the Parks & Reserves Service as proposed in the report and appendix.



Riaan Nel, B. Tech (Mech), BSc (Hons)  
**Group Manager, Operations & Services**

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## Performance Measures and Targets

Appendix A

Levels of Service	Measures	Current performance target	Status	Data source
Council provides parks and reserves that meet community needs	Community satisfaction with parks and reserves	>80%	Met. 82%	Community survey (3 yearly)
Sports field playing surfaces meet the requirements of the codes they used	Implementation of recommendations of NZ Sports Turf Institute advisory reports	NZ Sports Turf Institute recommendations implemented.	Met	Council records
Bedding displays are attractive and updated to suit the season	Number of bedding displays	There were 2 bedding displays planted in each bedding	Met, one in summer, one in winter	Council records
Playground equipment is safe for children to use	Monthly inspections of all playgrounds	At least 10 inspections conducted per year	Met. 12 inspections conducted.	Council records

<b>PART I: PRESENT ARRANGEMENTS</b>	
<i>Name of the service and scope</i>	<u><i>Parks &amp; Reserves Service</i></u> <i>To provide and maintain gardens and amenities, sports fields and reserves, berms, and other green areas for the Kawerau District.</i>
<i>The rationale for service provision</i>	<i>Providing green areas is required by the Council District Plan.</i>
<i>Present arrangements</i>	<i>The service is governed by Council. All operations, management, and maintenance of the service are provided by Council staff and long-term contractors. The service is funded through rates, fees, and charges.</i>
<i>Last review</i>	<i>July 2017</i>
<i>Performance</i>	<i>Performance is currently measured by: Community satisfaction surveys are conducted every three years. Quality of sportsfields. Attractiveness of gardens and displays. Safety of playgrounds and equipment.</i>
<i>Cost</i>	<i>\$1,997,000</i>
<b>PART II: DECISION TO REVIEW</b>	
<i>Why is a review considered?</i>	<i>It has been 6 years since the previous full review, and a full review is required.</i>
<i>Are there any exceptions to undertaking this review?</i>	<i>There are no exceptions that may be considered when undertaking this review.</i>
<i>Is a full or a partial review required</i>	<i>It has been 6 years since the previous full review, and a full review is required.</i>
<b>PART III: ANALYSES OF OPTIONS</b>	
<i>Governance options</i>	<i>There are no other governance options.</i>

<p><i>Funding options</i></p>	<p><i>The service is funded by rates, fees, and charges as determined by the Council's Revenue &amp; Financing Policy.</i></p> <p><i>External funding may be available for facility and plant expansions or enhancements and is applied for when available.</i></p>
<p><i>Operational options</i></p>	<p><i>The service is managed, maintained, and operated by Council staff. This is highly cost-effective and directly controls the service to Council.</i></p> <p><i>There are no shared services with other Councils or organisations that can manage, maintain, or operate this service.</i></p> <p><i>No other entities are identified that may manage, maintain, or operate the service.</i></p>

**Meeting:** Extraordinary Council

**Meeting Date:** 12 June 2024

**Subject:** Activity (s17a) review for Firmin Lodge (#2) - booking terms and fees

**File No.:** 103015

## **1 Purpose**

The purpose of this workshop is to provide Council with options for payment & cancellation terms, booking types & fee structure options, bond amounts and develop a request for expressions of interest to consider adopting for the Firmin Lodge accommodation venue.

## **2 Background**

Council undertook an initial s17a activity review on 14 February 2024. Council approved a second review to determine improvements to the booking terms and fee structure.

This workshop is recommended to read alongside the first s17a review, which includes data on occupancy and revenue, along with constraints of the service.

In summary key points and current constraints:

1. Weekend hire is premium
2. Some hirers will only stop one night on a weekend, and often at the lowest rate possible to suit their group size – therefore, weekends are not always maximising their premium capacity and revenue potential
3. Mid-week overnight bookings are limited, but when they do occur, can span across multiple days and weekends – becoming a high revenue source
4. The fourth night free option, for long stays, result in extremely generous hire fees across the full span of the stay – removing the fourth night free option, will improve long stay revenue
5. Hirers rarely opt to share the accommodation with a different group (shared occupancy). Hirers will take the chance to opt for a 'shared occupancy'. Subsequent enquiries for the same date usually opt to choose another available date - rather than share the accommodation with a different group
6. Casual bookings can limit the overnight booking potential when subsequent enquiries are received. This results in negotiations with a casual hirer to consider changing the date of the casual booking, to allow for an overnight stay to take place instead

7. Casual booking enquiries are mostly ad-hoc and last minute
8. Overnight booking enquiries are the opposite, usually well in advance and well-planned by the hirer
9. A cancellation may currently be accepted up to 5 working days from the booking date (hirer check in) - a full refund is given if the cancellation meets this timeframe, giving little time to secure a replacement booking
10. A refundable bond is the current method to secure a booking, which, if the booking is cancelled (within the terms), Council receives no cost recovery for administration

### Operational expenses and revenue

As reported in s17a review workshop one:

**Total cost of Service -           \$260,000**

Made up of:

• Advertising -	\$15,500
• Cleaning -	\$35,000
• Insurance -	\$ 5,700
• Power -	\$10,000
• Security -	\$ 6,000
• Sundry Expenses -	\$ 7,500
• Major Maintenance -	\$ 8,000
• Depreciation -	\$58,860 (Depreciation not funded - \$20,602)
• Internal Charges -	\$ 500
• Loan Interest -	\$23,297
• Personnel Costs -	\$80,625 \$74,800*
• Overheads -	<u>\$29,620</u>
<b>Total</b>	<b>\$260,000</b>

Revenue

• General Rates -	\$184,000
• Fees & Charges -	\$ 76,000

*\* Personnel costs are indicated as 100% Venues Coordinator and 20% ECD Manager positions budgeted for in the 2023/24 FY. The previously reported cost after reassessment is determined to be slightly lower than indicated before*

**Appendix A** provides a table with revenue compared to expense lines since 2016/17 financial year. The set cleaning fee depending on the type of booking is also provided.

### **3 Options**

Four sections are included in this workshop paper, as follows:

1. Payment and Cancellation Terms
2. Fees
3. Bonds
4. Request for Expressions Of Interest (REOI)

## **Section One – Payment and Cancellation Terms**

The scope of this section of the workshop discussion is the payment terms only.

The following options are available for consideration.

### **Option one - Status Quo – Not recommended**

Current payment terms:

- a) A ***refundable*** bond (\$500 for accommodation or \$200 for casual bookings) is required to secure the booking.
- b) All bookings must be paid in full a minimum of 5 working days before hire date and time. Failure to do so will result in the booking being cancelled.
- c) Booking cancellations must be advised ***no later than five working days*** before the hire date. Hirers will receive a full refund of any monies paid.
- d) Hirers who cancel their booking ***less than five working days*** before the hire date will be charged 50% of the cost of hire. If the late cancellation was caused through circumstances beyond the control of the hirer, Council may, at its discretion, refund all, or part of the payment.

These conditions are standard across all of Council's venues. However, for a commercially viable accommodation operation, they are unsuitable for Firmin Lodge.

Council's hire conditions are favourable towards the hirer, resulting in non-committal of payment (delayed payment) or late cancellations, with no cost recovery of the administration involved with processing and cancelling a booking. A cancellation six days from the booking date is unlikely to find a replacement hirer at such short notice.

### **Option two – Fixed non-refundable deposit and cancellation cost recovery - Recommended**

This option implements a fixed deposit amount, irrespective of how long the stay is.

- a) A fixed deposit amount \$500 to secure booking, is non-refundable
- b) Outstanding payment plus bond due by 28 days of booking date, if payment is not received, booking is cancelled and deposit not returned
- c) Deposit and full fee may be transferred to an alternative date, if hirer cancels and alternative dates available
- d) Cancellations and transfer option not accepted by hirer before 28 days of booking date, deposit not returned
- e) Cancellations less than 28 days of booking date deposit not returned



- f) Enquiries received within 28 days of booking date to be paid in full, to secure booking.
- g) Council, at its discretion may return the deposit in part or full, due to uncontrollable circumstances to cause the cancellation
- h) If Council cancels the booking, fee is transferable or refundable

### *Discussion*

1. Determine appropriate amount as the fixed non-refundable deposit

## **Section Two – Booking types and fees**

### **Rationale**

A snap shot of data from the 2022/23 FY to assist Council's discussions:

- Annual revenue target from fees & charges = \$76,000.00
- Actual expenses = \$71,345.00 (excludes personnel and overheads)
- 40% occupancy (146 occupied days)
- 25 accommodation bookings
- 102 total days occupied by accommodation bookings (including the day they departed)
- 77 nights booked
- 21 casual bookings
- Of 52 weekends in the year, 19 weekends included accommodation bookings (some bookings covered more than 1 weekend, some weekends had more than 1 booking)
- 39% weekend occupancy (19 weekends)
- Of 52 weekends in the year, 2 weekends had a casual booking
- At 40% occupancy required revenue per day = \$520.55 to reach \$76,000.00

Taking the 40% annual occupancy (or 146 days), the revenue target for each day of occupancy must reach \$520. The challenge with this rationale is that casual bookings charge less than accommodation bookings and accommodation bookings are based on the occupancy type – therefore not a fixed amount each booking.

If revenue relied solely on weekend accommodation bookings, the 39% weekend occupancy would require a revenue of \$3,619 for each of those weekends occupied. The challenge with this rationale is that midweek bookings balance this revenue requirement, while casual booking revenue runs at a loss.

Due to the multiple booking types and associated fees, results in an inconsistent approach to revenue potential.

The following provides options for Council consideration to adapt the booking types and the fees.

- Remove the current fourth night free option
- Retain casual bookings as an option, increase current fee and priority given to accommodation bookings

- Council may wish to consider a bulk booking arrangement by negotiation (case by case) for long stays and regular hirers. This can be applied at Councils discretion

## **Appendix B – Occupancy revenue targets**

Three tables in appendix B provide the following:

- *Table 1* – Takes the 2022/23 actual expenses for cleaning, power, insurance, security, advertising and personnel. The total is divided by 365 (days p.a.) and provides a cost per day for these items. These costs may be considered as consumable items, which a hirer should pay for
- *Table 2* – Takes the table 1 expenses, the target revenue through fees and charges (\$76k) and the total cost of service (\$260k), and calculates the required revenue based on the annual occupancy percentage achieved
- *Table 3* – Provides the revenue required for weekend occupancy only (assuming no midweek bookings occur) based on various percentages occupancy

These figures are all GST exclusive.

### **Option one – Status Quo – Not recommended**

#### *Small Occupancy*

- A minimum of 2 dorms (12 beds) can be booked by a group for \$320.00 per night.
- 3 dorms booked by a group for \$480.00 per night.
- 4 – 5 dorms booked by a group for \$590.00 per night.
- 6 dorms booked by a group for \$750.00 per night.
- 7 dorms booked by a group for \$910.00 per night.
- Fourth night is free if three consecutive nights are booked.
- Please note: You may need to share the facility.

#### *Sole Occupancy*

- Entire facility of 10 dorms booked (60 beds)
- \$1,020.00 for the first night, additional nights are booked at \$850.00 per night.
- Fourth night is free if three consecutive nights are booked

#### *Main Hall (Casual booking)*

The main hall is suitable for daytime events, workshops, meetings, conferences and more, which do not require accommodation.

These bookings are for daytime use only and give access to the main hall, kitchen and toilet facilities. This can be booked at a day rate of \$275.00

### **Option two – sole occupancy accommodation only - Recommended**

This option completely removes small and shared occupancy. It operates on the principle that irrespective of how many people are in a group, it is a blanket

one fee approach, the entire venue and all dorms are made available to the hirer at the single set rate per night.

*Sole occupancy only*

Nights booked	Cost per night (Excl. GST)	Cost per night* (Incl. GST)
1	\$1000.00	\$1150
2	\$1826.09	\$2100
3	\$2652.17	\$3050
4	\$3478.26	\$4000
5	\$4304.35	\$4950
6	\$5130.43	\$5900
7	\$5956.52	\$6850
Casual	\$282.61	\$325

*\*After night one, there is a standard \$950 per night increase each subsequent night.*

If the venue is available, casual bookings are permitted.

### **Section Three – Bonds**

The current refundable bonds are:

- Accommodation bookings - \$500
- Casual bookings - \$200

*Recommendation - Council considers whether the current bond amounts are sufficient in today's economic climate.*

### **Section four – Request for Expressions of Interest (RFEI)**

In the first s17a review, a service delivery option was discussed regarding determining if a business or commercial entity would be interested in entering into a lease agreement with Council, to deliver the Lodge accommodation service.

If this option is adopted by Council, the first step would be to develop a RFEI document to distribute in the commercial business sector. A RFEI could potentially give Council an indicator if there is a commercial entity which would be appropriate and meet Council's expectation of the functionality of the Lodge.

A RFEI is non-committal and does not require Council to agree a lease.

Depending on the response received through expressions of interest, the process could provide Council with an indication of how viable a lease arrangement may be in the future.

*Recommendation – develop a Request for Expressions of Interest (RFEI) document for circulation into the commercial sector.*

## 4 DISCUSSION

When considering a change to the booking terms, it is recommended to weigh up between encouraging an early financial commitment from the hirer, balanced with administration cost and revenue loss for a cancellation.

Any fee increase pose complexities, especially if an increase to weekend charges occurs. Some existing hirers may go from current expectations of \$590.00 for shared occupancy at the weekends (for one night only), to double the cost.

Council should consider the true value of the premium weekend revenue, versus potentially pricing the venue out of the market to some hirers.

Another factor to consider is the current flexibility to hire the Lodge with hire of fewer rooms being appealing to some hirers. However, irrespective of how appealing this option is, it comes at a revenue compromise to Council.

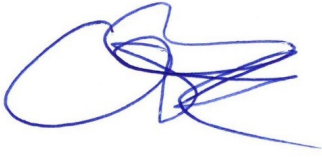
Whatever changes Council adopts, it will be unclear the impact of those changes until they are socialised and allow potential enquiries to indicate if the new terms and fees remain competitive in the commercial market. A monitoring period of up to 12 months would indicate whether the Lodge remains appealing to hirers.

It is recommended in 12 months a reduced scale s17a review is undertaken to analyse the impact of any changes adopted by Council.

## 5 RECOMMENDATIONS

1. That the report "Activity (s17a) Review for Firmin Lodge (#2) - booking terms and fees" be received.
2. That Council adopt **option two** – (Section One – *Payment & Cancellation Terms*).
3. That Council adopt **option two** – (Section Two – *Booking Type & Fees*)
4. That Council **retains** the current bonds – (Section Three - *Bonds*):
  - a) Accommodation Booking - \$500.00
  - b) Casual Booking - \$200.00
5. That Council **Tracks & Monitors** the new Payment & Cancellation Terms and Booking Type & Fees, and undertake a further review in 12 months – (Section Three - *Request for Expressions of Interest (RFEI)*).

6. That Council adopt the Firmin Lodge delivery as proposed in this report and Appendix A.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Lee Corbett Barton

**Economic & Community Development Manager**

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<b>PART I: PRESENT ARRANGEMENTS</b>	
<i>Name of the service and scope</i>	<i>Firmin Lodge Affordable Group Accommodation</i>
<i>Rationale for service provision</i>	<i>Economic and Community Development</i> <ul style="list-style-type: none"> <li>• <i>Leveraging off the Tarawera River Whitewater asset</i></li> <li>• <i>Providing a solution to a gap in the local provision of affordable group accommodation</i></li> <li>• <i>Providing a solution as a Civil Defence Centre or alternative Emergency Operation Centre in emergencies</i></li> <li>• <i>Providing the Kawerau community an alternative option for social gatherings</i></li> </ul>
<i>Present arrangements</i>	<i>Council owned, operated and funded through general rates and fees &amp; charges</i>
<i>Last review</i>	<i>First review</i>
<i>Performance</i>	<i>Measured under Public Halls and facilities and post hire customer survey</i>
<i>Cost</i>	<i>\$260,000.00 p.a</i>
<b>PART II: DECISION TO REVIEW</b>	
<i>Why is a review considered?</i>	<i>Lower than initially forecast revenue, changing economic climate, over generous booking types and terms and maximize peak revenue opportunity with weekend bookings.</i>
<i>Are there any exceptions to undertake this review?</i>	<i>No</i>
<i>Is a full or a partial review required</i>	<i>Full</i>
<b>PART III: ANALYSES OF OPTIONS</b>	
<i>Governance options</i>	<i>Retained under Council governance</i>
<i>Funding options</i>	<i>Status quo except fee change</i>
<i>Operational options</i>	<i>Status quo under Council management. Change to booking terms &amp; cancellations and booking type &amp; fees</i>