

CENTRAL HAWKE'S BAY



I hereby give notice that a Finance and Planning Committee Meeting will be held on:

Date: Thursday, 28 March 2019
Time: at the conclusion of the public forum
which commences at 9.00am
Location: Council Chamber
28-32 Ruataniwha Street
Waipawa

AGENDA

Finance and Planning Committee Meeting 28 March 2019

Our vision for Central Hawke's Bay is a proud and prosperous district made up of strong communities and connected people who respect and protect our environment and celebrate our beautiful part of New Zealand.

Monique Davidson
Chief Executive

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1 APOLOGIES**2 DECLARATIONS OF CONFLICTS OF INTEREST****3 STANDING ORDERS****RECOMMENDATION**

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

4 CONFIRMATION OF MINUTES

Finance and Planning Committee Meeting - 14 February 2019

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
FINANCE AND PLANNING COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 14 FEBRUARY 2019 AT THE CONCLUSION OF THE PUBLIC FORUM
WHICH COMMENCES AT 9.00AM**

PRESENT: Cr Ian Sharp (Deputy Mayor)

Mayor Alex Walker
Cr Tim Aitken
Cr Kelly Annand
Cr Shelley Burne-Field
Cr Tim Chote
Cr Gerard Minehan
Cr Brent Muggeridge
Cr David Tennent

IN ATTENDANCE: Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Monique Davidson (CEO)
Bronda Smith (Group Manager, Corporate Support and Services)
Doug Tate (Group Manager, Customer and Community Partnerships)
Nicola Bousfield (People and Capability Manager)
Leigh Collecutt (Governance and Support Officer)

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Cr Ian Sharp

Seconded: Mayor Walker

That Dr Roger Maaka is tabled as an apology for the meeting.

CARRIED

2 DECLARATIONS OF CONFLICTS OF INTEREST

None

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Shelley Burne-Field

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once

- 20.6 Limits on number of speakers

AND THAT 21.4 Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

CARRIED

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Tim Aitken

That the minutes of the Finance and Planning Committee Meeting held on 29 November 2018 as circulated, be confirmed as true and correct.

CARRIED

5 LOCAL GOVERNMENT ACT COMPLIANCE – PLANNING, DECISION MAKING AND ACCOUNTABILITY

Council is required to make decisions in accordance with the requirements of Part 6 Subpart 1 of the Local Government Act 2002.

COMMITTEE RESOLUTION

Moved: Cr Ian Sharp

Seconded: Cr David Tennent

THAT Council has read the reports associated with items 6.1 to 6.5 and considers in its discretion under Section 79(1)(a) that sufficient consultation has taken place in addition to the Councillors knowledge of the items to meet the requirements of Section 82(3) in such a manner that it is appropriate for decisions to be made during the course of this meeting.

AMENDMENT

Moved: Cr Ian Sharp

Seconded: Cr David Tennent

That item 5 - Local Government Act Compliance - Planning, Decision Making and Accountability is removed from all Finance and Planning Committee Meeting Agendas going forward.

CARRIED

6 REPORT SECTION

6.1 FINANCE AND PLANNING COMMITTEE WORK PROGRAMME UPDATE

PURPOSE

The purpose of this report is to provide an update to the Finance and Planning Committee on the key priorities as identified in the Terms of Reference and work programme for the committee.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken

Seconded: Cr Shelley Burne-Field

That, having considered all matters raised in the report, the report be noted.

CARRIED

- Mayor Walker asked officers about progress of the rates review. It was confirmed that it was a long term review over a 12-24 month period and that it was currently on track.
- Cr Tennent asked whether if the Council made a decision on the scope of work for the rates review, if this would bind the next Council in any way. It was confirmed by Cr Sharp and officers that this could be rescoped if needed. The intention of the review is that it is a guideline which outlined milestones, rather than a binding strategy.

6.2 QUARTERLY FINANCIAL REPORTING FOR DECEMBER 2018

PURPOSE

Provide Council with a summary of Council's second quarter financial performance for the 2018/19 financial year.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan

Seconded: Cr Kelly Annand

That, having considered all matters raised in the report, the report on Council's second quarter financial performance for the 2018/19 financial year be noted.

CARRIED

- Cr Muggeridge asked whether officers were confident that project work was going to be completed and that contractors were going to be available, given a large proportion of work is phased for the last 6 months of the year. Officers confirmed that the capital works programme was a priority and that sound programme management would help to achieve milestones. Where officers are not confident that deliverables would be met, these have been signalled to Council.

It was also confirmed that while finding qualified contractors is potentially a risk, that a good amount of interest has been generated for projects through the use of different engagement tools.

- Mayor Walker asked about income subsidies from NZTA for emergency work and whether this was included in the figures. It was confirmed that some of it was included and that most of the emergency work from weather events had either been programmed or completed, however a paper would be coming to Council to discuss further work needed after the December weather event.
- Cr Aitken asked officers how they had achieved the reduction of \$202,032 for bad debts since September. It was confirmed that this was managed through various channels, including officers actively working to make payment arrangements, mortgage demands and outsourcing some debt management.
- Cr Tennent discussed roading issues after rain events and asked whether the regional council accepted responsibility for remedial work required when roads were impacted by rivers or waterways. Mr Lloyd confirmed that although the regional council were not directly giving a financial contribution, that they were assisting officers by making the process as easy as possible and assisting with storage. The Chief Executive noted that there were continuing discussions with the regional council about long term sustainability in terms of funding for extreme events.

6.3 QUARTERLY ACTIVITY REPORTING - OCTOBER TO DECEMBER 2018

PURPOSE

The purpose of this report is to provide Council with a summary of the organisation's quarterly activity reporting for the period October to December 2018.

COMMITTEE RESOLUTION

Moved: Cr Kelly Annand
Seconded: Cr David Tennent

That, having considered all matters raised in the report, the report be noted.

CARRIED

- Cr Minehan indicated that stakeholders would like to have ongoing meetings with Building Control officers to discuss changes in legislation and other relevant matters.
- Discussion took place about growth assumptions made in last year's Long Term Plan and given the significant growth in some areas of the district it was agreed that this would need to be re forecast.
- Cr Tennent asked what the Council's obligations were in terms of dealing with animal welfare. It was confirmed that the recent review of the animal control service highlighted that some improvements needed to be made in this area. It was also noted that there is a lack of clarity about the Council's role in conjunction with other agencies.
- Cr Burne-Field asked what could be expected in terms of responsiveness when an additional animal control staff member was appointed. The Chief Executive

confirmed that it would enable the organisation to be more proactive and visible, rather than strictly just dealing with animal control enforcement.

- Cr Burne-Field also requested that the organisation have more proactive communication about what to do when people need support or help with animal control. This was noted by officers.
- Cr Aitken asked about the large pile of metal at the transfer station and whether this could be moved. It was confirmed that contractors were working to deal with this.
- Cr Tennent asked whether watering was still taking place at Russell Park. Officers indicated while there would still be some watering taking place that recent rainfall has not meant that this had not been necessary.
- Cr Annand requested that the target for number of users of the Memorial Hall be clarified for future reporting.
- Cr Burne-Field noted concerns about the number of ammonia exceedences for wastewater treatment.
- Cr Muggeridge asked for clarification about wastewater flow volumes and the point at which officers would be highly concerned about exceedences. It was confirmed that exceedences were reported to the regional council and that the council was working with them on planning to help reduce these issues.

6.4 ELECTED MEMBERS EXPENSES FOR JULY TO DECEMBER 2018

PURPOSE

The purpose of this report is to update Council on the Elected Members' Expenses for the six month period of July to December 2018.

COMMITTEE RESOLUTION

Moved: Cr Tim Aitken

Seconded: Cr David Tennent

That, having considered all matters raised in the report, the Elected Members Expenses for July to December 2018 report be noted.

CARRIED

6.5 KEY PROJECT STATUS REPORT #4 - BIG WATER STORY

PURPOSE

The purpose of the report is to provide information to Council on the progress and status of #thebigwaterstory programme.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

That, having considered all matters raised in the report, the report be noted.

CARRIED

- Cr Sharp offered congratulations around supplier management and engagement for these projects.
- Cr Minehan sought clarification about timeframes for consents from the regional council.
- Cr Annand sought clarification about what the indicators were for bore locations. Mr De Klerk confirmed that locations were dictated by seismic testing and locations of surrounding bores.
- Cr Aitken sought clarification about the impact that establishing new bores would have on existing bores. It was confirmed that testing would be done to ensure that there was not an impact. If it was determined that there was an impact, officers would explore other options.
- Mayor Walker asked whether the required resourcing would likely have implications for the annual plan. It was confirmed that this has been accounted for.
- Cr Tennent sought clarification of the consent process for farm supply in terms of the taking of water. Mr De Klerk clarified that initially consent would be sought for a test bore. Once it was determined that a test bore was fruitful and that testing was satisfactory, consent would then be sought for a production bore and associated water take.
- Mayor Walker noted the recent discussion at the regional council meeting around delivery of infrastructure projects in the district. It was tabled that there was confidence in the processes officers were following for programme delivery.

7 DATE OF NEXT MEETING

COMMITTEE RESOLUTION

Moved: Cr David Tennent

Seconded: Cr Tim Chote

THAT the next meeting of the Central Hawke's Bay District Council be held on 28 March 2019.

CARRIED

8 TIME OF CLOSURE

The Meeting closed at 10.10am.

The minutes of this meeting were confirmed at the Finance and Planning Committee Meeting held on 28 March 2019.

.....
CHAIRPERSON

5 REPORT SECTION

5.1 FINANCE AND PLANNING COMMITTEE - WORK PROGRAMME UPDATE

File Number: COU-1410

Author: Monique Davidson, Chief Executive

Authoriser: Monique Davidson, Chief Executive

Attachments: Nil

PURPOSE

The purpose of this report is to provide an update to the Finance and Planning Committee on the key priorities as identified in the Terms of Reference and work programme for the committee.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance.

DISCUSSION

The role of the Finance and Planning Committee is to assist Council to discharge its responsibilities for:

- Preparation and promotion of key planning documents including the Long Term Plan, Annual Plan and District Plan
- Assess and progress current and future projects
- Policy review and development relevant to finance, planning and infrastructure

Specific responsibilities include:

- Discussion and preparation of the Annual Plan
- Discussion and preparation of the Long Term Plan
- Discussion and preparation of the District Plan
- Approval of appropriate draft strategies, plans and policies for public consultation
- Recommend appropriate strategies plans and policies to council for adoption
- Council owned infrastructure
- Finance policies
- Infrastructure policies

The purpose of this report is to provide a regular update on key areas of focus for the Finance and Planning Committee.

Annual Plan 2019/20

The annual plan process focuses on year-to-year budgets. Councils prepare an annual plan in each of the two years between LTP reviews, and it sets out what the council plans to do in the next 12 months to move towards achieving its goals.

The Annual Plan Consultation Document was adopted by Council on 28 February 2019 and the consultation period began on the 18 March 2019. The consultation period closes on the 12 April 2019. A number of Have Your Say meetings have been scheduled during the consultation period and the supporting information is available on the website, at the libraries and at the Council office.

Have Your Say Meetings

Where	Date	Location
Waipukurau	27 March	Waipukurau Memorial Hall, River Terrace
Elsthorpe/Omakerei	28 March	Elsthorpe Hall, Kenderdine Road
Otane	1 April	Otane Hall, Higginson Street
Porangahau	2 April	Porangahau Hall, Abercromby St
Takapau	3 April	Takapau Hall, 37 Charlotte Street
Tikokino/Ongaonga	8 April	Tikokino Hall, Owen Street
Waipawa	9 April	CHB Municipal Theatre, 18 Kenilworth Road

The hearing of Submissions is scheduled for 9 May 2019 and deliberations are on 23 May 2019, with the final adoption of the Annual Plan 2019/2020 scheduled for 20th June 2019.

District Plan

The District Plan Sub-committee met on February 26th to consider issues, objectives and policies for the new Landscape provisions of the draft and met again yesterday, 27th March, to consider the introduction of rules relating to the Landscape provisions in the draft. Adopting and integrating the landscape provisions as part of the natural Environment Chapter effectively finalizes the completion of the draft and the Sub-committee meet again on April 9th to adopt this final chapter of the Plan.

The completed draft will then be presented to Council on April 10th for adoption. A workshop for Council on April 10th has also been arranged to present the District Plan Communication Strategy to elected members. This presentation will provide information about the roll out of the draft to the CHB community and when and where public meetings on the plan will be held and how elected members can participate at these meetings. Information packs explaining key messages and frequently asked question will be provided to Councilors at the workshop.

Once the Plan is adopted on April 10th officers will arrange a meeting with key stakeholders, (e.g., Hawkes Bay Regional Council, Department of Conservation and Federated Farmers NZ) to explain the new provisions relating to significant natural areas and outstanding landscapes in the rural zone. Letters will also be sent to property owners with these special areas on their land introducing the review and inviting them to meetings in the community so that Council can share information about the new provisions in the plan and also hear from landowners and receive their feedback on this issue.

The progress with the draft and meeting key milestones means the draft remains on schedule for release to the public on June 3rd.

External Funding Strategy

On the 14th March a Draft External Funding Strategy was presented to Council for feedback. Elected Members provided guidance, Officers will now make some minor amendments to the Draft External Funding Strategy before being presented on the 10th April for Council to consider. Once adopted the Finance and Planning Committee will be updated on implementation progress.

Rates Review

As part of the Financing and Planning Committee meeting, a report to adopt the scope and timing of the Rates Review has been tabled for consideration by the Committee.

Key items for the Finance and Planning Committee work programme in the coming months are:

- Completion of External Funding Strategy
- Completion of Annual Plan 2019/2020
- Progression of Rates Review
- Progress of District Plan Review

FINANCIAL AND RESOURCING IMPLICATIONS

There are no financial or resourcing implications highlighted in this report.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

5.2 ADOPTION OF THE RATING REVIEW SCOPE AND TIMING**File Number:** COU-1410**Author:** Bronda Smith, Group Manager, Corporate Support and Services**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Rates Review Process [↓](#) **PURPOSE**

The matter for consideration by the Council is the adoption of the Rating Review Scope and Timeline

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) That the Rating Review Scope and timing be adopted.

COMPLIANCE	
Significance	This matter is assessed as being of some importance
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <ol style="list-style-type: none"> 1. That the Rating Review Scope and Timing be adopted. 2. That the Rating Review Scope and Timing not be adopted and officers are given guidance to the changes required.
Affected persons	The persons who are affected by or interested in this matter the officers, Elected Members and the wider community of Central Hawke's Bay
Recommendation	<i>This report recommends option 1 for addressing the matter.</i>
Long-Term Plan / Annual Plan Implications	None
Significant Policy and Plan Inconsistencies	None

BACKGROUND

A formal Rating Review was last conducted in late 2008 and applied to the Revenue and Financing Policy and Funding Impact Statement as part of the 2009/10 financial year. Since this time Council

has made minor changes to the Revenue and Financing Policy with a move to more private funding for activities that are considered to have a higher individual benefit.

As part of the Long Term Plan Consultation, Council considered the proposal to change the funding for drinking water and wastewater and to include a District Wide Targeted Rate set on a uniform base that would be paid by all ratepayers in the district whether or not you are connected to the network. As part of the deliberations, Council resolved the following:

Retain the current funding for drinking water and wastewater with targeted rates for those connected to the network and initiate a full Rating Review only after all the information is gathered and known about the extent of the CHB drinking water and wastewater future expenditure.

Based on the above resolution and the time taken to conduct a Rating Review, officers have reviewed the scope and timing of the Rating Review.

SCOPE AND TIMING

There are generally two types of rating reviews:

- A first principles review; and
- An amendment review.

First principles review

A first principles review happens when the evidence or perception is that the current rating allocation model is not appropriate.

A first principles review may arise because there:

1. has not been a full review of rates and /or Revenue & financing policy for a considerable length of time;
2. is significant change in rating valuations;
3. is change in focus, direction or objectives of Council;
4. is community dissatisfaction with existing rates or rating methods;
5. is a significant change in levels of service for a number of activities or a change to the regulations or required standard;
6. is poor understanding of how rates are allocated;
7. is a shift in land use;
8. is loss or gain of a major industry;
9. is population change;
10. is financial necessity; or
11. a natural disaster.

Of the 11 items listed above, the first 6 are applicable to the Council, therefore a first principles approach is recommended to be used in the rates review.

A first principles review goes back to basics and considers all the required background information as if there were no previous funding decisions or existing funding related policies.

A rates or funding review needs to following the steps below, otherwise there is a risk that the Council's final decision could be over turned following the election. It is expected that this process can take between 12 and 18 months.

Amendment reviews

An amendment review happens when a council wants to make one or more changes within the existing framework.

Typically, these reviews will happen to:

- introduce a new rate;
- modify a rate;
- remove a rate;
- change differentials.

These reviews may change the Funding Needs Analysis, the Revenue and Financing Policy and/or the Remission and Postponement Policies in a small way.

An amendment review is administratively easier to do and only involves specific changes. Depending on the change many of the steps above need to be replicated to a lesser scale depending on the changes made.

While an amendment may be an option, there is a significant risk that while attempting to resolve one issue, other issues may be created as an unintended consequence as a rating review is only redistribution of the total rate requirement. A rate review will always result in some ratepayers paying more with others paying less.

Suggested Process and High Level Timetable

As discussed above, it is important to note that if a rates or funding review is consulted on as part of the Long-Term Plan process, then this can “high jack” the LTP process. As this review process takes between 12 to 18 months, the most appropriate time to commence the process is now, with the aim to consult any changes as part of the Annual Plan 2020/21.

There are two options for how this can be achieved. Council could defer the start of the process until after the 2019 election, however this is likely to result either in uncompleted process to consult as part of the 2020/21 Annual Plan or being the review before the election and complete the process after the election in time to consult in conjunction with the Annual plan 2020/21.

As the recommend option is to commence the process now with the aim to consult any changes as part of the Annual Plan 2020/21, set out below are the required steps that can be completed prior to the election and those steps that are required to be completed post-election.

Steps required	Details	Date
Before election		
Session one	<ol style="list-style-type: none"> 1. Set out the process required and how the Council will consider section 101 (3) (a) 2. Agree the template that will be used to assess benefits for each activity 3. Use an activity that has most of five criteria of 101 (3) (a) that need to be considered 4. Agree the order that activities will be considered 	02/05/19 Extra workshop
Session two	Consider selected activities	16/05/19 Extra workshop
Session three	Consider selected activities	05/06/19

Steps required	Details	Date
Session four	Consider selected activities	20/06/19
Session five	Consider selected activities	If Required
Session	Summarise the results of the allocation	01/08/19
After the election		
Briefing with new Council	Brief on allocations made to date Confirm or modify the allocation	TBC
Session	Consider the tools (e.g. Types of rates, debt and fees) that reflect the benefits in step one	TBC
Model the tools	Impacts of rates on ratepayers	TBC
Session	Consider the results of the models	TBC
Re model tools	Impacts of rates on ratepayers	TBC
Session	Confirm tools to be used	TBC
Develop consultation process	Report to Council	TBC
Draft Revenue & financing policy and supporting rating policies	Report to Council	TBC
Draft the proposal and supporting information for consultation	Report to Council	TBC

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some importance because as the Rating Review scope and timing has an impact on the rates levied on an annual basis.

OPTIONS

The following analysis applies to all options.

- a) Financial and Resourcing Implications
The financial and resourcing implications of both options have been included in current budgets.
- b) Alignment to Project Thrive and Community Outcomes
All options align with Project Thrive and will allow us to achieve our key community outcomes.
- c) Statutory Responsibilities
Section 101(3) of the Local Government Act 2002 needs to be complied with in setting the funding needs of the local authority.

- d) Consistency with Policies and Plans
This report is consistent with all policies and plans
- e) Participation by Māori
The scope and timing of the Rating Review has not been identified as requiring specific engagement with Maori.
- f) Community Views and Preferences
The community views and preferences were gathered as part of the Long Term Plan 2018-28 and the resolution during the Long Term Plan is a reflection of consultation.

Option 1 That the Rating Review Scope and Timing be adopted

- a) Risk Analysis

The scope of this option takes into account the possibility of the rating review having unintended consequences if it was performed as an amendment review rather than a full review. The timing of the option has also considered the election process and the impact this may have on the process.
- b) Advantages and Disadvantages

The advantages include the ability for the scope and timing to be completed within the time required for the consultation to occur during the Annual Plan 2020/21 consultation.

The disadvantages include the length of time a full rates review takes and the resourcing required from both Elected Members and officers.

Option 2 That the Rating Review Scope and Timing not be adopted and officers are given guidance to the changes required.

- a) Risk Analysis

Delaying the start of the rating review may affect the Council's ability to complete the review in time for the consultation of the outcomes as part of the Annual Plan 2020/21 Consultation. If the scope of the review was reduced to an Amendment Review there is a possibility that there are unintended consequences of changing the incidence of rating.
- b) Advantages and Disadvantages

The advantages include the possible reduction in length of time a rates review may take and the resourcing required from both Elected Members and officers.

The disadvantages include the effect this may have on the ability for the scope and timing to be completed within the time required for the consultation to occur during the Annual Plan 2020/21 consultation

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) That the Rating Review Scope and Timing be adopted**

Rates review process

The purpose of the paper is to assist the Council in deciding which type of review it wishes to undertake.

Types of rating review

There are generally two types of rating reviews:

- A first principles review; and
- An amendment review.

A. First principles review

A first principles review happens when the evidence or perception is that the current rating allocation model is not appropriate.

A first principles review may arise because there:

1. has not been a full review of rates and /or Revenue & financing policy for a considerable length of time;
2. is significant change in rating valuations;
3. is change in focus, direction or objectives of Council;
4. is community dissatisfaction with existing rates or rating methods;
5. is a significant change in levels of service for a number of activities or a change to the regulations or required standard;
6. is poor understanding of how rates are allocated;
7. is a shift in land use;
8. is loss or gain of a major industry;
9. is population change;
10. is financial necessity; or
11. a natural disaster.

Of the 11 items listed above, the first 6 are applicable to the Council, therefore a first principles approach should be used in the rates review.

A first principles review goes back to basics and considers all the required background information as if there were no previous funding decisions or existing funding related policies.

A rates or funding review needs to following the steps below, otherwise there is a risk that the Council's final decision could be over turned. It is accepted that this process can take between 12 and 18 months.

1. Complete the Funding Needs Analysis (FNA) Section 101(3) Local Government Act 2002 (LGA)

This is one of the most important parts of any funding review. This is often referred to as an allocation between public and private good. That is, does the expenditure benefit all the community or are there parts of the community or individuals that benefit? However, as noted below there are a number of other considerations that must take place. If this work is not robust then it will be the

first area that could be the subject of a legal challenge. This is also a two-step process which must be completed separately.

Undertaking the FNA (Step 1) is a requirement of section 101(3)(a) (LGA)¹. The full FNA must consider all council activities and the eleven funding sources listed in section 103(2)².

The LGA does say that any outcome arising from a section 101(3)(a) analysis can be modified by a council using subsection (b) but, and this is the critical point, if the subsection (a) analysis is not sound, then any subsequent council decision will also be unsound.

While the focus is normally on rates it is important to consider the other funding sources including Fees & charges, the use of debt and reserves, contributions and grants & subsidies.

One of the decisions that Council needs to consider is whether the current allocation contained in Council's Revenue & financing policy appropriate for the current Council and the community?

2. Model the rates impact on the FNA

Rates information is complex. Summarising, averaging and trending are ways of grouping data to see overall patterns and assess against desired outcomes. An effective rates review will need to have the macro data compiled as well as providing access to individual data.

Data often focuses on the average or medium change. But this may result in the impact of ratepayers at the extremes being overlooked.

3. Consider the overall impacts of step 1 and update the FNA

To undertake this step the Council should have a preferred option. The FNA (Step 2) is also a requirement of section 101(3)(b) (LGA).

This is an opportunity for the council to step back from the individual funding activities to consider the overall allocation of liability including impacts of rates, debt and fees & charges in the community. Ultimately, this is a political judgement. Step 2 involves looking carefully at the funding choices developed in Step 1 and being clear about the reasons for modifying them.

A council must not only complete the two-stage process but also be able to show that they have done so AND that both steps have been fully documented.

4. Model and confirm the preferred rates allocation option

The final model must be able to demonstrate the impacts on all ratepayers, and it may be worth noting that minor changes may not have a small effect. The impact on some ratepayers and, perhaps, every ratepayer, may be quite large. Many ratepayers that are involved or consulted with may only be concerned about how they are affected.

¹ See appendix 1 for details.

² See Appendix 2 for details

5. Draft Revenue & financing policy and supporting rating policies

In addition to the Draft Revenue & financing policy, Council may need to modify its rates remission or postponement policies. It is also possible that other policies including liability management, investment and development contributions or financial contributions may need to be updated.

6. Draft the proposal and supporting information for consultation

Consultation on the RFP and supporting policies³ will be required.

There are two consultation options:

1. consult on the issues and do the technical implementation later;
2. consult on the issues and also on the RFP and Rates Remission Policies.

The big advantage of the first option is that it is completed before the LTP 'right debate' is being discussed with the community. It may be useful to have draft technical documents as supporting material but they aren't specifically being consulted upon. It's better, if there's time, to have the technical documents prepared and legally reviewed after the decisions have been made following consultation.

The biggest disadvantage of Option 1 above is that people who oppose the proposal may use consultation on the RFP changes to rehash the issues.

For a section 82 consultation the legislation lists essential information which must be included in the proposal. This essential information is:

- analysis of the options;
- copies of any policies that will need to be changed.

The proposal is a primary communication document that helps the reader understand the proposal, the options council has considered, how the reader may be affected and why council prefers the proposed option. To be effective, the proposal it must be concise and to the point (while meeting the legal requirements). But it will be useful to have additional information available for those that want to dig more deeply into the matter.

7. Carry out community consultation

This is a formal step required to set a lawful rate, whether through a section 82 (LGA) consultation or section 83 (LGA) SCP.

The key things for compliance are that the proposal must contain:

- the proposal; and
- the reasons for the proposal.

³ Excluding liability management and investment policies

In an effective rating review the proposal should be a clear statement about which rates are changing. This statement should describe how rates are allocated currently and how it is proposed to allocate them in future.

The proposal should also include a summary of the other options considered and give reasons why the council considers those options aren't the best way forward for the community. These reasons may link back to the reasons given for the review at the start of the process. The status quo should be one of the options discussed, along with reasons why staying with it isn't appropriate.

8. Hear submissions

9. Update and amend policies after considering submissions

10. Adopt new policies

11. Set the rates

2. Amendment reviews

An amendment review happens when a council wants to make one or more changes within the existing framework.

Typically, these reviews will happen to:

- introduce a new rate;
- modify a rate;
- remove a rate;
- change differentials.

These reviews may change the FNA, the RFP and/or the Remission and Postponement Policies in a small way.

An amendment review is administratively easier to do and only involves specific changes. But, depending on the change many of the steps above need to be replicated to a lesser scale depending on the changes made.

While an amendment may be an option, there is a significant risk that while attempting to resolve one issue, other issues may be created as an unintended consequence as a rating review is only redistribution of the total rate requirement. A rate review will always result in some ratepayers paying more with others paying less.

B. Considerations

Rating reviews and the linkage to the Long-term plan

The LTP must include the approved RFP and a FIS (which amongst other things describes the rates for the first year). It is essential that both of these are in place for a council to set lawful rates.

A rating review that has a high level of community engagement may be complex and is likely to be controversial. It will take the community's attention away from the 'right debate' which is a key part of the LTP process.

The issues in a LTP 'right debate' will cover a wider range, for example getting good outcomes with infrastructure investment and delivering the services the community wants and needs while still being affordable, sustainable and cost effective.

For that reason alone, it is better to consult on a rating review outside the LTP consultation period.

Other things to consider when including rating matters in an LTP consultation are:

- rating reviews do not require use of the special consultative procedure (SCP), unless doing so is determined by the Significance and Engagement Policy;
- rating reviews do not need to be audited; and
- it may be that the issues raised in a rating review would be better handled in a proposal than in the LTP Consultation Document.

It is possible to consult on a rating review using section 82 or 83 (LGA) at the same time as LTP consultation is happening. But this will take focus away from the LTP 'right debate' and may undermine the community's ability to engage, with multiple consultations.

C. Suggested process and high-level timetable

As discussed above, it is important to note that if a rates or funding review is consulted on as part of the Long-Term Plan process, then this can "high jack" the LTP process. As this review process takes between 12 to 18 months, the most appropriate time to commence the process is now, with the aim to consult any changes as part of the 2020/21 Annual Plan.

There are two options of how this can be achieved. Council could defer the start of the process until after the 2019 election, however this is likely to result either in uncompleted process to consult as part of the 2020/21 Annual Plan or being the review before the election and complete the process after the election in time to consult in conjunction with the 2020/21 Annual plan.

As the recommend option is to commence the process now with the aim to consult any changes as part of the 2020/21 Annual Plan, set out below the details of the required steps that can be completed prior to the election and those steps that are required to be completed post-election.

Steps required	Details	Date
Before election		
Session one	<ol style="list-style-type: none"> 1. Set out the process required and how the Council will consider section 101 (3) (a) 2. Agree the template that will be used to assess benefits for each activity 3. Use an activity that has most of five criteria of 101 (3) (a) that need to be considered 4. Agree the order that activities will be considered 	02/05/19 Extra workshop
Session two	Consider selected activities	16/05/19

Steps required	Details	Date
		Extra workshop
Session three	Consider selected activities	05/06/19
Session four	Consider selected activities	20/06/19
Session five	Consider selected activities	If Required
Session	Summarise the results of the allocation	01/08/19
After the election		
Briefing with new Council	Brief on allocations made to date Confirm or modify the allocation	TBC
Session	Consider the tools (e.g. Types of rates, debt and fees) that reflect the benefits in step one	TBC
Model the tools	Impacts of rates on ratepayers	TBC
Session	Consider the results of the models	TBC
Re model tools	Impacts of rates on ratepayers	TBC
Session	Confirm tools to be used	TBC
Develop consultation process	Report to Council	TBC
Draft Revenue & financing policy and supporting rating policies	Report to Council	TBC
Draft the proposal and supporting information for consultation	Report to Council	TBC

Appendix 1

Extract of section 101(3)(a)

(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—

(a) in relation to each activity to be funded,—

- (i) the community outcomes to which the activity primarily contributes; and
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- (iii) the period in or over which those benefits are expected to occur; and
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

Or

- *your community outcomes and how funding might promote or work against the achievement of these outcomes*
- *the distribution of benefits between the community, identifiable parts of the community and individuals (sometimes referred to as the public/private good split or the user pays principle). For example, activities that predominantly benefit the community as a whole are generally candidates for funding sourced from the community as a whole (such as a general rate)*
- *the period over which benefits are expected to accrue – this is sometimes referred to as the intergenerational equity principle. Local authorities provide assets with long service lives, this principle requires local authorities to consider whether they should be funding future consumption from the future community.*
- *the extent to which the action or inaction of some contributes to the need to fund the activity – often referred to as the exacerbator pays principle*
- *the costs and benefits from funding an activity separately, including those for transparency and accountability. Although the legislation does not specifically set out any particular issues or considerations here it would generally be prudent to consider matters such as the financial scale of the activity, administrative cost, legal requirements and promotion of value.*

Appendix 2

The sources funding a council must consider;

(a) general rates, including—

- (i) choice of valuation system; and
- (ii) differential rating; and
- (iii) uniform annual general charges:

(b) targeted rates:

(ba) lump sum contributions:

(c) fees and charges:

(d) interest and dividends from investments:

(e) borrowing:

(f) proceeds from asset sales:

(g) development contributions:

(h) financial contributions under the Resource Management Act 1991:

(i) grants and subsidies:

(j) any other source.

5.3 DRAFT DUST SUPPRESSION POLICY

File Number: COU1-1410

Author: Josh Lloyd, Group Manager - Community Infrastructure and Development

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Dust Suppression Policy [↓](#) 
2. Dust Suppression Guidelines [↓](#) 

PURPOSE

The matter for consideration by the Council is the adoption of the draft Dust Suppression Policy.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) The Finance and Planning Committee adopt the Draft Dust Suppression Policy.

COMPLIANCE	
Significance	This matter is assessed as being of some importance
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <ol style="list-style-type: none"> 1. That the Finance and Planning Committee adopt the Draft Dust Suppression Policy. 2. That the Finance and Planning Committee do not adopt the Draft Dust Suppression Policy and request further work on the policy.
Affected persons	The persons who are affected by or interested in this matter are Council Officers (particularly those managing contracts in the Land Transport Team), Contractors, Ratepayers (particularly those in rural areas).
Recommendation	<i>This report recommends Option 1 for addressing the matter.</i>
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	Yes – the draft Dust Suppression Policy replaces existing policy reference number 3.3 (Dust Suppression Policy 2014).

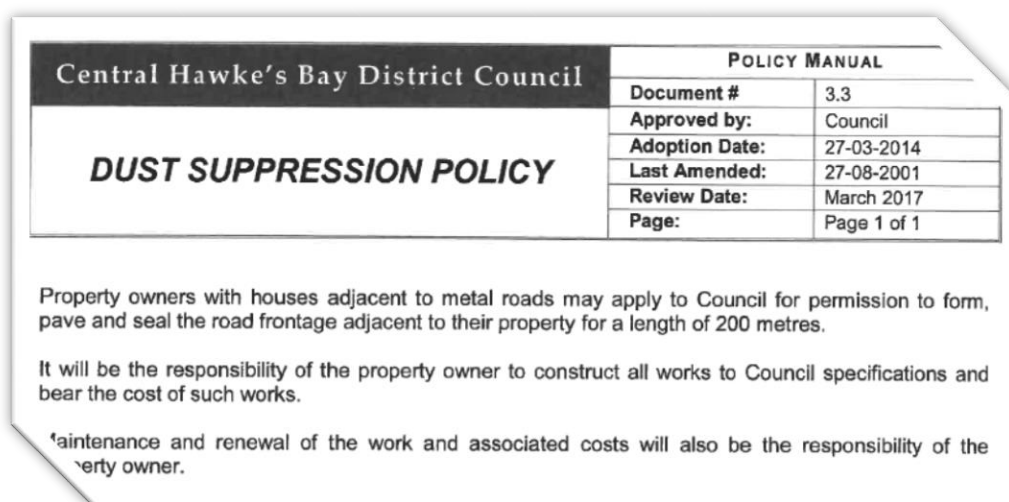
BACKGROUND

Council own and operate a 403km network of unsealed roads across the district that are maintained and serviced to a standard in line with national ONRC guidelines. NZTA

provide funding assistance to operational and capital expenditure on these roads as per programmes of investment that are created by Council, based on risk and aligned with NZTA criteria.

Dust is one of several issues that Council manages on its unsealed road network and in the past two years has invested in trials of new and existing products to mitigate dust levels in problem areas. NZTA provide a mechanism for Council's to obtain funding assistance for dust suppression (either through sealing or other means), but strict criteria need to be met. Council are confident through experience that none of our roads meet the NZTA criteria for dust-related funding assistance with this primarily due to low population densities on unsealed roads and low traffic volumes.

Due primarily to a lack of funding support, Council in 2014 adopted a simple Dust Suppression Policy (the Policy) that provided residents the right to apply to Council to seal 200m sections of road in front of their properties at their cost.



Under this policy, Council has not invested any of its own funds in sealing roads for the specific purpose of dust suppression.

In 2018, due to an increase in public concern about dust in certain areas, Council requested the creation of a new policy that allowed for Council to invest in sealing roads to control dust where sensible criteria were met.

Appended to this report are a revised Dust Suppression Policy and a set of guidelines that Council intend to use to evaluate areas for sealing to control dust. Importantly, the revised Policy allows for Council to consider who will bear the financial and physical responsibility for carrying out works in line with a set of guidelines based on transparent and sensible criteria.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some importance because the Council has received past enquiries into the policy for sealing new roads and Councils investment in these activities.

OPTIONS

Option 1 That the Finance and Planning Committee adopt the Draft Dust Suppression Policy

- a) Financial and Resourcing Implications

By adopting the draft Policy and the supporting guidelines, Council will create room to invest in sealing roads to control dust and the potential to contribute resources or funds to do so. The Policy and guidelines are not in explicit in how or when Council will contribute to works. This means that financial (budget) implications can be managed in any given year and Council can/will only invest where benefits outweigh costs and investment can be prioritised.

Resourcing to administer the Policy is considered to have no additional impact on Council Officers who are already dealing with a number of known problem dust areas and engaging with affected residents, trialling alternate methods etc. The ability to seal some sections of road may reduce the workload on Council officers in the medium to long term as repeat problem areas are permanently resolved.

b) Risk Analysis

The primary risk with adopting the draft Policy is potential ambiguity or miscommunication of the policy drivers and intent. That is, Council will need to manage and clearly communicate what the policy means to residents so that we do not create sentiment in the community that all roads are going to be sealed.

c) Alignment to Project THRIVE and Community Outcomes

Adopting the draft Policy is considered to directly support the objectives from Project THRIVE and our Community Outcomes in allowing Council the ability to address known long-running issues on the infrastructure network. Thinking Smarter, Doing it Together and Durable Infrastructure are all drivers supported by the draft policy.

d) Statutory Responsibilities

Council is not mandated under any statute to seal roads to control dust and believes other valid options do exist to control dust where it is a genuine problem. The draft policy however simply allows Council another option to control dust (through sealing) where it makes sense.

e) Consistency with Policies and Plans

The draft Policy supersedes/replaces the existing Dust Suppression Policy. No additional funding has been allocated through the Long Term or Annual Plans to invest in sealing. The draft Policy and supporting guidelines allow for a reinvestment of funds if and where needed.

f) Participation by Māori

Maori have not been specifically engaged on this topic or considered under this option.

g) Community Views and Preferences

Council has engaged with affected residents for many years and is aware of the issues caused by dust in a handful of areas. Officers consider that the draft Policy directly enables Council to progress with what will be the best value option in some areas (sealing).

h) Advantages and Disadvantages

The primary advantages of adopting the draft Policy are:

- Simplicity and ease to roll out. The draft Policy allows Council room to invest but does not mandate or control exactly when and where, instead it refers to simple and transparent

guidelines for decision making at an operational level and to prioritise against other investment options.

- Alignment with community expectations and need. Officers have worked with affected residents for a long time and consider that sealing may be the best option in some cases. The draft policy allows this to be considered amongst other options.
- Affordability. The draft policy will allow Officers to consider seal extensions where affordable only and when they are demonstrated as value for money against other options and as prioritised within the total land transport investment programme. Alternate funding sources (NZTA or Private) are considered preferable under the draft policy and guidelines.

The primary disadvantages of adopting the draft policy are:

- The potential for residents to question Council's decision making approach, particularly with regard to funding contribution for seal extension. This is not spelt out in the policy as it is considered an operational process. Instead it is guided by clear and rigorous guidelines that could be communicated to the public.

Option 2 That the Finance and Planning Committee do not adopt the Draft Dust Suppression Policy and request further work on the Policy.

a) Financial and Resourcing Implications

It is difficult to consider the financial implications of this option as they will be dependent on whatever revisions to the draft policy are required. Any changes that mandate Council investment or directly set out where Council will invest in sealing will need to be considered within the complete Land Transport investment programme that currently has no allocation for seal extension.

Additional officer time will be required to re-draft the policy but this is considered negligible. Any changes made the draft policy will need to consider resource requirements to implement the Policy.

b) Risk Analysis

The primary risk with this option is the extension in time before a policy is implemented. This is not considered a major but will need to be communicated with affected residents who have been watching progress on this matter closely.

c) Alignment to Project THRIVE and Community Outcomes

Any re-drafted policy will need to ensure continued alignment with project THRIVE, specifically in addressing Thinking Smarter, Doing it Together and Durable Infrastructure.

d) Statutory Responsibilities

It is unlikely any re-drafted policy would or could be misaligned with statutory requirements due to the limited amount of statute for dust suppression.

e) Consistency with Policies and Plans

No investment has been set out in the Long Term or Annual Plans for sealing roads to control dust. Any re-drafted policy will need to consider available funding sources.

f) Participation by Māori

Maori have not been specifically engaged on this topic and it is not considered likely that Maori would need to be specifically engaged on any future revision or re-drafting of the policy.

g) Community Views and Preferences

Any re-drafted policy will need to ensure commitment to addressing the known needs of affected residents/communities in controlling dust. Council has a good working knowledge of problem areas and the effectiveness of available solutions. It is considered that sealing is likely to be the best solution in some cases.

h) Advantages and Disadvantages

The primary advantages of not adopting the draft policy are:

- The ability to take more time and consider more elements and drivers in the policy

The primary disadvantages of not adopting the draft policy are:

- The delay in time to produce a new policy

Recommended Option

This report recommends option 1 – adopt the draft Dust Suppression Policy for addressing the matter.

NEXT STEPS

Should the draft policy be adopted, officers will formalise it as a controlled document and begin working internally to assess known sites against the guidelines. This will then lead to an operational review of available budgets and a potential plan to invest in the 2019/20 construction season.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) The Finance and Planning Committee adopt the Draft Dust Suppression Policy.

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Central Hawke's Bay District Council	POLICY MANUAL	
	Document #	3.3
	Approved by:	
	Adoption Date:	
	Last Amended:	27-08-2001
	Review Date:	March 2019
<i>DUST SUPPRESSION POLICY</i>		Page: Page 1 of 1

Property owners with houses adjacent to metal roads may apply to Council for permission to form, pave and seal the road frontage adjacent to their property for a length of 200 metres.

Council will work with the property owner to determine the responsibilities for up-front construction and ongoing maintenance and the standard to which all works are undertaken.

Council will also work with the property owner to determine who will bear the costs of the works. Council will use a set of its own guidelines to inform its decision making process as to whether or not it contributes financially to the works.

Central Hawkes Bay District Council Dust Mitigation Guidelines

1. Background

Council own and operate a 403km network of unsealed roads across the district that are maintained and serviced to a standard in line with national ONRC guidelines. NZTA provide funding assistance to operational and capital expenditure on these roads as per programmes of investment that are created by Council, based on risk and aligned with NZTA criteria.

Dust is one of several issues that Council manages on its unsealed road network and in the past two years has invested in trials of new and existing products to mitigate dust levels in problem areas. NZTA provide a mechanism for Council's to obtain funding assistance for dust suppression (either through sealing or other means), but strict criteria need to be met. Council are confident through experience that none of our roads meet the NZTA criteria for dust-related funding assistance with this primarily due to low population densities on unsealed roads and low traffic volumes.

The cost of a seal extension is approximately \$250,000 per kilometre. There are several components to a seal extension;

- base course strengthening
- stabilisation and
- sealing

A second seal coat is required 2-3 years after the initial sealing to waterproof the seal extension. The actual sealing portion of the seal extension is around 5% of the total cost.

Council contribute to the physical and financial delivery of dust suppression through sealing in line with the Dust Suppression Policy 2019 (insert Policy ref).

2. Objective

The objective of these Guidelines is to set out, in a clear and transparent manner, Council's guidelines for considering seal extension requests from ratepayers and/or residents. It will outline how and when Council will enter into arrangements with ratepayers and/or residents to ensure consistency, fairness and equity and in line with the Dust Suppression Policy 2019.

3. Factors (FIDOL)

The nuisance effects of dust emissions are influenced by the nature of the source, sensitivity of the receiving environmental and on individual perception. For example, the level of tolerance to dust deposition can vary significantly between individuals. Individual responses can also be affected by the perceived value of the activity producing the dust. For example, people living in rural areas may have a high level of tolerance for the dust produced by activities such as ploughing or top-dressing, but a lower tolerance level for dust from quarries or logging activities.

Whether a dust event has an objectionable or offensive effect always depends on the frequency, intensity, duration, offensiveness/character² and location of the dust event. These factors are collectively known as the FIDOL factors and are described

in table 1 below.

Different combinations of these factors can result in adverse effects. Location is particularly important as this relates to sensitivity of the receiving environment.

¹ Plus ongoing maintenance. ² in this context, offensive is one consideration in whether there is an 'objectionable or offensive' effect occurring as a result of exposure to dust.

Factor	Description	Measure
Frequency	How often an individual is exposed to dust	Provide diary (Appendix A)
Intensity	The Concentration of the dust	Dust deposition test
Duration	The length of exposure	Traffic
Offensive/Character	The type of dust	Receptors
Location	The type of land use and nature of human activities in the vicinity of the dust source	Site Characteristics

Table 1

These factors require a form of measurement to be useful as a way of determining the acceptability of a seal extension proposal by either an individual or group of local residents. The following looks at each of these factors and how they will be measured.

4. Dust Impact Diary

Dust diaries can be used by people in affected communities to record their daily exposure to dust. A dust diary programme can be useful for collecting data on the frequency, intensity, duration, and character of dust impacts at various locations over a given period. They can help to inform a FIDOL assessment to evaluate the overall level of adverse effect from a dust source. Dust diaries generally need to be completed for at least three to four months to provide meaningful information. If there are sufficient respondents and spatial coverage, the resulting data can be used to calculate the percentage of time (hours/year) that people are exposed to dust from a specific source. The information recorded in a comprehensive diary programme includes:

- date and time of day
- duration of the event
- continuity of the dust event
- character and amount of dust particles
- likely source of dust
- wind direction and strength.

5. Dust Deposition

Deposited dust is dust that settles out of the air. Measurement is by means of a collection jar or gauge that catches the dust settling over a fixed surface area over a fixed period of time. The dust is removed from the jar, filtered and weighed, and the results are reported in terms of the weight of dust collected per unit of surface area, and over a fixed period of

time,

The equipment used for deposition monitoring typically collects dust particles greater than about 10–20 micrometers, although there is no sharp cut-off in particle size and the collection efficiency is known to vary for different particle sizes.

The deposition gauge method is relatively simple and can provide an indication of long-term trends. It can also be useful for analysis of dust composition. This method has disadvantages including:

- the measurement period is typically one month and cannot be reduced to anything less than about 15 days without a significant loss in measurement sensitivity. This makes the method unsuitable for the monitoring and control of short-term dust problems
- the wide jar or gauge can be prone to contamination from other sources (eg, bird droppings and leaves).

Deposition gauge dust monitoring is generally not suitable for active site dust management. It may provide some data about the level of soiling nuisance but generally cannot identify the activity creating the nuisance (except where accompanied by source apportionment of dust deposited) or the effectiveness of any on-site dust mitigation techniques, except over very long time periods.

Dust gauges should be carefully sited according to AS/NZS 3580.1.1:2007 Methods for sampling and analysis of ambient air – Guide to siting air monitoring equipment standard, having regard to:

- the risk of tampering or vandalism by members of the public
- the impact of nearby structures on wind flow (and thus dust collection efficiency), as required by the monitoring method
- proximity to other local dust sources (such as a private logging road) that may affect the measurement.

Trigger	Averaging period	Trigger Level	Risk Factor/ Score
Monthly	30 Days	4 g/m ² /30 days	5
Month	30 Days	< 4 g/m ² /30 days	0

6. Dust Deposition

The remaining risk factors and their scores are detailed in Table 2 below. The relative risk assigned to each factor listed in the table is based on a qualitative assessment of the findings from the road dust monitoring. These are basic criteria that are easily explained using a table.

Risk factor/Score	0	1	2	3	4	5
Traffic						

5 day AADT of HDVs	0	1-5	6-10	11-25	26-50	>50
Speed limit of HDVs (km/h)	No HDVs	20 km/hr	50 km/h or greater			
5 day AADT of LDVs	<100	101-300	>300			
Speed of LDVs (km/h)	<50	50-70	>70			
Receptors (within 80m of roadway)						
Number of dwellings (houses/km)	0	1	2-4	5-7	8-10	>10
Other locations where people are likely to be exposed. (eg, schools, marae, or hospitals) (sensitive locations)	None	1-2	3 or more			
Nuisance effects for residents (complaints/year)	None	1-2	3 or more			
Ecologically sensitive areas such as rare species habitats or wetlands (sensitive locations/km)	None	1-2	3 or more			
Horticultural sensitive areas such as fruit orchards (sensitive locations/km)	None	1-2	3 or more			
Site characteristics						
Location of roadway	Open plains or coastal area	Some land features likely to slow winds	Inland enclosed valley			
Frequency of rain days (>5mm)	More than 2 events per week	0-1 events per week	Less than one event every two weeks			
Longevity of logging route use	Not a logging route	1-2 years	Longer than 3 years			

Table 2

The site dust risk score is calculated by totaling the scores for each of the 14 individual factors. The site dust risk score will fall into one of three dust risk categories in Table 2, Table 3 provides a first order assessment on the potential benefits gained by mitigating that section of unsealed road. Finally, Table 3 indicates what action (if any) is needed to complete the decision-making process.

Total dust risk score	Dust risk category	Potential benefit from dust mitigation	Action to be taken
0 to 9	Low	Little or no benefit from mitigation	End of decision-making process

10 to 19	Medium	There may be some benefit from mitigation	Return to and repeat the 'site dust risk factors and scores' with refined site-specific information
20 to 30	High	There is likely to be a benefit from mitigation	Complete assessment of suitable mitigation options

Table 3

If the site dust risk falls into the low category, no further action is required. The actions required if the dust risk falls into either the medium or high-risk categories.

7. Funding

Council will considers its own contribution to funding in light of the criteria above and against other funding priorities. Preference will be given to sealing sections of road where external funding streams are available. These could include NZTA, private funding or others.

Where 100% private funding is chosen, the following considerations will be given and will be communicated with the person providing funding:

The following requirements shall be met for privately funded seal extensions:

- The costs for a second coat of seal must be considered and agreed;
- The minimum length of road to be sealed shall be 100m;
- A per km rate will be agreed between Council and the funder prior to commencement of works;
- The timing and method of payment will be agreed between Council and the funder prior to commencement of works;
- The costs of ongoing maintenance will be agreed between Council and the funder prior to commencement of works;
- Council will provide a receipt for the funds received.

Council will use the current maintenance contractor to undertake the construction works unless otherwise agreed prior to construction. At the completion of the seal extension Council will advise the ratepayers and/or residents the total cost. Should the total cost be less than the funds provided by the ratepayers and/or residents, Council will refund the difference, once the second seal coat is completed.

8. Future Maintenance

The sealing of a road has to be maintained to restore its waterproofing properties and level of service. To do this the section of road has to be resealed within two to three years of the initial seal coat (second coat seal), and then resealed every 12 to 15 years after that. Resealing not only includes the actual resurfacing of the road, it also includes line marking, pothole patching and surface water channel maintenance.

The funds required to be provided by the ratepayers and/or residents shall also

cover the cost of a second coat seal to be undertaken within two to three years after the initial sealing.

Council will then take over and fund the maintenance of the road once it has been sealed including a reseal every 12-15 years. This is estimated to average around \$3,652 + GST per kilometre per year. Currently the on-going maintenance of a sealed road attracts NZTA subsidy.

Any future maintenance obligations will be undertaken by Central Hawkes Bay District Council under the maintenance contract.

[illegible]

5.4 LAND TRANSPORT PROGRAMME UPDATE

File Number: COU1-1410

Author: Josh Lloyd, Group Manager - Community Infrastructure and Development

Authoriser: Monique Davidson, Chief Executive

Attachments: Nil

PURPOSE

The purpose of this report is to provide the Finance and Planning Committee with an update on the Land transport Capital and Maintenance programmes.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance.

DISCUSSION

Council's annual capital and maintenance programmes of work for Land Transport total in excess of \$11M and comprise Councils single largest area of investment (by activity). Officers, supported by Professional Service contracted consultants have routinely worked to deliver value on the programmes and ensure their completion each year. Reports are regularly brought to Council tracking financial progress of the programmes of work and in 2018/19 have shown actual expenditure falling below budgets and forecasts. A combination of extreme weather events diverting internal and contracting resources, as well as a change in Councils Professional Services provider have meant delays in the programme that have been prioritised based on risk.

The remainder of this report provides detail on key components of the Land Transport programme, the likelihood of completing the planned work in the financial year and the impact of carrying work forward.

Maintenance – no deferral/carry forward.

For the most part, the maintenance programme is delivered via a single contract held by Downer. The works total on average \$4.2m per year and comprise a range of planned and reactive activities including:

- Grading
- Unsealed pavement maintenance (including pre-seal repairs)
- Routine Drainage maintenance (culvert cleaning and drain re-profiling) and some drainage renewals
- Structures Maintenance
- Traffic Services Maintenance (sign installation and maintenance)
- Street sweeping
- Initial response to emergency events
- Responding to customer requests

The maintenance programme will be completed with the exception of Activity 140 (Minor Events). This is an activity which is funded to effect clean-up of small weather events under \$100,000 that do not qualify for Emergency Event funding. As such the expenditure is completely weather dependent. There is currently \$111,000 remaining in the fund. There may be budget adjustments between maintenance activities based on network requirements but the overall budget will not be expended.

Re-Seals – no deferral/carry forward.

The re-seal programme is delivered through a single contract held by Higgins and comprises a list of roads requiring re-seal each year based on network information and condition analysis. The programme averages \$1.5M per year and has been completed in full for the 2018/19 year with crews making excellent progress leading up to Christmas supported by good weather.

Area Wide Pavement Treatments – no deferral/carry forward.

The AWPT programme comprises large projects to renew the surface and sub-surface of identified routes. The projects are taken to market and this year have been awarded as two separate contracts to Higgins. Planned works are set for Wimbledon Road and are programmed to commence in March 2019. The total value of the projects combined is \$1.1M and there is no expectation of carry forward.

Footpaths – no deferral/carry forward.

Council invests in footpaths through maintenance, renewals and (beginning in 2019) the construction of new footpaths. The complete programme is valued at \$600k. The maintenance and renewal programmes are underway and a “new footpath” construction contract is being prepared and will be put to market in April. This work can be accomplished throughout the year in most weather patterns. The contract being put to market encompasses 5 sections of new footpath for construction in 2019 as have been prioritised using Council’s prioritisation tool.

Structural Repairs - \$1.1M deferral/carry forward.

Structural repairs include planned works to upgrade and repair bridges, retaining walls and large culverts. This work is identified through asset inspections and condition assessment and is prioritised based on risk. A total value of \$1.4M is routinely allocated to this programme of work and is designed by engineering consultants and taken to market for construction.

Due to the series of extreme weather events in 2018, construction crews have indicated an inability to complete structural work. Council’s in-house Professional Services provider (Stantec) have also been unable to dedicate resource to the detailed design elements of bridge work due to their required oversight of the storm repairs.

\$1,099,000 (estimated) of work will be carried into 2019/20. Stantec have evaluated all sites identified for work, and while none can be permanently or long-term deferred, all are able to be delayed by a number of months without significantly increasing risk.

Minor Safety Improvements – no deferral/carry forward.

Minor Safety Improvements include improvements to intersections, safety near schools and minor road widening. This work is programmed in advance based on network inspections, statistics and information brought to Council by road users. The work programme is \$300k per year and all is expected to be completed this financial year.

NZTA Implications and Considerations.

NZTA agree to a three-year programme in line with the LTP cycle. 2018/19 is the first year in this programme and discussions with NZTA throughout the year (particularly following storm events) have provided confidence that NZTA are satisfied with our approach and will carry forward their contribution to our programme.

FINANCIAL AND RESOURCING IMPLICATIONS

Carrying forward funds from 2018/19 into 2019/20 to complete the planned work programmes will not have adverse effects on budgets. The assumptions detailed in this report about project and programme progress and forecasts have been built into the latest reforecasting exercise and modelled accordingly for the remainder of the year. Council do not intend to alter any programmes of work and the allocated funds will be spent just some 6 months later than first budgeted. Council has confidence that NZTA funding will not be impacted.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

Officers will continue to work to ensure the completion of already programmed work and will progress designs and procurement for the structural works that are scheduled to be carried forward.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

- a) The Finance and Planning Committee adopt the Draft Dust Suppression Policy.**

6 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Public Excluded Minutes of the District Plan Subcommittee	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

7 DATE OF NEXT MEETING**RECOMMENDATION**

THAT the next meeting of the Finance and Planning Committee be held on 15 August 2019.

8 TIME OF CLOSURE