

I hereby give notice that an ordinary meeting of the Tasman District Council will be held on:

Date: **Tuesday 27 May 2025**
Time: **9.30am - Fees & Charges and**
Meeting Room: **Development Contributions Policy**
Venue: **Tasman Council Chamber**
189 Queen Street, Richmond

Tasman District Council

Kaunihera Katoa

ATTACHMENTS

ATTACHMENTS UNDER SEPARATE COVER

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7.2 Schedule of Fees and Charges 2025/2026 - Deliberations	
5. Section 17a Review - Regulatory Services.....	3



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7.8 REGULATORY SERVICES - SECTION 17A DELIVERY OF SERVICES REVIEW**Decision Required**

Report To:	Tasman District Council
Meeting Date:	27 March 2025
Report Author:	Shane Bruyns, Regulatory Manager; Leith Townshend, General Counsel
Report Authorisers:	Kim Drummond, Group Manager - Environmental Assurance
Report Number:	RCN25-03-13

1. Purpose of the Report / Te Take mō te Pūrongo

- 1.1 The purpose of this report is to enable the Council to meet its obligations under section 17A of the Local Government Act 2002. Specifically, to periodically review the cost-effectiveness of its activities to meet the needs of its communities, through the performance of its regulatory functions.
- 1.2 The subject of this review is the delivery of the Council's regulatory functions, including Dog Control, Animal Control (other than dogs), Freedom Camping, Removal of Abandoned Vehicles, Parking Control, Dog Registrations, and other statutory functions pursuant to legislation and Council bylaws within the boundaries of the Tasman District.

2. Summary / Te Tuhinga Whakarāpoto

- 2.1 Under s17A of the Local Government Act 2002 (LGA 2002), the Council is required to carry out service delivery reviews for its key infrastructure, service, and regulatory functions.
- 2.2 Up until 30 September 2024 the delivery of Council's regulatory enforcement functions for the above areas were contracted to a third party. This contractual arrangement ended, and the delivery function was brought in-house on a temporary basis to ensure consistency of services while a s17A review was undertaken.
- 2.3 Council staff undertook in-field delivery as well, but the majority of in-field enforcement was contracted out. Council staff provided support services, contract management and resolution of issues.
- 2.4 A s17A review has now been completed by the Environmental Assurance team who is recommending that the delivery of the function remain in-house for the following reasons:
 - 2.4.1 The current temporary arrangements are working well.
 - 2.4.2 While there is an increased cost, this has been reflected in an increased level of service seen by the community. This can be reflected in the levels of service in the next LTP.



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- 2.4.3 By bringing this service in house we recognise an increase in costs but in turn we also recognise a potential for revenue to increase as well. This is done by comparing contract to non-contract specifically analysing what can be contracted out.
- 2.4.4 Bringing the regulatory function in-house allowed the Council to improve the service delivery to the community.
- 2.4.5 The other options, such as tendering the contract or setting up a Council Controlled Organisation (CCO) or shared service are not practicable or cost effective at this time.
- 2.5 Assuming the Council agrees with this recommendation, the Environmental Assurance team will conduct an internal review of this function within two years to ensure that it is operating efficiently and effectively.

3. Recommendation/s / Ngā Tūtohunga**That the Tasman District Council**

- 1. receives the Regulatory Services - Section 17A Delivery of Services Review report, and
- 2. approves that, following the 17A review contained in Attachment 1 to the agenda report, the delivery of the Council's regulatory function remains in-house; and
- 3. notes that the delivery of this function will continue to be reported to the Environment and Regulatory Committee; and
- 4. notes that within two years the Environmental Assurance Group will conduct and internal review of the delivery of this function to ensure efficient and effective operation.

4. Background / Horopaki

- 4.1 Under Section 17A of the Local Government Act 2002 (LGA 2002), the Council is required to carry out service delivery reviews every six years maximum, within two years before the expiry of a current service delivery contract, or in conjunction with any significant change to service levels.
- 4.2 These reviews "must 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 performance of regulatory functions", considering options for the governance, funding, and delivery of infrastructure, services, and regulatory functions. This includes options:
 - 4.2.1 Where the Council retains responsibility for these areas
 - 4.2.2 Where responsibility for delivery is assigned to a CCO or another authority/agency, or
 - 4.2.3 Where funding and governance is likewise assigned to a joint committee or other shared governance arrangement.



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- 4.3 However, a local authority is not required to undertake a review if the authority is satisfied that the potential benefits of undertaking a review do not justify the cost of undertaking the review (LGA 2002 s17A.3.b).
- 4.4 In this case, the Council has undertaken an internal review of the Council's regulatory functions. This review is attached (**Attachment 1**).

5. Analysis and Advice / Tātaritanga me ngā tohutohu

- 5.1 Previously the performance of the Council's regulatory functions was contracted to a third party. This contract ended on 30 September 2024 and the function was temporarily brought in-house to ensure consistency of service while a section 17A review was undertaken.
- 5.2 The section 17A review compared the previous contractual arrangements and levels of service with the temporary in-house arrangements. It also briefly considered alternative options such as a shared service model or formation of a CCO.
- 5.3 The outcome of this review was that the delivery of the Council's regulatory function was best delivered by permanently bringing the function in-house.
- 5.4 While there is an increased cost this has been reflected in an increased level of service seen by the community. This could be reflected in the levels of service in the next Long Term Plan.
- 5.5 By bringing this service in house we recognise an increase in costs and service levels. In turn we also recognise a potential for revenue to increase as well. This is done by comparing contract to non-contract specifically analysing what can be contracted out. Further the total cost of the function as a whole is higher when taking into account additional expenditure which occurs regardless of this service being outsourced or carried on in-house.
- 5.6 Bringing the regulatory function in-house has allowed the Council to improve the service delivery to the community.
- 5.7 One of the benefits of bringing this function in-house is greater control of the health and safety aspects of performing this function as a PCBU (person conducting a business or undertaking).
- 5.8 The other options, such as tendering the contract or setting up a CCO or shared service are not practicable or cost effective at this time.

6. Financial or Budgetary Implications / Ngā Ritenga ā-Pūtea

- 6.1 The forecasted cost to continue the service in-house for the 2025/2026 financial year is \$795,168. No inflation has been applied when forecasting this cost.
- 6.2 Beyond the 2025/2026 year stated above, the forecasted cost to continue the service in-house each year for 2026/2027 through to 2033/2034 ranges between \$710,918 and \$796,912. No inflation has been applied when forecasting these costs.

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- 6.3 Previously the performance of the regulatory function was contracted out. For 2023/2024, the Council had budgeted \$567,302 for the performance of this function. This includes the contract price and additional fees which covered the extra hours required to perform extra parking enforcement, freedom camping enforcement, dog control, health and safety (additional staff to attend freedom camping callouts) and replacing damaged signs.
- 6.4 As part of the contract negotiations for the 2024/2025 year, the Council budgeted \$652,819 for the performance of this function. This included additional fees to cover the extra hours required to perform extra parking enforcement, freedom camping enforcement, dog control, health and safety (additional staff to attend freedom camping callouts) and replacing damaged signs.
- 6.5 In-house delivery forecasts an increase in costs of \$222,349 for 2025/2026. Council staff consider that the proposed contract price for 2024/2025 was unrealistic to perform the functions required.
- 6.6 The increased costs associated with bringing the function in-house have already been included in the draft Annual Plan discussions.
- 6.7 The Council's regulatory enforcement regime generates revenue for the Council which is used to fund the function and associated enforcement. It is forecasted that a range of revenue which may be derived each year for 2025/2026 through to 2033/2034 could be between \$1,205,578 and \$1,206,679. No inflation has been applied when estimating this revenue.
- 6.8 When forecasting revenue, if the performance of the regulatory function was to be externally contracted out for the same period it could be around \$1,156,924 per year. This is due to the level of service provided in the proposed contract. No inflation has been applied when estimating this revenue.

7. Options / Kōwhiringa

- 7.1 The options are outlined in the following table:

Option		Advantage	Disadvantage
1.	The Council's regulatory function is permanently delivered in-house.	Increased levels of service for the community. Accountability and health and safety obligations can be more easily monitored.	Increased costs.
2.	The Council requests that staff tender the delivery of the function externally.	There may be contractors who could deliver the function in a more cost-effective manner.	Costs associated with tendering the function. There may not be a company in the market who can perform this function.



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Option	Advantage	Disadvantage
3. The Council request that staff reconsider other governance and delivery options such as a CCO or shared service.	If successful, this could mean a combined approach for the region.	Increased set up costs and negotiations associated with either of these options.

7.2 Option 1 is recommended.**8. Legal / Ngā ture**

8.1 Council staff consider that the section 17A review complies with the legislative requirements and was conducted in a manner that was cost-effective and efficient.

9. Iwi Engagement / Whakawhitiwhiti ā-Hapori Māori

No specific iwi engagement in relation to the section 17A review has been undertaken.

10. Significance and Engagement / Hiranga me te Whakawhitiwhiti ā-Hapori Whānui

The performance of the Council's regulatory functions is of high significance to the community. However, the decision before the Council, whether this function is performed in-house or externally, is considered of low-medium significance.

	Issue	Level of Significance	Explanation of Assessment
1.	Is there a high level of public interest, or is decision likely to be controversial?	Low-medium	
2.	Are there impacts on the social, economic, environmental or cultural aspects of well-being of the community in the present or future?	Medium	The increased levels of service in the community are considered of moderate significance.
3.	Is there a significant impact arising from duration of the effects from the decision?	Low-medium	The increased costs and levels of service are on-going.
4.	Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	NA	

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	Issue	Level of Significance	Explanation of Assessment
5.	Does the decision create a substantial change in the level of service provided by Council?	Yes	Increased levels of service to the community.
6.	Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	Minor increase in costs to perform this function.
7.	Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	NA	
8.	Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	NA	
9.	Does the proposal or decision involve Council exiting from or entering into a group of activities?	NA	
10.	Does the proposal require particular consideration of the obligations of Te Mana O Te Wai (TMOTW) relating to freshwater or particular consideration of current legislation relating to water supply, wastewater and stormwater infrastructure and services?	NA	

11. Communication / Whakawhitiwhiti Kōrero

11.1 No communication plan is proposed in relation to this decision.

12. Risks / Ngā Tūraru

12.1 Bringing this function in-house is considered an effective way of mitigating the risks of this function being performed by an external contractor. This is because as part of Council there is an increased focus on:

- 12.1.1 Continuity of service,
- 12.1.2 Performance of Council's health and safety obligations as a PCBU, and
- 12.1.3 Bringing this function in-house means an increased level of service for our community.



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13. Conclusion / Kupu Whakatepe

- 13.1 A section 17A review has been completed by the Environmental Assurance team who is recommending that the delivery of the function remain in-house.
- 13.2 While this comes at a minor increased cost for the Council, this is offset by the increased levels of service and other benefits for both the Council and the community.

14. Next Steps and Timeline / Ngā Mahi Whai Ake

- 14.1 Assuming that the Council accepts this recommendation, staff will take steps to formalise the performance of this function in-house.

15. Attachments / Tuhinga tāpiri

1. Section 17A review of Regulatory Services