

I hereby give notice of an Ordinary meeting of the

Meeting	Reserve Contributions Committee
Date	Thursday 18 January 2018 [Secretarial Note: This agenda was originally distributed with the meeting date of Tuesday 16 January 2018. The meeting was subsequently moved to the above date on 10 January 2018.]
Time	9.00 am
Venue	Conference Room, Northern Wairoa War Memorial Hall – 37 Hokianga Road, Dargaville

Open Agenda

Membership

Chair: Councillor Jonathan Larsen

Members: Councillors Victoria Del la Varis-Woodcock and Andrew Wade

Staff and Associates:

Acting Chief Executive, General Manager Community, Acting General Manager Finance, General Manager Planning and Regulatory, General Manager Infrastructure, Policy Analyst, Administration Assistant (Minute-taker)

Linda Osborne
Administration Manager

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**Ordinary meeting of the Reserve Contributions Committee
Thursday 18 January 2018, Dargaville**

1 Opening

1.1 Present

2 Apologies

3 Confirmation of Agenda

The Committee to confirm the Agenda.

4 Conflict of Interest Declaration

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Committee Member and any private or other external interest they might have. It is also considered best practice for those members to the Executive Team attending the meeting to also signal any conflicts that they may have with an item before the Committee.

5 Confirmation of Minutes

5.1 Reserves Contributions Committee Minutes 03 November 2017

Administration Manager 1616.01

Recommended

That the unconfirmed minutes of the Reserve Contributions Committee meeting held on 03 November 2017 be confirmed as a true and accurate record.

Minutes

Meeting	Reserve Contributions Committee
Date	Friday 03 November 2017
Time	Meeting commenced at 1.10 pm Meeting concluded at 3.10 pm
Venue	Centennial Hall – 44 View Street, Maungaturoto
Status	Unconfirmed

Membership

Chair: Councillor Jonathan Larsen

Members: Councillor Victoria Del la Varis-Woodcock, Councillor Andrew Wade

Staff and Associates:

General Manager Community, Policy Planner (Minute-taker)

Linda Osborne
Administration Manager

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Unconfirmed

Minutes, Reserve Contributions Committee
Friday 03 November 2017, Maungaturoto
1 Opening
1.1 Present

Councillors Jonathan Larsen (Chair), Victoria Del la Varis-Woodcock and Andrew Wade

In Attendance

Name	Designation	Item(s)
Peter Wethey	Deputy Mayor (Ex-Officio)	All
Venessa Anich	General Manager Community	All
Paula Hansen	Policy Analyst	All (Minute-taker)

Adjournments

Nil.

1.2 Apologies

Nil.

2 Confirmation of Agenda

The Committee confirmed the Agenda.

3 Conflict of Interest Declaration

Nil.

4 Confirmation of Minutes
4.1 Reserves Contribution Committee Minutes: 25 September 2017

Democratic Services Manager 1615.02

Moved Del la Varis-Woodcock/Wade

That the unconfirmed minutes of the Reserves Contribution Committee meeting held on 25 September 2017 be confirmed as a true and accurate record.

Carried

5 Policy

5.1 Information for Reserve Contributions (use of) Policy Review

Policy Planner 2304.17

Moved Del la Varis-Woodcock/Wade

That the Reserve Contribution Committee receives the Policy Planner's report 'Information for Reserve Contributions (use of) Policy Review' dated 02 November 2017 and Attachments 1 - 3 of the above-mentioned report and the information contained therein.

Carried

6 Closure

The meeting concluded at 3.10 pm.

Confirmed

Chair

Kaipara District Council
Dargaville

Unconfirmed

6 Terms of Reference

6.1 Reserve Contributions Policy Review Committee Terms of Reference

Democratic Services Manager 1203.01

Reserve Contributions Policy Review Committee Terms of Reference

Reports to:	Full Council
Chair:	Councillor Larsen
Membership:	Councillors Wade and Del La Varis -Woodcock
Meeting frequency:	As necessary
Quorum:	Two

Purpose

To review Councils “ Reserves Contributions (Use of) “ policy adopted in December 2014, for Council to consider before the 2018/2028 Long Term Plan. Council collects Financial Contributions in accordance with the District Plan provisions and Reserve Contributions are a subset of these. The use of the expenditure of these Contributions is governed by the Resource Management Act.

Responsibilities

- Review the existing policy to re-establish priorities for the use of Reserve Contributions.
- Provide guidance for the programme of works that will be in the Long Term Plan and each Annual Plan thereafter.
- Consider a set of overarching principles against which Reserve Contribution funds will be allocated
- Make any additional recommendations on other policies that may need to be considered to manage the impacts of any recommended changes to the use of Reserve Contributions.

Delegations

The Committee will make recommendations to Full Council.

Membership

Three Councillors appointed by the Mayor

Communications

- The Committee Chair is the authorised spokesperson for the Committee in all matters where the Committee has a particular interest;
- Committee members, including the Chair, do not have delegated authority to speak to the media on behalf of Council on matters outside the Committee’s interest;
- Council’s Corporate Services department will manage and support formal communications between the Committee and Council, and for the Committee in the exercise of its business.

Conduct

The Committee shall conduct its affairs in accordance with the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Authorities (Members Interest) Act 1968 and Kaipara District Council’s Standing Orders and Code of Conduct.

Remuneration

Elected members will be reimbursed in accordance with the determination set by the Remuneration Authority under section 255(5) and Clause 18 of Schedule 15 of the Local Government Act 2002 and Council's Current Elected Members Expenses Policy.

Funding and budgets

Funding for the Committee will align with Council's Annual and Long Term Plans.

7 Policy

7.1 Reserve Contributions (use of) Policy: Implications of draft reviewed Policy

General Manager Community 2304.17

Recommended

That the Reserve Contributions Committee:

- 1 Receives the General Manager Community's report 'Reserve Contributions (use of) Policy: Implications of draft reviewed Policy' dated 04 January 2017, and its Attachments 1 and 2, and the information contained therein; and*
- 2 Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provisions of s79 of the Act determines that it does not require further information, further assessment of options or further analysis of the costs and benefits of different options prior to making a decision on this matter; and*
- 3 Recommends to Council to provide for alternative funding for capital projects through the Long Term Plan process.*

File number: 2304.17 **Approved for agenda**
Report to: Reserve Contributions Committee
Meeting date: 16 January 2018
Subject: **Reserve Contributions (use of) Policy: Implications of draft reviewed Policy**
Date of report: 04 January 2017
From: Venessa Anich, GM Community
Report purpose **Decision** **Information**
Assessment of significance **Significant** **Non-significant**

Summary

The purpose of this report is to outline the possible implications of the draft Reserve Contributions (use of) Policy, as reviewed by the Reserve Contributions Committee. The reviewed Policy is attached to a separate report on this Committee agenda.

The two main changes to the Policy that have implications are:

- The need for alternate funding for parks and reserves outside of growth areas; and
- Requirement for the Parks Team, including the three Priority Park Committees, to apply to a contestable process for reserve contributions to fund their capital works programme.

The existing Policy has a 60%:40% split between spending in the catchment where it was collected (60%) and spending on reserves of district significance (40%). The proposed Policy directs that all funding is to go back into four catchments in which they were collected from. The reviewed Policy allows for some flexibility to spend outside of the catchment.

There needs to be a balance provided in how parks and reserves capital works are undertaken for both growth and high development areas and parks and reserves that are not within growth or high development areas. If Council agrees with the direction proposed in the draft Reserve Contributions (use of) Policy, then Council also needs to consider how they will fund parks and reserves in the low growth/development areas where funding from reserve contributions is likely to be limited.

The current Priority Parks (Kai Iwi Lakes (Taharoa Domain), Pou Tu Te Rangi/Harding Park and Mangawhai Community Park) will no longer have a guaranteed revenue to implement their Reserve Management Plans (RMPs) and develop these Parks. This currently is set at \$100,000 per year for each Park.

Mangawhai Community Park sits within a catchment that has historically collected between \$90,000 and \$500,000 per year, with the last two years collecting over \$1 million per year (**Attachment 1**). This is due to the high growth in this area. Therefore, Mangawhai Community Park is likely to have sufficient reserve contribution funds to continue to implement its Master Plan under the reviewed Policy, provided development continues.

Kai Iwi Lakes and Pou Tu Te Rangi/Harding Park are in low growth area, and historically collected between \$12,000 and \$88,000 reserve contributions per year in this catchment (**Attachment 1**). Therefore, these two parks are unlikely to have sufficient reserve contribution funds to continue to implement their RMPs under the reviewed Policy.

The Committee through this process should also make Council aware of the implications of the proposed Policy. The main implication being that Council needs to consider providing an alternate funding source for parks and reserves and for the three Priority Parks in the event that there is insufficient reserve contributions in the proposed catchments.

If there are insufficient reserve contributions to fund the implementation of the RMP, Council has two options:

- Slow the implementation of the RMP to match receipt of contributions; or
- Use an alternative source of funds.

Two major alternative sources of funding have been identified:

- Ratepayer funding through general or targeted rates; or
- Debt with servicing costs covered by rates or future reserve contributions.

To call on ratepayers to fund the project through either a general or targeted rate raises questions, especially as the projects have been identified as growth-related to be funded by reserve contributions.

The RMP projects increase and improve the assets in the community, therefore it is appropriate to use debt. The uncertainty of the level of future reserve contribution income suggests this may not be a suitable income stream from which the debt can be serviced. An alternative is for ratepayers to carry the serving cost. The activity costs will be increased to cover interest and repay the principal over 20 years with these costs covered by general or a targeted rate. A degree of equity is retained with future ratepayers (users of the improved facilities and possibly those causing the growth) contributing to the cost. This report recommends that the Committee recommends to Council that alternate funding is included in the draft Long Term Plan 2018/2028 (LTP) budgets.

It is considered that the changes to the Policy have significant budget implications, therefore it is recommended that the draft Policy be consulted on as part of the LTP consultation process. An assessment against Council's Significance and Engagement Policy is attached (**Attachment 2**).

The Committee could consider an alternate approach that is a middle ground between 60:40 split and 100% spend where collected. For example, an 80:20 split could be considered – 80% spent where it is collected, and 20% spent on reserves of district significance. The reserves of district significance could be determined when the Reserve and Open Space Strategy is reviewed early in 2018.

The second implication is around the contestable process proposed in the reviewed Policy. The reviewed Policy proposes a contestable process in which community groups and Council's Parks Team (including the three Priority Park Committees) apply for funding. This means that the three Priority Park Committees and the Parks Team will need to apply to the Reserve Contributions Committee for reserve

contributions funding through a contestable process to implement their capital works programme. The three Priority Parks currently obtain \$100,000 each per year to implement their RMPs. Currently the Parks Team seeks approval from Council for their capital works programme through the Annual Plan process.

Under the proposed contestable process, there will be three levels of approval required for the Priority Park Committee works programmes and two levels of approval for the Parks Team capital works programmes. The contestable process will add additional time and process steps. It is considered that approval of projects by Council through the Annual Plan process provides sufficient rigour and checks and balances for the Parks Team and Priority Park Committees' capital works programmes. The contestable process is considered appropriate for community groups that wish to undertake parks and reserves projects.

If the contestable process is restricted to community groups, then it is recommended that the existing Community Grants Committee administers the reserve contribution grants. It is an existing committee that distributes grants to community groups. This will make the process efficient, removing the need for an additional committee of Council.

Recommendation

That the Reserve Contributions Committee:

- 1 *Receives the General Manager Community's report 'Reserve Contributions (use of) Policy: Implications of draft reviewed Policy' dated 04 January 2017, and its Attachments 1 and 2, and the information contained therein; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provisions of s79 of the Act determines that it does not require further information, further assessment of options or further analysis of the costs and benefits of different options prior to making a decision on this matter; and*
- 3 *Recommends to Council to provide for alternative funding for capital projects through the Long Term Plan process.*

Reason for the recommendation

To inform the Reserve Contributions Committee of the possible implications of the draft Reserve Contributions (use of) Policy it is putting forward to Council to endorse, and that the Reserve Contributions Committee is fully aware of these implications, has considered them through the Policy review process and has made Council fully aware of the need for alternative funding.

Reason for the report

The reason for this report is to outline the possible implications of the draft Reserve Contributions (use of) Policy, as reviewed by the Reserve Contributions Committee.

Background

This review of the Reserve Contributions (use of) Policy was a result of a Notice of Motion 6 from Council's 11 July 2017 meeting requiring:

- ‘1 That Council reviews its Reserve Contributions Fund Policy; and
- 2 That the Chief Executive work with Councillor Larsen (Chair), Wade and Del la Varis-Woodcock on reviewing the policy; and
- 3 That the amended Policy be presented to the 26 September 2017 Council meeting for approval.’

In response to the above Notice of Motion, the Reserve Contributions Committee has reviewed the current Policy and this is now before the Committee to resolve on the final reviewed Policy that is to go before Council to endorse. Adoption of the reviewed Policy is under a separate report on this Committee agenda.

The existing Policy was approved by Council on 14 December 2014. The existing Policy had three catchments: northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (Mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru). The existing Policy has a 60%:40% split between spending in the catchment where it was collected (60%) and spending on reserves of district significance (40%). This also allowed for capital works to occur on Parks considered to be of district significance. The 40% contributed \$100,000 to each of the three Priority Parks, being Kai Iwi Lakes, Pou Tu Te Rangi/Harding Park and Mangawhai Community Park.

Issues – Alternate funding for parks of district significance

Kai Iwi Lakes (Taharoa Domain), Pou Tu Te Rangi/Harding Park and Mangawhai Community Park have RMPs or Master Plans in place. These are a contract with the community that outlines how Council will develop and manage these areas. Two of these Priority Parks are situated in low growth/development areas.

The Reserve Contributions Committee has considered the current Policy and is recommending that there now be four catchments with 100% of the funding going back into the catchment in which the money was collected from. The result of this position is that capital funding for the three Priority Parks will now need to be funded from within their catchments, as opposed to the 40% share of the 60%:40% split.

Mangawhai Community Park sits within a catchment that has historically collected between \$90,000 and \$500,000 per year, with the last two years collecting over \$1 million per year (**Attachment 1**). This is due to the high growth in this area. Therefore, Mangawhai Community Park is likely to have sufficient reserve contribution funds to continue to implement its Master Plan under the reviewed Policy, provided development continues.

Kai Iwi Lakes and Pou Tu Te Rangi/Harding Park are in low growth area, and historically collected between \$12,000 and \$88,000 reserve contributions per year in this catchment (**Attachment 1**). Therefore, these two parks are unlikely to have sufficient reserve contribution funds to continue to implement their RMPs under the reviewed Policy.

The Committee could consider an alternate approach that is a middle ground between 60:40 split and 100% spend where collected. For example, an 80:20 split could be considered – 80% spent where it is collected, and 20% spent on reserves of district significance. The reserves of district significance could be determined when the Reserve and Open Space Strategy is reviewed early in 2018.

The proposed change in policy may result in a significant change in how reserves are developed. That change may not meet the expectations of the community with regards to developing these parks in accordance with their RMPs and hence a potential significant drop in service level planned for under the RMPs. When RMPs are developed, they go through a full public submission and hearing process, as set out under the Reserves Act 1977. The RMPs are, therefore, a contract with the community, because they have been developed in consultation with the community.

Kai Iwi Lakes and Pou Tu Te Rangi/Harding Park are also co-governed with iwi. Therefore, a change to the implementation of the RMP would affect Te Roroa, Te Kuihi and Te Uri o Hau. Consultation with iwi is recommended to be undertaken. The co-governance arrangement means they are in partnership with Council and a lack of consultation could potentially weaken those relationships. Due to the co-governance arrangements, iwi also have an interest wider than the general community.

This report recommends that the Reserve Contributions Committee recommends to Council to consider providing an alternate funding source for parks and reserves and the three Priority Parks should there be insufficient reserve contributions in the proposed catchments.

If there are insufficient reserve contributions to fund the implementation of the RMP, Council has two options:

- Slow the implementation of the RMP to match receipt of contributions; or
- Use an alternative source of funds.

While slowing implementation is an option, it creates uncertainty for the local community (they do not know when the improvements will be made), and as the improvements are piecemeal they may not deliver real benefits until the programme is substantially complete. It does retain the integrity of the proposed reserve contributions policy approach – that the cost of growth is funded by the development causing the growth.

Two major alternative sources of funding have been identified:

- Ratepayer funding through general or targeted rates; or
- Debt with servicing costs covered by rates or future reserve contributions.

To call on ratepayers to fund the project through either a general or targeted rate raises questions, especially as the projects have been identified as growth-related to be funded by reserve contributions.

The RMP projects increase and improve the assets in the community, therefore it is appropriate to use debt. The uncertainty of the level of future reserve contribution income suggests this may not be a suitable income stream from which the debt can be serviced. An alternative is for ratepayers to carry the servicing cost. The activity costs will be increased to cover interest and repay the principal over 20 years with these costs covered by general or a targeted rate. A degree of equity is retained with

future ratepayers (users of the improved facilities and possibly those causing the growth) contributing to the cost. This report recommends that the Committee recommends to Council that alternate funding is included in the draft Long Term Plan 2018/2028 (LTP) budgets.

It is considered that the changes to the Policy have significant budget implications, therefore it is recommended that the draft Policy be consulted on as part of the LTP consultation process. An assessment against Council's Significance and Engagement Policy is attached (**Attachment 2**).

Issue – Contestable process for Parks Team capital works programme

The reviewed Policy proposes a contestable fund for community groups and Council's Parks Team (including the three Priority Park Committees) to apply for funding for capital works from the reserve contributions pool.

This means that for the three Parks Committees and the Parks Team to implement their capital works programme, they will need to apply for funding from Reserve Contributions Committee through a contestable process. The three Priority Parks currently obtain \$100,000 each per year to implement their RMPs. Currently the Parks Team gain approval from Council for their capital works programme through the Annual Plan process.

Under the proposed contestable process, there will be three levels of approval required for the Priority Park Committee works programmes and two levels of approval for the Parks Team capital works programmes. The contestable process will add additional time and process steps. It is considered that approval of projects by Council through the Annual Plan process provides sufficient rigour and checks and balances for the Parks Team and Priority Park Committees' capital works programmes. The contestable process is considered appropriate for community groups that wish to undertake parks and reserves projects.

If the contestable process is restricted to community groups, then it is recommended that the existing Community Grants Committee administers the reserve contribution grants. It is an existing committee that distributes grants to community groups. This will make the process efficient, removing the need for an additional committee of Council.

If the Reserve Contributions Committee remains, then there may be a potential conflict between Councillors on the Priority Parks Committees if they are also on the Reserve Contributions Committee. This will have to be managed.

Resource Management Act 1991 Amendments 2017

The Resource Legislation Amendment Act 2017 amended the Resource Management Act 1991 (RMA), so that as from 18 April 2022, Council will no longer be able to seek financial contributions from developments. Any reserve contributions to be paid as a condition of consent prior to this date will still need to be paid. Given that a subdivision may take up to eight years to complete, it is possible that reserve contributions will continue to drip in past the 2022 date up until 2030. Therefore a Reserve Contributions (Use of) Policy will no longer be needed when reserve contributions are no longer collected.

Factors to consider

Community views

As mentioned above, it is considered that Te Roroa, Te Kuihi and Te Uri o Hau are affected and their views should be sought prior to Council finalising the Policy. This is particularly important as they co-govern two Priority Parks with Council and not consulting with iwi may weaken the relationship Council has, and iwi are a key relationship of Council.

Kai Iwi Lakes and Pou Tu Te Rangi/Harding Park have RMPs in place. These are a contract with the community that outlines how Council will develop these areas. Two Priority Parks are situated in low growth/development areas. The change in policy may result in a significant change that may not meet the expectations of the community with regards to developing these parks and hence a potential significant drop in service level planned for under the RMPs.

Policy implications

There may be an implication for the review of the Reserves and Open Spaces Strategy, scheduled to be undertaken early in 2018.

Financial implications

Under the draft Policy, the current Priority Parks (Kai Iwi Lakes (Taharoa Domain), Pou Tu Te Rangi/Harding Park and Mangawhai Community Park) will no longer have a guaranteed revenue to implement their RMPs and develop these Parks. This currently is set at \$100,000 per year for each Park. Kai Iwi Lakes and Pou Tu Te Rangi/Harding Park are in low growth areas, and historically between \$14,000 and \$88,000 worth of reserve contributions have been collected per year.

It is suggested that the Reserve Contributions Committee recommends to Council to consider providing an alternate funding source for parks and reserves and the three Priority Parks should there be insufficient reserve contributions in the proposed catchments. The other option is to slow down the implementation of capital projects. The alternate funding can either be rates (targeted or general) or debt fund. Given it is capital projects that financial contributions funds, then debt funded is the likely source to make up any shortfall in reserve contributions. This alternate funding is recommended to be included in the draft LTP 2018/2028 budgets.

Legal/delegation implications

The spending of reserve contributions that have been collected is governed by the RMA, the current and amended Policy are both believed to be within keeping of the relevant RMA provisions.

Assessment of significance

It is considered that the recommended changes to the Policy have significant budget implications therefore, it is recommended that the draft Policy be consulted on as part of the draft LTP consultation process. An assessment against Council's Significance and Engagement Policy is attached (**Attachment 2**).

Attachment

- Attachment 1 - Spreadsheet of collection of reserve contributions by catchment
- Attachment 2 - Assessment against Council Significance and Engagement Policy

Attachment 1 - Spreadsheet of collection of reserve contributions by catchment

Valuation Roll No	Description	Total	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
00950	Dargaville - east of Hokianga Road	-12,391.30	-5,652.17		-3,043.48	-3,695.65		
00960	Dargaville - Hokianga Road and West, Mangawhare	-10,434.78	-3,913.04		-6,521.74			
00990	Babylon Coast Road to Waipoua inclusive Lakes and Kaihu	0.00						
01000	SH14 to edge of the North Kaipara boundary	0.00						
01010	NW River to Tangiteroria	-7,826.09	-3,478.26					-4,347.83
01020	NW River to North Kaipara boundary and Waihue	-6,521.74	-3,043.48					-3,478.26
01030	Maungaru and Mangakahia	-2,826.09	217.39	434.78				-3,478.26
01050	Turiwiri and Aropohue	-47,173.92		-9,130.44	-10,434.78		-2,173.91	-25,434.79
01060	Mititai, Aropohue and Mangonui River	0.00						
01040	Babylon Coast to Mt Westley	-111,956.53	-8,260.87	-32,826.09	-3,260.87	-6,521.74	-23,043.48	-38,043.48
01070	Mt Wesley Coast Road to Koremoa Road (Kopuru)	-13,260.88	-2,826.09					-10,434.79
01090	Korekoa Road (Kopuru) to Schick Road (1/2 way to Pouto Penninsular)	0.00						
01100	Schick Road to Pouto Lighthouse	0.00						
01110	Te Kopuru Village	0.00						
01080	Okahu (past Aropohue) to KDC boundary	-3,260.87						-3,260.87
01130	Tokatoka to Ruawai	-2,173.91			-2,173.91			
01140	Omaru Parish (Ruawai Hills)	-4,347.82			-2,391.30	-1,956.52		
01240	Ruawai Township	0.00						
	Total	-222,173.93	-26,956.52	-41,521.75	-27,826.08	-12,173.91	-25,217.39	-88,478.28

01120	South Ruawai, Tinopai, Araraoa, Te Kowhai	-14,999.99	-2,391.30		-2,173.91		-4,782.61	-5,652.17
01150	Matakohe	-6,521.74	-2,608.70					-3,913.04
01160	Mareretu Parish (North of Paparaoa and Pahi)	0.00						
01170	Paparaoa and Pahi	-81,956.51	-3,913.04	-14,565.22	-7,391.30	-27,391.30	-5,000.00	-23,695.65
01180	Maungaturoto Rural	-63,913.03	-6,739.12	-3,043.48		-41,086.95		-13,043.48
01190	Whakapirau	-22,173.90	-3,913.04		-4,130.43	-5,000.00	-3,913.04	-5,217.39
01230	Maungaturoto Township	-6,521.74		-6,521.74				
	Total	-196,086.91	-19,565.20	-24,130.44	-13,695.64	-73,478.25	-13,695.65	-51,521.73

01200	Brynderwyn to Kaiwaka Township	-441,195.69	-3,043.48	-14,239.14	-228,695.66	-56,304.36	-77,826.09	-61,086.96
01210	Kaiwaka Township	-21,739.14					-4,782.61	-16,956.53
	Total	-462,934.83	-3,043.48	-14,239.14	-228,695.66	-56,304.36	-82,608.70	-78,043.49

01220	Mangawhai Rural	-2,427,608.65	-67,891.29	-159,739.12	-222,826.09	-260,891.30	-862,826.05	-853,434.80
01221	Mangawhai Village	-944,355.06	-11,289.85	-49,043.49	-48,978.26	-36,826.08	-401,913.04	-396,304.34
01231	Mangawhai - Formerly Rodney	-500,956.53	-12,173.91		-53,478.27	-213,217.40	-82,521.74	-139,565.21
	Total	-3,872,920.24	-91,355.05	-208,782.61	-325,282.62	-510,934.78	-1,347,260.83	-1,389,304.35

Assessment of Significance – Reviewed Reserve Contributions (use of) Policy

Threshold	Significant
Budgeted expenditure of \$3,000,000 or more.	No
Unbudgeted expenditure of \$300,000 or more.	No – the timing of contestable grants should mean that projects can be put towards the next AP. Although should unbudgeted expenditure should occur it is likely to sit on the lower boundary of the threshold.
Increases individual rate levies by 10%.	No For an additional \$200,000 through rates will mean an approximately 1% general rate increase.
Transfer ownership or control of a strategic asset to or from Council	No
It alters significantly the intended Level of Service provision for any significant activity.	The Reserve Management Plans (RMPs) are a contract with the community that outlines what Council will do in the reserve they refer to. Two of the Priority reserves are situated in low growth/development areas. These currently have a budget of \$100,000 each. The change in policy may result in a significant change that may not meet the expectations of the community with regards to upgrading these reserves and hence a potential significant drop in service level planned for under the RMPs.
Sensitivity to a decision’s potential impact on, and interest held within, the community.	Use of reserve contributions could be considered to be sensitive topic, as people would like to know how and where these funds are to be spent and how they may benefit from the use of these funds in their part of the community.
Criteria	
The number of individuals and/or groups within the community affected by the proposal or decision.	If there is an increase in the general rates to cover projects not funded by reserve contributions all ratepayers will be affected. Iwi in particular have been identified as being affected. Two of the priority reserves have co-governance arrangements with iwi. Any changes to the Reserve Contributions (use of) Policy could undermine the relationship Council has with Iwi within these arrangements if consultation is not

	undertaken. This relationship goes wider than funding and wider than just an interested party.
The extent of the impact or consequences of the proposal or decision on the affected persons (being a number of persons).	Potentially a district-wide impact. Impact could be both positive and negative depending on the area in which a person lives. There will be an impact on Parks Committees. They will need to understand that they can apply through a contestable fund and to understand what they will need to demonstrate within their applications. They will also need to be aware of the timing for applications. It is not unusual for committees to take some time to get all the information together for their applications.
The financial implications of the proposal or decision on Council's overall resources.	The use of rates may limit the amount of capital projects undertaken within low growth/development areas. This may in turn impact other projects. It may also mean that capital works on reserves in some areas of the district may slow right down or stop altogether.
The levels of public interest.	There was a high level of public interest when the Policy was last reviewed. It would be considered that the same level exists therefore it is likely that the community would expect to have some say on any changes to that policy.
<p>Overall assessment – Significant</p> <p>To allow Council the option to continue implementing the RMPs for Taharoa Domain, Pou Tu Te Rangi / Harding Park and Mangawhai Community Park when there are insufficient reserve contributions under the draft Reserve Contributions (use of) Policy, it is recommended that Council considers providing alternate funding, either be rates (targeted or general) or debt fund. This alternate funding will need to be included in the draft Long Term Plan 2018/2028 (LTP) budgets.</p> <p>Therefore due to the budget implications of the draft reviewed Reserve Contributions (use of) Policy, it is recommended that consultation is undertaken on this draft Policy in conjunction with consultation on the draft LTP 2018/28.</p>	

7.2 Reserve Contributions (use of) Policy: Adoption of reviewed Policy

Policy Planner 2304.17

Recommended

That the Reserve Contributions Committee:

- 1 *Receives the Policy Planner's report 'Reserve Contributions (use of) Policy: Adoption of reviewed Policy' dated 01 December 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Recommends to Kaipara District Council the reviewed Reserve Contributions (use of) Policy as attached to the above-mentioned report; and*
- 4 *Recommends to Kaipara District Council that the reviewed Policy is consulted on as part of the draft Long Term Plan process.*

File number: 2304.17 **Approved for agenda**
Report to: Reserve Contributions Committee
Meeting date: **16 January 2018**
Subject: **Reserve Contributions (use of) Policy: Adoption of reviewed Policy**
Date of report: 01 December 2017
From: Paula Hansen, Policy Planner
Report purpose **Decision** **Information**
Assessment of significance **Significant** **Non-significant**

Summary

The Resource Management Act 1991 allows Council to collect financial contributions of which reserve contributions are a subset. They are collected as development occurs through the resource consent process as a condition of consent, to help offset the effects of development.

The main purpose of the Reserve Contributions (Use of) Policy (the 'Policy') is to show transparency and accountability to the community on how these funds are spent, including how projects that are approved for funding are considered and why certain projects may have been approved over other projects.

The Policy was last reviewed in 2014. This current review of this Policy is the result of a Notice of Motion 6 from Council's 11 July 2017 meeting requiring:

- “1) *That Council reviews its Reserve Contributions Fund Policy; and*
- 2) *That the Chief Executive work with Councillor Larsen (Chair), Wade and Del la Varis-Woodcock on reviewing the Policy; and*
- 3) *That the amended Policy be presented to the 26 September 2017 Council meeting for approval.”*

In response to the above Notice of Motion the Reserve Contributions Committee (the Committee) was set up to review the current Policy and make recommendations to Council.

The Committee has considered the existing Policy (**Attachment 1**) and has decided that the Policy should be amended. The draft Policy (**Attachment 3**) shows the proposed new Policy recommended by the Committee. This has some minor changes and four key changes in how reserve contributions are spent. The four key changes include:

- The existing Policy has three localities (catchments) (northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (Mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru) – The proposed Policy has four catchments called Dargaville and Surrounds; Maungaturoto, Paparoa, Tinopai and Surrounds; Kaiwaka and Surrounds; and Mangawhai and Surrounds.
- The existing Policy has a 60%:40% split between spending in the catchment where it was collected (60%) and spending on reserves of district significance (40%). The proposed Policy

directs that all funding is to go back into the locality in which it was collected in with a little flexibility to spend outside of the catchment.

- The proposed Policy proposes a contestable fund for local communities and Council's Parks and Reserves Team (including the three Park Committees) to apply for funding for capital works from the reserve contributions pool. This is so projects can be considered on their merits and the needs of the community. The proposed draft Policy outlines the criteria, timing of applications, who will decide on applications, who may apply, accountability and reporting, and the need for health and safety measures.
- Removal of the reference to Premier and Key Reserves and Priority Parks. The Policy is now proposing to simply refer to the Reserves and Open Spaces Strategy (ROSS).

While the Committee was reviewing the current Policy they considered where funds have been collected across the district (**Attachment 2**). The Committee is aware that any important capital works that cannot be funded through reserve contributions may need to be funded through rates or other alternative funding sources. The policy is now considered to be ready to be approved by the Committee before being presented to Council for approval.

The outcome of the reviewed Policy will have a potential flow effect to the Long Term Plan (LTP). Given that the main purpose of the Policy is to show transparency in how these are spent Council should show transparency in the changes and consider consulting on these changes, therefore it is considered appropriate for the Committee to put forward this recommendation for Council to consider.

Recommendation

That the Reserve Contributions Committee:

- 1 *Receives the Policy Planner's report 'Reserve Contributions (use of) Policy: Adoption of reviewed Policy' dated 01 December 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Recommends to Council the reviewed Reserve Contributions (use of) Policy as attached to the above-mentioned report; and*
- 4 *Recommends to the Kaipara District Council that the reviewed Policy is consulted on as part of the draft Long Term Plan process.*

Reason for the recommendation

The Reserve Contributions Committee has been given the mandate to review of the Reserve Contributions (use of) Policy and to make recommendations to Council. The reviewed Policy, Attachment 3, needs to be formally approved by the Reserve Contributions Committee prior to going to a meeting of Council for approval.

Reason for the report

This Report outlines the review of the Reserve Contributions (use of) Policy (the 'Policy') and seeks approval from the Reserve Contributions Committee prior to going to a meeting of Council for approval.

Background

The Resource Management Act 1991 (RMA) allows Council to collect financial contributions of which reserve contributions are a subset. They are collected as development occurs through the resource consent process as a condition of consent, to help offset the effects of development. Chapter 22 of the Kaipara District Plan outlines when and for what reasons reserve contributions will be collected. The RMA also stipulates how reserve contributions are to be spent. Essentially, they are to be spent in reasonable accordance with the reason for which they were collected for. This means they are to be spent in reasonable accordance with the reasons outlined in Chapter 22 of the Kaipara District Plan.

The main purpose of the Policy is show transparency to the community on how these funds are spent, including how projects that are approved for funding are considered and why certain projects may have been approved over other projects.

This review of the Policy was a result of a Notice of Motion 6 from Council's July 2017 meeting requiring:

- “1) *That Council reviews its Reserve Contributions Fund Policy; and*
- 2) *That the Chief Executive work with Councillor Larsen (Chair), Wade and Del la Varis-Woodcock on reviewing the Policy; and*
- 3) *That the amended Policy be presented to the 26 September 2017 Council meeting for approval.”*

In response to the above Notice of Motion the Reserve Contributions Committee was set up to review the current Policy and make recommendations to Council.

The existing Policy (**Attachment 1**) was approved by Council on 14 December 2014. The existing Policy has three catchments (northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (Mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru)). The existing Policy has a 60%:40% split between spending in the catchment where it was collected (60%) and spending on reserves of district significance (40%).

The Reserve Contributions Committee has considered the current Policy and has also considered having 100% funding go back to the catchment in which it was collected in with no flexibility. The Committee has also considered what those catchments are within the current Policy and how they may work with the changes to funding allocation. With this they have looked at where funds have been collected across the district (**Attachment 2**).

The Committee has considered how a balance can be provided (equity) in how Parks and Reserves capital works are undertaken for both growth areas and existing areas that are not within a growth area or high development area. The Committee is aware that any important capital works that cannot be funded through reserve contributions may need to be funded through rates or other alternative funding sources.

Issues

The Reserve Contributions Committee has reviewed the current position of the 60%:40% split and the catchment areas in the current policy and is now recommending an amended Policy (**Attachment 3**). There are some minor changes and four significant changes. The four significant changes are:

- Proposing four localities (catchments) which will replace the current three catchments. The proposed new locality catchment areas are shown within Appendix A of the amended Policy (**Attachment 3**). The amount of reserve contributions that have been collected over the last six years is contained in **Attachment 2**. This demonstrates the level of contributions available for each catchment.
- Replace the 60:40 split, with the funding to be spent directly within the catchment in which it is collected with some flexibility to spend outside that same catchment. This will mean that most of, and potentially all of, the money collected will go directly back to the catchment in which it was collected from. It may also mean that some key projects for high use reserves in low growth areas will need to be funded through rates.
- Introduction of a contestable fund. The idea behind the contestable fund is to base the spending of the reserve contributions on the merits of a project, to meet the specific needs within each catchment and to allow community groups to apply for funding. The contestable fund is proposed to be open to the public. Also Council's Parks and Reserves Team will be required to apply to have their capital works programme approved by this funding committee.

The proposed amended Policy outlines the criteria, timing of applications, who will decide on applications, who may apply, accountability and reporting, and the need for health and safety measures.

- Removal of the reference to Priority and Key Reserves and Priority Parks. The Policy is now proposing to simply refer to the Reserves and Open Spaces Strategy (ROSS).

Factors to consider

Community views

No community views have been sought on the amendments to the Policy. There is likely to be an interest in these changes.

Policy implications

The reviewed policy is to supplement the Policy in the operative District Plan. In terms of the Significance and Engagement Policy there is a level of interest within how reserve contributions are spent therefore the proposal can be considered as of significance to consult on.

Financial implications

The recommended Policy will mean that Council needs to find alternative funding sources for capital works in parks and reserves should there be insufficient reserve contributions available. This will have potential budget implications.

Legal/delegation implications

The spending of reserve contributions that have been collected is governed by the RMA 1991, the amended Policy is believed to be within keeping of the relevant RMA 1991 provisions. Under the LGA Council needs to consider the views of the community and to take those views into consideration.

Options

There are two Options to consider:

Option A: To adopt the amended Policy as draft to go to Council to be approved.

Option B: To not adopt the amended Policy.

Option C: To recommend to Council to consult on the amended Policy as a draft.

Assessment of options

Option A means that by adopting the draft Policy as presented, the Committee is in agreement of the direction provided within this amended Policy.

Option B means that the Committee does not agree with the direction provided in the amended Policy and would like to reconsider parts of the Policy prior to putting the Policy to Council.

By recommending Option C to Council to seek feedback from the community, including Iwi, on the draft Policy means that the Committee agrees and understands that the amended Policy should follow a transparent process, that allows the community to provide input into the final Policy.

Assessment of significance

The current Policy was considered significant to consult on as there was a level of community interest. It is believed that there will be same community interest in any changes to the current Policy. There are also some potential new budget implications. Therefore it is recommended that the Policy be consulted on with the Long Term Plan.

Recommended option


The recommended option is **Option A**.

Next step

To consult on the Reserve Contributions (use of) Policy with the Long Term Plan 2018/2028.

Attachments

- Attachment 1 - Current Policy
- Attachment 2 – Spreadsheet of collection of contributions by catchment
- Attachment 3 – Proposed draft Policy

 <small>Kaipara te Orangakui</small> KAIPARA DISTRICT <small>The Ocean The Harbour</small>	Title of Policy	Reserve Contributions (use of)		
	Sponsor	Commissioner Winder		
	Written By	Jill McPherson	Authorised/Adopted by	Council
	Type of Policy		Date Adopted	16 December 2014
	File Reference	2304.17	Review Date	

1 Background

Financial Contributions

Council has a Financial Contributions mechanism in its District Plan. This outlines how much can be imposed on land developers on approval of a resource (land-use or subdivision) consent. The plan relies on the Resource Management Act to define how Financial Contributions can be spent. **Reserves Contributions** are a subset of Financial Contributions.

Section 108(10)(a) of the Resource Management Act 1991 (RMA) allows Council to require Financial Contributions, where necessary, to achieve one or more of the following purposes:

- a) Creating open space (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- b) Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character through reserve contributions.
- d) Providing new, or upgrading existing, infrastructure such as Council-owned roads, transportation infrastructure and utilities (including stormwater systems and shared wastewater systems).
- e) Protecting or enhancing amenities, habitats, ecosystems, landscape features and archaeological heritage or cultural values.
- f) Avoiding, remedying or mitigating land use activity or subdivision impacts upon sensitive parts of the natural and physical environment.
- g) Providing new, or upgrading existing, community amenities (such as libraries, community halls, leisure facilities and public toilets).
- h) Creating a financial resource to be used for any of the above purposes.

Reserves Contributions

The Council may require a Financial Contribution in cash or land towards the establishment and/or upgrading of reserves and public open space areas as a condition of Land Use Consent or Subdivision Consent.

In the Kaipara District Plan section 22.6.6 details the purpose of Reserves Contributions:

“By requiring developments to pay their fair and reasonable share of the costs of purchasing land for reserves or upgrading existing reserves.

New developments generate an increase in demand for, and usage of, reserves, open space and public recreation facilities. All new developments will be required to contribute towards the costs of acquiring new, or upgrading existing reserves, open space or facilities, in accordance with Council's Reserves and Open Space Strategy.

Financial Contributions for Reserves will only be used for the purchase and development of new reserves or for the improvement and development of existing ones. The maintenance of reserves and recreational facilities is funded through rates.”

In section 22.10.5 of the District Plan describes what purposes a reserve contribution will be put:

Any **Reserve Contribution** required as a Condition of Land Use Consent or Subdivision Consent may be in the form of:

- a) Land to be set aside and vested in the Council for reserve or public open space purposes; or
- b) A cash contribution to the Council for it to carry out works relating to developing or upgrading reserves or public open spaces in the District.

In addition under Section 108 of the Resource Management Act 1991 the Council can require as a Resource Consent Condition works on any reserve or public open space. Such works may include but are not limited to the following:

- a) Fencing;
- b) Landscaping including grassing and tree planting;
- c) Provision of play equipment and other recreational facilities; and
- d) Provision of footpaths and walking tracks.

2 Objective of this Policy

The objective of this policy is for Council to define the priorities it has for use of reserve contributions, and use this priority to guide the development of a programme of works. This works programme will be consulted on as part of each year's Annual Plan process.

3 Definitions

Reserves Contributions: a mechanism in the District Plan that allows for the collection of levies from developers, so that Council can develop or upgrade reserves and other public open spaces

Open space: Land held under the Reserves Act and/or zoned as reserve in the District Plan, and/or included in the Reserves and Open Space Strategy (ROSS) as a reserve.

Local: the district has been divided up into three “local” areas of Northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (Mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru).

District-wide: reserves and open space that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole district (tend to be one of a kind).

4 Policy Statement

Council will collect reserves contribution in the future as cash for it to carry out works relating to developing or upgrading reserves or public open spaces in the District. Only in special circumstances will the contribution be in land vested in Council, and this decision will be guided by the Reserves and Open Space Strategy in place at the time. These exceptions will need to prove a shortfall of open space in a particular area and/or the current open space areas are already used to capacity. Any contribution given as land must meet the test of usability, or the protection of environmental values where this cannot be achieved through conditions in any consents required.

Criteria for eligibility for use of Reserves Contributions

Of the areas of the Resource Management Act that define how a reserves contribution may be spent, the Council will prioritise two uses for the funds levied and collected:

- 1 Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas). This can include
 - bringing existing reserves up to a minimum standard for public use e.g. supplying public toilets in recreation reserves;
 - landscaping,
 - providing equipment e.g. seats, barbeques, playgrounds
- 2 Giving public access to coastal areas, reserves, bush areas or areas of special character. This is typically through
 - the development of walking tracks,
 - the purchase of land that connects two public areas otherwise not accessible to the public

All allocations will be judged against their fit with these two uses, as if they are qualifying/assessment criteria. The reserves contribution fund will not and cannot be used for normal asset management (maintenance, repairs and renewals).

Distribution of Reserves Contributions within the Kaipara District

Of the funds collected, 60% will be spent within the local area likely to feel the impact of growth from the development, and 40% allocated to district-wide purposes.

District-wide purposes has been defined as those reserves and open spaces that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole district (tend to be one of a kind). Parks that cater for the whole District are considered to be the 'priority parks'.

Funds will typically be spent by Council in Council reserves, but may be allocated to community-led projects if they meet the criteria above.

Premier and Key Reserves

District-wide reserves includes three reserves classified as "premier", and classified as "key" reserves in the Reserves and Open Space Strategy:

- The “premier” reserves in ROSS are:
 - Mangawhai Park
 - Harding Park and Pou Tu O Te Rangī
 - Mangawhai Heads esplanade/coastal reserves

- The “key” reserves in ROSS are:
 - Te Roroa (Maunganui Bluff)
 - Taharoa/Kai Iwi Lake reserves
 - Baylys reserves along Ripiro Beach
 - Omamari reserves along Ripiro Beach
 - Pouto Point reserves
 - Kopuru Beach/Glinks Gully reserves
 - Tinopai/Komiti Road reserves
 - Memorial Park Dargaville (Logan Street Reserve)
 - Selwyn Park Dargaville.

Priority Parks

Council has three “priority” parks that will receive significant investment in their development over the next five or so years funded by reserves contributions.

- Taharoa Domain
- Harding Park/Pou Tu o Te Rangī
- Mangawhai Community Park

Each of these reserves is at different phases in their development, but all are under-developed and need investment to develop their immense potential.

5 Status of the Reserves Contribution Fund

Amounts available for each area defined using the ‘local’ definition of three areas, and ‘district-wide’ using the 60:40 split are therefore:

Location	2012/13 Amount Received	2012/13 Balance	2013/14 Amount Received	2013/14 Balance	District- wide 40%
Northwest Kaipara	\$41,522	\$199,495	\$23,261	\$198,208	\$79,283
Mid-Kaipara	\$38,398	\$925,435	\$231,956	\$1,157,391	\$462,956
Mangawhai- Hakaru	\$214,782	\$2,836,303	\$325,282	\$3,120,275	\$1,248,110

Attachment 2 - Spreadsheet of collection of contributions by catchment

Valuation Roll No	Description	Total	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
00950	Dargaville - east of Hokianga Road	-12,391.30	-5,652.17		-3,043.48	-3,695.65		
00960	Dargaville - Hokianga Road and West, Mangawhare	-10,434.78	-3,913.04		-6,521.74			
00990	Babylon Coast Road to Waipoua inclusive Lakes and Kaihu	0.00						
01000	SH14 to edge of the North Kaipara boundary	0.00						
01010	NW River to Tangiteroria	-7,826.09	-3,478.26					-4,347.83
01020	NW River to North Kaipara boundary and Waihue	-6,521.74	-3,043.48					-3,478.26
01030	Maungaru and Mangakahia	-2,826.09	217.39	434.78				-3,478.26
01050	Turiwiri and Aropohue	-47,173.92		-9,130.44	-10,434.78		-2,173.91	-25,434.79
01060	Mititai, Aropohue and Mangonui River	0.00						
01040	Babylon Coast to Mt Westley	-111,956.53	-8,260.87	-32,826.09	-3,260.87	-6,521.74	-23,043.48	-38,043.48
01070	Mt Wesley Coast Road to Koremoa Road (Kopuru)	-13,260.88	-2,826.09					-10,434.79
01090	Korekoa Road (Kopuru) to Schick Road (1/2 way to Pouto Penninsular)	0.00						
01100	Schick Road to Pouto Lighthouse	0.00						
01110	Te Kopuru Village	0.00						
01080	Okahu (past Aropohue) to KDC boundary	-3,260.87						-3,260.87
01130	Tokatoka to Ruawai	-2,173.91			-2,173.91			
01140	Omaru Parish (Ruawai Hills)	-4,347.82			-2,391.30	-1,956.52		
01240	Ruawai Township	0.00						
	Total	-222,173.93	-26,956.52	-41,521.75	-27,826.08	-12,173.91	-25,217.39	-88,478.28

Maungaturoto, Paparua, Tinopai and Surrounds


01120	South Ruawai, Tinopai, Ararua, Te Kowhai	-14,999.99	-2,391.30		-2,173.91		-4,782.61	-5,652.17
01150	Matakohe	-6,521.74	-2,608.70					-3,913.04
01160	Mareretu Parish (North of Paparua and Pahi)	0.00						
01170	Paparua and Pahi	-81,956.51	-3,913.04	-14,565.22	-7,391.30	-27,391.30	-5,000.00	-23,695.65
01180	Maungaturoto Rural	-63,913.03	-6,739.12	-3,043.48		-41,086.95		-13,043.48
01190	Whakapirau	-22,173.90	-3,913.04		-4,130.43	-5,000.00	-3,913.04	-5,217.39
01230	Maungaturoto Township	-6,521.74		-6,521.74				
	Total	-196,086.91	-19,565.20	-24,130.44	-13,695.64	-73,478.25	-13,695.65	-51,521.73

Kaiwaka and Surrounds

01200	Brynderwyn to Kaiwaka Township	-441,195.69	-3,043.48	-14,239.14	-228,695.66	-56,304.36	-77,826.09	-61,086.96
01210	Kaiwaka Township	-21,739.14					-4,782.61	-16,956.53
	Total	-462,934.83	-3,043.48	-14,239.14	-228,695.66	-56,304.36	-82,608.70	-78,043.49

Mangawhai and Surrounds

01220	Mangawhai Rural	-2,427,608.65	-67,891.29	-159,739.12	-222,826.09	-260,891.30	-862,826.05	-853,434.80
01221	Mangawhai Village	-944,355.06	-11,289.85	-49,043.49	-48,978.26	-36,826.08	-401,913.04	-396,304.34
01231	Mangawhai - Formerly Rodney	-500,956.53	-12,173.91		-53,478.27	-213,217.40	-82,521.74	-139,565.21
	Total	-3,872,920.24	-91,355.05	-208,782.61	-325,282.62	-510,934.78	-1,347,260.83	-1,389,304.35

 KAIPARA DISTRICT <small>THE OCEAN THE HARBOUR</small>	Title of Policy	Reserve Contributions (use of) Policy		
	Sponsor	Commissioner Winder	Adopted by	Council
	Author	J McPherson	Date adopted	16 December 2014
	Type of Policy	xx	Last review date	16/12/2014
	File Reference	2304.17	Next review date	16/12/2017

Document Control			
Version	Date	Author(s)	Comments
1 st Commenced	16/12/2014	J McPherson	
1.0	27/11/2017	P Hansen Policy Analyst	Amended through scheduled review
2.0			

1. Background

1.1 Financial contributions

Financial contributions are a type of levy applied to offset the effects of growth. Council has a Financial Contributions Chapter in its District Plan. This outlines how much can be imposed on land developers when a resource (land use or subdivision) consent is approved. The District Plan relies on the provisions of the Resource Management Act to define how financial contributions can be spent. **Reserve contributions** are a subset of financial contributions.

Section 108(10)(a) of the Resource Management Act 1991 (the Act) allows Council to require financial contributions for reserves, where necessary, to achieve one or more of the following purposes:

- a) Creating open space (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- b) Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character through reserve contributions.

1.2 Reserves contributions

Council may require a financial contribution in cash or land towards the establishment and/or upgrading of reserves and public open space areas as a condition of land use consent or subdivision consent.

In the Kaipara District Plan section 22.6.6 details the purpose of reserve contributions:

“By requiring developments to pay their fair and reasonable share of the costs of purchasing land for reserves or upgrading existing reserves.

New developments generate an increase in demand for, and usage of, reserves, open space and public recreation facilities. All new developments will be required to contribute towards the costs of acquiring new, or upgrading existing reserves, open space or facilities, in accordance with Council’s Reserves and Open Space Strategy.

Financial contributions for reserves will only be used for the purchase and development of new reserves or for the improvement and development of existing ones. The maintenance of reserves and recreational facilities is funded through rates.”

In section 22.10.6 of the District Plan describes what purposes a reserve contribution will be put:

Any **reserve contribution** required as a condition of land use consent or subdivision consent may be in the form of:

- a) Land to be set aside and vested in Council for reserve or public open space purposes; or
- b) A cash contribution to Council for it to carry out works relating to developing or upgrading reserves or public open spaces in the district.

In addition under Section 108 of the Act, Council can require as a resource consent condition works on any reserve or public open space. Such works may include but are not limited to:

- a) Fencing;
- b) Landscaping including grassing and tree planting;
- c) Provision of play equipment and other recreational facilities (including tables/chairs); and
- d) Provision of footpaths and walking tracks.

When the contributions are taken as land vested in Council;

- a) There must be a demonstrable current or foreseen future shortage of open space in a particular area; and
- b) The land must be suitable for the intended purpose.

2. Objectives of this Policy

The objectives of this Policy are:

- a) For Council or a committee of Council to define the priorities it has for the use of reserve contributions;
- b) To use these priorities to determine projects of greatest benefit to the community; and
- c) To allow community input and participation through a discretionary contestable process.

3. Definitions

Reserve contributions: a mechanism in the District Plan that allows for the collection of levies from developers, so that Council can develop or upgrade reserves and other public open spaces.

Open space: recreational areas, visual buffers and amenity areas (as described in the Act).

Local: the district has been divided up into four catchments described as Dargaville and Surrounds; Maungaturoto, Paparua, Tinopai and Surrounds; Kaiwaka and Surrounds; Mangawhai and Surrounds. The catchment areas are depicted in Appendix A.

4. Existing parks and reserves

For information on the existing parks and reserves refer to the Reserves and Open Space Strategy.

5. Eligibility criteria

5.1 Criteria for eligibility for use of reserves contributions

When assessing proposals for the use of reserves contributions, Council will have regard to the following criteria:

- a) Creating public open spaces (including recreation areas, visual buffers and amenity areas).
- b) Adding capacity to or otherwise enhancing existing public open spaces (including recreation areas, visual buffers and amenity areas). This can include:
 - bringing existing reserves up to a minimum standard for public use e.g. supplying public toilets in recreation reserves;
 - landscaping; and
 - providing equipment e.g. seats, barbecues, playgrounds.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character. This is typically through:
 - the development of walking tracks; and
 - the purchase of land that connects two public areas otherwise not accessible to the public.
- d) Within each catchment, consideration will be given to the amount of funds collected in the locality of a proposed project.
- e) Within each catchment, consideration will be given to projects that add amenity to the parks and reserves that are lacking in amenities.

All allocations will be judged against their fit with these criteria. The funds will not be used for normal asset management (maintenance, repairs and renewals).

6. Distribution of reserve contributions

Council will generally use funds within the catchment where they are collected. Where sufficient developed reserves exist, Council at its discretion may apply funds to other catchments.

7. Public contestable funding round

A public contestable funding round will be held on an annual basis for catchments where sufficient funds have accumulated to make the process worthwhile. Where there are sufficient funds Council will typically aim to distribute them within three years of collection.

During each round projects initiated by Council, and community groups within the catchment will be considered by the Reserve Contributions Committee. The Reserve Contributions Committee will then make recommendations to the full Council for approval.

All decisions on whether and how to distribute the funds will be at the sole discretion of Council and are final.

a) Contestable fund distribution

There is a need for a high level of transparency and accountability for the spending of reserves contributions. To enable this standard to be met, accountability arrangements will be documented in a formal Contract between the community organisation receiving support and Council. The Agreement will be appropriate to reflect the nature and level of support given.

Funding will be implemented through a Contract which will outline:

- The project for which the funding was provided for;
- The conditions attached to the funding;
- Accountability requirements, including the methods to report back on the use of the funds; and
- The steps Council will take if progress is not as planned.

b) Timing of applications

The timing of reserve contribution grants will be matched with the planning and budgeting cycles of the Council. In the first year of operation of this Policy Council will call for applications in February and release decisions by the end of May. In subsequent years, Council will call for applications in June, and release decisions by the end of October. Should there be sufficient reserve contributions collected during the year Council may consider opening up a second funding round.

Decisions on reserve contributions distribution will be recommended to Council by the Reserve Contributions Committee, who has been given delegated authority from Council to make recommendations on applications. Council will then make the final decision. All grants entered into during the year will be reported in the Annual Report for that year.

Application forms will be made available on Council's website and at Council offices when the funding round opens.

c) General assessment criteria

Council will consider the following when assessing applications received for reserve contributions. These are general criteria which community organisations applying for support need to demonstrate in their applications.

d) Consistency with the Reserve Contributions (use of) Policy

Any application will need to be consistent with the eligibility criteria of section 5 of the Reserve Contributions (use of) Policy.

e) Not-for-profit

Council will only provide assistance to legally constituted not-for-profit entities, and there should be a volunteer component to the project.

f) Financial reporting

All applications must be accompanied by an audited or reviewed Statement of Financial Position for the previous financial year and a budget projection for the next financial year.

g) Central government funding

Community organisations that can receive funding from central government will be considered for grants, however no central government agency may apply for funding.

h) Health and safety

Applicants must comply with all health and safety legislative requirements.

i) Accountability requirements

All recipients under this Policy are required to enter into an Agreement or Contract with Council that outlines the terms and conditions of the approved assistance. Funds will not be provided until both parties have signed the Agreement or Contract, which will outline, among other obligations:

- The purpose and conditions of the assistance; and
- Accountability requirements, as determined by the level of assistance required.

Closure

**Kaipara District Council
Dargaville**