



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Infrastructural Services Committee
to be held in the Council Chamber,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Tuesday 2 March 2021 at 3.00 pm**

Cr I R Pottinger (Chair)
Cr A H Crackett (Deputy Chair)
Sir T R Shadbolt, KNZM JP
Cr R L Abbott
Cr R R Amundsen
Cr A J Arnold
Cr W S Clark
Cr P W Kett
Cr G D Lewis
Cr D J Ludlow
Cr M Lush
Cr N D Skelt
Cr L F Soper

CLARE HADLEY
CHIEF EXECUTIVE

AGENDA

2. **APOLOGIES**

3. **PUBLIC FORUM**

4. **INTEREST REGISTER**

A2279220

5. **MINUTES OF THE INFRASTRUCTURAL SERVICES COMMITTEE MEETING HELD ON 2 FEBRUARY 2021**

A3321605

To be moved:

That the minutes of the Infrastructural Services Committee Meeting held on 2 February 2021 be confirmed.

6. **MINUTES OF THE EXTRAORDINARY INFRASTRUCTURAL SERVICES COMMITTEE MEETING HELD ON 16 FEBRUARY 2021**

A3336095

To be moved:

That the minutes of the Extraordinary Infrastructural Services Committee Meeting held on 16 February 2021 be confirmed.

7. **REPORT ON HOUSING RENTAL FEES CONSULTATION**

A3324983

8. **REPORT ON BLUFF BOAT RAMP - UPDATE**

A3295680

9. **WATER SERVICES BILL**

Verbal Report

10.. **URGENT BUSINESS**

11. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, with the exception of the External Appointees, Mr Jeff Grant and Mr Lindsay McKenzie; namely

A3337648

- (a) *Confirmation of Minutes of the Public Excluded Session of Infrastructural Services Committee Meeting held on 2 February 2021*
- (b) *Update Splash Palace Hydroslices*
- (c) *Surrey Park and Rugby Park Options Reports*

The general subject 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(1) 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(1) for the passing of this resolution
(a) Confirmation of Minutes of the Public Excluded Session of Infrastructural Services Committee Meeting held on 2 February 2021	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
(a) Update Splash Palace Hydroslices	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
(a) Surrey Park and Rugby Park Options Reports	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

ELECTED MEMBERS			
NAME	ENTITY	INTERESTS	PROPERTY
RONALD LINDSAY ABBOTT	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill	Councillor Director / Broadcaster	
REBECCA RAE AMUNDSEN	Invercargill City Council Arch Draught Ltd BP Orr Ltd Task Ltd Arts Murihiku Dan Davin Literary Foundation Heritage South Glengarry Community Action Group SMAG Board	Councillor Director Director Director Trustee Trustee/Chair Contractor Events Co-ordinator (Volunteer) Council Representative	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

ALLAN JAMES ARNOLD	Invercargill City Council Ziff's Café Bar Ltd Buster Crabb Ltd Ziff's HR Ltd Ziff's Trust Southland Aero Club Invercargill Club Invercargill East Rotary	Councillor Executive Director Executive Director Executive Director Trustee Administrator Member Member Member	
WILLIAM STUART CLARK	Invercargill City Council Invercargill Ratepayers Advocacy Group	Councillor Member	
ALEX HOLLY CRACKETT	Invercargill City Council Sport Southland McIntyre Dick Zone 6 - National LGNZ Young Elected Members Committee	Councillor Trustee Marketing Manager Representative	High Street Invercargill

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

PETER WARREN KETT	Invercargill City Council Age Concern Southland Kite Investments Limited Invercargill Harness Racing Club Board Member Ascot Consortium	Councillor Board Member Director Vice President and Life Member Member	
GRAHAM DAVID LEWIS	Invercargill City Council Bluff 2024 Rejuvenation Hospice Southland City Centre Heritage Steering Group Southland Regional Heritage Trust Invercargill Public Art Gallery	Councillor Officer Trustee Member Member Member	
DARREN JAMES LUDLOW	Invercargill City Council Radio Southland Healthy Families Invercargill Murihiku Maori Wardens Southland Community Law Centre Thrive Community Trust Environment Southland	Councillor Manager Board Member Board Member Board Member Trustee Lyndal Ludlow (wife) – Councillor	770 Queens Drive Invercargill

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

IAN REAY POTTINGER	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
TIMOTHY RICHARD SHADBOLT	Invercargill City Council Kiwi Speakers Limited SIT Ambassador	Mayor Director Member	
NIGEL DEAN SKELT	Invercargill City Council Badminton New Zealand Badminton Oceania Badminton World Federation ILT Stadium Southland Judicial Control Authority NZ Racing	Councillor Board Member Vice President Council Member (Chair of Communications and Media) General Manager Member	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

LESLEY FRANCES SOPER	Invercargill City Council	Councillor	137 Morton Street
	Breathing Space Southland Trust (Emergency Housing)	Chair	Strathern
	Omaui Tracks Trust	Director	Invercargill
	National Council of Women (NCW)	Secretary / Treasurer	24 Margaret Street
	Citizens Advice Bureau	Member	Glengarry
	Southland ACC Advocacy Trust	Board Member	Invercargill
	Southern District Health Board	Employee	
	Southland Warm Homes Trust	Member	
	Southland Food Rescue Trust	Member	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS
INTEREST REGISTER**

A2279220

EXECUTIVE STAFF			
NAME	ENTITY	INTERESTS	PROPERTY
CLARE HADLEY	Invercargill City Council Hadley Family Trust	Chief Executive Trustee	
DARREN EDWARDS	Invercargill City Council	Group Manager – Customer and Environment	
MICHAEL DAY	Invercargill City Council	Group Manager - Finance and Assurance	
STEVE GIBLING	Invercargill City Council	Group Manager – Leisure and Recreation	
ERIN MOOGAN	Invercargill City Council	Group Manager – Infrastructural Services	
JANE PARFITT	Invercargill City Council Dementia Canterbury Charitable Trust	Advisor – Office of the Chief Executive Board Member	
PETER THOMPSON	Invercargill City Council Southland Charitable Broadcasters Community Trust TOA Fighting Systems Southland Incorporated	Executive Manager - Office of the Chief Executive Chairman President	

**MINUTES OF A MEETING OF THE INFRASTRUCTURAL SERVICES COMMITTEE HELD
IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING,
101 ESK STREET, INVERCARGILL ON TUESDAY 2 FEBRUARY 2021 AT 3.00 PM**

PRESENT:

- Cr I R Pottinger (Chair)
- Cr A H Crackett (Deputy Chair)
- Sir T R Shadbolt, KNZM JP
- Cr R L Abbott
- Cr R R Amundsen
- Cr A J Arnold
- Cr W S Clark
- Cr P W Kett
- Cr G D Lewis
- Cr D J Ludlow
- Cr N D Skelt
- Cr L F Soper (via Zoom)

IN ATTENDANCE:

- Mr N Peterson – Bluff Community Board
- Mrs G Henderson – Bluff Community Board
- Mrs C Hadley – Chief Executive
- Ms E Moogan – Group Manager – Infrastructure
- Mr D Edwards – Group Manager – Customer and Environment
- Mr S Gibling – Group Manager – Leisure and Recreation
- Mr P Thompson – Executive Manager – Office of the Chief Executive
- Mrs J Parfitt – Advisor – Office of the Chief Executive
- Mr R Pearson – Manager - Roading
- Ms S Baxter – Planner - Heritage and Urban Design
- Mrs H Guise – Senior Council Land Advisor
- Ms L Goodman – Democracy Services Advisor
- Ms J Conway – Manager - Governance and Administration
- Mrs T Amarasingha – Governance Advisor
- Ms M Sievwright – Governance Officer
- Ms M Cassiere – Executive Governance Officer

2. **APOLOGIES**

Nil.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

A2279220

Nil.

5. **MINUTES OF MEETING OF INFRASTRUCTURAL SERVICES COMMITTEE HELD ON 1 DECEMBER 2020**

A3266871

Moved Cr Lewis, seconded Cr Clark and **RESOLVED** that the minutes of the Infrastructural Services Committee Meeting held on 1 December 2020 be confirmed.

6. **EXTRAORDINARY INFRASTRUCTURAL SERVICES COMMITTEE MINUTES OF THE MEETING HELD ON 15 DECEMBER 2020**

A3281142

Moved Cr Abbott, seconded Cr Amundsen and **RESOLVED** that the minutes of the Extraordinary Infrastructural Services Committee Meeting held on 15 December 2020 be confirmed.

7. **ROAD STOPPING AND LAND DISPOSAL OF STOPPED ROAD – CATHERINE STREET**

A3300847

Moved Cr Lewis, seconded Cr Ludlow and **RESOLVED** that:

The Infrastructural Services Committee receive the report “Road Stopping and Disposal of Stopped Road – Catherine Street” and

That it be recommended to Council that:

1. Pursuant to Sections 116 and 117 of the Public Works Act 1981, Council authorises the stopping of the subject portion of the road.
2. The Chief Executive is authorised to agree terms and conclude the disposal of the land by way of sale to the adjoining land owner.

8. **CITY CENTRE MASTERPLAN**

A3304370

Mr John Green was in attendance to speak to this item. The City Centre Governance Group endorsed this plan.

It was noted that the masterplan concepts are indicative only and that the approach to parking would be worked through as part of detailed design and through the Parking Strategy.

In response to a question about project timelines, and parameters surrounding the masterplan, the response was that the CBD masterplan was expected to be a living plan.

Note: Cr Soper joined the meeting at 3.32 pm via zoom.

A3321605

HWR Tower would bring in an extra 300 people to the city and this masterplan needed to try and accommodate that.

Moved Cr Clark, seconded Cr Skelt and **RESOLVED** that:

The Infrastructural Services Committee receive the report "City Centre Masterplan" **and**

1. Acknowledges those people and appreciate the feedback provided by those who gave input on the plan.
2. Notes that while a number of issues were raised through the feedback process, the fundamental key principles and objectives which underpin the plan remain robust.
3. Endorses the City Centre Master Plan, noting that prior to commencing substantive works on Tay Street, design parameters will be revisited in conjunction with the Tay Street retailers and property owners.
4. Notes that the Detailed Design for both Esk and Don Street is to commence immediately and will be funded from the current budget.
5. Notes the value of the Governance Group in the process to date and agrees to continue to have a Governance Group to:
 - a. assist Council with the implementation of the Master Plan.
 - b. work with the Group Manager Infrastructure to develop fit for purpose terms of reference for this stage of the project including whether additional members are required.
6. Requests that the Group Manager Infrastructure and the Chair of the Governance Group report the outcome of these discussions to the committee for their endorsement.
7. Requests that a Procurement and Delivery Plan workshop is scheduled with the Committee to further outline the associated process.
8. Notes that prior to the award of any construction contracts, Council approval will be sought.

9. URGENT BUSINESS

Nil.

10. PUBLIC EXCLUDED SESSION

Moved Cr Crackett, seconded Cr Amundsen and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, with the exception of the External Advisors, Mr Jeff Grant and Mr Lindsay McKenzie; namely:

- (a) *Confirmation of Minutes of the Public Excluded Session of Infrastructural Services Meeting held on 1 December 2020.*

(b) Confirmation of Public Excluded Session Minutes of the Extraordinary Infrastructural Services Committee Meeting held on 15 December 2020.

The general subject 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(1) 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(1) for the passing of this resolution
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(b) Confirmation of Public Excluded Session Minutes of the Extraordinary Infrastructural Services Committee Meeting held on 15 December 2020	Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 3.40 pm.

**MINUTES OF A MEETING OF THE EXTRAORDINARY INFRASTRUCTURAL SERVICES
COMMITTEE HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, CIVIC
ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON
TUESDAY 16 FEBRUARY 2021 AT 3.00 PM**

PRESENT: Cr I R Pottinger (Chair)
Cr A H Crackett (Deputy Chair) (via Zoom)
Sir T R Shadbolt, KNZM JP
Cr R R Amundsen
Cr A J Arnold
Cr W S Clark
Cr P W Kett
Cr G D Lewis
Cr N D Skelt
Cr L F Soper
Mr J Grant – External Appointee

IN ATTENDANCE: Mr N Peterson – Bluff Community Board Member
Mrs C Hadley – Chief Executive
Mr M Day – Group Manager - Finance and Assurance
Mr S Gibling – Group Manager - Leisure and Recreation
Ms E Moogan – Group Manager – Infrastructure
Ms R Suter - Manager - Strategy and Policy
Ms H Guise – Council Senior Land Advisor
Ms L Goodman - Democracy Services Advisor
Miss H McLeod – Communications Advisor
Ms M Sievwright – Governance Officer
Ms M Cassiere – Executive Governance Officer

2. **APOLOGIES**

Cr R L Abbott and Mr L McKenzie, External Appointee

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the apologies be accepted.

4. **INTEREST REGISTER**
A2279220

Nil.

5. **SUBMISSIONS TO THE CONSULTATION ON PROPOSED INCREASES TO HOUSING RENTAL FEES**
A3330249

5.1 ***Raymond Heads***

Mr Heads wanted to know why the rentals were being increased so much and all at once. It would be better for the tenants if the rental increase was staggered over time.

The Chairman thanked Mr Heads for presenting at the meeting.

5.2 ***Christine Te Moanaui***

Ms Te Moanaui was shocked that the rents were being increased by 35%. There had been minimum rent increase each year and this was a lot for pensioners. In response to a question about market rents, Ms Te Moanaui said if Council were going to sell the flats she would probably move as most tenants could probably not afford that. A staggered approach to rental increases would be better.

The Chairman thanked Ms Te Moanaui for presenting at the meeting.

5.4 ***Bontetaake (Bon) Kaiteie***

Ms Kaiteie said the rental increase would equate to \$76 more per fortnight which would cause a financial struggle. Anyone paying less than \$155 in rent would not be eligible for an accommodation supplement which was most tenants, would be under this threshold.

The Chairman thanked Ms Kaiteie for presenting at the meeting.

5.3 ***Alistair Webb***

Mr Webb understood his rent would be increased to \$147 but could not understand why it was being increased by \$30 instead of \$7 as in previous years.

The Chairman thanked Mr Webb for presenting at the meeting.

5.5 ***Southland Beneficiaries and Community Rights Centre***

Mr Michael Gibson and Mr Neville were in attendance and took the meeting through their submission.

It was suggested that the market rates discussions were not relevant as these units were much smaller than regular housing stock.

The Chairman thanked Mr Gibson for presenting at the meeting.

5.6 ***Jin Gleadall***

Ms Gleadall was in a position where she was afraid to use the power as there was nothing in her budget left at the end of the week. She would not be able to afford an increase of rent.

The Chairman thanked Ms Gleadall for presenting at the meeting.

There being no further business, the meeting finished at 3.44 pm.

Note: The meeting was reopened at 3.47 pm so the resolutions could be passed.

Moved Cr Kett, seconded Cr Skelt and **RESOLVED** that the Infrastructural Services Committee:

1. Receive the report "Submissions to the consultation on proposed increases to housing rental fees"
2. Note the report received in November which is now made available to the public.
A3242883 / A3124091
3. Receive and consider the submissions to the proposal
A3331287

There being no further business, the meeting closed at 3.48 pm.

Note: The meeting reopened at 4.33 pm to discuss the presentations from the submitters.

6. **DELIBERATIONS ON SUBMISSIONS TO THE CONSULTATION ON PROPOSED INCREASES TO HOUSING RENTAL FEES**

It was agreed that Local Government could not be a registered community housing provider. This was part of the public information about which tenants had been misinformed. Council could transfer ownership to a Trust.

There had been inaccurate information circulated about the accommodation supplement and Councillors were informed about the correct threshold.

After further discussion, it was agreed that a further report would be provided at the next Infrastructural Services Committee meeting.

There being no further business, the meeting closed at 4.54 pm.

TO: INFRASTRUCTURAL SERVICES COMMITTEE

FROM: HEATHER GUISE, SENIOR COUNCIL LAND ADVISOR AND RHIANNON SUTER, MANAGER – STRATEGY AND POLICY

AUTHORISED BY: ERIN MOOGAN, GROUP MANAGER - INFRASTRUCTURE

MEETING DATE: TUESDAY 2 MARCH 2021

HOUSING RENTAL FEES CONSULTATION

SUMMARY

<p>In November 2020, Council determined to propose an increase in housing rental fees in order to enable improvements to housing stock. Tenants, as well as charities or organisations with an interest in housing were consulted in January and February 2021, with hearings held on 16 February. The results of the housing consultation are included here for consideration. The fees proposed as a result are included for adoption.</p>
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RECOMMENDATIONS

That the Infrastructural Services Committee:

1. Receive the report “Housing Rental Fees Consultation.”
2. Note the submissions (A3308104) which were received and heard on 16 February 2021.
3. Confirm that Council is committed to retaining ownership of the social housing units and that it intends to fund this service via user-pays and not via the general rate.
4. Confirm that an increase in rental fees is required in order to enable the upgrade and replacement of aging housing stock.
5. Adopt the recommended fees (Option 1) for 2021/2022 to be included in the fees and charges schedule.
6. Request the development of a housing policy to be brought back to Council for consideration and consultation alongside the next Long-term plan.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes
2.	<i>Is a budget amendment required?</i> No

A3324983

3.	<i>Is this matter significant in terms of Council's Policy on Significance?</i> Yes
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> The housing fees will be included in the Fees and Charges schedule, noting that consultation has already been completed.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Yes the views of those directly affected (current tenants) as well as charities and organisations with an interest in housing have been consulted.

FINANCIAL IMPLICATIONS

The proposed rental fees for Council housing are set at a level which would enable immediate improvements to homes to meet health and safety standards and to support development of replacement housing stock.

BACKGROUND

On 16 November the Infrastructural Services Committee (In Committee) determined to propose an increase in rental fees for the housing units in order to increase the funds available for bringing units up to healthy homes standards and to enable replacement of housing stock.

The following fee structure was proposed:

Rents would be increased by 35% beginning 1 July 2021.

CONSULTATION PROCESS

In line with the Council's Significance and Engagement Policy, consultation was undertaken with the tenants who would be directly impacted by the decision. In addition, feedback was sought from organisations with an interest in housing. This was not a formal consultation process, and was not open to the public.

Each tenant received a letter with information about the Council's decision prior to Christmas, with information on the submission process. They also received a submission form, with details on how to submit and some frequently asked questions. Tenants received a phone call from the Housing Support Officer to let them know about the opportunity to share their views and to answer any questions.

Tenants had between 11 January and 9 February to share their views. They were able to submit via post or via email or share feedback via phone.

One submission stated that Council refused to give tenants an extension due to the closing date falling on a public holiday. In fact on 27 January 2021, Council sent a text reminder to the tenants letting them know that the original date was an error and that submissions were to be received by 9 February (the day after the public holiday). They were also alerted that a public meeting could be organised if there was sufficient interest.

SUBMISSIONS FROM TENANTS

Twenty five submissions were received from tenants: 15 opposing the proposal and 10 in support. A further nine tenants left comments with the housing officer which were also provided for Council information.

Council heard from six submitters.

Below is a summary of the feedback that was received. A full list of submissions is provided as an appendix.

The majority of tenants opposed to the increase in rents were concerned about the ability to afford the increased rent alongside other bills they need to pay including power, phone, medical bills, travel and food.

Some were concerned about the service they were getting for the rent. Issues raised included replacement of carpet, need for new stoves and access to parking.

Others were concerned that they did not want heat pumps or could not afford to operate them.

Some saw the benefit of the increased rents as they could see that improvements to the properties need to be paid for. Others accepted that there needed to be an increase in rents at some point.

Some tenants (three submissions) both opposed and in support of the proposal believed that it would be important to introduce any increase over a period of time rather than in one large increase. This was a position supported by some of those speaking to their submissions when questioned by Councillors.

Some tenants were not happy with the way in which they were informed of the proposed increase or the timing before Christmas.

Some tenants took issue with part of the increased rent to go towards the construction of new properties as it was felt this burden should not fall on current tenants.

SUBMISSIONS FROM ORGANISATIONS WITH AN INTEREST IN HOUSING

Two organisations with an interest in housing made submissions:

Presbyterian Support Southland
Southland Beneficiaries & Community Rights Centre Inc

These submissions covered many similar issues as those raised by tenants.

In addition, issues were raised including:

- the equity of current tenants paying the full cost of improvements rather than future tenants or Council covering the cost (from general rates).
- the information on allowances which tenants may be eligible for
- the relevance of comparing housing costs to market rent
- an option for Council to become a registered community housing provider.

FEEDBACK AND RECOMMENDATIONS IN RESPONSE TO SUBMISSIONS

Accommodation Supplement

Work and Income New Zealand provides an accommodation supplement to eligible applicants. To be eligible, the applicant's rent must be at least \$106.00 per week (for a single New Zealand Superannuation client living alone).¹

At the hearings, a few of the tenants were under the impression they would not be eligible for the accommodation supplement as they believed the threshold for rent was \$155.00. This is not correct. This level of eligibility relates to the status of the housing provider. As Council is not a community housing provider, it appears that some tenants had received incorrect information.

The housing officer has learnt that following the hearings, some tenants have been informed they are eligible for more support than they are receiving.

Registered Community Housing Provider

The suggestion for Council to become a Community Housing Provider has been raised.

The Community Housing Regulatory Authority website states "local authorities and council-controlled organisations cannot register."²

In 2017 Advisian undertook a service delivery review for housing care (A2824484). They did not consider or recommend that Council consider becoming a registered provider. Instead one of the options they presented was selling the units to a provider which is already registered. Council did not take this option at the time and has received feedback, including through verbal submissions at this hearing, that tenants prefer that Council remains the landlord.

Elston Lea Units

Southland Beneficiaries & Community Rights Centre Inc submitted that the Murphy Street site, known as "Elston Lea" was gifted to Council in 1952 by a Mr Bell, and that Council had expended no costs on the land or building the units. A review of Council records shows a memorandum to Council prepared by an engineer dated 4 August 1960, which sets out the cost of land to the Council. The land where Elston Lea is situated was owned by Walter Athol Soper. In 1954, the land was subdivided and 30 sections were sold to Council. Twenty six sections of this were for roading and the other four for reserves purposes. The 26 sections were transferred in lieu of cash to pay the estimated roading costs of £11,100. The Council constructed pensioner flats across 16 lots at a cost of £82,457.

Implementation of the rental increase

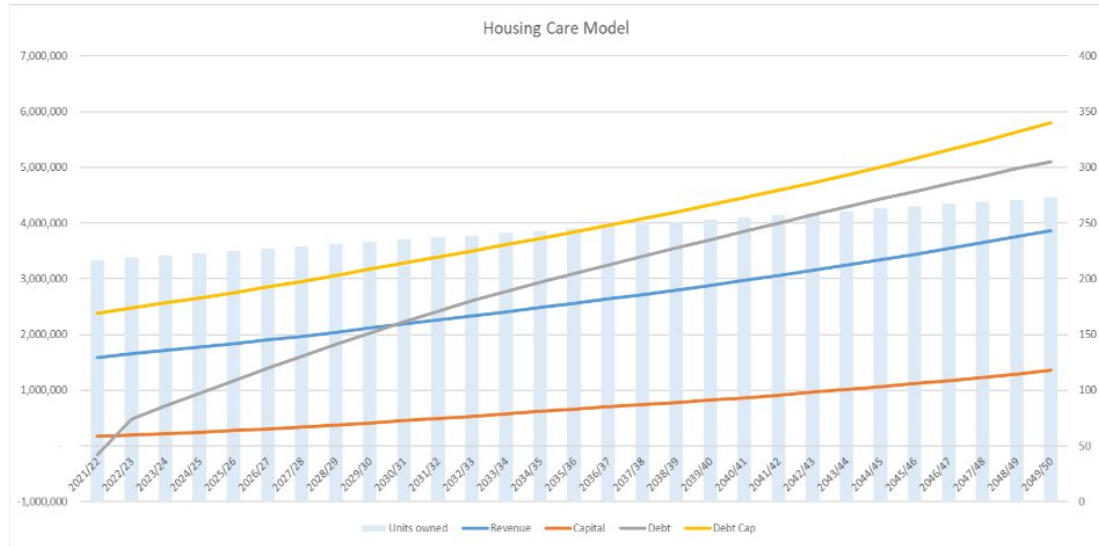
It is important to note that there have not been increases in the last two financial years and that, following the implementation of the proposed increase, the rental level will remain below 30% of guaranteed retirement income (such as New Zealand Superannuation) in line with the Council performance indicators for the housing activity.

¹ Communication from Work and Income New Zealand Officer to Council on 13 November 2020.

² Sourced from Community Housing Regulatory Authority <<https://chra.hud.govt.nz/i-want-to-apply-for-registration/eligibility-criteria-and-exclusions/>>.

Council could reconsider a staged implementation to the proposed fees structure change. This may help alleviate the immediate financial impact on tenants who are on limited income and give them more time to plan for the increases.

Option 1: Continue with the original proposed rent increase from 1 July 2021



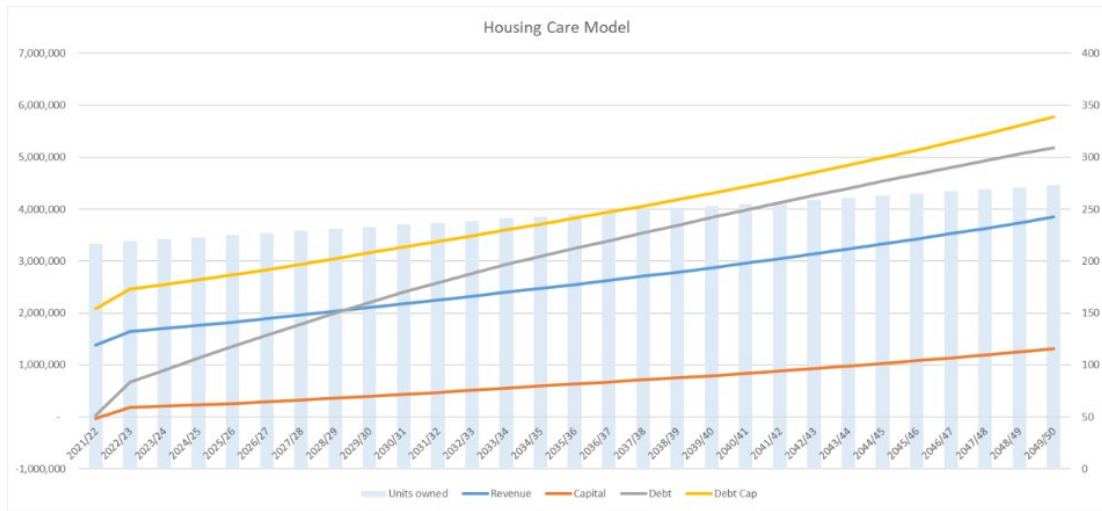
Under this proposal, rental rates would be increased by 35% from July 2021 with the program completing 2 new units and replacing 3.5 units per year. This gives the program an asset replacement cycle of 61 years

This is the recommended option which will enable the implementation of the schedule of improvements to the housing stock. The programme will be fully funded from rental income.

Option 1 - Proposed fee structure

Housing Care GST Not Applicable	2020/21	2021/22
	\$	\$
Studio units (per week)	Up to 120	Up to 162
One bedroom units (per week)	Up to 140	Up to 190
One bedroom units with carport (per week)	Up to 140	Up to 198
Two bedroom special needs unit (per week)	Up to 185	Up to 250

Option 2: Implement a two or more year staged approach to reach the proposed fee increase

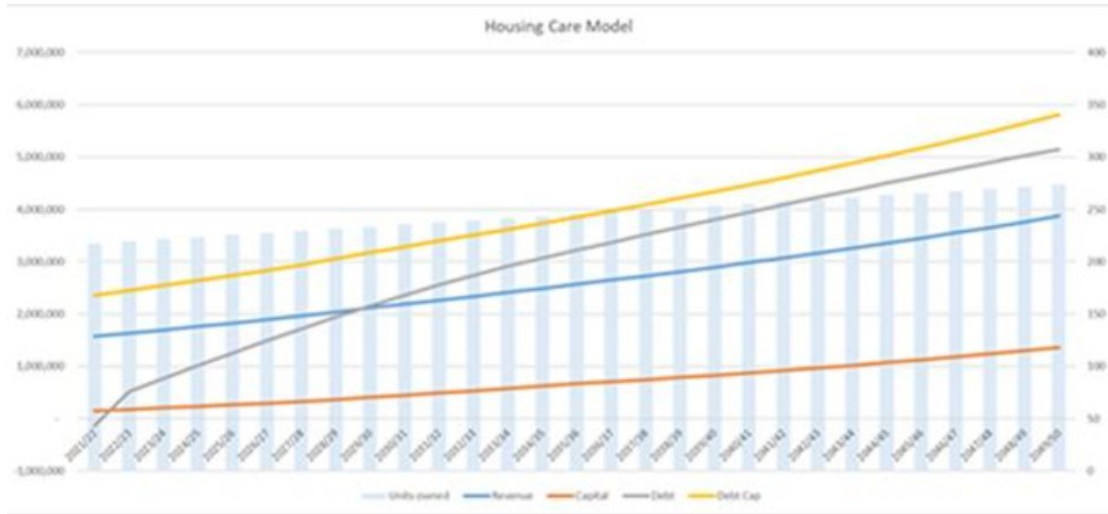


Under this proposal, the rental increase of 35% is spread across two or more years. This effect means the program must slow the replacement of units which will increase the asset replacement cycle. For example, if the increase is spread across two years, the program must slow the replacement of units to 3.4 per year, increasing the asset replacement cycle by two years to 63 years.

Option 2 - Proposed fee structure

Housing Care GST Not Applicable	2020/21 \$	2021/22 \$
Studio units (per week)	Up to 120	Up to 141
One bedroom units (per week)	Up to 140	Up to 165
One bedroom units with carport (per week)	Up to 140	Up to 169
Two bedroom special needs unit (per week)	Up to 185	Up to 218

Option 3: Reduce the proposed rent increase and subsidise through rates



Under this proposal, the rent increase is reduced to 28% (down 7%) over one year, with the reduced income being subsidised through a 0.1% rates increase (approximately \$59k in year one). This maintains the same program as Option 1, with 2 new units built and 3.5 replacement units built per year.

Option 3 - Proposed fee structure

Housing Care GST Not Applicable	2020/21 \$	2021/22 \$
Studio units (per week)	Up to 120	Up to 154
One bedroom units (per week)	Up to 140	Up to 179
One bedroom units with carport (per week)	Up to 140	Up to 179
Two bedroom special needs unit (per week)	Up to 185	Up to 237

Housing policy

It is also recommended that Council adopt a policy on housing. While it has an activity plan (which is at draft stage as part of the preparation for the 2021 – 2031 Long-term Plan), a policy would enable Council to lay out clearly for tenants, prospective tenants, as well as operational staff, the approach and procedures which will be taken to the provision of this

service. This is good practice but not an urgent requirement. The policy could be prepared and brought forward for consultation as part of preparation for the next Long-term Plan.

IMPLEMENTATION OF THE INCREASE TO RENTAL FEES FOR HOUSING

Following the decision by Council, tenants will receive a letter informing them of the new fee for the 2021/2022 period. They will receive this in good time to ensure the legally required notice is provided. Fees will be set at the new level from 1 July 2021.

The new fees will be included in the draft fees and charges schedule. This is the document which includes all Council fees and charges and which is due for consultation alongside the long-term plan. A note will be included with the information that consultation on this fee has been concluded.

IMPLEMENTATION OF IMPROVEMENTS TO THE HOUSING STOCK

The funds generated will be used for two purposes. It will fund the Healthy Homes Standards (HHS) modifications and a programme of replacement of existing Housing Care flats and building of new ones.

The benefits of the HHS modifications will be a warmer and drier living environment and reduced electricity bills for tenants. Heat pumps will be installed to achieve the heating loads of the flats. These will provide heating at a lower electricity cost than the existing heaters. A program of maintenance will be required to clean filters and service the units and replacements will be required after a 10-12 year life.

Replacement of the oldest flats is needed to eliminate their inherent service level problems (inaccessibility, insulation, size). New flats will be wheel-chair accessible, warmer, drier and better equipped for current living needs (mobility scooter parking and charging, internet cabling).

The proposed options provide a varying replacement rate for old flats i.e. 3.5 p.a. for Option 1 or 3.4 or less for Option 2. This results in an asset replacement cycle of 61, 63 or more years. The shorter replacement cycle is desirable to maintain high service levels.

All options provide for a small growth of the number of flats. This will help to address the need for housing in Invercargill. Initial construction will be used to house existing tenants so that units can be vacated and demolished and replacements built on the oldest complexes first.

CONCLUSION

Following consultation and consideration of the submissions, a proposal for increased rental fees is included for adoption.

TO: INFRASTRUCTURAL SERVICES COMMITTEE

FROM: LESLEY MCCOY – INTERIM PARKS AND RECREATION MANAGER

AUTHORISED BY: STEVE GIBLING – GM – LEISURE AND RECREATION

MEETING DATE: TUESDAY 2 MARCH 2021

BLUFF BOAT RAMP UPDATE

SUMMARY

<p>This report is to advise the Infrastructural Services Committee that the Bluff Boat Ramp user charges will be going to consultation for the Long Term Plan (LTP) and the design has gone back to Jacob's Consulting to work on the detailed design and consenting phases, following on from workshops held with key stakeholders.</p>
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RECOMMENDATIONS

That the Infrastructural Services Committee receive the report “Bluff Boat Ramp Update”.

IMPLICATIONS

1.	<p><i>Has this been provided for in the Long Term Plan/Annual Plan?</i></p> <p>Yes - Fees and Charges</p>
2.	<p><i>Is a budget amendment required?</i></p> <p>No</p>
3.	<p><i>Is this matter significant in terms of Council's Policy on Significance?</i></p> <p>N/A</p>
4.	<p><i>Implications in terms of other Council Strategic Documents or Council Policy?</i></p> <p>N/A</p>
5.	<p><i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i></p> <p>Key stakeholders have been informed; a working party representing key stakeholders has been through the design and proposed user charges, and public consultation will be carried out via the LTP process</p>

FINANCIAL IMPLICATIONS

A budget of \$1.8 million has been allocated by Invercargill City Council (ICC).

BLUFF BOAT RAMP TIMELINE OF EVENTS

Current status

- Meeting held with Iwi who are in general support, and have reiterated their desire and importance for a clean hull facility and swimming provision.
- Environment Southland (ES) have produced a **Fiordland Marine Regional Pathway Management Plan** (<https://www.es.govt.nz/about-us/plans-and-strategies/regional-plans/fiordland-marine-pathway-plan>) which requires boat hulls to be clean when going to Fiordland and are in Southland waters. This supports Iwi's desire to ensure a cleaning hull is incorporated in the facility.
- Below is the current approved budget breakdown. The project has the funds below, with the exception of the clean hull wash down area which would require an extra funding commitment from ES to be completed (as is not funded by ICC).

Responsible	Funding Source	\$
Environment Southland	Secured from ES	400,000
South Port	Secured from SP	300,000
Invercargill City Council	Loan 1 - funded by rates	850,000
Invercargill City Council	Loan 2 – 10 years – funded by user pays fees	250,000
Environment Southland	Tagged to clean hull wash down area	300,000
TOTAL		\$2,100,000

A workshop was held with stakeholders on 2 November 2020 to socialise the issue of a budget change, prioritise 'must haves' and brainstorm other alternative options / approaches.

Following the stakeholder workshop, it was decided to have a small working party established to help with design completion. This stakeholder working group will also be the key conduit for the user charges approach. The working group was engaged with to finalise the design concept to go to Jacobs and to confirm that user charge fees were appropriate.

In parallel to design and user fees being undertaken, Council Officers are working with True South and South Port regarding the subdivision of this area.

BLUFF BOAT RAMP DESIGN

The last Jacobs design was developed based on community wants. The outcome was a \$5.4 million design. Even though this is outside of the budget, Council Officers are keeping this design in mind for the future stages.

If PGF (or similar) funding opportunities come up, Council should be well positioned to make an application.

A Needs Assessment and Options Report (to confirm need and to have available for any future alternative funders) was developed.

ICC's Engineering Services Manager is assisting with this project and liaising with Jacobs consultants to ensure the revised design fits within the \$1.8 million budget. A working group meeting has been held and the designers are taking the information away to consider and redesign under a value management perspective.

BLUFF BOAT RAMP USER FEES

In determining the proposed fees and charges structure for the Bluff boat ramp, staff investigated 32 boat ramps throughout New Zealand; some coastal and some inland lake ramps. Of the 32, eight different operating models have been identified.

User fees were benchmarked and market valued against other Territorial Authority boat ramp owners. The eight different operating models are outlined below:

- **Licenses model** – predominantly berths for allowing boats a permanent place to stay, used in marinas for leisure craft. Boat ramp entries are free. (Christchurch, Auckland).
- **Berthing model** – priced on the size of the boat and targeted at fishing and commercial entities. (Greymouth).
- **Permits** – for boat ramps access, since digitalisation is easier to monitor. (Taupo).
- **No model** – run by community groups and Department of Conservation running individual ramps, e.g. boat club with 500 members with wash-down facility, three lane boat ramp – ongoing maintenance costs potential issues. (Tasman).
- **Key card model** – this model relies on swipe cards for entry and payment paid for annually.
- **Maintenance facilities** – no fees but service fees for a slipway provides \$600 a week in pulling boats out with a cradle. (Buller, Greymouth).
- **Private model or CTO** – ownership and operations by Port Company to limit operational interference. (Marlborough District Council).

The Bluff boat ramp is proposed to use a permit model.

The proposed fee structure and user pay operation has been discussed by the working group and is the supported recommendation of staff.

Annual Permit (under 6 metres)	\$125 per year (per boat)
Annual Permit (6 metres and over)	\$175 per year (per boat)
Joining Fee	\$50 one-off (waived during Phase 1)
Casual Use	\$20 per use
Commercial Use	\$300 per use
Administration Recovery Fee	\$30 (if not paid within 7-days via an online payment)

These fees have increased following feedback from the Bluff Community Board being that the fees were deemed to be ‘too cheap’. The Board also recommended that a boat size price differential was also applied. Staff recommend that these be put in place for boats over 6 metres, as boat safety requirements are different for vessels over 6 metres and these will be well known to boat users.

These fees and charges will remain draft and will be subject to public consultation on the ICC Long Term Plan.

It is also important to note that ongoing communication, by Council Officers with Southland District Council, will be undertaken to develop consistent fees and charges throughout the region, and this will continue to be a driving aspiration.

BLUFF BOAT RAMP NEXT STEPS

Council Officers will continue to keep the Committee and stakeholders updated on the progress of the design, tendering and construction of the boat ramp.

Clean Hull Facilities

ES had made an earlier commitment to incorporating clean hull facilities into the design. ICC have progressed the design of the boat ramp to cater for this. However, due to COVID this funding is no longer available at this stage. We expect that this will be picked up again by ES at a later date and once the initial development has been completed.

Swimming

Whilst historically swimming has occurred at the boat ramp, once the improvements have been made, it can be expected the total boat movements will increase. As a result of this, Council Officers will work with local stakeholders to determine additional safety measures or an alternate location for swimming if required. The conflict of marine movements, especially during launching, is not considered a safe environment for people to be swimming.

CONCLUSION

This report sets the direction for user fees and charges, and a means to collect them. It also illustrates the progression that has been undertaken with regards to the boat ramp design and next steps. Council Officers are continuing to work on all elements of this project to ensure it is completed to the required design and budget.