

Notice is hereby given that a Meeting of the Regulatory and Consents Committee will be held on:

Date: Thursday, 23 February 2017
Time: 9am
Meeting Room: Council Chambers
Venue: 15 Forth Street, Invercargill

Regulatory and Consents Committee Agenda

OPEN

MEMBERSHIP

Chairperson	Gavin Macpherson
Mayor	Gary Tong
Councillors	Brian Dillon
	Paul Duffy
	Darren Frazer
	Julie Keast
	Neil Paterson

IN ATTENDANCE

Group Manager, Environmental Services	Bruce Halligan
Committee Advisor	Alyson Hamilton
Team Leader, Resource Management	Marcus Roy
Senior Building Control Officer	Michael Marron
Environmental Health Manager	Michael Sarfaiti

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www.southlanddc.govt.nz

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There are no minutes to confirm as this is the first meeting of the Committee

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1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

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 member and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) the reason why the item was not on the Agenda, and
- (ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting, -

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

Regulatory and Environmental Services Service Delivery Review

Record No: R/17/1/406
Author: Bruce Halligan, Group Manager Environmental Services
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

Purpose

- 1 A service delivery review has been undertaken for the Southland District Council Regulatory and Environmental Services, in accordance with the requirements of Section 17A of the Local Government Act 2002.

Executive Summary

- 2 Section 17A of the Local Government Act 2002 requires all councils to review the delivery of services by mid-2017.
- 3 Having regard to this, Southland District Council has undertaken a review of the delivery of its Regulatory and Environmental Services, this being the first formal structured review of these services since the creation of the Southland District Council in 1989 (although incremental changes and improvements to the service have been made during this time).
- 4 This service delivery review is now presented to the Committee for its consideration. Committee members will note that this review contains a number of recommendations for future improvements.

Recommendation

That the Regulatory and Consents Committee:

- a) **Receives the report titled “Regulatory and Environmental Services Service Delivery Review, dated 14 February 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that 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 Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Considers the content of, and recommendations from, the review and provides any feedback which it may have to officers.**
- e) **Notes that officers will report back to the Committee in due course with the actions proposed to be taken in response to each of the recommendations made in the review.**

Content

Background

- 5 All local authorities have a statutory requirement to review the delivery of their services in accordance with Section 17A of the Local Government Act 2002. It is also considered good practice to review the way in which services are delivered from time to time.
- 6 In this context, a review of the delivery of Council's Regulatory and Environmental Services has been undertaken, and is now presented for the Committee's information and consideration.
- 7 The review document was prepared partly by Council officers, who outlined the current arrangements and state of current Council service delivery and staffing, and recent and emerging issues; but also with significant input from Alicia McKay, an experienced external local government consultant based in Ashburton.
- 8 Ms McKay has extensive experience with reviewing and making recommendations in relation to the delivery of services by councils, and has also recently been undertaking similar work locally for Gore District Council.
- 9 It was considered important that external input was provided into this review, and the brief given to Ms McKay was to challenge the status quo and provide recommendations for future improvement.
- 10 The review outlines a range of possible delivery options under Section 5, and recommended options under Section 6, being generally to retain services in-house but with a stronger future focus on collaboration and use of third party providers for after- hours services.
- 11 A series of General and Activity Specific recommendations for future changes and improvements are outlined on Pages 11-13 of the report, and the rationale for each of these changes is explained in the body of the report.
- 12 Environmental Services Group Managers have discussed the contents of this review and will be developing an action plan in relation to each of the recommendations. No specific comment is hence provided at this stage on the extent to which each of these recommendations may or may not be implemented, but these recommendations will provide a useful focus for future service delivery improvements. This action plan will be reported back to the Committee at a future meeting.
- 13 Ms McKay will be present at the meeting when this matter is discussed, should Committee members have any queries. Ms McKay will also present and speak briefly to the recommendations made in the report, at approximately 10.30 am due to her flight arrival time.

Factors to Consider

Legal and Statutory Requirements

- 14 The requirement to undertake a service delivery review is a statutory requirement under Section 17A of the Local Government Act 2002, as outlined above.

Community Views

- 15 It is reasonable that the community would expect Council to carefully consider the recommendations made in the review.

- 16 If significant changes to levels of service or the method of service delivery were to be proposed as a result of the consideration of the review findings then there may be a need to undertake a further community consultation process. Officers will consider this issue further as they consider the review recommendations and develop the action plan.

Costs and Funding

- 17 Some of the recommendations if adopted, such as General Recommendation 5 relating to on-line lodgement processes, would involve additional costs and would hence need to be factored into the Environmental Services Group budgets if they are implemented in the future.
- 18 While these types of initiatives could involve up-front and ongoing costs, they would also offer benefits such as improved efficiency, greater cost-effectiveness, pooling of effort through collaborative processes, and access to support services, as outlined in the report.

Policy Implications

- 19 There are no policy implications.

Analysis

Options Considered

- 20 The report outlines in Section 5 the options considered for the future provision of Southland District Council's Regulatory and Environmental Services, and the reasons why recommended options outlined for each element of the service are recommended. Hence it is not proposed to paraphrase these in this report.

Assessment of Significance

- 21 This review is not considered significant in terms of Section 76 of the Local Government Act 2002. If it was proposed to make significant changes in the future to the delivery of Council's services then the provisions of the Council's Significance and Engagement Policy would need to be considered.

Recommended Option

- 22 Section 6 of the report, as referred to above, outlines the recommended options for future service delivery - being retention of in-house delivery with stronger focus on future collaborative opportunities, and use of third party providers as appropriate, particularly in relation to after-hours services.
- 23 An action plan will be developed and reported back to the Committee in due course. It is therefore not appropriate that the Committee adopts the recommendations from the review at this stage, as some would have resourcing and funding implications which need to be assessed. The recommendations will, however, provide a useful focus for future consideration of the delivery of Regulatory and Environmental Services within the District.

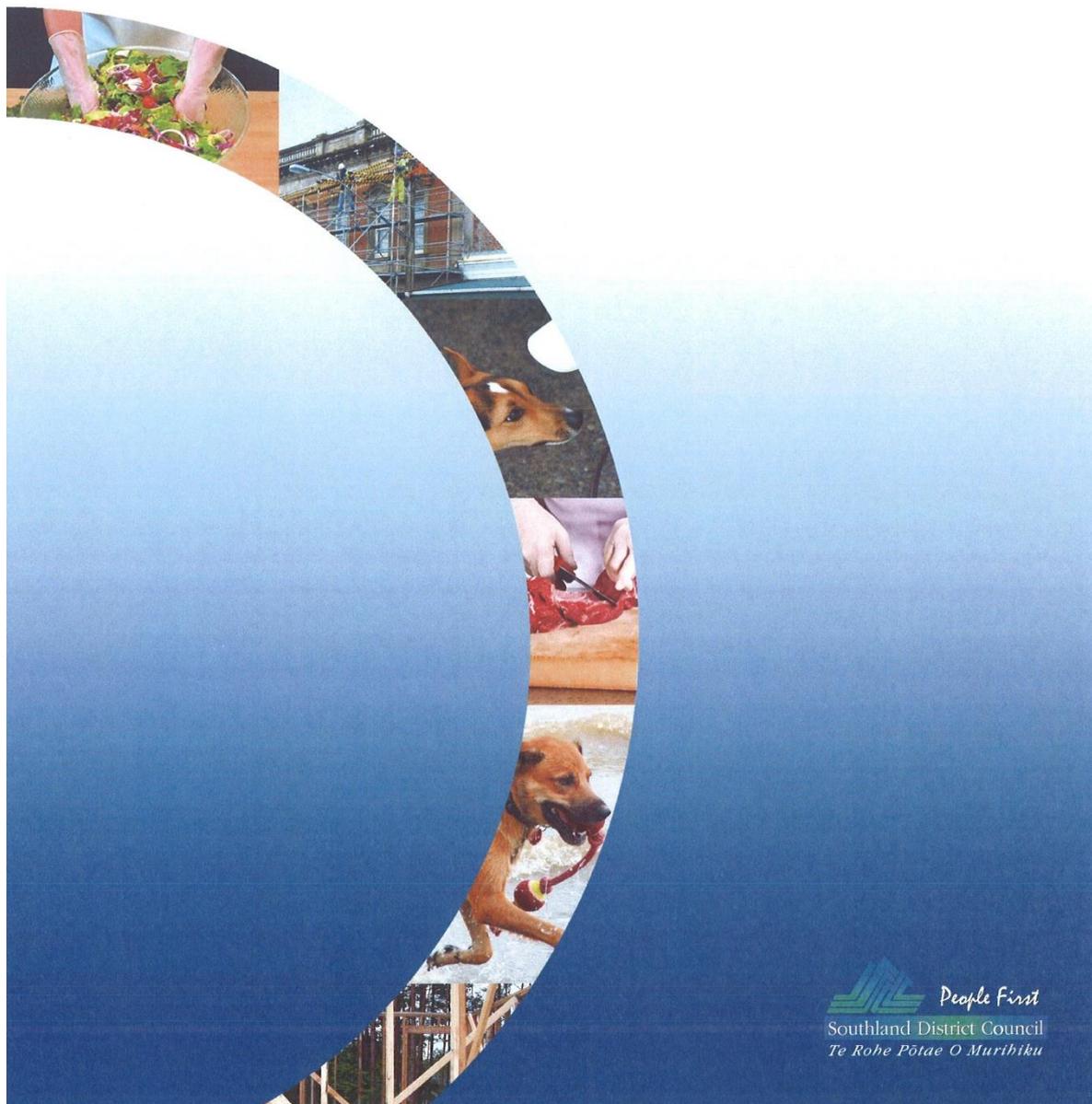
Next Steps

- 24 The review and its recommendations will be factored into future consideration of the service delivery of Regulatory and Environmental Services, and an action plan reported back to the Committee in due course.

Attachments

- A Service Delivery Review Regulatory and Environmental Services by Alicia McKay
Final Version 2.1 [↓](#)

SOUTHLAND DISTRICT COUNCIL
SERVICE DELIVERY REVIEW
Regulatory and Environmental Services



Date: 26 January 2017

Version: FINAL DRAFT 2.1

Commercial in Confidence

Service Delivery Review - Regulatory and Environmental Services

Document Control

Document Information

Document Name	Southland District Council Regulatory and Environmental Services Service Delivery Review
Status	DRAFT

Document Control

Issued to	Role	Date of Issue	Version
Bruce Halligan	First draft report findings	16/01/2017	1.1
	Updated draft	23/01/2017	1.2
	Updated draft - tweaks and further detail	24/01/2017	1.3
	Final draft for formatting	26/01/2017	2.1

Report Author: Alicia McKay, www.ambc.co.nz

Disclaimer: While every effort has been made to ensure accuracy and reliability of the information contained in this report, Alicia McKay or any colleague, staff member or subcontractor used by Alicia will not be held liable for the information, opinions and forecasts expressed in this report.

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Definitions

Cost-effectiveness - for the purposes of this analysis, cost-effectiveness is defined as “value for money achieved through an appropriate balance of whole-of-list cost and value for money, in alignment with agreed critical success factors.” Further detail about critical success factors can be found in this report.

Funding arrangement - involves the manner in which the financial resources are provided to support a service, including both the mix of revenue and capital sources and any arrangement or agreement that governs the provision of these resources (contracts, trust deed, etc.).

Governance arrangement - revolves around who has the right to make binding decisions about the overall objectives for the provision of the service, and set the strategic framework in which the service operates. In the local authority context, governance options fit into two broad categories - political, or arms-length.

Outsourcing - is when services are delivered by a party external to the primary organisation, such as a commercial provider or alternative Council. Contractually defined, these arrangements will usually agree on the allocation of governance autonomy and shared risk.

Service delivery arrangement - describes the body and agreement between agencies for service provision.

Shared service arrangement - a funding, governance or service delivery model where activities are shared between more than one organisation. For local government in New Zealand, formal arrangements are usually a joint committee or Council Controlled Organisation (CCO). For the purposes of this analysis, shared services are viewed as a potential spectrum of collaboration, which might include working together on joint initiatives without shared funding or service delivery responsibilities.

Acronyms and Abbreviations

CCO	- Council Controlled Organisation
EHS	- Environmental health services
ESG	- Environmental Services Group
SDC	- Southland District Council
LGA	- Local Government Act 2002
LGNZ	- Local Government New Zealand
RMA	- Resource Management Act 1991
SOLGM	- Society of Local Government Managers
SoRDS	- Southland Regional Development Strategy
SCP 2002	- Special Consultative Procedure as per section 83 of the Local Government Act 2002
TA	- Territorial Authority

Executive Summary

Regulatory services are devolved or delegated to local government by statute, with varying degrees of possible Council autonomy. Frequent legislative change in areas such as building control and food safety, an increased focus on health and safety and signalled changes to resource management legislation have created a shifting environment. Councils need to be flexible in their ability to respond to change and uncertainty.

Southland District Council (SDC) is a territorial authority facing unique challenges, including a large geographic area and sparse population, uneven development and a static and ageing population. The organisation is currently focused on process and service improvements, aimed at delivering cost-effective service to customers. Recent initiatives include an organisational restructure and process mapping exercise which is currently being implemented.

Staff are motivated to deliver quality service to the community and work alongside business owners and community members to achieve compliance. However, there is an inconsistent approach to enforcement within the department, including within individual activity areas.

The challenges presented by a dispersed population within a large geographic area present the potential to compromise health and safety if a prompt response to animal control and nuisance issues cannot be delivered. These challenges are exacerbated by a largely manual approach to applications and consent processing which, combined with changes to the postal service, are contributing to delays and inefficiencies.

Overcoming these challenges is likely to require increased use of electronic and online technologies and a targeted and flexible approach to future service delivery. Staff and management are well aware of these challenges and committed to continuing to improve in this area.

Overall, the Environmental Services Group (ESG) is functioning well, is compliant with applicable legislation and delivers an effective service to Council customers. The recommendations in this report are largely 'tweaks' that will deliver efficiencies, internal consistency and the foundation for continuous improvement, with no significant or immediate changes to funding, governance or service delivery. Services should be retained in house, complemented by a flexible ongoing approach to outsourcing services and a strong continued focus on opportunities for collaboration with other councils and community partners.

Strategic Context

The strategic context for Regulatory and Environmental Services is one of shifting expectations and looming demographic challenges. There is a strong political mandate for collaboration and shared services, and the potential opportunities or efficiencies they can provide. Amalgamation of the four Southland councils has arisen as a possibility at various times in the past.

National Context

Nationally, the system for developing and implementing regulation falls short of sector expectations. Lack of opportunity for genuine input by local government into the design of regulation, inconsistent decision-making processes and performance management shortcomings form part of this backdrop.

Significant legislative change over the last five years affects almost every one of Council's activities in this group, particularly Alcohol Licensing, Building Control and Environmental

Health. Changes to Resource Management legislation will have material consequences for the way that resource management and planning is organised and delivered.

Consistent themes arising from central government that will be important to the context of regulatory activities include an increased focus on health and safety, the application of risk-based management approaches and a desire for councils to deliver more cost-effective and consistent service with the same or reduced resources.

Southland Region

A sparsely populated region with a static and ageing population, the Southland region is facing impending service delivery, funding and governance challenges. With the view to addressing shared concerns, councils in the region have collaborated on a range of initiatives over the last 20 years, including joint committees for waste management, emergency management, economic development and rural fire services. In the Environmental Services area, councils have worked together to develop a joint local alcohol policy and joint local approved products policy, and to standardise processes for building control. The recent SoRDS Action Plan provides a further mandate for collaborative approaches in the delivery of Environmental Services, in making Southland “the easiest place in New Zealand to do business.”¹ A regional development group consisting of business representatives and elected members is now promoting further integration of services across the region, including standardised fee structures and a regional spatial plan.

Shared Services

When councils cooperate to deliver services, under the right circumstances, these arrangements can deliver cost-efficiencies, service improvements and strategic benefits. In practice, the realisation of these benefits in New Zealand and internationally has been patchy, constrained by a lack of political or managerial commitment, uncertain benefits and conflicting objectives.

While shared services are becoming a popular suggestion for addressing the challenge of affordable service delivery, a number of vital conditions should exist in order to consider a shared service model such as a joint committee or CCO.

Importantly, shared services should be viewed as a spectrum of collaboration with a menu of options, rather than an “all or nothing” proposition. Councils can access a large proportion of the benefits of shared services without entering into contractual arrangements.

Southland District Council

SDC is currently in a state of internal change, with a number of initiatives completed or underway that aim to improve organisational effectiveness. These include a recent organisational restructure led by a reasonably new Chief Executive and internal projects such as customer service improvement workstreams and process mapping to identify ways to operate more efficiently.

This review is a strong complement to this focus on internal effectiveness and identifies a range of specific and general opportunities for continuing to improve the way SDC delivers services to its community.

¹ SoRDS Action Plan p52.

Status Quo

Governance

All activities in the ESG report to Council, via the Regulatory and Consents Committee, a newly formed standing committee that will attend to all regulatory functions not handled at officer level and not retained at full Council level.

Funding

Operating and capital expenditure for this activity group is funded by approximately half 'user pays' mechanisms (fees and charges), with the rest funded by rates and some fines/infringement fees. Each activity is funded by a different mix of fees and rates, as per Council's Revenue and Financing Policy. SDC's rates funding component is comparatively high at 43.5% for the ESG overall, compared to a range of 23% - 36% for peer councils.

Service Delivery

It is considered this is an appropriately resourced group, with 27 staff members across three discrete teams are led by the Group Manager Regulatory and Environmental Services. External contractors or shared arrangements for after-hours or additional resources are used as required.

Compared to similar councils, SLC runs a lean and efficient team, with a number of peer councils serving similarly sized populations operating much larger teams in this activity group.

- **Building Control** - Eight building control officers are led by the Team Leader Building Solutions and supported by two general administration staff to administer BCA and TA functions for the Southland District. SDC takes a partnership approach to working with builders, tradespeople and homeowners. With a self-managed, distributed booking system and same-day response times, building control customers receive a prompt and personalised service. However, this may be at the cost of optimum efficiency and creates high customer expectations. Two remotely-based Building Control Officers (BCOs) provide a convenient and cost-effective way to service more remote parts of the district, which can present a challenge to ensuring a consistent voice and approach to compliance decisions for this team. SDC contributes to a regional liaison group which has progressed initiatives including a standardised building processes manual. Future collaborative initiatives include a planned standardisation of fees across Southland councils.
- **Resource Management** - The Resource Management (RM) team includes six planners and one planning coordinator, led by the Team Leader Resource Management. This team benefits from being well-staffed, enabling a proactive approach to planning, monitoring and enforcement. The presence of dedicated policy planners that are based within the team offers a strategic perspective to decision-making. The District Plan is currently in the final stages of review, with a handful of sections of the Proposed District Plan working through the final stages of an appeal process. With a high proportion of 'non-expert' consent applicants, staff will partner with customers to complete the consent process rather than reject an incomplete application. This approach, combined with a manual system for accepting processing and applications, is reflected in the higher than average processing times when benchmarked against peer councils.
- **Environmental Health** - This department includes animal control, alcohol licensing, food safety and environmental health licensing and inspections. The Manager Environmental Health leads four specialist and one administrative staff member to protect the health of the community through inspections, processing applications and responding to requests. All services are delivered in-house, with an external contractor engaged for after-hours animal control and noise and nuisance requests.

Shared services initiatives within these activities include a shared pound facility and contract arrangement for additional animal control support with Invercargill City Council and the development of a joint Local Alcohol Policy and Local Approved Products Policy with other Southland councils. Officers are also involved in a number of regional liaison groups.

Activity Performance

Overall, ESG activities are performing as expected, compliant with statutory requirements and meeting performance targets. However, there are further opportunities for ongoing improvement in areas such as performance management, quality control, enforcement and increased utilisation of technology. The use of more competitive procurement processes for additional resource or outsourced services may also deliver improved outcomes, efficiencies or reduced costs.

This report benchmarks SDC against similar councils for a number of common performance measures. The below table shows that SDC compares **similarly** for building consent processing timeframes and resource management customer satisfaction, **favourably** for the proportion of registered food premises visited annually and **unfavourably** for resource consent and alcohol licence processing timeframes.

Table 1 - Benchmarking Comparison Results

	Southland District	Invercargill City	Selwyn District	Ashburton District	Thames Coromandel District
Building consents processed within statutory timeframes	98.7%	99.06%	97%	98.9%	98%
Customer satisfaction - Resource Management	66.7% of applicants satisfied	<i>Not available</i>	80% of resource consent applicants satisfied	71% of residents satisfied	<i>Not available</i>
Resource consents processed within statutory timeframes	89%	100%	98%	100%	99.7%
Alcohol licensing applications processed within target timeframes	74%	<i>Not available</i>	90%	<i>Not available</i>	85% ²
Percentage of registered food premises inspected annually	99.6%	81.5%	100%	86%	89%

² This figure only measures uncontested applications, excluding Special Licences.

Alternative Options

In order to address the options required for consideration by s17A of the LGA, this report condenses options alternatives into the following categories: **in-house delivery, shared services and outsourcing**. This is a 'broad-brush' way to cover extensive ground over all regulatory and environmental services.

The alternatives in this report each have advantages and disadvantages, when considering the nature of service to be delivered, the ongoing cost of service provision and how best to meet statutory obligations.

Council should seek to balance these concerns and select an option that best reflects local priorities and the wider current and future needs of the Southland District community. In some instances this might mean spending more or accepting more risk in order to provide the kind of service valued by the community. In others, it may mean reducing the responsiveness or personalisation of a service to a level still considered acceptable, in order to mitigate risk, improve compliance or deliver cost-savings.

Only the elected Council is able to make these kinds of trade off decisions for the Southland District, and should do so in consultation with the wider community. However, this report addresses the key factors to consider in making these decisions and recommends a suggested way forward.

Critical Success Factors

The objective of a s17A review is to determine whether the existing means for delivering a service remains the most *efficient, effective* and *appropriate* means of delivering that service. However, the Local Government Act 2002 ('the Act') does not define what efficient, effective or appropriate service delivery constitutes.

With this in mind, a number of critical success factors specific to SDC and Southland District communities' values, priorities and requirements for this group of services have been agreed:

- **Critical Success Factor One: Customer Focus.** The services provided by the ESG are dynamic efficient and effective, and customer focused, and SDC customers receive a high standard of professional customer service.
- **Critical Success Factor Two: Compliance.** Statutory and audit requirements are complied with fully, such as IANZ reaccreditation.
- **Critical Success Factor Three: Affordability.** Costs to customers remain reasonable and not an undue deterrent to new business activity.
- **Critical Success Factor Four: Internal Effectiveness.** Processes are legally robust, consistent and well documented, and are made more accessible to customers through on-line methods.

General Recommendations:

1. **Meaningful performance management**
 - a. **Focus on outcomes.** While regulatory activities have a statutory mandate, they play a significant role in keeping the community safe and healthy. Focusing performance measurement more on impacts than processes, as per Productivity Commission recommendations, would help SDC to better understand how effectively regulatory services achieve desired outcomes.
 - b. **Customer satisfaction.** Reliable customer satisfaction data is a vital tool to inform Council decision-making and best target resources to align with community priorities. Current methods for measuring customer satisfaction are unable to provide regular, consistent, representative data. Enhancing these tools might include developing new methods of engagement, increasing the frequency of the triennial customer satisfaction survey, implementing pop-up surveys at the conclusion of service or adding qualitative probing questions.
2. **Collaboration/shared services.** Working together with other councils to deliver services can be cost-effective and deliver improved value for money. SDC should continue to promote shared services, with the following provisos:
 - Each initiative should be assessed on a case by case basis, on its own merits.
 - The LGNZ ‘filters’ framework and guidance should be applied to ensure the activity is a strong candidate for shared services.
 - SDC should be clear on the desired outcomes and objectives for a shared services arrangement.
 - Careful and considered change management should be used, including a communications strategy for staff, customers and other stakeholders.
 - Achievable targets should be set for potential benefits, and a framework established to monitor their realisation.
 - Staging or phased integration should be considered when possible, rather than transformative change.
 - A business case should be developed for each potential initiative to objectively assess the costs and benefits of sharing services.
3. **Quality assurance.** Quality assurance processes are in place for some activities, however there are some gaps in alcohol licensing and food safety monitoring. The ESG would benefit from a consistent and codified process for peer review and quality assurance, to deliver a better quality and more consistent experience to SDC customers and enable continuous improvement.
4. **Enforcement and prosecution approach.** Having a framework to guide enforcement and prosecution decisions can improve Council’s reputation for transparent and consistent enforcement, foster a cohesive organisational culture, improve compliance outcomes and deliver cost-efficiencies.
5. **Online lodgement and electronic processing.** SDC challenges, including geographic spread, are further complicated by recent changes to the New Zealand Post service, significantly increasing the time it takes to complete manual application and consent processes. Online services and electronic processing abilities provide an opportunity to better reach the community and deliver services with greater convenience and automation, improving the customer experience and driving internal efficiencies. Increasing customer expectations about online capabilities now extend to councils. Many councils across New Zealand have implemented online and electronic application and processing functionality.

6. **Funding mix and policy.** Funding for environmental health services is mostly by fees and charges, with only a 10% rates component in alcohol licensing. This does not reflect common practice or align with Council's Revenue and Financing policy. A general rates component for environmental health services would reflect best-practice thinking about the wider community benefit of providing these services. The Revenue and Financing Policy should reflect actual practice. The overall ESG is funded 43.5% by rates, which is high compared to peer councils. The future of this funding mix should be reviewed in the next LTP cycle.
7. **Competitive procurement.** While there is limited outsourcing in this activity group, regular contractors (such as after-hours noise and animal control service providers) are not subject to competitive procurement processes. To ensure maximum value for money is being achieved and to align with SDC's Procurement Policy, contract arrangements should be regularly reviewed, with a competitive tender process undertaken.

Activity-Specific Recommendations

Taking into account the critical success factors outlined above, the current legislative environment and the wider regional context, Council should consider opportunities to move along the spectrum of collaborative shared services for Building Control, Resource Management and Environmental Health as they present, while retaining services in-house for the short to medium term (with partial outsourcing as per the status quo).

Current outsourcing should be competitively tendered as contract terms expire, to ensure optimal value for money is achieved.

Table 2 - Recommendations Summary

Activity	Recommended Direction
Building Control	<p>Retain in-house, with a strong focus on increased regional collaboration.</p> <ul style="list-style-type: none"> <i>Legislative review</i> - Legislative changes should be strategically assessed, with opportunities to share workstreams with other councils considered. <i>Performance management</i> - Implementing a regular, relevant customer service performance metric will provide a reliable evidence base for future service decisions. This might include surveying customers at the conclusion of service provision. <i>Booking system</i> - Centralised scheduling will potentially deliver productivity benefits or efficiency benefits, better positioning this team to respond to changes in requirements and legislation as they present. <i>Remote worker integration</i> - Regular team meetings and 'clinics' with remote BCOs will enhance team morale and encourage a more consistent SDC approach to tricky issues that require individual judgement calls.
Resource Management	<p>Retain in-house.</p> <ul style="list-style-type: none"> <i>Electronic processing/online lodgement</i> - Online lodgement and electronic processing capabilities may deliver improved convenience customers, automate the application to improve accuracies, mitigate postal delay and deliver internal efficiencies.

Activity	Recommended Direction
Environmental Health	<p>Retain in-house, complemented by third-party providers for after-hours service.</p> <ul style="list-style-type: none"> • <i>Procurement review</i> - This department should review how outsourced services are procured to ensure ongoing value for money. A competitive tender process would test the market for improved price or quality of service, and may reveal unknown contenders. • <i>Quality assurance</i> - Implement quality assurance procedures for alcohol licensing and health inspections, which should include peer review. This provides an avenue for continuous improvement and ensures ongoing performance in these activities. • <i>Performance management</i> - Implementing a customer service performance metric, particularly for those that are not currently measured, will provide a reliable evidence base for future service decisions. • <i>Improve Alcohol Licensing processing times</i> - Consider making additional resources available to improve the proportion of licences processed within target timeframes. Electronic lodgement and processing functionality may assist with efficiency in this area.

1. Introduction

1.1. Decision to Review

The purpose of a s17A service delivery review is to determine whether the existing means for delivering a service remains the most **efficient, effective** and **appropriate** means of delivering that service.

The Local Government Act 2002 (Amendment Act 2014) specifies triggers that mandate a review under s17A of the Act. Local councils are required to carry out first reviews of all services by 7 August 2017. Councils can choose to complete reviews earlier as part of a prioritised programme, or where circumstances dictate.

This is the first structured review of the Environmental Services Group (ESG) since SDC was formed in 1989, although incremental changes have been made to service delivery over time in response to changing community and legislative factors.

While there is a statutory driver to undertake this review, there are also other important drivers such as:

- Ensuring that Council is delivering what matters to its communities in terms of environmental services.
- Ensuring that the modes and form of delivery are dynamic, effective and efficient, consistent with Council's drive towards achieving this organisation-wide.
- Closely scrutinising current and future emerging trends in environmental services and configuring the services provided accordingly to.
- Closely scrutinising services such as procurement of items for the ESG to ensure these represent best value for money, and have appropriate levels of transparency and contestability.

1.2. Potential Benefits

The potential benefits of undertaking a service delivery review are:

- **Efficiency gains** - Council may identify cost savings or an approach to managing resources that will improve the cost-efficiency of this service.
- **Improvements in services** - Council may identify ways to improve the service delivered to the community.
- **Improvements in relationships** with other local authorities, community groups and private sector providers.
- **A better understanding of available options** - periodic review is valuable even when no changes are made, guarding against complacency.

1.3. Scope

The purpose of this review is to:

- Recommend a future structure for the delivery of service in the context of Section 17A of the Local Government Act 2002, considering the governance, management, operational and funding parameters.
- Critically review the services provided and benchmark against other councils and other standards as appropriate.
- Recommend areas for future improvement in order to maintain and enhance the delivery of services to the customers, meeting both current and future demands.

The report looks at the current arrangements for the provision of services by the ESG, the various options for the governance and delivery of regulatory/environmental services, and recommends a preferred option. The strategic context is outlined and trends in environmental services described.

This review is an initial options analysis, which will provide the foundation for the 'next step' in Council decision-making. As per SOLGM guidelines³, this review sees a 'first pass' at the options, eliminating options that are obviously not feasible and providing some guidance as to how to pursue potential alternatives.

This report thus provides a high-level options review, to help determine a future direction for Council's regulatory activities. Whichever option is preferred, further work will need to be undertaken to define a specific course of action.

More detailed analysis will require one or all of the following:

- **A Special Consultative Procedure (SCP)** to understand community views and preferences.
- **Engagement** with other local authorities in the region to discuss the potential for collaboration in delivering services.
- **A business case** for more detailed analysis of a specific option.

For example, if the Council decided to pursue a shared services model for one or more of its regulatory activities, this would require negotiation with other local authorities, the development of a business case, and is likely to require an SCP.

³ Available from <https://www.solgm.org.nz/Resources/ServiceDelivery>

2. Background/Key Issues

2.1. National Context

2.1.1. *Regulatory Services*

Local government are responsible for providing key regulatory services that keep the community and environment safe and healthy. A wide range of statutes devolve or delegate regulatory functions to local councils including Alcohol Licensing, Animal Control, Building Control, Environmental Health, Food Safety, Hazardous Substances and Resource Management.

There is a wide spectrum of autonomy within these statutory responsibilities, ranging from the Building Code, where councils must (arguably) simply administer the regulations, to the Resource Management Act 1991 (RMA) where councils design their own district and regional plans in consultation with local communities.

2.1.2. *2013 Productivity Commission Report⁴*

A 2013 review of regulatory activities by the Productivity Commission recognises that “the current regulatory system is not working as well as can reasonably be expected.” Issues can be summarised as follows:

The way regulation is designed by central government is flawed

- An ‘accountability disconnect’ weakens the incentive for central government officials to undertake rigorous analysis.
- Insufficient implementation analysis to truly understand how regulations will be administered.
- Poor engagement with local government as part of the regulatory design process.
- Quality assurance processes are not performing well.

The way that regulation is implemented and administered is ineffective

- Decision-making processes for regulatory activities are inflexible.
- Regulatory standards are applied inconsistently across and within councils.
- There is inappropriate governance input into regulatory decisions.
- Compliance is not being monitored and enforced effectively.

Performance is not being managed effectively in central or local government

- A ‘whole of system’ focus is lacking in local and central government, with regulation made and enforced in isolation.
- Reporting and reviews of regulatory effectiveness do not always provide a feedback loop for improvements.
- Performance measures focus on meeting statutory obligations like timeframes, with little emphasis on regulatory impacts and outcomes.
- Regulatory performance assessment is seen as a compliance exercise, so local ownership is lacking.

⁴ Productivity Commission. (2013) *Towards Better Local Regulation* [Online] Available from: <http://www.productivity.govt.nz/inquirycontent/1510?stage=4>

Local regulation does not adequately allow for Māori participation

- The legislative framework for Māori participation does not enable meaningful engagement.

Central and local government are not interacting well

- There is a lack of mutual understanding about the roles and the two spheres.
- This wider tension undermines the overall regulatory system.

2.1.3. Legislative Change

The last five years has seen significant changes across the statutes that prescribe local government's regulatory functions, with further transformation signalled by government. A focus on streamlining regulatory processes and risk-based assessment may lead to further change in the short to medium term.

Statutory change can have a number of impacts on Council and the community. These include:

- Increased fees for businesses.
- New fees or rates.
- Increased workload or new functions for councils.

Policy Making Functions

Government is increasingly delegating policy making functions relating to local delivery of regulatory activities to councils. This has included rules relating to the sale of alcohol and herbal highs and the location of gambling venues.

Recent Change

Key legislative changes affecting SDC in the last five years have included:

Freedom Camping Act 2011 - This Act regulates freedom camping on public and conservation land, enabling local authorities to develop bylaws specific to their jurisdiction.

Sale and Supply of Alcohol Act 2012 - The new Sale and Supply of Alcohol Act 2012 came into force in December 2013, bringing new requirements for councils, including the development of a Local Alcohol Policy and changes to fee structures. District Licensing Agencies were replaced by District Licensing Committees, eligibility for managers' certificates changed and a range of new requirements and offences for premises were introduced.

Building (Earthquake-prone Buildings) Amendment Act 2016 - Significant changes are underway to the earthquake-prone buildings provisions of the Building Act. While the threshold for defining an earthquake-prone building (EPB) remains largely unchanged, New Zealand has been divided into risk zones (high/medium/low), with various associated strengthening timeframes. SDC is one of the few councils to contain all three risk zones within its district.

Major changes are:

- A number of structures, such as standard dwellings and farm buildings, are now excluded from the assessment requirement.
- Priority buildings, such as hospitals and schools, are identified, with reduced timeframes for strengthening.

- Engineering assessments are mandatory for buildings identified as earthquake-prone within defined timeframes and councils have an important role in managing the flow of information and record keeping in relation to these, as well as a public signage regime.
- Councils will be required to consult with their communities to identify priority buildings where masonry may fall onto busy thoroughfares.
- A centralised, national EPB register will be implemented by MBIE.

Building (Pools) Amendment Act 2016 - This Act removes unnecessary compliance costs for pool-owners and increases the enforcement powers available to territorial authorities.

Building Amendment Acts 2012 and 2013 - the Building Amendment Act 2012 introduced a risk-based consenting scheme, made changes to requirements for compliance schedules and Building Warrants of Fitness and clarified aspects of the Licensed Building Practitioner (LBP) scheme. The Building Amendment Act 2013 made changes to the type of work that requires a building consent and gave councils increased authority to restrict entry to buildings that are near dangerous buildings.

Food Act 2014 - Changes to the food safety regime became effective in March 2016 for new businesses. Existing food businesses will transition to the rules between 2016 and 2019. The new Act takes a risk-based approach to food safety, as opposed to the one-size-fits all approach of the old Act. Food Safety Officers are now granted strengthened enforcement abilities.

Psychoactive Substances Act 2013 - This Act prohibits the sale of any psychoactive substance unless licensed after human trials. The law seeks to make manufacturers test and prove their products are low-risk before they can be sold. Under this Act, councils were permitted to develop a Local Approved Products Policy.

Resource Legislation Amendment Bill 2015 - This Bill, introduced to Parliament in November 2015, comprises around 40 individual proposals aimed at delivering substantive, system-wide improvements to the resource management system. The Bill had its first reading on 3 December 2015 and was referred to the Local Government and Environment Select Committee for consideration. As a primary agent of resource management and planning, local councils will need to make significant internal and process changes if the proposed Bill is enacted. This includes major alterations to planning processes, forming iwi participation arrangements, establishing new processes and timeframes for consent applications and introducing fixed fees.

New Bylaws Include:

Alcohol Licensing Fee-Setting Bylaw 2015 - This bylaw is the only one of its kind in New Zealand, that provides for a 30% discount in annual fees.

Dog Control Bylaw 2015 - This bylaw introduced some significant changes, including multiple dogs licensing and registration fees discounts.

Freedom Camping Bylaw 2015 - This bylaw introduced a number of new designated sites from freedom camping, and also made a distinction between self-contained and non-self-contained camping.

Future/Possible Changes

Building Act 2004 - Signalled changes include requirements to retrofit insulation to rental accommodation as well as sustainable energy and solar heating provisions. Other changes that reduce compliance requirements for simple buildings such as farm sheds and enable

multi-authority approval processes for standard designs could reduce building consent activity for all councils.

Dog Control Act 1996 - Licensing owners of high-risk dogs, amendments to infringements and offences under the Dog Control Act 1996, and introducing additional reporting requirements for councils on dog attacks

2.1.4. Housing Affordability

A current strong focus on housing affordability places pressure on councils to do more with less and reduce the cost and time involved in regulatory compliance processes such as resource consents. A 2012 Productivity Commission Inquiry⁵ identified that councils have a major influence on the housing construction and development process - principally through planning and building control. The inquiry found that the regulatory system, including key legislation such as the Resource Management Act, is restricting progress in speeding up the availability of affordable housing.

The Commission recommended that councils:

- Take a less constrained approach to the identification, consenting, release, and development of land for urban housing, promote more densification and develop strategies to promote competition between developers.
- Review their regulatory processes with the aim of providing simplified, speedier and less costly consent processes and formalities, to expedite the supply, and reduce the cost, of housing.
- Find ways to improve communication with building practitioners and BCAs.

2.2. Shared Services Arrangements

Government is currently promoting the use of shared services arrangements in local government as a means of achieving increased economies of scale, improved efficiencies and better collaboration between districts.

2.2.1. Background

Shared services models, when they work effectively, can deliver a range of benefits to local councils and their communities. As well as cost-efficiencies delivered through economies of scale, shared services can provide:

- Access to specialist expertise.
- Improvements in service.
- Exchange of best practice.
- Strategic and policy benefits.
- Increased legislative compliance.

In practice, the realisation of these benefits has been patchy. Benefits realisation is often constrained by limiting factors, including a lack of political or managerial commitment and uncertain benefits or objectives.

⁵ Productivity Commission. (2012) *Housing Affordability Report* [Online] Available from: http://productivity.govt.nz/sites/default/files/Final%20Housing%20Affordability%20Report_0_0.pdf

The conditions for successful shared services have been considered and outlined in a report by LGNZ⁶. A set of high level filters are suggested for assessing an activity's suitability for shared service arrangements.

1. Economy of scale is achieved through aggregation.
2. Has potential for cost-savings and/or financial sustainability for councils.
3. Maximises use of existing resources and expertise.
4. Can be delivered without internal expertise and knowledge.
5. Will be an ongoing requirement for councils.
6. Will result in improved service delivery and/or efficiency.
7. High volume and regular transactions.
8. Performance and outcomes can be measured.
9. Repetitive activity for councils.
10. Technology and systems enable sharing.
11. Low or nil additional establishment costs (over existing budgets).
12. A high degree of standardisation and consistent customer requirements.

If an activity is able to work through all of these 'filters', a business case should then be developed. Key to this process is consultation with affected parties, including a careful assessment of how committed potential partner organisations might be to a shared service model.

Further analysis should consider how a shared service arrangement would contribute to Council's objectives, potential costs, risk factors, alignment of systems and processes, delivery options, opportunities for future growth or innovation and the impact on staff.

2.2.2. Potential Structures

Shared service arrangements are often narrowly defined to include formal, contractual service delivery arrangements such as joint committees and Council-Controlled Organisations (CCOs). However, as demonstrated by SDC's experience in the shared services arena, there is a spectrum of possible collaboration that offers a menu of other options. By collaborating in a less formal environment, councils in the Southland region can access potential benefits such as a wider range of specialist expertise and resources, without surrendering control of delivery and decision-making.

⁶ LGNZ (2011) *Shared Services in Local Government* accessed from <http://www.lgnz.co.nz/home/our-work/publications/shared-services-for-local-government/>

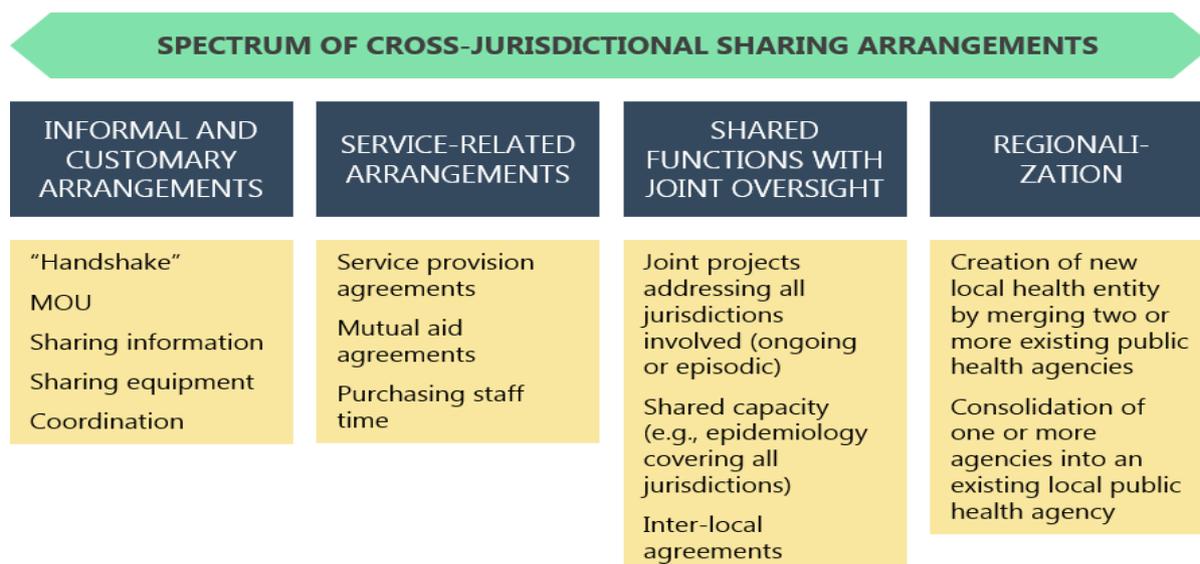


Figure 1 – Source: SHSAC Blueprint for Successful Local Health Departments Workgroup (2010) Updating Minnesota's Blueprint for Public Health – www.health.state.mn.us

Councils can access a large proportion of the benefits of shared services without entering into contractual arrangements, as per the spectrum example below, which illustrates options for public health. below.

2.2.3. Next Steps

If SDC decides to investigate options for shared service delivery further, the following steps should be undertaken:

1. The development of a business case or feasibility study to examine an option at length.
2. Consultation with other potential shared service partners, which might include: Gore District Council (GDC), Clutha District Council (CDC) and Invercargill City Council (ICC) or even wider.
3. Consultation with community stakeholders.

2.3. Outsourcing

Outsourcing is a common and cost-effective way for local councils to procure services that are not feasible or cost-effective to provide in house.

When considering a decision to outsource, councils should carefully consider the advantages and disadvantages of outsourcing a service, including:

- Targeted levels of service.
- How to incentivise good performance.
- The likely cost of services.
- Procurement strategy.
- Contract management for performance and accountability.
- The allocation and management of risk.

2.4. Regulatory Trends

2.4.1. *Online and Mobile Technology*

Online and mobile service delivery and increasing use of technology in the field for efficiency and improved health and safety are changing the face of how councils operate and interact with their customers and communities. In an increasingly digital world, customer expectations are changing rapidly, with the demand for electronic services on the rise and increased expectations of reduced timeframes and costs.

SDC has electronic processing capability through the use of internal software 'Pathway' but does not have an online lodgement, payment or application tool available for the community.

Some regulatory services are using technology such as:

- iPads or tablets for site inspections.
- GPS location trackers in vehicles and for personal use.

However, the rollout of these services has been inconsistent across the ESG and Council overall, with some activities using bespoke or custom systems that do not integrate with Council's existing enterprise architecture.

2.4.2. *Health and Safety*

Workplace health and safety is becoming a stronger focus area for government and industry, marked by the introduction of the Health and Safety at Work Act 2015.

The government favours risk-based approaches to managing health and safety, an approach that has filtered through to activities such as food safety regulation and alcohol licensing. Finding ways to keep Council staff and the community safe will be an increasing requirement for SDC in the future. Some ESG staff such as Animal Control Officers have high potential exposure to serious hazards in their daily work.

2.4.3. *Increasing Compliance Costs*

Increasing regulatory requirements such as the Licensed Building Practitioner scheme and changes to the Building Control Authority accreditation can increase the cost of statutory compliance for councils, impacting the community through changes to fees and charges or increased rates.

Quality management systems and principles are being used increasingly in the public and private sectors for project-specific and organisation-wide application. A sound quality assurance system is now a requirement of Building Control Authority (BCA) accreditation, a trend which is likely to move across to other regulatory services and activities. Meeting these requirements on an ongoing bases where the 'continuous improvement' bar is being steadily raised is also likely to require additional resource for councils.

2.5. Regional Context

2.5.1. *Southland Region*

New Zealand's southernmost region, Southland, comprises Invercargill City, Gore District and Southland District. Environment Southland (ES) is the regional Council for this area.

With a large rural area, Southland is a primarily export-dependent economy, exporting 70% of its GDP⁷. Other significant industries include coal, hydroelectric power and tourism.

⁷ Southland Regional Development Strategy.

With a geographic area covering approximately 12% of New Zealand, but a population of approximately 98,100⁸, Southland is one of New Zealand's most sparsely populated regions. Population levels have been static or declining since 1996.

Geographic spread is a key challenge for Southland councils delivering services to their communities, while the static population constrains available budgets. These factors will require a strong focus on cost-effectiveness into the future. Like many areas in New Zealand, demographic changes indicate an ageing population, which will further impact the future funding base available to Southland councils with fewer new dwellings built and more ratepayers on fixed incomes. Delivering services to far-flung areas, especially health and safety critical activities such as animal control, is a challenge in this environment. Lost time due to travel also compromises SDC's ability to deliver services cost-efficiently.

Table 3 - Southland Region Population as at June 2016

District	Population	% of region
Invercargill City	54,700	56%
Gore District	12,500	13%
Southland	30,900	31%
Total	98,100	

2.5.2. Collaboration between Southland councils

Static population and economic growth create a competitive tension between Southland councils in attracting development. Despite this, there is a strong history of collaborative initiatives in the region over the last 20 years.

Councils in the Southland region formed a joint shared services committee in 2000. This committee, comprised of ES, GDC, ICC, SDC and CDC, features elected members from each council. Meeting regularly, the committee has worked on a wide range of collaborative projects, including the formation of the following shared organisations:

- **WasteNet Southland** - a joint committee of GDC, ICC and SDC for regional solid waste services, including a combined landfill. Provides \$524,000 in operational savings each year as well as an initial \$730,000 in capital savings.
- **Emergency Management Southland** - a combined organisation comprising ES, GDC, ICC and SDC. Formed in 2009, this agency coordinates all civil defence and emergency management activities, saving \$83,000 in operational costs each year.
- **Venture Southland** - a joint committee of GDC, ICC and SDC for regional tourism, economic development and event management. The committee delivers \$417,990 each year in operational savings and attracts substantial external funding.
- **Southern Rural Fire Authority** - the SRFA is an amalgamation of territorial rural fire services, improving readiness and response and saving \$45,000 each year of operational costs.
- **SouthLib** - a regional library consortium comprised of the Central Otago District Council (CODC), CDC, Dunedin City Council (DCC), GDC, ICC, Queenstown Lakes District Council (QLDC), SDC and Waitaki District Council (WDC). Originally formed to access consistent library management software platforms at a competitive cost, the group plans to further integrate library services across the region. This initiative

⁸ Subnational Population Estimates: At 30 June 2016. Statistics New Zealand.

saves \$90,000 in operational costs each year, as well as an initial capital saving of \$160,000⁹.

Other initiatives progressed by the group involve road safety, information technology, community outcomes monitoring, heritage funding, biodiversity protection and iwi relations.

Regulatory Services

Specific to regulatory services, the committee has progressed the following initiatives:

- **Building Control** - CDC, GDC, ICC and SDC have developed shared forms, quality assurance and process manuals. Standardised fees are the next focus of this group.
- **Resource Management and Planning** - ES and SDC undertook a joint planning process, aligning the Regional Policy Statement and SDC District Plan.
- **Environmental Health** - GDC, ICC and SDC combined to produce a Joint Local Approved Products Policy, and a shared freedom camping officer in the Te Anau Basin with DOC.
- **Alcohol Licensing** - GDC, ICC and SDC combined to produce a Joint Local Alcohol Policy and a combined member list for their District Licensing Committees hearing and determining applications made under the Act. This initiative provides consistent regional decision-making and saved \$80,000.
- **Animal Control** - ICC and SDC share a dog control facility, and SDC has contracted ICC to provide backup animal control officer services.

2.5.3. Southland Regional Development Strategy (SoRDS)

SoRDS was initiated by the Southland Mayoral Forum in late 2014 to face the challenges faced by a static population. SoRDS has the 'big goal' of growing the region's population by 10,000 over 10 years. Defined 'action teams' are progressing key priorities of the strategy, focusing on culture and lifestyle, industry growth and innovation of new industries.

Ease of Doing Business

This action group, led by the SDC Chief Executive, is focused on two key areas:

- Simpler local government rules, alignment of those rules between local authorities, consistency of process.
- Alignment of fees across local authorities.

This group consider that an 'ideal future state' for Southland's Regulatory and Planning services would include:

- **A single environmental agency** for building control, animal control, alcohol licensing and environmental health services and applications. This agency would implement standard fees, charges and processes.
- **A regional spatial plan** to implement a 'big picture' regulatory framework supporting targeted regional growth.
- **A combined RMA plan** that provides consistent and integrated planning across the region.

⁹ Cost saving information sourced from 2014 publication "Shared Services, Southland and Beyond" accessible at <http://www.goredc.govt.nz/your-council/news/publication-on-southern-councils-shared-services-forum-launched/>

- **Electronic lodgement, consent tracking and processing** systems for regulatory and planning applications. A single point of entry would streamline the process for developers.
- **A single environmental committee** for consistent consideration of all matters considered by Hearings or Regulatory committees.
- **A ‘case manager’ approach** that delivers wraparound assistance through the regulatory approval process for businesses.

However, during the development of the SoRDS Ease of Doing Business workstreams, it was recognised that some elements of the desired future state - particularly the single environmental agency - may be a step too far for the current appetite of the region’s councils. The resultant Ease of Doing Business Action Plan focuses particularly on developing a regional spatial plan, improving consistency and efficiency of processes and fees, and an enhanced customer focus.

2.6. Southland District

Southland District has a population of approximately 30,900¹⁰. The district contains 27 individual communities, including the more sizeable towns of Winton, Riverton, Lumsden and Te Anau, and the islands south of Foveaux Strait including Stewart Island, the Titi Islands and Ruapuke Island.

2.6.1. Geographic Spread

Southland is the largest local authority in New Zealand by physical area, with 11% of New Zealand’s land mass. Conversely, population density is sparse, with an average 1.0 people per km compared to 15.9 people per km in all of New Zealand. 53% of the population live in rural areas and the remaining 47% in one of the district’s 27 townships.

2.6.2. Changing Demographics

On average, the Southland District population is slightly older overall than the rest of New Zealand, with a median age of 39¹¹ (compared to 38 in New Zealand overall). Median income is slightly higher than the national average at \$33,900¹² (compared to \$28,500 for all of New Zealand) and family statistics are similar to national trends. Unemployment is significantly lower than the national average at 2.6%¹³ (the national average was 5.8% in 2015) and the most common occupational group is ‘managers’ and ‘professionals’ aligning with the rest of New Zealand.

2.6.3. Uneven Development

There are significant discrepancies throughout the district in demographics and the level of development activity across the district that are not easily identified by examining averages and medians.



Figure 2 – Southland District

¹⁰ 2016 subnational population estimates, Statistics New Zealand.

¹¹ 2013 Census data, Statistics New Zealand

¹² 2013 Census data, Statistics New Zealand

¹³ 2013 Census data, Statistics New Zealand

Townships with vibrant tourism sectors, such as Fiordland and Riverton, currently experience reasonable levels of growth and development. However, traditional rural service delivery towns have been affected by the recent dairy sector decline and a growth in online retail activities. An ongoing drift to main centres impacts rural service delivery towns, which make commercial development and running a business in these towns increasingly challenging.

Five of Southland District's towns have greater than 20% of their population aged 65 years and over and only three of the district's towns have populations greater than 1,000.

Tailoring Council resources to suit this development disparity is an ongoing challenge for SDC. While developing towns require efficient resource and building consent processing, some smaller towns have a higher demand for animal and nuisance control. Meeting these needs will require innovation and flexibility, including consideration of satellite area offices, remotely based service staff and increased use of online functionality.

2.6.4. Tourism

The increasing popularity of tourism centres across the district, such as Fiordland and Riverton, require Council to consider issues unique to these areas such as the regulation of freedom campers, environmental protection and litter control at peak times of the year.

2.6.5. Land and Water Planning

Land, hazard and water planning in the face of climate change and coastal erosion will become increasingly important to the future strategic planning in Southland District. Instances such as the erosion of Colac Foreshore Road have, to date, inspired ad-hoc responses.

2.6.6. Community Boards and Community Development Area Committees

The Southland District currently has eight Community Boards and 19 Community Development Area Subcommittees (CDA). This large democratic network requires extensive coordination. Service delivery and decision-making is impacted by this unique structure, which is targeted for review in the next two years as part of SDC's Representation Review.

3. Present Arrangements

3.1. Organisational Overview

SDC is the territorial authority for the Southland District. Based outside of the district in the city of Invercargill, SDC employs approximately 151 FTE.

Council manages approximately 5,000 km of roads, 13 urban water supplies, 11 rural water supplies, 17 sewerage schemes, 34 cemeteries, community halls, 69 community housing units, 10 libraries and one mobile library service, 150 reserves and parks.

Three Community Outcomes, outlined in the SDC 10 Term Plan 2015-2025, set the overall strategic direction for SDC's priorities and activities, to achieve its vision for thriving, healthy communities.

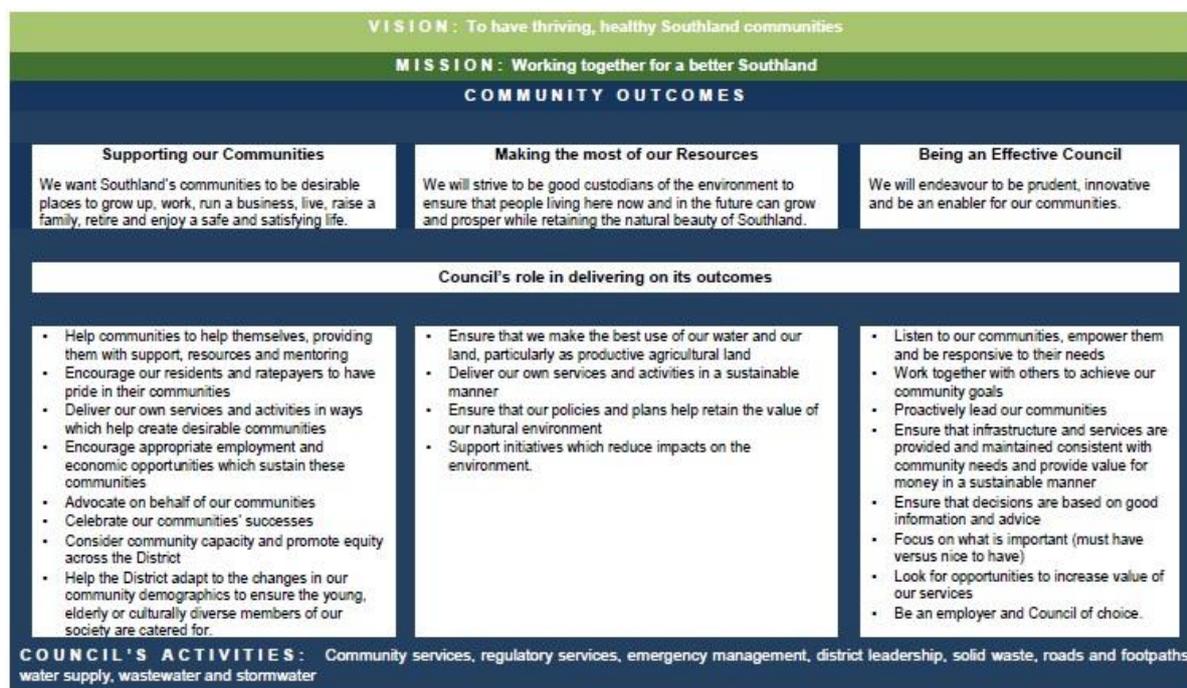


Figure 3- SDC Community Outcomes

The ESG administers SDC's statutory and regulatory responsibilities in respect of Council policies and bylaws, as well as the following legislation:

- Building Act 2004
- HSNO Act 1996
- Dog Control Act 1996
- Food Act 2014
- Gambling Act 2003
- Health Act 1956
- Psychoactive Substances Act 2013
- Hazardous Substances and New Organisms Act 1996
- Litter Act 1979
- Local Government Act 2002
- Racing Act 2003
- Reserves Act 1977
- Resource Management Act 1991
- Sale and Supply of Alcohol Act 2012
- Impounding Act 1955
- Freedom Camping Act 2011

It includes the following Council activities:

- Resource Management
- Animal Control
- Environmental Health (including animal control and health licensing)
- Building Control

Council is required by law to provide all of these services. Regulatory functions are considered a core service as per section 10 of the Local Government Act 2002. Regulatory roles are either delegated or devolved to councils by specific legislation.

The vast majority of ESG activities are delivered in-house, with the exception of after-hours noise and stock control which is contracted to a third-party provider.

3.2. Rationale for Service Provision

In the SDC 10 Year Plan 2015-2025 the rationale for providing regulatory activities is that: *“Council’s regulatory services align with the community outcome of “supporting our communities”. Council supports its communities through the provision of regulatory services as they control and set standards for a range of activities taking place in the District.*

Enforcing rules around buildings, resources and businesses supports residents by making communities safe places to live and work in. It contributes to Southland’s communities being desirable places to grow up, work, run a business, live, raise a family, retire and enjoy a safe and satisfying life.”

3.3. Governance Arrangements

Governed entirely by Council, the activities in the Environmental Services group report regularly to Council and its committees. Council’s new committee structure for the period 2016 - 19 includes a Regulatory and Consents Committee which will attend to all regulatory functions are not handled at officer level or by full Council, such as Dog Control Act classification objections, resource consent hearings, district plan policy and heritage matters.

In past years, this reporting was to a range of different Council committees. SDC hopes to provide more focused attention to Environmental Services through the new structure.

3.4. Funding Arrangements

Regulatory activities are currently funded through a combination of fees and charges, infringements/fines and general rates. Overall, ‘users’ pay for approximately half of the cost of providing these services, with general rates and fines funding the remainder. When compared to peer councils, Southland has a higher proportion of rates funding used for this activity.

As shown below, Council’s Revenue and Financing Policy states that there is a ‘medium’ (33-66%) general rates component funding the Environmental Health activity. The policy states that this decision “recognises that there is a level of public benefit to all ratepayers from having these activities managed.” Fees and charges are applied to ensure that service users fund a reasonable amount of this service (med) as they are readily identifiable.”

However, in practice, environmental health services such as food safety and health inspections are currently 100% user pays. Formerly funded in part with rates, this revenue and financing policy change was implemented in the 2015 LTP cycle and resulted in a number of fees and charges increasing significantly. At this time Council created new alcohol and health licensing business units, to replace the previous arrangement where these services were funded from one environmental health business unit.

Table 4 - Revenue and Financing Policy Summary for Regulatory Services

Activity	General Rates	Fees and Charges	Grants, Subsidies and other Funding Sources
Building Control	Low	High	Nil
Resource Management	High	Low	Nil
Environmental Health	Med	Med	Nil
Animal Control	Low	Med/High	Low

(Low: 0 - 33%, Med: 34 - 66%, High: 67 - 100%)

Table 5 - Funding Arrangements 2015/2016

Funding Source	\$000	%
General rates	1,780	43.5
Targeted rates	0	0.3
Subsidies and grants for operating purposes	15	
Fees and charges	1,937	47.3
Internal charges and overheads recovered	255	6.2
Infringements/fines	101	2.47
Total	4,089	

Table 6 - Peer Comparison - Regulatory Operating Funding Sourced From Rates

	Southland District	Invercargill City	Selwyn District	Ashburton District	Thames Coromandel District
Operating funding sourced from rates	43.5%	26.2%	35.6%	23.6%	33.3%

3.4.1. Fees and Charges

Some of the fees and charges charged by Council are prescribed by legislation. Others are determined in accordance with Council's Revenue and Financing Policy.

In general, SDC's fees and charges are at similar levels to other councils' fees.

A selection of other fees have been compared to peer councils below. While there are a wide variety of factors that influence Council's fee structures, including Revenue and Financing Policy and local conditions, this comparison provides a useful reference point.

Table 7 - Peer Comparison - 2016/2017 Fees and Charges

	Southland District	Invercargill City	Selwyn District	Ashburton District	Thames Coromandel District
S223 Certificate Application	\$120	\$120	\$260 minimum fee	\$250 minimum charge	\$380 fixed initial deposit charge
Health Licence - Hairdressers	\$219	\$250	\$195	\$127.60	\$220
Land Information Memoranda - Standard/Residential	\$341	\$250	\$204.40	\$248.40	\$220
Dog Registration (standard)	\$30 ¹⁴	\$100 ¹⁵	\$55 ¹⁶	\$65 ¹⁷	\$70 ¹⁸
Application for Registration of Food Control Plan	\$146	\$100	\$215 For one hour, \$145 per subsequent hour	\$150 For one hour, \$150 per subsequent hour	\$310 For a maximum of two hours, \$155 per subsequent hour.

3.5. Department Structure and Resourcing

The ESG appears to be appropriately resourced overall, with a total of 27 FTE. In particular, the Resource Management and Planning and Building Control activities have sufficient processing, inspection, policy and administrative staff to fulfil all compliance and activity requirements.

Environmental Health resourcing is supplemented by the use of an external contractor for after-hours response to animal control, noise and nuisance incidents as well as an ongoing arrangement for the use of an additional 1.0 FTE Animal Control Officer with ICC. The Environmental Health Officer responsible for alcohol licensing may require additional resourcing or support, with only 74% of liquor licence applications being processed within target timeframes.

In comparison, councils servicing similarly sized populations resource this activity group as follows:

¹⁴ Fees and charges will change in the 2017/2018 financial year, with a new system for rewarding responsible ownership. The standard fee will rise to \$90, but will fall to \$30 with discounts applied for neutering, fencing and microchipping.

¹⁵ Standard fee - not desexed. Discounts apply for desexed animals, 'responsible ownership', working dogs.

¹⁶ Discounts and rebates apply for early payment, more than one dog, older dogs.

¹⁷ For an urban dog. Exclude rural dogs, dangerous dogs or urban desexed dogs.

¹⁸ Excluding guide dogs, fourth or subsequent registered working farm dogs or dangerous dogs.

Table 8 - Peer Council Resourcing

	Southland	Selwyn	Ashburton	Thames Coromandel
Planning/Resource Management FTE	7.3	25.0125	5.35	22
Building Control FTE	11.8	38.725	11.45	20
Animal Control FTE	3	4	1	6.5 ¹⁹
Environmental Health/Regulatory FTE	4	2.95	9.2	3
Other	0	0	0	8 ²⁰
Total	26.1	70.6875	26	59.5

No response was received from ICC to a request for this information.

3.5.1. SDC Environmental Services Group Structure

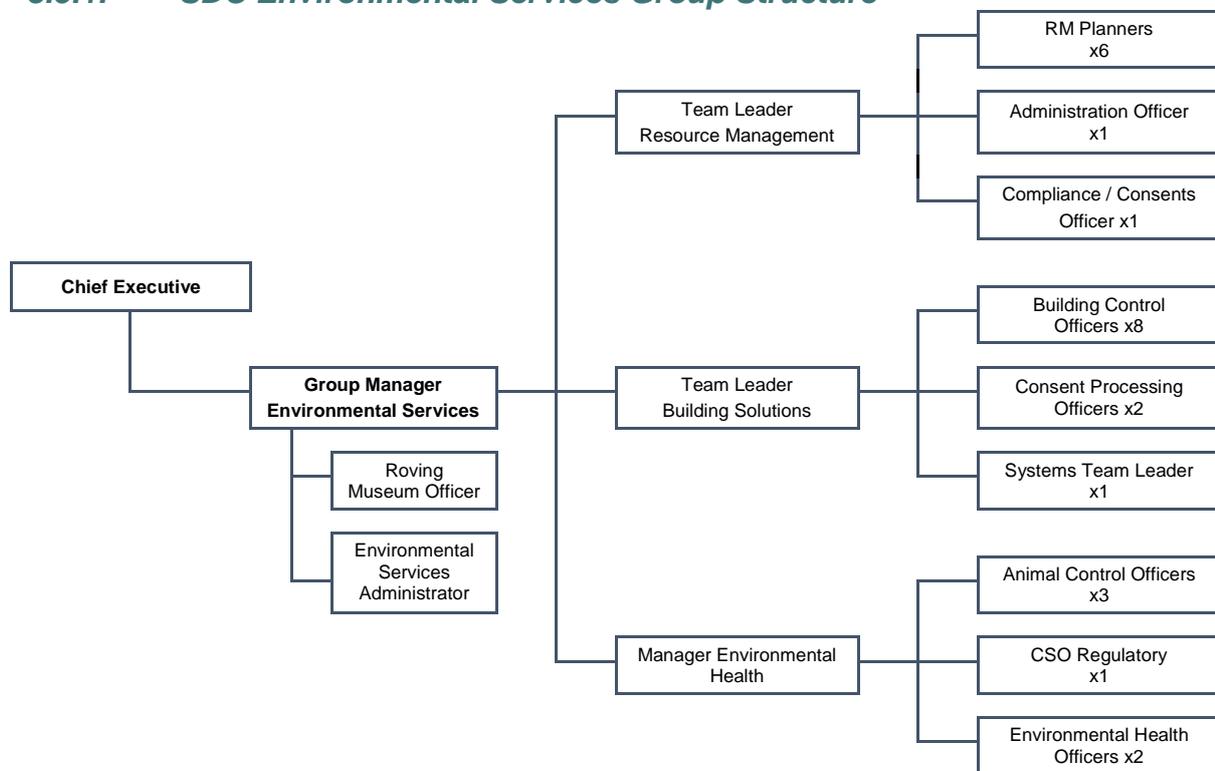


Figure 4- ESG Department Structure

Chief Executive (CE) - the CE provides general oversight to the ESG.

Group Manager (GM) Environmental Services - the GM has overall responsibility for the performance and statutory compliance of this department.

Team Leader Resource Management - manages a team of planners and compliance officers to manage development activity in the district.

Team Leader Building Solutions - oversees the building control function, including supervision of the building control and consent processing officers.

¹⁹ Includes the Bylaws function.

²⁰ Administrative staff.

Manager Environmental Health - is responsible for a team of environmental health, regulatory and animal control officers.

3.5.2. *Resource Management*

The Resource Management Team, all based in the Invercargill office, is responsible for preparing and implementing the Southland District Plan in accordance with the Resource Management Act 1991.

The Resource Management team processed 261 applications in the 2015 calendar year and 305 applications in the 2014 calendar year. Monthly processing data is reported to Council, while annual reporting data is provided to the Ministry for the Environment.

The current resourcing of the team is split as follows:

- Team Leader 1.0 FTE
- Resource Planning/Policy 1.3 FTE
- Resource Consent Processing 3.5 FTE
- Compliance Officer 0.5 FTE
- Coordinator 1.0 FTE

Planners and Policy Planners are responsible for reviewing and making changes to the Proposed Southland District Plan 2012. The plan review process commenced in 2012, with decisions released in October 2014. With five unresolved appeals, it is anticipated that the new plan will be made fully operative within the next 12 months.

Consent Processing Planners are responsible for the day to day processing of resource consents. They also provide planning input into building consent applications and LIMs and respond to counter and telephone enquiries.

The **Compliance Officer** is responsible for monitoring resource consents and investigating potential breaches of resource consent conditions. They also investigate any Resource Management complaints received by Council, and also assist with consent processing.

The **Coordinator** is responsible for entering resource consent information, compiling information on LIM reports, allocating building consents, invoicing processing costs, maintaining records and respond to counter and telephone enquiries.

Various members of the team represent Council on local and regional stakeholder groups, prepare submissions on legislation changes and input on various internal Council processes. Some of these working groups include, SIT Advisory Board, Waituna Working Group, Southland Coastal Heritage Inventory Project, Raikura Integrated Management and Predator Free 2050.

The team are desk based with a pool car for site visits or inspections.

3.5.3. *Building Control*

The Building Control Department expects to process approximately 1,050 building consents during the 2017/2018 financial year, based on an assessment of current trends and historic building consent numbers. This estimation does not account for changes to the Building Act being promoted by the Ministry of Business Innovation and Employment (MIBE) which may reducing consent processing and inspection input by Building Consent Authorities (BCA) for low-risk buildings.

The impact of these changes may however be counteracted by additional resourcing requirements in relation to the Building (Earthquake Prone Buildings) Amendment Act, as referred to above.

The current resourcing of the team is as follows:

- Technical Manager 1.0 FTE
- Consent Processing Officers 2.0 FTE
- Building Control Officers 7.0 FTE
- Administration Coordinators 1.8 FTE

Building Control Officers (BCOs) are responsible for site inspections, Code Compliance Certificates along with Compliance Schedule functions for their specific area of the district.

Consent Processing Officers process the majority of building consents, with more technical commercial consents processed by the relevant area BCO. Individual operating areas within the district are adjusted as necessary to accommodate shifts in building activity in balancing inspection workloads.

Two remote BCOs are based in Te Anau and Gore, providing services to the north/west and eastern/north parts of the district respectively. The remainder of the district is serviced by five BCOs based in Invercargill. Remotely based BCOs has been a successful initiative to increase the level of service to these areas and reduce travelling downtime. Future recruitment will consider other remote working opportunities as they present.

Issued building consents, the number of new dwellings, issued Code Compliance Certificates and the number of outstanding building consents are reported on monthly to monitor building activity trends for individual operating areas to assist in determining workloads and identifying resourcing demands.

Resources used include vehicles, desktop and tablet computers and mobile communications equipment. Information about the Building Control assets and equipment is kept in an equipment and maintenance register of the Quality Assurance Manual which are acquired or disposed of in accordance with register standards or changes in staffing. There is no formal asset management planning required for this activity.

3.5.4. Animal Control

Animal Control in the Southland District is focused on protecting public safety and reducing nuisances. Council has statutory obligations under the Dog Control Act 1996 and Impounding Act 1955 to administer the registration of dogs and dog control and animal nuisances.

The Southland District is the home to approximately 13,500 dogs. Council administers a register of known dogs, investigates complaints about dogs and wandering stock, formulates policy on issues relating to animal welfare, legal responsibilities and nuisance dogs, and promotes responsible animal ownership.

The current resourcing of the team is split as follows:

- Animal Control Officers 1.8 FTE
- Animal Control Officer - ICC standby 0.5 FTE equivalent

The district is divided into operating areas administered by Animal Control Officers and administration support staff. A contractor is engaged to deliver service outside of business hours.

A 24 hour customer phone service is provided - by SDC during work hours and by a third party provider (Everlert) after hours. Details about customer requests and follow up actions taken are entered into the SDC database for record-keeping and performance monitoring.

The following assets are required for this activity:

- Vehicles.
- Communications equipment.
- Stock pound - two leased paddocks and a set of cattle yards at Riverton.
- Combined dog facility with the ICC.
- Safety equipment - animal cages, flashing lights, signs, high visibility vests and coats.
- Firearms.

Information about the assets and consumables is kept in an equipment register and maintenance log. Assets are acquired or disposed in accordance with the standards in the register or as staffing changes. There is no formal asset management planning required for this activity.

3.5.5. Environmental Health

Environmental Health services aim to promote the health, safety and well-being of the community, through the effective implementation of a range of public health related legislation.

Concerned with all aspects of the natural and built environment that may affect human health, key activities required by statute include:

- Registering and inspecting commercial premises, such as retail food outlets, hair salons, commercial camping grounds and saleyards.
- Licensing and inspection of premises that sell alcohol.
- Controlling excessive noise in residential, industrial and commercial areas.
- Abating nuisances or other conditions likely to be offensive or injurious to health that are not specifically regulated by another agency; such as vermin, sewage nuisance, accumulations, dead animals or offal, and domestic burning or smoke.
- Administering the Keeping of Animals Bylaw 2010, such as the regulation of pig keeping and the keeping of noisy animals or birds.
- Inspecting mobile shops, hawkers and other stalls as required by the Trading in Public Places Bylaw 2008.
- Regulating hazardous substances in public and residential areas as required by the Hazardous Substances and New Organisms Act 1996.
- Regulating the Freedom Camping Act 2011.
- Inspecting and regulating insanitary buildings.

- Administering and enforcing the Litter Act 1979.
- Working with ES and Public Health South to respond to recreational water alerts, covering freshwater, marine, and shellfish gathering sites.
- Testing pools and water supplies for schools.
- Providing advice on environmental health and hazardous substances matters during the resource consent and building consent process.

The current resourcing of the team is as follows:

- Environmental Health Manager 1.0 FTE
- Environmental Health Officers (EHOs) 2.0 FTE
- Administrator 1.0 FTE

EHOs are responsible for registered premises and liquor licensing compliance as well as general environmental health duties. A 24 hour customer telephone service is provided for noise control, with after-hours service provided by a third-party contractor.

EHOs are statutory officers that must be qualified in accordance with the Environmental Health Officers Qualifications Regulations 1993; the qualification currently being a post-graduate diploma. EHOs are kept up-skilled through ongoing training and membership of the respective institutes of environmental health and liquor licensing that provide email forums and conferences.

The performance of the Business Unit is largely measured with the use of automatic reporting sourced from Council's "Pathway" system, the reporting including both quality and timeliness.

No major assets are required for this group of activities, other than those used generally by the whole organisation. The assets used are minor in scale and non-critical in nature, and are maintained and replaced on an as-required basis. All field officers have vehicles and use minor tools such as thermometers, measuring devices, noise meters, computers and communication equipment. Information about the Environmental Health assets and consumables is kept in an equipment register and maintenance log. Assets are renewed in accordance with Council procedures, such as the vehicle replacement procedures administered by Services and Assets. There is no formal asset management planning required for this activity.

3.6. Current Performance

Council defines effective performance for this activity group within the performance framework below.

Over the last five years, SDC has mostly achieved performance targets in the ESG. However, a number of the measures cannot be measured on an annual basis, impacting the currency of performance information, particularly for customer satisfaction.

Performance measures are currently strongly focused on meeting statutory timeframes and centre on Council process and activities. As is common for accountability-based performance frameworks, performance measures are lacking an outcome orientation.

Table 9 - Regulatory Services Performance Framework - SDC 10 Year Plan 2015-2025

Level of Service	Key Performance Indicator	Measurement Source	Target
Building Control			
Responsiveness Process applications lodged under the Building Act within the timeframes specified within the Act	Percentage of building consents, Project Information Memoranda (PIMs) Land Information memoranda (LIMs) and Certificate of Acceptance (COA) applications processed within target timeframes ²¹	Customer service system (Pathway)	99%
Responsiveness Undertake inspections in a timely manner	Percentage of final inspections completed/alternate inspection agreements within 20 working days of Form 6 entered	Customer service system (Pathway).	98%
Responsiveness Appropriate and timely guidance is provided regarding building control matters as requested by customers	Percentage of applicants satisfied with the service provided	Biennial user survey	80%
Quality Ensure building work complies with the Building Code to ensure communities are safe	Number of proven liability claims against Council	Report to Council	0
Quality Workplaces and public buildings having life safety compliance schedule features maintained in a safe working condition	Undertake an annual audit of 10% of buildings which have a compliance schedule	Form 228 CS Audit Register	100%
N/A - Internal KPI	Percentage of applicants that agree that on-site building inspectors provide a consistent, timely and professional service.	Annual survey	80%
N/A - Internal KPI	Maintain accreditation as a Building Consent Authority.	Confirmation letters of re-accreditation	Yes

²¹ Target timeframes - building consents: 18 working days, PIMs: 10 working days, COA: 18 working days.

N/A - Internal KPI	Percentage of site inspections undertaken measured against permit applications.	Form 222 - Permit register	100%
N/A - Internal KPI	Annual CCC and refused CCC notices shall match or exceed granted building consent numbers for the financial year. Base number outstanding at June 2015 is 4,821.	Monthly workflow report	100%
Resource Management			
Quality Provide assistance and information to help applicants understand the District Plan rules and consent process.	Percentage of users satisfied with the service provided (staff assistance and the information provided).	Biennial User Survey.	80%
Efficiency Ensure consents are processed efficiently.	Percentage of applications processed within required timeframes. ²²	Customer Service system (Pathway).	90%
Sustainability Provide and maintain an operative District Plan that appropriately addresses the environmental issues of the District.	District Plan reviewed for efficiency and effectiveness of policy and rules no less than every five years. ²³	Report to Council.	See footnote
Responsiveness All public complaints about effects on the environment are investigated and reported on, in a timely and professional manner.	Percentage of complaints where investigation commenced within five working days.	Customer Service system (Pathway).	100%
Quality Monitor resource consents to ensure they comply with conditions.	Percentage of consents that require monitoring that are monitored.	Access Database.	100%
Environmental Health			
Quality Implement actions and measures that provide for the health, safety and wellbeing of the community	Percentage of customers satisfied with their nuisance complaints have been dealt with	Annual customer survey	90%
	Percentage of residents satisfied with the service provided (stock)	Triennial residents satisfactions survey	85%

²² Timeframes for processing non-notified resource consent applications is 20 working days. 'Receipt' means that all required information has been supplied.

²³ Section 35A report five year timeframe is based on the date the plan is made operative. Until such time as the plan is finished going through the RMA First Schedule process the review date cannot be determined.

Quality Ensure that all premises operating under the requirements of the Health Act and Food Act and associated regulations operate in accordance with the requirements of the legislation	Percentage of registered premises and Food Control Plan premises inspected annually	Licensing module (Pathway)	100%
Responsiveness Process all applications lodged under the Sale and Supply of Alcohol Act in a timely manner	Percentage of applications for alcohol licensing and managers' certificates are processed within 35 working days (excluding renewal applications)	Licensing module (Pathway)	90%
Responsiveness Complaints are investigated in a timely manner	Percentage of complaints responded to within two working days from the date of receipt	Customer service system (Pathway)	95%
Animal Control			
Quality Actively control the actual and potential nuisance from dogs and animals	Percentage of residents satisfied with the service provided (dogs)	Triennial residents satisfaction survey	75%
	Percentage of residents satisfied with the service provided (stock)	Triennial residents satisfactions survey	85%
Responsiveness All complaints are addressed in a timely manner	Percentage of complaints investigated within set timeframes ²⁴	Customer service system (Pathway).	85%
Responsiveness Facilitate and provide appropriate advice and guidance on dog and animal control matters	Number of public education initiatives carried out per year	Department records and Council newsletters	72

3.6.1. Peer Comparison

In order to ascertain the effectiveness and efficiency of the current provision of services by the ESG, it is important to benchmark against some key relevant measures for the sector. The councils below have been selected for their similarity in size and population²⁵ (Ashburton, Thames Coromandel), rural/urban mix and population spread (Selwyn, Thames Coromandel) or geographic location (Invercargill City).

²⁴ The timeframe set for investigation varies according to the type of request - ie a dog attack is investigated urgently, within two hours, while a lost dog should be investigated within 24 hours.

²⁵ To compare: the population of the Southland District as at 30 June 2016 was 30,900. Ashburton District: 33,700. Thames Coromandel District: 28,400.

Table 10 - Peer Comparison - Performance Measures

	Southland District	Invercargill City	Selwyn District	Ashburton District	Thames Coromandel District
Building consents processed within statutory timeframes	98.7%	99.06%	97%	98.9%	98%
Customer satisfaction - Resource Management	66.7% of applicants satisfied	Not available	80% of resource consent applicants satisfied	71% of residents satisfied	Not available
Resource consents processed within statutory timeframes	89%	100%	98%	100%	99.7%
Alcohol licensing applications processed within target timeframes	74%	Not available	90%	Not available	85% ²⁶
Percentage of registered food premises inspected annually	99.6%	81.5%	100%	86%	89%

Notes:

- Resource consent processing timeframes are below the level of the councils benchmarked against in this analysis. A possible reason for this is the SDC's approach to managing non-expert resource consent applications - rather than rejecting incomplete applications, the RM team will respond and work with the applicant to bring the application to completion for processing. Improving the overall timeliness of this process to meet statutory timeframes would be assisted by the use of electronic lodgement and application facilities, which would require completeness for submission.
- Compliance with liquor licensing processing timeframes is substantially lower than peer councils. The 2015/2016 Annual Report refers to the impact of new legislation such as the Food Act 2014 as proving burdensome for the Environmental Health team to resource, as a reason for this non-compliance. Further work should be carried out in this department to address this discrepancy.
- As covered above in 'Funding Arrangements', SDC contributes a higher proportion of operational funding from rates than the peer councils reviewed here.

3.7. Cost

Council's operating expenditure for this activity group was \$4.35 million in 2015/2016.

Council's capital expenditure for this activity group was \$124,677 in 2015/2016.

²⁶ This figure only measures uncontested applications, excluding Special Licences.

Table 11 - Regulatory and Environmental Health Expenditure 2015/2016

Activity	Operating Expenditure \$	Capital Expenditure \$	Total \$
Alcohol Licensing	208,613	0	208,613
Animal Control	504,665	52,844	557,509
Building Regulation	1,505,537	29,056	1,534,593
Enviro and Com Dev Admin	229,398	0	229,398
Environmental Health	165,703	30,777	196,480
Health Licensing	123,037	12,000	135,037
Museum	546,444	0	546,444
Resource Management ²⁷	1,069,742	0	1,069,742
Total	4,353,139	124,677	4,477,816

This compares favourably to peer councils, as demonstrated below:

Table 12 - Peer Comparison: Costs

	Southland District	Invercargill City	Selwyn District	Ashburton District	Thames Coromandel District
					\$000
Operating Expenditure	4,353	6,235	11,586	4,793	7,589
Capital Expenditure	125	419	111	253	1,212
Total	4,478	6,654	11,697	5,046	8,801
Total per head of population	\$144.91	\$121.64	\$208.13	\$149.73	\$309.89

3.8. Areas for Improvement

3.8.1. Performance Management

Performance in this activity group is measured within the Long Term Plan framework outlined above, as well as a number of internal Key Performance Indicators (KPIs) in the Building Control department.

The current framework provides a range of useful metrics to understand how regulatory activities are performing, with many focused on meeting statutory timeframes and requirements. However, there lacks a meaningful baseline of outcome-focused measurement or customer satisfaction within which to understand the true performance of activities in this department. Reliable customer satisfaction data is a vital tool to inform Council decision-making and best target resources to align with community priorities.

Currently, customer satisfaction is measured one of two ways:

- In a triennial residents survey that covers all Council activities.
- Annual or biennial surveys for users of specific services, such as resource management, which require hard copy completion and mail return.

²⁷ Combines two cost centres: Resource Consent Processing and Resource Planning/Policy.

Neither of these methods is currently able to provide regular, consistent, representative data about customer perceptions to inform decision-making.

Enhancing these tools might include developing new methods of engagement, increasing the frequency of the triennial customer satisfaction survey and/or adding qualitative probing questions. Using incentives or an electronic platform may improve the currently low response rates for service user surveys.

3.8.2. Quality Assurance

Quality assurance processes are used in varying forms across the ESG, including peer review and approval escalation for Building Control and Resource Management decisions. However, these processes may not always be consistently applied, and are not codified in a quality management document or in Council's delegations manual.

Quality assurance gaps appear in the alcohol licensing and food safety monitoring areas, with no regular supervisory processes currently in place. Implementing a consistent and codified process for peer review within each activity will mitigate risk, deliver a better quality and more consistent experience to SDC customers and enable continuous improvement.

3.8.3. Enforcement and Prosecution

Council has a range of tools and methods at its disposal to encourage and enforce compliance with regulation within the community. A consistent approach to compliance requires agreeing a common perspective within the organisation. Best-practice compliance theory now promotes a proportionate approach to compliance, reducing enforcement and prosecution costs for more effective outcomes.

SDC estimates approximately 20 prosecutions in the ESG area over the last three years, which is high compared to a number of peer councils surveyed, who report between zero and three prosecutions in the same period, but similar to Invercargill City Council who reported approximately 16 prosecutions for this period.

Developing an enforcement and prosecutions policy is highly recommended as a strategic next step for this group of activities. The value to the organisation of developing and implementing such a policy may include:

- a) *Strategic alignment* - agreeing and defining a principles-based enforcement approach will ensure that the way enforcement decisions are made contribute to SDC's goals and strategic priorities.
- b) *Organisational culture* - building a best-practice organisational culture in this area.
- c) *Better quality decisions* - creating a consistent framework to assist decision-makers.
- d) *Community trust* - demonstrating transparency, consistency and careful consideration of enforcement decisions to the community.
- e) *Cost-effectiveness* - implementing a risk or principles-based framework may reduce the total number of (often costly) prosecutions, reducing the overall cost of enforcement to Council.

3.8.4. Online and Electronic Processing

The unique challenges facing the Southland District, such as geographic spread and physical access to services, is further complicated by recent changes to the New Zealand Post service, significantly increasing the time it takes to complete manual application and consent processes.

Online services and electronic processing abilities provide an opportunity to better reach the community and deliver services with greater convenience and automation, improving the customer experience and driving internal efficiencies.

Engaging with customers online also presents opportunities for improving the frequency and quality of community feedback about Council services. For example, customers could complete a short online survey at the conclusion of an application or consent process, removing the barriers to engaging (such as the current postal survey) and providing fast, relevant data.

3.8.5. Funding Split - Environmental Health

Council's Revenue and Financing Policy states that there is a 'medium' (33-66%) general rates component funding the Environmental Health activity. The policy states that this decision "recognises that there is a level of public benefit to all ratepayers from having these activities managed." Fees and charges are applied to ensure that service users fund a reasonable amount of this service (med) as they are readily identifiable."

However, in practice, environmental health services such as food safety and health inspections are currently 100% user pays. Formerly funded in part with rates, this revenue and financing policy change was implemented in the 2015 LTP cycle and resulted in a number of fees and charges increasing significantly.

This does not reflect common practice or align with Council's Revenue and Financing policy. A general rates component for environmental health services would align with best-practice thinking about the overall community benefit of providing these services. Furthermore, Council's Revenue and Financing Policy should reflect actual practice.

3.8.6. Competitive Procurement

Currently, contractors and suppliers for the ESG are all appointed directly. Examples of this include:

- The appointment of an external consulting firm for additional consent processing resource.
- Structural engineering input for building control.
- After-hours noise and stock control.

To ensure maximum value for money is being achieved and to align with SDC's Procurement Policy, contract arrangements should be regularly reviewed, with a competitive tender process undertaken.

4. Assessing Options

4.1. Introduction

Section 17A of the LGA requires Council to review the cost-effectiveness of current arrangements for *governance, funding and service delivery*. This section details potential options for each of these elements.

This analysis considers the options below options:

1. Status Quo

The status quo would involve the delivery of services by the ESG as per the current model, being in-house delivery with occasional contracting out of services to other councils as opportunities and workflows allow.

2. Shared service arrangements with other councils or providers, including the potential establishment of a CCO

The second option to consider is to merge the provision of services via a shared services delivery model, such as SDC and Invercargill City Council Environmental Services teams merging into one entity.

There is a reasonably strong political direction for such mergers to be closely considered, which has come through strongly in the Southland Regional Development Strategy work undertaken in 2015 and 2016.

There are already good working examples of the lower South Island councils working together closely, such as the Southern Building Cluster in the Building Control area, but this would take this to the next level via a formal shared service arrangement.

3. Contracting out of part or all of the functions provided by the ESG

A third option is to fully or partially contract out the delivery of part or all of the ESG functions to a third party contractor or another Council.

4.2. Critical Success Factors

The objective of a s17A review is to determine whether the existing means for delivering a service remains the most *efficient, effective and appropriate* means of delivering that service. However, the Act does not define what efficient, effective or appropriate service delivery constitutes.

With this in mind, a number of critical success factors specific to SDC and Southland District community's values, priorities and requirements for this group of services have been agreed with key Council staff.

These critical success factors provide a check and balance to nuance the detailed options analysis for each activity, ensuring that recommendations are in accordance with the unique priorities, values and culture of this Council and community.

Critical Success Factor One: Customer Focus. The services provided by the ESG are dynamic efficient and effective, and customer focused, and SDC customers receive a high standard of professional customer service.

Critical Success Factor Two: Compliance. Statutory and audit requirements are complied with fully, such as IANZ reaccreditation.

Critical Success Factor Three: Affordability. Costs to customers remain reasonable and not an undue deterrent to new business activity.

Critical Success Factor Four: Internal Effectiveness. Processes are robust, consistent and well documented, and are made more accessible to customers through on-line methods.

4.3. Funding Options

Funding options for regulatory activities are limited, in many cases by statute. As with most councils, SDC charges fees for individual service interactions and also uses rates funding to cover the remaining cost of service provision.

The ideal mix of fees, charges and rates funding is a complex decision that needs to be made with a number of factors in mind. Council has the opportunity set the direction for this funding every three years with the development of the Long Term Plan.

For this Council, those factors might include the Regional Development Strategy action group ('Ease of Doing Business) desire to standardise fees across the region. This initiative would make it simpler for businesses to interact with Council and lay the groundwork for future shared services.

Examples of potential funding options that SDC could consider for each activity might include:

- Changing the funding mix to allocate a larger section of activity costs to either fees or rates.
- Standardising fees in one or all activities with other Southland councils as part of a joint initiative to make it simpler to 'do business.'
- Investigating opportunities to pool or share funding in a joint governance and service delivery arrangement.
- Introducing a profit-driven model where regulatory services seek to earn income. An example of this might be the Clutha District contracting Gore District to provide dog control services.

Any decision on funding should be made through a comprehensive strategic planning and consultative process, most likely as part of Long Term Plan discussions.

5. Detailed Options Analysis

5.1. Building Control

Building Control	Option 1 - Governance, funding and service delivery by SDC *STATUS QUO*
LGA option	s17(A)(4)(a)
Feasibility	<p>This option is feasible as per current legislation. No change to funding, governance or service delivery arrangements would be required. SDC has the organisational infrastructure available to provide this service, including building control officers, consent processing officers and supporting administrative staff.</p> <p>There are no contracts or agreements that need altering to implement this option.</p> <p>Legislative change</p> <p>Significant changes are currently underway to the earthquake-prone buildings provisions of the Building Act. These changes will require Council to consult with the community and implement a number of internal process and policy changes. Resourcing these changes should not be a challenge within the existing team though there is room for improvement with some organisation and scheduling elements that may drive further efficiencies and make this easier to manage.</p>
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Building control customers are surveyed biennially. The most recent survey, conducted in the 2014/2015 financial year, demonstrated that 78% of respondents were satisfied with the service provided. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. Furthermore, the infrequent nature of the survey limits the relevance and currency of data collected.</p> <p>There is no data available to support the community having a view on the future of service delivery in this activity. If Council was to continue providing these services in-house, no consultation will be required.</p> <p>To better understand community views on building control services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p>
Potential Benefits	<ul style="list-style-type: none"> • Regional strategic alignment through continued implementation of the joint procedures manual and future planned initiative such as fee standardisation. • Personalised local service - Existing relationships established with building staff provides personalised local service.
Potential Risks	<ul style="list-style-type: none"> • Internal efficiency - Relying on direct communication with inspectors and an ad-hoc appointments system may not be the most efficient method of managing time in this activity. • Regional Inconsistency - Inconsistencies between different districts within the Southland region may be frustrating for tradespeople who regularly transact with multiple councils. • Customer satisfaction - Customer satisfaction cannot be well understood without an empirical evidence base. There is a risk that dissatisfaction is not identified and remedied early, eroding relationship capital within the community. • Quality and compliance - Lack of a quality manual and comprehensive peer review process potentially exposes Council to compliance and quality risks. • District Inconsistency - Remotely based officers with minimal head office contact may be out of sync with the overall SDC approach or

Building Control	Option 1 - Governance, funding and service delivery by SDC *STATUS QUO*
	position to particular building control issues.
Costs and Value for Money	Operating costs for this activity were \$1,633,350 in 2015/2016. Capital expenditure was \$29,056 for this activity in 2015/2016.
Commercial / Partner Feasibility	N/A - no outsourcing is required for this option, except for the ongoing arrangement for BCA auditing. This is a statutory requirement.
CSF 1: Customer Focus	There should be no impact on service quality by remaining with the status quo. The status quo provides a high level of customer focus, evidenced by officers going 'above and beyond' to respond promptly to inspection requests and process applications within timeframes.
CSF 2: Compliance	This option is compliant with the requirements of the Building Act 2004, provided that the correct process and appropriate timelines for application processing and inspections continue to be met. However, increasing requirements on councils with 2016 changes to the Building Act could be a challenge to resource within current arrangements. Internal changes to business processes may be required to continue to comply with the legislation.
CSF3: Affordability	A recent assessment of building control charges undertaken by SDC demonstrates that fee levels compare favourably to surrounding and peer councils.
CSF 4: Internal Effectiveness	Processes in this department are operating well overall. Potential opportunities for improvement include: <ul style="list-style-type: none"> • A robust quality assurance manual which specifies peer review processes. • More consistent use of existing technology such as tablets for site inspections. • Online lodgement and tracking capability. • A centralised system for booking inspections.
Overall Assessment	The status quo delivers a quality, compliant service to Building Control customers. Opportunities for improvement are outlined below:
Enhancements to Status Quo option	Council could enhance the status quo delivery of this service. This could include: <ul style="list-style-type: none"> • Implementing a representative, current and independent measure of customer satisfaction to enable early identification and/or response to any issues that might present. • A centralised booking system to address the risk of service failure and improve administrative efficiency. • Moving toward electronic processing abilities for administrative efficiencies and improve the access and convenience of service to building customers. • Continuing to standardise elements of the service regionally, in line with the work already completed for the operating manual, to improve service to building customers region-wide.

Building Control	Option 2 - Shared service model - a joint committee or CCO
LGA option	s17(A)(4)(c)
Feasibility	<p>This option is feasible under current legislation. It also aligns strategically with the regional policy direction advocated by SoRDS in the initial stages of the Ease of Doing Business work. It would require changes to funding arrangements, a new governance model and agreement and agreed changes to service delivery. New contracts and agreements would be required for this model, along with a special consultative procedure.</p> <p>Repetitive, rules-based transaction focus makes this activity suitable for shared services.</p> <p>Legislative change</p> <p>Significant changes are currently underway to the earthquake-prone buildings provisions of the Building Act. These changes will require councils or their delegated authorities to consult with the community and implement a number of internal process and policy changes. A joint committee may provide more resources and expertise to support this process.</p>
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Building control customers are surveyed biennially. The most recent survey, conducted in the 2014/2015 financial year, demonstrated that 78% of respondents were satisfied with the service provided in-house. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. Furthermore, the infrequent nature of the survey limits the relevance and currency of data collected.</p> <p>To better understand community views on building control services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p> <p>While no formal or specific consultation has been carried out around shared services, anecdotally there is a perceived positive attitude toward these sort of arrangements due to the potential for cost-efficiencies. A proposal to change levels of this service in a significant way will require a Special Consultative Procedure as per the Local Government Act 2002.</p>
Potential Benefits	<ul style="list-style-type: none"> • Access to expertise - sharing resources with other councils enables access to more specialist expertise and a wider knowledge base. • More consistent service would be provided to customers who transact with multiple district authorities. • Cost-savings may be enabled through the economies of scale. • Regional strategic alignment with SoRDS objectives. • Improved efficiency through more systematic processing capabilities. • Improved service delivery through more efficient and effective service • Access to more advanced technology such as electronic processing abilities. IT and other infrastructure become more affordable to implement in a shared service model. This would enhance the convenience of service to customers. • Improved compliance - Pooling resources and expertise may better enable compliance with the increased requirements of 2016 amendments to the Building Act.
Potential Risks	<ul style="list-style-type: none"> • Cost savings not realised - Material cost savings may not be realised in switching to a new model. It may be difficult to pinpoint cost savings as activities are not accounted for separately. • Loss of local and institutional knowledge - If the service provider is not from the Southland District or has experience with the SDC. • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase.

Building Control	Option 2 - Shared service model - a joint committee or CCO
	<ul style="list-style-type: none"> • Benefits not realised - Shared services arrangements can fail to deliver benefits without political or managerial buy-in, adequate planning or clear objectives.
Costs and Value for Money	<p>This option will incur establishment costs which, depending on how they were allocated between partners, may affect any initial cost-savings.</p> <p>Improved value for money may be achieved through service improvements including efficiency, compliance, or electronic capabilities.</p>
Commercial / Partner Feasibility	<p>The capacity for regional collaboration has already been established through the joint operating manual development process.</p> <p>Whether the political and community will for more integrated service delivery exists would need to be evaluated through engagement with other councils and consultation with each councils' community.</p>
CSF 1: Customer Focus	<p>Personalised local service may decrease through the administration of a shared services model, if building control officers from outside of the district were to assume responsibility for Southland customers. This risk may be mitigated if the same inspectors were routinely tasked with servicing the Southland area.</p> <p>Efficiency and consistency may improve with the benefits of a shared services arrangement.</p> <p>Larger scale arrangements would make electronic processing a more affordable option than the status quo, which could deliver access and convenience benefits to customers and staff.</p> <p>Standardised processes and requirements across multiple districts may improve service quality for building customers working with multiple councils.</p>
CSF 2: Compliance	<p>This option is compliant with the requirements of the Building Act 2004, provided that the correct process and appropriate timelines for application processing and inspections continue to be met.</p> <p>Pooling resources and expertise may better enable compliance with the increased requirements of 2016 amendments to the Building Act.</p> <p>Compliance may improve or be more efficiently monitored through a joint committee system.</p>
CSF3: Affordability	<p>A recent assessment of building control charges undertaken by SDC demonstrates that fee levels compare favourably to surrounding and peer councils. In a shared services model, fees will most likely be standardised across councils. This could make fees and charges more or less affordable for Southland District customers.</p>
CSF 4: Internal Effectiveness	<p>Internal effectiveness may increase or decrease using a shared services model. More cost-effective access to online and electronic capabilities as well as standardised procedures for scheduling and quality assurance, combined with a reduced requirement for in-house staff present potential benefits.</p>
Overall Assessment	<p>Shared services have the potential to deliver significant efficiencies, service improvements and/or cost savings in the building control activity while retaining SDC input. However, this option also risks a decrease in personalised service quality and efficiencies and cost-savings may not be realised.</p> <p>It is recommended that SDC continue to move along the collaborative spectrum with more joint initiatives such as fee standardisation.</p>

Building Control	Option 3 - Outsource service delivery to another Council or third party provider
LGA option	s17(A)(4)(b)(iii); s17(A)(4)(b)(v)
Feasibility	This option is feasible under current legislation. It would not require any changes to funding or governance arrangements. New contracts and agreements would be required to contract with the alternative provider. A repetitive, rules-based transaction focus makes this activity potentially suitable for outsourcing.
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Building control customers are surveyed biennially. The most recent survey, conducted in the 2014/2015 financial year, demonstrated that 78% of respondents were satisfied with the service provided in-house. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. Furthermore, the infrequent nature of the survey limits the relevance and currency of data collected.</p> <p>To better understand community views on building control services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p> <p>The wider community may have a view on the outsourcing of these services. An SCP should be undertaken if this option is considered further.</p>
Potential Benefits	<ul style="list-style-type: none"> • Preserving some local personalisation - SDC retains some control of the service by setting the parameters through which service delivery takes place. • More consistent service would be provided to customers who transact with multiple district authorities. • Cost-savings may occur, depending on specific contract terms. • Improved service consistency for customers who transact with multiple district authorities, if a neighbouring Council is the alternative provider. • Improved efficiency through more systematic processing capabilities. • Improved service delivery through more efficient and effective service. • Access to more advanced technology such as electronic processing abilities. IT and other infrastructure may be available with an external provider. This would enhance the convenience of service to customers.
Potential Risks	<ul style="list-style-type: none"> • Cost savings not realised - Material cost savings may not be realised in switching to a new model. It may be difficult to pinpoint cost savings as activities are not accounted for separately. • Loss of local and institutional knowledge - If the service provider is not from the Southland District or has experience with the SDC. • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase. • Personnel changes - Existing SDC staff may be made redundant. • Less personal service - Through reduced SDC control, potentially compromising Council/customer relationships.
Costs and Value for Money	The cost of outsourcing the service would need to be established in a more detailed business case, including discussions with potential providers. Improved value for money may be achieved through service improvements including efficiency, compliance, or electronic capabilities.
Commercial / Partner Feasibility	There may be limited local capacity in the commercial market for outsourced services. Outsourcing to another Council could be a more feasible option. Further investigation would be required.

Building Control	Option 3 - Outsource service delivery to another Council or third party provider
CSF 1: Customer Focus	<p>Personalised local service may decrease through outsourcing. Efficiency and consistency may improve. Third party providers may have improved systems, infrastructure and technology, to deliver a more convenient or accessible service to customers. If delivered by another Council - standardised processes, requirements and touchpoints would significantly improve service quality for building customers working with multiple councils.</p>
CSF 2: Compliance	<p>This option is compliant with the requirements of the Building Act 2004, provided that the correct process and appropriate timelines for application processing and inspections continue to be met. Pooling resources and expertise may better enable compliance with the increased requirements of 2016 amendments to the Building Act. Compliance may improve or be more efficiently monitored by a third provider.</p>
CSF3: Affordability	<p>A recent assessment of building control charges undertaken by SDC demonstrates that fee levels compare favourably to surrounding and peer councils. Fees and charges could increase or decrease with outsourcing. This could make fees and charges more or less affordable for Southland District customers.</p>
CSF 4: Internal Effectiveness	<p>Internal effectiveness may increase or decrease using an outsourced model. More cost-effective access to online and electronic capabilities as well as standardised procedures for scheduling and quality assurance, combined with a reduced requirement for in-house staff present potential benefits. However, performance or efficiency issues may be more difficult to address or remedy with a third party provider.</p>
Overall Assessment	<p>Outsourcing has the potential to deliver efficiencies, service improvements and/or cost savings, as well as improving SDC's ability to comply with planned and possible changes to the legislation. However, there is unlikely to be a third party provider suitable to provide this service in a way that complies with the legislation. Another Council may be willing to take on SDC's administration, processing and inspections through a contract arrangement. However, outsourcing is likely to significantly reduce SDC input and may make it more difficult to provide a personal local service. Outsourcing should be considered as part of a suite of responses to meeting increased resource requirements, but is not recommended as the primary mode of service delivery at this time.</p>

5.2. Resource Management

Resource Management	Option 1 - Governance, funding and service delivery by SDC *STATUS QUO*
LGA option	s17(A)(4)(a)
Feasibility	<p>This option is feasible as per current legislation. No change to funding, governance or service delivery arrangements would be required. SDC has the organisational infrastructure available to provide this service, supplemented by as-needed third-party assistance. There are no contracts or agreements that need altering to implement this option.</p> <p>Legislative Change</p> <p>A new Bill, introduced to Parliament in November 2015, comprises around 40 individual proposals aimed at delivering substantive, system-wide improvements to the resource management system. As a primary agent of resource management and planning, local councils will need to make significant internal and process changes if the proposed Bill is enacted. This includes major alterations to planning processes, forming iwi participation arrangements, establishing new processes for consent applications and introducing fixed fees. The current arrangements for the planning department at SDC may require internal reallocation or additional resource to comply with these changes, if enacted.</p>
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Resource Management customers are surveyed biennially. The most recent survey, conducted in the 2014/2015 financial year, demonstrated that 66.7% of respondents were satisfied with the service provided in-house. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. Furthermore, the infrequent nature of the survey limits the relevance and currency of data collected.</p> <p>There is no data available to support the community having a view on the future of service delivery in this activity. If Council was to continue providing these services in-house, no consultation will be required. To better understand community views on Resource Management services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p>
Potential Benefits	<ul style="list-style-type: none"> • Personal local service - Complete SDC control might enable more personalised local service delivery than shared or out-sourced models.
Potential Risks	<ul style="list-style-type: none"> • Regional inconsistency - Inconsistencies between different districts within the Southland region could be difficult for developers who regularly transact with multiple councils. • Relationship - Customer satisfaction cannot be well understood without representative, regular and independent verification. There is a risk that dissatisfaction is not identified and remedied early, eroding relationship capital within the community.
Costs and Value for Money	<p>Operating costs for this activity were \$1,069,742 in 2015/2016.</p> <p>Capital expenditure was \$0 for this activity in 2015/2016.</p>
Commercial / Partner Feasibility	N/A - no outsourcing required outside of additional consent processing resource as required.
CSF1: Customer Focus	<p>Service quality will not be impacted, given that this is the status quo option. Customers, particularly non-expert applicants, benefit from a customer-focused approach to handling consents within the RM team, prioritising customer experience and outcomes ahead of processing timeframes.</p> <p>However, a primarily paper-based application process negatively affects customer access and convenience and reduces the efficiency of the service provided.</p>

Resource Management	Option 1 - Governance, funding and service delivery by SDC *STATUS QUO*
CSF 2: Compliance	This option is compliant with the requirements of the Resource Management Act 1991, provided that the correct process and appropriate timelines for application processing and inspections continue to be met. Proposed changes to resource management legislation may have an impact on future resourcing and compliance requirements for this activity. This will need to be assessed as and when it occurs.
CSF3: Affordability	A brief survey of peer Council resource management fees suggest that the fees and charges applied at SDC are very affordable for customers. This aligns with the Southland regional priority of encouraging development in the area.
CSF 4: Internal Effectiveness	Processes in this department are operating well overall. Potential opportunities for improvement include: <ul style="list-style-type: none"> • Online lodgement and tracking capability. • A robust quality assurance manual which specifies peer review processes. • More consistent use of existing technology such as tablets for site inspections.
Overall Assessment	The status quo delivers a quality, compliant service to Resource Management customers. Opportunities for improvement are outlined below:
Enhancements to Status Quo option	Council could enhance the status quo delivery of this service. This would include: <ul style="list-style-type: none"> • Implementing an independent measure of customer satisfaction to enable early identification and/or response to any issues that might present. • Moving toward electronic processing abilities would deliver administrative efficiencies and improve the access and convenience of service to planning customers. • Standardising elements of the service regionally, in line with the work streams proposed by the Ease of Doing Business working group.
Resource Management	Option 2 - Shared services model - a joint committee or CCO
LGA option	s17(A)(4)(c)
Feasibility	This option is feasible as per current legislation. It also aligns strategically with the regional policy direction advocated by SoRDS. It would require changes to funding arrangements, a new governance model and agreement and agreed changes to service delivery. New contracts and agreements would be required for this model, along with a special consultative procedure. A rules-based transaction focus makes this activity suitable for shared services. Ease of Doing Business Group. This SoRDS action group is focused on aligning fees, rules and processes across local councils in Southland. A combined RMA plan and environmental committee is a key target of this group to provide consistent and integrated planning across the region.
Community Views and Preferences	SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes. Resource Management customers are surveyed biennially. The most recent survey, conducted in the 2014/2015 financial year, demonstrated that 66.7% of respondents were satisfied with the service provided in-house. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. Furthermore, the infrequent nature of the survey limits the relevance and currency of data collected.

Resource Management	Option 1 - Governance, funding and service delivery by SDC *STATUS QUO*
	<p>To better understand community views on resource management and planning services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p> <p>While no formal or specific consultation has been carried out around shared services, anecdotally there is a perceived positive attitude toward these sort of arrangements due to the potential for cost-efficiencies. A proposal to change levels of this service in a significant way will require a Special Consultative Procedure as per the Local Government Act 2002.</p>
Potential Benefits	<ul style="list-style-type: none"> • Access to expertise - Sharing resources with other councils enables access to more specialist expertise and a wider knowledge base. • Regional alignment with shared services desired by SoRDS. • Cost-savings may be enabled through the economies of scale. • Improved efficiency through more systematic processing capabilities. • Improved service delivery through better resourcing of functions such as monitoring and enforcement. • Access to more advanced technology such as electronic processing abilities. IT and other infrastructure become more affordable to implement in a shared service model. This would enhance the convenience of service to customers. • Improved compliance - Pooling resources and expertise may better enable current and future compliance with the RMA. This might include stronger resourcing of functions such as monitoring and enforcement. • Improved environmental outcomes - More consistent and specialised planning expertise may improve environmental outcomes. • More consistent service would be provided to customers who transact with multiple district authorities.
Potential Risks	<ul style="list-style-type: none"> • Cost-savings not realised - Cost-savings may not be realised. This might occur due to the reallocation of existing staff time or an increase in service capability rather than reduced expenditure. It may also be difficult to pinpoint cost savings as planning is not currently monitored as a separate activity. • Less personal local service - Delegating control may decrease personalised local service or compromise Council/customer relationships. • Loss of local and institutional knowledge - If the service provider is not from the Southland District or has experience with the SDC. • Benefits not realised - Shared services arrangements can fail to deliver benefits without political or managerial buy-in, adequate planning or clear objectives. • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase.
Costs and Value for Money	<p>This option will incur establishment costs which, depending on how they were allocated between partners, could outweigh any potential cost-savings.</p> <p>Improved value for money might be possible through this model with more efficient and compliant service, or the more affordable implementation of electronic processing capabilities.</p>
Commercial / Partner Feasibility	<p>The capacity for regional collaboration in this space has already been established through the joint planning process undertaken between SDC and ES.</p> <p>Whether the political and community will for more integrated service delivery exists would need to be evaluated through engagement with other councils and consultation with each councils' community.</p>

Resource Management	Option 1 - Governance, funding and service delivery by SDC *STATUS QUO*
CSF 1: Customer Focus	<p>Personalised local service may decrease through the administration of a shared services model. This is less of a concern for Resource Management than other, more client-facing activities.</p> <p>Efficiency and consistency may improve with the benefits of a shared services arrangement. Larger scale arrangements would make electronic processing a more affordable option than the status quo, which could deliver access and convenience benefits to customers and staff.</p>
CSF 2: Compliance	<p>This option is compliant with the requirements of the Resource Management Act 1991, provided that the correct process and appropriate timelines for application processing and inspections continue to be met.</p> <p>Proposed changes to resource management legislation may have an impact on future resourcing and compliance requirements for this activity. The resources of a shared services model may offer the capability to meet increased requirements more easily.</p>
CSF 3: Affordability	In a shared services model, fees will most likely be standardised across councils. This could make fees and charges more or less affordable for Southland District customers.
CSF 4: Internal Effectiveness	Internal effectiveness may increase or decrease using a shared services model. More cost-effective access to online and electronic capabilities as well as standardised procedures for scheduling and quality assurance, combined with a reduced requirement for in-house staff present potential benefits.
Overall Assessment	<p>Shared services have the potential to deliver efficiencies, service improvements and/or cost savings, as well as mitigating the risks of existing capability gaps.</p> <p>Shared services arrangement could take a number of forms, from shared administration and consent processing through to the development and administration of an integrated regional plan. It is recommended that SDC retain an open view to opportunities for collaborative arrangements in this space.</p>

Resource Management	Option 3 - Outsource service delivery to another Council or third party provider
LGA options	s17(A)(4)(b)(iii); s17(A)(4)(b)(v)
Feasibility	<p>This option is feasible under current legislation. It would not require any changes to funding or governance arrangements. New contracts and agreements would be required to contract with the alternative provider.</p> <p>A rules-based transaction focus makes this activity suitable for outsourcing.</p>
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Resource Management customers are surveyed biennially. The most recent survey, conducted in the 2014/2015 financial year, demonstrated that 66.7% of respondents were satisfied with the service provided in-house. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. Furthermore, the infrequent nature of the survey limits the relevance and currency of data collected.</p> <p>To better understand community views on resource management and planning services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p> <p>The wider community may have a view on the outsourcing of these services. An SCP should be undertaken if this option is considered further.</p>
Potential Benefits	<ul style="list-style-type: none"> • Some personalisation of service may be possible as SDC will set the parameters and principles for service delivery.

Resource Management	Option 3 - Outsource service delivery to another Council or third party provider
	<ul style="list-style-type: none"> • Cost-savings may occur, depending on specific contract terms. • Improved efficiency through more systematic processing capabilities. • Improved service delivery through more efficient and effective service. • Access to more advanced technology such as electronic processing abilities. Other providers may have better access to IT and infrastructure, enhance the convenience or quality of service to customers. • Improved compliance - The resources and expertise of an external provider may better enable compliance with the RMA. This might include stronger resourcing of functions such as monitoring and enforcement. • More consistent service would be provided to customers who transact with multiple district authorities, if a neighbouring Council is the alternative provider.
Potential Risks	<ul style="list-style-type: none"> • Cost-savings not realised - Cost-savings may not be realised. This might occur due to the reallocation of existing staff time or an increase in service capability rather than reduced expenditure. It may also be difficult to pinpoint cost savings as planning is not currently monitored as a separate activity. • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase. • Less personal service - Reduced SDC control, potentially compromising Council/customer relationships. • Loss of local and institutional knowledge - If the service provider is not from the Southland district or has experience with SDC. • Personnel changes - Existing SDC staff may be made redundant.
Costs and Value for Money	<p>The cost of outsourcing the service would need to be established in a more detailed business case, including discussions with potential providers.</p> <p>Improved value for money may be achieved through service improvements including efficiency, compliance, or electronic capabilities.</p>
Commercial / Partner Feasibility	<p>Outsourcing to a planning and resource management agency is possible, with a number of potential firms in the Southland and Otago areas. Outsourcing to another Council is also a feasible option. Further investigation would be required.</p>
CSF 1: Customer Focus	<p>Personalised local service may decrease through outsourcing, while efficiency and consistency may improve.</p> <p>Larger councils may have improved systems, infrastructure and technology, to deliver a more convenient or accessible service to customers.</p> <p>Standardised processes, requirements and touchpoints would significantly improve service quality for planning customers working with multiple councils.</p> <p>Larger scale arrangements would make electronic processing a more affordable option than the status quo, which could deliver access and convenience benefits to customers and staff.</p>
CSF 2: Compliance	<p>This option is compliant with the requirements of the Resource Management Act 1991, provided that the correct process and appropriate timelines for application processing and inspections continue to be met.</p> <p>Current and future compliance may improve or be more efficiently monitored by an external provider.</p>
CSF 3: Affordability	<p>In a shared services model, fees will most likely be standardised across councils. This could make fees and charges more or less affordable for Southland District customers.</p>
CSF 4: Internal Effectiveness	<p>Internal effectiveness may increase or decrease using an outsourced model.</p>

Resource Management	Option 3 - Outsource service delivery to another Council or third party provider
	More cost-effective access to online and electronic capabilities as well as standardised procedures for scheduling and quality assurance, combined with a reduced requirement for in-house staff present potential benefits. However, performance or efficiency issues may be more difficult to address or remedy with a third party provider.
Overall Assessment	<p>Outsourcing has the potential to deliver efficiencies, service improvements and/or cost savings, as well as improving SDC's ability to comply with planned and possible changes to resource management legislation.</p> <p>The loss of control that SDC would experience through an outsourced arrangement is significant, due to the criticality of resource management as a local authority function.</p> <p>Outsourcing is not recommended for further consideration as the primary delivery mode.</p>

5.3. Environmental Health

Environmental Health	Option 1 - Governance, funding and service delivery by SDC
LGA option	s17(A)(4)(a)
Feasibility	This option is feasible as per current legislation. No change to funding, governance or service delivery arrangements would be required. SDC has the organisational infrastructure available to provide this service, supplemented by an after-hours third-party contractor. For this service to be fully delivered in-house would require additional staff capacity and cancellation of the existing contracts.
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Noise and nuisance complainants are surveyed annually. The most recent survey demonstrated that 97% of respondents were satisfied with staff helpfulness, 88% were satisfied with the outcome of their complaint and 90% were satisfied with the time taken. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users.</p> <p>There is no customer satisfaction data available for food safety, general environmental health and alcohol licensing customers.</p> <p>There is no data available to support the community having a view on the future of service delivery in this activity. If Council was to continue providing these services in-house, no consultation will be required. To better understand community views on Environmental Health services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p> <p>Any proposal to change levels of this service in a significant way will require a Special Consultative Procedure as per the Local Government Act 2002.</p>
Potential Benefits	<ul style="list-style-type: none"> • Personalised local service - Complete SDC control might enable more personalised local service delivery than shared or out-sourced models.
Potential Risks	<ul style="list-style-type: none"> • Relationship - Customer satisfaction cannot be well understood without independent verification. There is a risk that dissatisfaction is not identified and remedied early, eroding relationship capital within the community. • Health and Safety -Officers may take a long time to respond to a serious incident at the other end of the district, endangering the safety of the community.
Costs and Value for Money	Combined operating costs for the environmental health, health licensing, alcohol licensing and animal control cost codes were \$997,018 in the 2015/2016 financial year. To resource the after-hours function in house would require additional staff resources.

Environmental Health	Option 1 - Governance, funding and service delivery by SDC
	Combined capital expenditure for the above cost codes were \$95,621 for the same period.
Commercial / Partner Feasibility	Contractors are currently engaged for after-hours animal and noise control services. These requirements would not need to change with this option.
CSF 1: Customer Focus	A lack of customer-service data for food safety, general environmental health and alcohol licensing customers makes it difficult to understand customer satisfaction with the status quo for these activities. Staff may be more motivated to implement statutory requirements than focused on the overall community outcomes of providing environmental health services.
CSF 2: Compliance	This option is compliant with the relevant requirements of the Food Act 2014, HSNO Act 1996, Resource Management Act 1991, Sale and Supply of Liquor Act 2012, Gambling Act 2004 and Dog Control Act 1996.
CSF 3: Affordability	Some fees are set by statute, such as alcohol licensing fees. SDC's fees compare similarly to peer councils in the environmental health area, suggesting that this service is reasonably affordable to customers. A lack of rates funding for health inspections and licensing recently increased fees and charges.
CSF 4: Internal Effectiveness	Processes in this department are operating well overall. Potential opportunities for improvement include: <ul style="list-style-type: none"> • Online lodgement and tracking capability. • A robust quality assurance manual which specifies peer review processes. • More consistent use of existing technology such as tablets for site inspections. • Providing additional resources to alcohol licensing applications to improve processing timeframes. • Online lodgement and electronic processing facilities. • Aligning the funding mix to SDC's Revenue and Financing Policy. • Seeking improved value for money through competitive procurement for contractors.
Overall Assessment	The status quo delivers a reasonable and compliant service to customers. Opportunities for improvement are outlined below:
Enhancements to the Status Quo Option	Council could enhance the status quo delivery of this service. This would include: <ul style="list-style-type: none"> • Addressing health and safety risk factors for animal control and nuisance customers by investigating remotely based officers. • Increasing resourcing to improve alcohol licensing processing timeframes. • Implementing an independent measure of customer satisfaction to enable early identification and/or response to any issues that might present. • Moving toward electronic processing abilities would deliver administrative efficiencies and improve the access and convenience of service to planning customers. • Standardising elements of the service regionally, in line with the work streams proposed by the Ease of Doing Business working group. • Implementing a consistent approach to enforcement and prosecution. • A consistent peer review and quality control process for all activities.

Environmental Health	Option 2 - Shared services model - a joint committee or CCO
LGA option	s17(A)(4)(c)
Feasibility	<p>This option is feasible as per current legislation. It also aligns strategically with the regional policy direction advocated by SoRDS. It would require changes to funding arrangements, a new governance model and agreement. New contracts and agreements would be required for this model, along with a special consultative procedure.</p> <p>Repetitive, rules-based transaction focus makes this area suitable for shared services</p>
Community Views and Preferences	<p>SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes.</p> <p>Noise and nuisance complainants are surveyed annually. The most recent survey demonstrated that 97% of respondents were satisfied with staff helpfulness, 88% were satisfied with the outcome of their complaint and 90% were satisfied with the time taken. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users.</p> <p>There is no customer satisfaction data available for food safety, general environmental health and alcohol licensing customers.</p> <p>To better understand community views on Environmental Health services, Council might consider more frequent and representative user surveys or alternative methods of engagement.</p> <p>Any proposal to change levels of this service in a significant way will require a Special Consultative Procedure as per the Local Government Act 2002.</p>
Potential Benefits	<ul style="list-style-type: none"> • Access to expertise - sharing resources with other councils enables access to more specialist expertise and a wider knowledge base. • Cost-savings may be enabled through the economies of scale. • Regional strategic alignment with SoRDS objectives. • Improved efficiency through more systematic processing capabilities. • Improved service delivery through more efficient and effective service. • Access to more advanced technology such as electronic processing abilities. IT and other infrastructure become more affordable to implement in a shared service model. This would enhance the convenience of service to customers. • Improved compliance - Pooling resources and expertise may better enable compliance with the relevant legislation. • More consistent service would be provided to customers who transact with multiple district authorities.
Potential Risks	<ul style="list-style-type: none"> • Less personal local service - Delegating control may decrease personalised local service or compromise Council/customer relationships. • Loss of local and institutional knowledge - If the service provider is not from the Southland District or has not had experience with the SDC. • Benefits not realised - Shared services arrangements can fail to deliver benefits without political or managerial buy-in, adequate planning or clear objectives. • Cost savings not realised - Material cost savings may not be realised in switching to a new model. • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase. • Benefits not realised - Shared services arrangements can fail to deliver benefits without political or managerial buy-in, adequate planning or clear objectives.
Costs and Value for Money	<p>This option will incur establishment costs .Improved value for money might be possible through this model with more efficient and compliant service, or the more affordable implementation of electronic processing capabilities.</p>

Environmental Health	Option 2 - Shared services model - a joint committee or CCO
Commercial / Partner Feasibility	The capacity for regional collaboration has been established through other regulatory activity initiatives. Whether the political and community will for more integrated service delivery exists would need to be evaluated through engagement with other councils and consultation with each councils' community.
CSF1: Customer Focus	Personalised local service may decrease through the administration of a shared services model. Efficiency and consistency may improve with the benefits of a shared services arrangement. Larger scale arrangements would make electronic processing a more affordable option than the status quo, which could deliver access and convenience benefits to customers and staff.
CSF 2: Compliance	This option would be compliant with the requirements of the Food Act 2014, HSNO Act 1996 and Resource Management Act 1991, provided all necessary accreditations and staff appointments are made. Proposed changes to resource management legislation may have an impact on future resourcing and compliance requirements for this activity. The resources of a shared services model may offer the capability to meet increased requirements more easily
CSF 3: Affordability	In a shared services model, fees will most likely be standardised across councils. This could make fees and charges more or less affordable for Southland District customers.
CSF 4: Internal Effectiveness	Internal effectiveness may increase or decrease using a shared services model. More cost-effective access to online and electronic capabilities as well as standardised procedures for scheduling and quality assurance, combined with a reduced requirement for in-house staff present potential benefits.
Overall Assessment	Shared services have the potential to deliver efficiencies, service improvements and/or cost savings, as well as mitigating the risks of existing capability gaps. Shared services arrangement could take a number of forms, from shared administration and consent processing through to the establishment of a single environmental health agency. It is recommended that SDC retain an open view to opportunities for collaborative arrangements in this space.

Environmental Health	Option 3 - Outsource service delivery to another Council or third party provider
LGA options	s17(A)(4)(b)(iii); s17(A)(4)(b)(v)
Feasibility	This option is feasible under current legislation. It would not require any changes to funding or governance arrangements. New contracts and agreements would be required to contract with the alternative provider. As this activity requires specialist knowledge, it may be suitable for outsourcing.
Community Views and Preferences	SDC consults with the community regularly on general service provision through the Annual Plan and Long Term Plan processes. Noise and nuisance complainants are surveyed annually. The most recent survey demonstrated that 97% of respondents were satisfied with staff helpfulness, 88% were satisfied with the outcome of their complaint and 90% were satisfied with the time taken. As a manual and self-selected survey, this survey may not be representative of the satisfaction of total users. There is no customer satisfaction data available for food safety, general environmental health and alcohol licensing customers. To better understand community views on Environmental Health services, Council might consider more frequent and representative user surveys or alternative methods of engagement.

Environmental Health	Option 3 - Outsource service delivery to another Council or third party provider
	Any proposal to change levels of this service in a significant way will require a Special Consultative Procedure as per the Local Government Act 2002.
Potential Benefits	<ul style="list-style-type: none"> • Access to expertise - Sharing resources with other councils enables access to more specialist expertise and a wider knowledge base. • Avoids costs related to recruitment and/or training. • Some personalisation of service may be possible as SDC will set the parameters and principles for service delivery. • Cost-savings may occur, depending on specific contract terms. • Improved efficiency through more systematic processing capabilities. • Improved service delivery through more efficient and effective service • Access to more advanced technology such as electronic processing abilities. Other providers may have better access to IT and infrastructure, enhance the convenience or quality of service to customers. • Improved compliance - The resources and expertise of an external provider may better enable compliance with the relevant legislation. • More consistent service would be provided to customers who transact with multiple district authorities, if a neighbouring Council is the alternative provider. <p>Protects against service and safety risks that may arise from using less experience inspectors and officers.</p>
Potential Risks	<ul style="list-style-type: none"> • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase • Cost savings not realised - Material cost savings may not be realised in switching to a new model • Transitional issues - Shifting to a new model may result in temporary declines in service in the implementation phase <p>Less personal local service due to a reduction in SDC control.</p>
Costs and Value for Money	The cost of outsourcing the service would need to be established in a more detailed business case, including discussions with potential providers. Improved value for money may be achieved through service improvements including efficiency, compliance, or electronic capabilities.
Commercial / Partner Feasibility	There may be limited local capacity in the commercial market for outsourced services. Outsourcing to another Council may also be an option. Further investigation would be required.
CSF 1: Customer Focus	Personalised local service may decrease through outsourcing, while efficiency and consistency may improve. Service quality may improve if services are provided by specialists in the field. Efficiency may decline in a transitional period. Larger councils may have improved systems, infrastructure and technology, to deliver a more convenient or accessible service to customers.
CSF 2: Compliance	This option would be compliant with the requirements of the Food Act 2014, HSNO Act 1996 and Resource Management Act 1991 provided that the correct process and appropriate timelines for application processing and inspections continue to be met. Current and future compliance may improve or be more efficiently monitored by an external provider.
CSF 3: Affordability	Fees and charges could increase or decrease with outsourcing. This could make fees and charges more or less affordable for Southland District customers.
CSF 4: Internal Effectiveness	Internal effectiveness may increase or decrease using an outsourced model.

Environmental Health	Option 3 - Outsource service delivery to another Council or third party provider
	More cost-effective access to online and electronic capabilities as well as standardised procedures for scheduling and quality assurance, combined with a reduced requirement for in-house staff present potential benefits. However, performance or efficiency issues may be more difficult to address or remedy with a third party provider.
Overall Assessment	Outsourcing has the potential to deliver efficiencies, service improvements and/or cost savings. While outsourcing is not recommended as the primary delivery mode at this time, any opportunity to outsource activities should be carefully evaluated on a case-by-case basis.

6. Recommendations

Table 13 - Recommendations for Regulatory Activities

Activity	Recommended Direction
Building Control	<p>Retain in-house, with a strong focus on increased regional collaboration.</p> <ul style="list-style-type: none"> <i>Legislative review</i> - Legislative changes should be strategically assessed, with opportunities to share work streams with other councils considered. <i>Performance management</i> - Implementing a regular, relevant customer service performance metric will provide a reliable evidence base for future service decisions. This might include surveying customers at the conclusion of service provision. <i>Booking system</i> - Centralised scheduling will potentially deliver productivity benefits or efficiency benefits, better positioning this team to respond to changes in requirements and legislation as they present. <i>Remote worker integration</i> - Regular team meetings and 'clinics' with remote BCOs will enhance team morale and encourage a more consistent SDC approach to tricky issues that require individual judgement calls.
Resource Management	<p>Retain in-house.</p> <ul style="list-style-type: none"> <i>Electronic processing/online lodgement</i> - Online lodgement and electronic processing capabilities may deliver improved convenience customers, automate the application to improve accuracies, mitigate postal delay and deliver internal efficiencies.
Environmental Health	<p>Retain in-house, complemented by third-party providers for after-hours service.</p> <ul style="list-style-type: none"> <i>Procurement review</i> - This department should review how outsourced services are procured to ensure ongoing value for money. A competitive tender process would test the market for improved price or quality of service, and may reveal unknown contenders. <i>Quality assurance</i> - Implement quality assurance procedures for alcohol licensing and health inspections, which should include peer review. This provides an avenue for continuous improvement and ensures ongoing performance in these activities. <i>Performance management</i> - Implementing a customer service performance metric, particularly for those that are not currently measured, will provide a reliable evidence base for future service decisions. <i>Improve Alcohol Licensing processing times</i> - Consider making additional resources available to improve the proportion of licences processed within target timeframes. Electronic lodgement and processing functionality may assist with efficiency in this area.

Reference Material

Key Stakeholder Interviews

Thank you to the following stakeholders for their input to this review:

1. Steve Ruru, Chief Executive, SDC
2. Marcus Roy, Team Leader Planning, SDC
3. Michael Sarfaiti, Manager Environmental Health, SDC
4. Michael Marron, Manager Building Control, SDC
5. Bruce Halligan, Group Manager Environmental Services, SDC

SDC Documents Consulted

- Shared Services - Southland and Beyond
- Local Governance Statement
- Annual Plan 2016/2017
- Annual Report 2014/2015
- 10 Year Plan 2015-2025
- Gambling Venue Policy
- Combined Local Approved Products Policy
- Combined Local Alcohol Policy
- Long Term Plan 2015-2025
- Revenue and Financing Policy
- Significance and Engagement Policy
- Dog Attack Pack

Further references are contained in footnotes throughout the document.

Dog Control Annual Report

Record No: R/16/11/18873
Author: Michael Sarfaiti, Environmental Health Manager
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

Purpose

- 1 This report covers the administration of the Southland District Council's Dog Control Policy and its associated practices.

Executive Summary

- 2 Section 10A of the Dog Control Act 1996 provides that every territorial authority shall report on the administration of its Dog Control Policy and dog control practices, and submit it to the Secretary of Local Government, and give public notice of the report in a daily newspaper.

Recommendation

That the Regulatory and Consents Committee:

- a) Receives the report titled "Dog Control Annual Report" dated 14 February 2017.
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that 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 Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Adopts the Annual Report and authorises it to be forwarded to the Secretary of Local Government by the Manager of Environmental Health, and that the report be publicly notified as required by the Dog Control Act 1996.

Attachments

- A Dog Control Annual Report 2015/2016 [↓](#)

DOG CONTROL ANNUAL REPORT

FOR THE 12 MONTHS ENDING 30 JUNE 2016

Section 10A Dog Control Act 1996

The Southland District Council is required to publicly report each financial year on the administration of its Dog Control Policy and its Dog Control practices.

What we do

This activity provides for the control of dogs to protect the public, and promotes responsible dog ownership. The activity involves registering dogs, investigating complaints about dogs, education, monitoring and enforcement.

Why we do it

Dog control contributes to creating safe places (homes, public places and roads), the abatement of nuisances from dogs, and the protection of protected wildlife. The Council is required to comply with the legal requirements of the Dog Control Act 1996 and the Impounding Act 1955.

Dog Control in the Southland District

The Southland District Council covers a large geographical area, which includes both urban and rural dog owners. As at 30 June 2016, there were 13,331 registered dogs, of which approximately 40% were pet dogs.

In order to deliver an Animal Control service, the Council has an Animal Control Unit consisting of:

- a manager
- a full time Dog Control Officer
- a part time Dog Control Officer
- two casual Dog Rangers
- an honorary dog ranger

The Animal Control Unit has a close working relationship with key stakeholders in the community such as the Society for the Protection of Animals (SPCA), Furever Homes, local veterinarians, Police, and other local authorities.

Requests for service (RFS's)

The Animal Control Unit operates a seven day, 24 hour service.

Over the last 12 months, the Unit responded to 659 complaints, compared to 703 complaints in 2014/2015, as follows:

- Dog Attacks 65
- Barking dogs 144
- Found dogs 190
- Dog Rush/Threaten (nil bite) 50
- Wandering dogs 210

175 dogs were impounded over the review period.

Dog Control Bylaw

Council approved the new Dog Control Policy and Dog Control Bylaw 2015 in August 2015.

The bylaw introduced multiple dog licensing, that requires a dog owner to obtain a licence if they keep more than two dogs (this does not apply to working dogs unless they are kept in an urban area). The licenses were required to be obtained by 30 June 2016. Council's officers actively engaged with dog owners that required these licenses, and successfully implemented this new licensing regime.

Under the bylaw a new discount dog registration scheme will be introduced from 1 July 2017. It will provide a financial incentive for neutering and responsible ownership behaviour such as good history, microchipping, and fencing. The new fee for working dogs will remain at \$30, the fee for non-working dogs will be increased to \$90 with discounts available as below:

- The dog is spayed or neutered (\$10 discount)
- The dog is in a fenced or controlled property (\$20 discount)
- Responsible ownership and microchipping (\$30 discount)

Dog Education

Dog education is achieved in a number of ways, including during registration process, patrols, site visits, articles and Facebook. The Unit also places promotional material in Council's First Edition which is sent to all ratepayers in the Southland District Council area quarterly.

Christchurch City Council developed the DogSmart schools education programme, and Council is also using this programme.

General Information

Over the last year there has been a decrease in the number of dogs impounded; 256 for the 2014/2015 year down to 177 for the last 12 months.

Infringements issued:

- | | |
|--|----|
| • Obstructed a Dog Control officer or dog ranger | 4 |
| • Failed to comply with bylaw | 1 |
| • Failed to comply with disqualification | 1 |
| • Fail to comply Dangerous Dog classification | 2 |
| • Kept an unregistered dog | 94 |
| • Failed to keep Dog Controlled or confined | 64 |
| • Failed to keep dog under control | 10 |
| • Failure to provide proper care | 1 |

There has been a large reduction in infringements issued, from 746 in 14/15 to 177 in 15/16. The reason for this is the introduction of the “7 day notice to register”, giving dog owners a further opportunity to re-register their dogs prior to receiving an infringement.

Council has had a successful response to microchipping sessions with a number of people attending 391.

Statistical Information

Category	For Period 1 July 2014 to 30 June 2015	For Period 1 July 2015 to 30 June 2016
(1) Total: Registrations for Dogs	Approximately 13,628 as at 30 June 2015	Approximately 13,331 as at 30 June 2016
(2) Total: Probationary Owners	0	0
(3) Total: Disqualified Owners	4	0
(4) Total: Dangerous Dogs - still active	12	16
• Dangerous by Owner Conviction under s31(1)(a)	Nil	Nil
• Dangerous by Sworn Evidence s31(1)(b)	12	16
• Dangerous by Owner Admittance in writing s31(1)(c)	Nil	Nil
(5) Total: Menacing Dogs – Active	56	48
• Menacing under s33A(1)(b)(i) –by behaviour	19	19
• Menacing under s33A(1)(b)(ii) – by breed characteristics	nil	Nil
• Menacing under s33C(1)(ii) by Schedule 4 Breed	37	29
(6) Total: Infringement Notices	746	177
(7) Total: Complaints received	703	1,208



Michael Sarfaiti
MANAGER ENVIRONMENTAL HEALTH

Proposed Southland District Plan - Further Amendments

Record No: R/17/1/1490
Author: Courtney Ellison, Senior Resource Management Planner - Policy
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

Purpose

- 1 To outline some potential changes to be made to the Proposed District Plan, that have been identified as the plan has been implemented.

Executive Summary

- 2 The Proposed District Plan is a living document that should always be reviewed to ensure it is meeting the needs of its community. Since the decisions on the Proposed District Plan were released in October 2014, most of the plan has had legal effect and the rules have been applied to development activities.
- 3 In response to the plan now being implemented, and other activities such as the new Signs and Objects on Roads and Footpaths Bylaw being developed, a number of potential changes to the Proposed District Plan have been identified.
- 4 This report seeks that a recommendation be made to Council to approve staff starting the preparation of a variation to address those matters raised in this report. Once a draft variation has been developed it would be reported back to this Committee for approval to undertake further consultation and engagement with stakeholders and relevant Community Boards or Community Development Area Subcommittees.

Recommendation

That the Regulatory and Consents Committee:

- a) **Receives the report titled "Proposed Southland District Plan - Further Amendments" dated 14 February 2017.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that 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 Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Recommends to Council that staff progress the preparation of a variation to the Proposed District Plan 2012.**

Content

Background

- 5 The Proposed District Plan is a living document that should always be reviewed to ensure it is meeting the needs of its community. Since the decisions on the Proposed District Plan were released in October 2014, most of the plan has had legal effect and the rules have been applied to development activities. Through implementing the plan, some potential improvements have been identified.
- 6 This report outlines some of the potential improvements that could be included in a variation to the Proposed District Plan.

Issues

- 7 Sandwich Boards - These are now regulated under the Signs and Objects on Roads and Footpaths Bylaw 2016 which comes into effect on 1 July 2017. This bylaw is intended to replace the rule relating to sandwich boards in the District Plan, therefore a variation to the District Plan is required to remove those rules.
- 8 Duplication of functions between DOC and SDC - As part of Variation 2 to the Proposed District Plan, some changes were proposed to reduce the duplication of functions and processes for people currently undertaking activities on public conservation land. Some concerns with the public consultation process were raised and consequently these changes were not progressed. However it is considered that these changes could be investigated further in consultation with key stakeholders.
- 9 Commercial activities and carparking requirements - The Proposed District Plan introduced the concept of commercial precincts in nine of the 20 Urban Zones. Outside of those commercial precincts, commercial activities require a consent. The intention of this rule is to encourage commercial developments within the existing central business area, and encourage the vibrancy of these town centres. However in those townships without a commercial precinct it is considered a review of the rules could enable some development within defined parameters. As part of this it is also considered the parking requirements and when they are triggered could be reviewed. This all contributes to the philosophy of the 'ease of doing' business which came through the Southland Regional Development Strategy.
- 10 General Infrastructure Standards - It has become apparent that the general standards in the infrastructure section could become quite restrictive, which goes against the general philosophy of the section to enable infrastructure activities, while still ensuring effects are managed. Therefore the extent of the general standards could be reviewed.
- 11 Other discrete changes may arise during the preparation of a variation.

Factors to Consider

Legal and Statutory Requirements

- 12 Any changes to the District Plan will be required to follow the variation process as outlined in the Resource Management Act 1991 (RMA). This process includes assessing the benefits and costs of the changes through a Section 32 report, public notification of the changes, submissions and hearings, with the final decisions of the Council being subject to appeal.

Community Views

- 13 Community views would be sought through the formal consultation process outlined in the First Schedule of the RMA. This includes two opportunities for making submissions, and the opportunity for submitters to speak on the content of their submissions at a hearing.
- 14 It is also proposed that initial stakeholder consultation with affected organisations or communities would be undertaken as part of the development of the variation, prior to the formal consultation process required under the RMA. This would include discussions with the relevant Community Boards or Community Development Area Subcommittees where changes would directly affect their communities.

Costs and Funding

- 15 There are costs associated with undertaking a variation, including staff time, consultation costs, printing/distribution of documents, public notices and hearings. The work would be undertaken within current District Plan budgets. As an indication, the likely costs up to the point of notifying the variation could be approximately \$3000 and 120 hours of staff time, and following notification, up to the release of decisions approximately \$6000 and 100 hours of staff time. These costs can vary depending on the number and nature of submissions, and any costs beyond the release of decisions depends on whether the decisions are appealed or not.

Policy Implications

- 16 The District Plan should always be reviewed to ensure it meets the requirements of the community and is achieving its intended outcomes. This proposed variation is intended to continue to ensure the District Plan remains relevant.

Analysis

Options Considered

- 17 The Committee can decide whether or not it would like to recommend to Council a variation be progressed by staff. Both options are evaluated below.

Analysis of Options

Option 1 - Progress the development of a variation

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • Amendments to the District Plan can be progressed to ensure the plan remains relevant for communities. • Duplication of processes, where it overlaps with other regulatory frameworks such as bylaws or concessions processes can be minimised. 	<ul style="list-style-type: none"> • Costs and staff and committee time in the variation process and any associated appeal processes.

Option 2 - Retain the current provisions

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • No staff time or resources would be required. 	<ul style="list-style-type: none"> • Inefficiencies caused by current duplications of process, and uncertainty

	around rules would continue or grow.
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Assessment of Significance

- 18 It is not considered that these potential changes to the proposed District Plan are significant in terms of Council's Significance and Engagement Policy as they are ongoing refinements of the existing regulatory framework.

Recommended Option

- 19 It is recommended that Option 1 is endorsed and that a draft variation is prepared to address those issues outlined in this report.

Next Steps

- 20 If the Regulatory and Consents Committee recommends the variation be progressed, this recommendation will be taken to Council for approval to start the preparation of a variation.
- 21 If Council approves of a variation being undertaken the process would be as follows:
- Develop a draft variation and undertake the Section 32 cost benefit analysis.
 - Report to Regulatory and Consents Committee with the draft variation, seeking approval to undertake preliminary consultation with key stakeholders and elected representatives.
 - Undertake preliminary consultation with key stakeholders and elected representatives.
 - Report to Regulatory and Consents Committee with the draft variation and Section 32 report, seeking a recommendation to Council to approve the variation for public notification in accordance with the Resource Management Act (RMA).
 - Report to Council seeking approval to notify the variation in accordance with the RMA.
 - Publicly notify the variation for submissions.
 - Summarise submissions received.
 - Publicly notify the Summary of Submissions, for further submissions.
 - Staff prepare Section 42 Recommending Reports for the hearings.
 - Hearings.
 - Hearing Panel to make and release decisions, which are then subject to appeal.

Attachments

There are no attachments for this report.

Building (Earthquake-prone Buildings) Amendment Act 2016 - Update for Committee

Record No: R/17/1/132
Author: Bruce Halligan, Group Manager Environmental Services
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

- 1 The Building (Earthquake-prone Buildings) Amendment Act 2016 comes into effect on 1 July 2017.
- 2 The new Amendment Act seeks to create a nationally consistent system and methodology for identifying and managing earthquake-prone buildings, including timeframes for action based on risk. It also seeks to provide a balance between public safety, costs and heritage values.
- 3 The Amendment Act imposes a number of new and important duties on councils.
- 4 A Powerpoint presentation has been prepared to explain to the Committee key elements of the Amendment Act, and will be presented at the meeting by Mr Michael Marron, recently appointed Team Leader of Building Solutions, and myself.

Recommendation

That the Regulatory and Consents Committee:

- a) **Receives the report titled “Building (Earthquake-prone Buildings) Amendment Act 2016 - Update for Committee” dated 14 February 2017.**

Attachments

There are no attachments for this report.

Presentation from Roving Museum Officer Johanna Massey on Waikaia Museum Redevelopment

Record No: R/17/1/205
Author: Bruce Halligan, Group Manager Environmental Services
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

- 1 As Committee members may be aware, the redevelopment of the Waikaia Museum is well advanced.
- 2 This has been a major effort from the Waikaia Museum Committee and its numerous supporters, and a testimony to the dedication of a group of committed people to progress this significant redevelopment project.
- 3 Roving Museum Officer Johanna Massey has worked closely with Committee during this redevelopment project, in an advisory and assistance role, using her expertise in the management and display of valuable heritage resources.
- 4 Johanna will take the Committee through a Powerpoint presentation (approximate duration 20 minutes) on this redevelopment at the meeting.
- 5 This is provided for the Committee's information only (no other decisions are required), and having regard to the fact that the Council's heritage functions fall within the jurisdiction of the new Regulatory and Consents Committee.

Recommendation

That the Regulatory and Consents Committee:

- a) **Receives the report titled "Presentation from Roving Museum Officer Johanna Massey on Waikaia Museum Redevelopment" dated 14 February 2017.**

Attachments

There are no attachments for this report.

Freedom Camping

Record No: R/17/1/1570
Author: Michael Sarfaiti, Environmental Health Manager
Approved by: Bruce Halligan, Group Manager Environmental Services

Decision Recommendation Information

Bylaw Review

- 1 This report presents information about freedom camping issues in the District.

Abbreviations and definitions:

Act: Freedom Camping Act 2011

Freedom camp means to camp (other than at a camping ground) within 200 m of a motor vehicle accessible area or the mean low-water springs line of any sea or harbour, or on or within 200 m of a formed road or a Great Walks Track, using one or more of the following:

- (a) A tent or other temporary structure
- (b) A caravan
- (c) A car, campervan, house-truck, or other motor vehicle.

Self-contained vehicle is a vehicle that is designed to completely meet the ablutionary and sanitary needs of the occupants (including water for drinking and cooking) for a minimum of three days without requiring any external services or discharging any waste. They have the following:

1. Fresh water supply
2. A sink
3. Toilet
4. Holding tank
5. An evacuation hose
6. A sealable refuse container (with lid).

- 2 Council adopted the new Freedom Camping Bylaw 2015 on 9 December 2015. Most submitters were supportive of the direction of the bylaw, including features such as resolving the problems at Waikawa, fire safety concerns, and new general rules.

Lumsden

- 3 The Lumsden CDA published a newsletter about Freedom Camping in December 2016, it is in Attachment 1. The local freedom camping rules for Lumsden are in Attachment 2.
- 4 Currently non-self-contained campers are camping outside of the designated site in Lumsden on a trial basis. The newsletter advises:
- “This is the final year of trial arrangements in response to the site’s unexpected popularity. Council wants to ensure the bylaw accurately reflects the community’s wishes from the 2017/2018 summer season onwards.”*
- 5 The Committee may get a report concerning amendment to the Lumsden rules in the bylaw, this year. For example, the CDA Subcommittee may recommend expanding the designated area for non-self-contained camping, or they could decide to recommend prohibition of non-self-contained.

Waikawa

- 6 During the review of the Freedom Camping Bylaw, Council heard of serious problems from freedom camping at the Waikawa Domain such as:
- Sanitary problems
 - Costs to the ratepayer, eg rubbish collection, toilet maintenance
 - Restricting access to other recreation users of the Waikawa Domain
 - Restricting parking access for hall.
- 7 Council resolved this issue by reducing the size of the Waikawa Domain freedom camping designated site, and restricting it to certified self-contained vehicles only.
- 8 On 27 January 2016 Council authorised a new freedom camping patrol service in Waikawa. Council's Animal Control Officer, Stu Fairbairn, started weekly patrols in December 2016.
- 9 Mr Fairbairn has noted low activity at the site, possibly due to weather conditions. He will complete more monitoring visits to determine the current need for policing. Should freedom camping become a problem there again, it may be necessary to hire a local person as a warden to keep costs down.
- 10 Going forward staff will need direction in terms of how this service will be funded. An option is to cap expenditure to \$10,000 per year, with one third funded from the Ward, and the remainder funded from rates (the Environmental Health business unit). This mirrors the Te Anau arrangement, below.
- 11 Crs Duffy and Keast have advised that they agree with the Ward funding the service up to \$3,000 per year.
- 12 **The Committee is invited to provide its view, as to whether or not it supports this proposed funding arrangement.**

Te Anau Basin

- 13 Southland District Council and Department of Conservation (DOC) have a shared service for the purpose of regulating freedom camping in the Te Anau Basin during the tourist season.
- 14 The current two year Memorandum of Understanding expires at the end of this season. The service was managed by SDC in 2015/2016 and DOC in 2016/2017.
- 15 Staff intend to continue this arrangement if DOC is also willing to do so, particularly in light of increasing numbers of tourists.
- 16 The service has been successful. The patrols ensure a high level of compliance, and the severe problems that were escalating in the Town were largely eliminated with the patrols.
- 17 This shared service is funded as follows (excluding GST):
- | | |
|------------------------------|-----------------|
| • Department of Conservation | \$24,000 |
| • Te Anau Community Board | \$8,500 |
| • Southland District Council | <u>\$15,500</u> |
| Total | \$48,000 |

Recommendation

That the Regulatory and Consents Committee:

- a) Receives the report titled “Freedom Camping” dated 31 January 2017.

Attachments

- A Newsletter re freedom camping in Lumsden [↓](#)
- B Attachment 2 - Freedom Camping Map for Lumsden [↓](#)

Lumsden Freedom Camping Newsletter

December 2016



Survey responses

Thanks to everybody who took part in the Lumsden Community Development Area subcommittee's recent freedom camping survey. Lots of helpful information and points came out of it. The CDA received 46 responses: 32 were for freedom camping, four were undecided and 10 were against.

Many people commented on the positive benefits freedom camping brings to Lumsden, but raised valid concerns. These have been considered by Southland District Council and the Lumsden CDA. One of the key concerns was people in tents. Tenting in the area south of the railway station wasn't anticipated and won't be encouraged. We will continue to keep an eye on this, to see if it warrants changes to the Freedom Camping Bylaw.



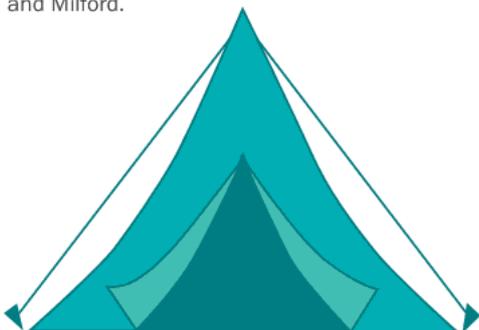
Conflict of Interest

The CDA is made up of seven members, elected to represent the Lumsden community. Some survey respondents perceived CDA members would benefit from increased freedom camping. However, members of the CDA offer a diverse representation of people and perspectives: they range from a school teacher to retirees. Two members have businesses in the centre of the town; only one was present when the CDA voted on freedom camping. Council has 27 Community Boards and Community Development Area subcommittees throughout Southland. Many representatives elected to these are local business owners.

Background

In 2011, the government passed a law allowing freedom camping throughout New Zealand, subject to local rules set by councils. Freedom camping in Lumsden was introduced as part of a change to Southland District Council's Freedom Camping Bylaw last year, following public consultation.

The Lumsden CDA decided to allow freedom camping at the railway station because it has a large carparking area and is close to facilities including public toilets. Since then there's been a surge in visitor numbers. Before, most travellers bypassed Lumsden on their way to Te Anau and Milford.



Relocating Lumsden's freedom camping area

Some people suggested relocating freedom camping to the southern end of Lumsden's emergency services facilities. However, there is a lack of facilities (including public toilets) available nearby. The area is all grass and could be damaged by freedom campers' vehicles. It would also be hard to mow.



Where to from here?

The CDA and Council staff held a workshop to discuss freedom camping in November. We acknowledge there are still some things to be worked on.

This is the final year of trial arrangements in response to the site's unexpected popularity. Council wants to ensure the bylaw accurately reflects the community's wishes from the 2017/2018 summer season onwards.

Proposed actions for the upcoming 2016/2017 summer season are:

- More signage to direct people seeking other facilities to the camping ground, and discouraging activities such as putting up washing lines.
- A local resident is to be formally warranted as a warden to encourage people to ensure they're complying with the bylaw.
- Two extra rubbish bins are being put in at the railway station area. This comes at no additional cost to the community as it is covered by the ward maintenance contract.
- We will talk with the Campermate app developers in an effort to make it clearer that the site has limited capacity and that tenting is discouraged.

Camp Ground

Council owns the land the camping ground is on, but doesn't run the business – it's run under a commercial lease. Council and the CDA are working to ensure the lessee can also benefit from this new market of visitors who might not otherwise come to Lumsden. Signage advertising the camping ground is in place at the railway station, and soon there will be new signage directing people to the camping ground for facilities like washing machines and showers.

Drying Clothes

A lot of you don't like the makeshift washing lines hung up around the railway station area. We don't either, so we're putting signage up to discourage this. Signage will be placed around the water facilities to stop freedom campers from washing their clothes there too. Those seen hanging washing have been spoken to by the CDA chair or warden and have happily taken it down.

User-pays facilities

We've had a lot of suggestions to provide some user-pays facilities such as showers and laundry. Many of you also said you don't want to see ratepayers funding these. Council and the CDA don't propose spending ratepayer money to do this, and people wanting to use these types of facilities will be encouraged to go to the camping ground. Alternatively, this may be seen as a business development opportunity.

Extra life in Lumsden

There has been a lot of positive feedback about the buzz visitors have brought to the town. People have commented on how friendly these people are and how appreciative they are of Lumsden's hospitality and services. They will leave with fond memories of the town. Maybe if they return to New Zealand one day they will come back to Lumsden.

Managing the numbers

This is being discussed by Council and the CDA. We have been researching some effective ways of limiting numbers, again with the intention of directing overflow to the camping ground.

A further CDA workshop is planned for mid-February. If the CDA wants changes made to the bylaw, Council would consult on these once formal changes were drafted – around mid-April. Everybody would have an opportunity to make a submission and be heard by Council. If you require any additional information, please contact our Environmental Health Section on 0800 732 732 or info@southlanddc.govt.nz

Item 9.3 Attachment B

