

Waikato Mayoral Forum and Councils Collaboration Projects: Progress Report #5: Jan 2014

Introduction

This report is to provide an update on five work streams being carried out under the auspices of the Waikato Mayoral Forum, which consists of the region's mayors and the chairperson of the regional council.

The work streams cover: roading; water and wastewater services; planning and governance; economic development and regulatory by-laws and policies.

These workstreams are designed to help get the best out of the regional economy and deliver multi-million dollar cost savings for ratepayers. Each workstream has a small governance group of three or four mayors/chairperson and support from an assigned council executive officer.

In March 2013 the Mayoral Forum made a presentation to all the councillors of the twelve local authorities in the Waikato region on the opportunities that these workstreams provided, and the funding required to progress to the next stage. The same presentation was given to wider stakeholders. A copy of this information is available at www.mpdc.govt.nz/waikatomayoralforum.

Councils, through their Annual Plan process, made commitments to these projects, and approved funding. It was agreed that regular reporting on these workstreams would be provided.

This report provides an update for forum members, councillors, stakeholders and the general community on progress. The projects are due to continue to provide updates on the workstreams on a six-weekly basis.

An all-day workshop for all councillors has been scheduled for 17 March 2014. The format and content of this workshop will be discussed at the Mayoral Forum on 17 February 2014.

The governance groups are:

Roading

Mayors: Allan Sanson, Brian Hanna, John Tregidga.
Executive Officer: Don McLeod.

Waters

Mayors: Glen Leach, Jim Mylchreest, Max Baxter.
Executive Officer: David Hall.

Planning & governance

Mayors/Chairperson: Paula Southgate, Julie Hardaker, Neil Sinclair, Jan Barnes.

Executive Officer: Garry Dyet, Gavin Ion.

Economic Development

Mayors/Chairperson: Paula Southgate, Julie Hardaker, David Trewavas, John Tregidga.

Executive Officer: Langley Cavers.

Regulatory By-laws and Policies

Mayors/Chairperson: to be advised

Executive Officer: Craig Hobbs.

Workstream: Waikato Roding Collaboration

Purpose

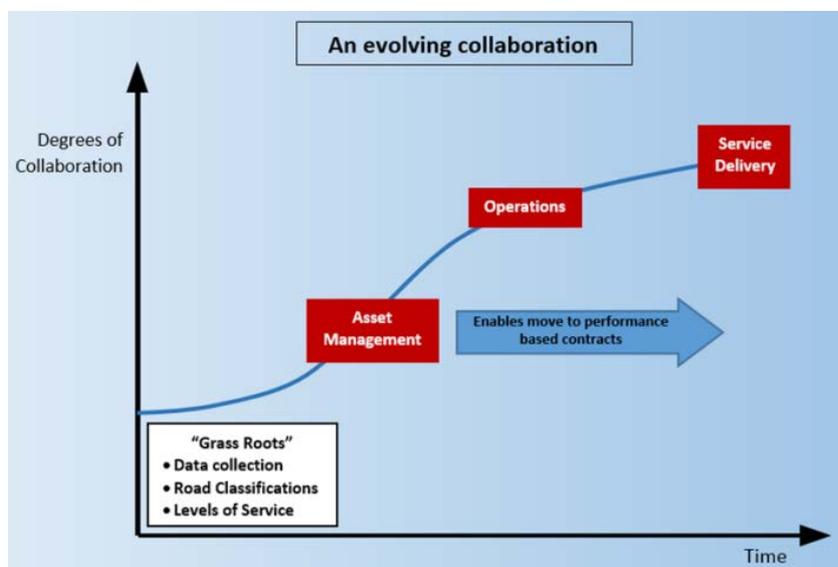
This report provides an update to the Mayoral Forum on the progress of the roading collaboration project

Background

The Mayoral Forum instructed the Waikato Regional Advisory Group (roading managers from each Council, the NZTA and Waikato Regional Council) to prepare a business case for collaboration between the Waikato Road Controlling Authorities (RCA's) in the provision of road maintenance, operations and renewal works. The business case must ensure that:

- Good customer service is delivered locally.
- Functions that would benefit from greater scale are reviewed to appropriate mechanisms.

The business case was completed in December and determined that an evolving collaboration model is the best fit for the Waikato Region, as outlined in the diagram below.



The focus for the collaboration will initially be on advancing core asset management activities to improve consistency and efficiency in road asset management practise. Over time this will enable and inform other forms of collaboration in operations and service delivery.

The vehicle for coordinating this collaboration will be a Waikato Centre of Excellence in Road Asset Management to be established by 1 July 2014. The Centre will initially commence work on:

- Ensuring local authority road asset data is collected stored and interpreted in a consistent manner.
- Ensuring road asset systems (RAMM) currently employed by all Councils are consistently managed and reported to the NZTA to improve investor confidence in works programmes.
- Undertaking a Waikato wide review of forward works by a panel of asset managers to understand whether current forward works are being programmed and undertaken at optimal times. This will help participants in the Centre further understand opportunities for efficiencies in forward works planning.

Future opportunities for the Centre include preparing forward works programmes, procurement, implementing NZTA policies on one-network road classification. These opportunities will be subject of ongoing discussions with participating Councils.

Progress on Key Milestones

The business case the Centre of Excellence was workshopped with each partner council and NZTA in November / December 2013. The business case is now complete and been received by the Mayoral Forum. Delivery of the business case completed the first major step in the Mayoral Forum's roading programme.

Next Steps

Implementation of the Centre of Excellence will require a focused effort over the first six months of 2014 to ensure the Centre is established and operational by 1 July 2014. Steps will include:

- Council road show to improve understanding of the Centre of Excellence and what it seeks to achieve.
- Preparation and signing of a Memorandum of Understanding between participating Councils to establish and operate the Centre of Excellence
- Appointment of a governance group to champion the objectives of the Centre.
- Appointment of a project manager and technical leadership group to prepare the service and technical specifications that the Centre will perform on behalf of all participating Councils.

Workstream: Waters

Purpose

This workstream is progressing investigations into the benefits and challenges that either a regional or sub-regional management of the water and wastewater utility activities would provide to the Waikato.

Progress on Key Milestones

- In mid-2012 the Waikato Mayoral Forum commissioned a study which provided a broad overview of water and waste water activities in the Waikato Region and made a number of recommendations which the authors considered had the potential to enhance the provision of these services across the Region
- The Stage I report, which was received by the Mayoral Forum in December 2012, included a recommendation to further investigate shared service opportunities.
- In July 2013, following the confirmation of each Council's Annual Plan, the Mayoral Forum resolved to support the recommended investigation of shared service opportunities for water and waste water, including an investigation of sub-regional shared options.
- A brief of works was developed based on the expectations of the Waikato Mayoral Forum and Participate Ltd., the authors of the Stage I study, have been engaged.
- Work is well advanced on the Stage II study. A questionnaire was circulated prior to Christmas and the contractors have completed interviews with representatives of each territorial authority.
- Based on the analysis of questionnaire data and interviews, some preliminary outcomes are being canvassed with the subject Councils.
- A draft report is being prepared. Some summary information from this report will be available for discussion by the Waikato Mayoral Forum on 17 February 2014.

Next Steps

The next step is the completion of the report. It is anticipated that this will be available for consideration by the Waikato Mayoral Forum in March 2014.

Workstream: Waikato Planning and Governance

Purpose

This report provides an update on the progress of phase one of the Waikato Spatial Plan project.

Progress on Key Milestones

The key steps towards developing the Waikato Spatial Plan as set out in the diagram below. We are currently at Stage One of this process – developing a common evidence base, which will be completed by February 2013.



The table below reports on progress of key tasks associated with the project.

| Task | Progress |
|---|--|
| 1. Technical reports covering economic, social, cultural and environmental wellbeing that summarise the existing evidence base for the opportunities, strengths and challenges the Waikato region will face in the coming 30-years. | Complete |
| 2. Technical Paper – Population and Demographic trends | Complete |
| 3. An assessment of critical infrastructure that supports the region, and available data on committed and forecasted investment. | Complete |
| 4. Discussion document on how to develop, adopt and implement a spatial plan with existing legislative toolkit | Complete |
| 5. Waikato Regional Sport and Recreational Facilities Plan | Technical assessments completed, Dec 13 Draft Report, Feb 14 Project Completed, April 14 |

| | |
|--|----------------------------------|
| <p>6. A summary report suitable for community engagement that sets out:</p> <ol style="list-style-type: none"> a. The opportunities, strengths and challenges the Waikato region may face in the coming 30-years. b. The linkages between the economic, social, cultural and environmental wellbeing. c. A draft set of priorities for the Waikato to engage on through the Spatial Plan process. | <p>Draft Report, February 14</p> |
| <p>7. Project plan, budget and scope for the next project stage.</p> | <p>March, 2014</p> |

Since November the project milestones completed have been:

- The Waikato regional demographic report has been completed by the University of Waikato
- The technical leadership group have completed the common evidence base for economic, social, cultural and environmental wellbeing.
- The stocktake on regional infrastructure and funding has been completed
- The Waikato Regional Sport and Recreation Plan project has appointed a lead consultant to develop the plan. Technical assessments have been completed of existing regional assets and their usage, and a report on potential collaborative options for service delivery is expected by February 2014
- Creative Waikato has commenced a regional creative facilities plan aiming to achieve better coordination and delivery of creative facilities in the Waikato. This project is aligned to the objectives of the spatial plan, and draws the technical material developed for the project.

Next Steps

Progress on the Planning & Governance workstreams is covered under separate reports on this agenda.

Workstream: Economic Development

Purpose

This workstream is managing the development of a draft Waikato Economic Development Strategy.

Background

Waikato is New Zealand's fourth-largest regional economy. We are an important centre of primary production. However, there is clear evidence suggesting Waikato is not achieving its potential:

- estimated Waikato GDP per capita is \$43,350, compared to \$46,500 nationally;
- Waikato region's median weekly household income is \$1,281, compared to \$1,304 for NZ;
- economic growth has been uneven across territorial authorities in the region.

As well as being influenced by the global economy generally, the Waikato economic performance is becoming increasingly connected to the economies of neighbouring regions. The need to align efforts with Auckland and Bay of Plenty is increasingly important. However, the Waikato is the only region without a clear vision and strategy to inform strategic discussions with the rest of the upper North Island.

Also, a recent report for Local Government New Zealand identified a wide range of ways in which local government can support economic development. A strategy will help inform and prioritise actions for the Waikato.

It is clear the economic challenges and opportunities facing the region are significant and inter-related. No single organisation has the scale or scope to address them across the region and maximise the benefits to themselves or the wider community. With greater competition for central government and other resources, the various parts of the Waikato do not have a clear, shared understanding of the region's "value proposition" and its ability to attract such resources.

Economic activities and investments require better coordination within the region and between the region and central government. It is also necessary to improve the utilisation of regional resources and have a regional strategic focus. Collaboration is therefore required among and between firms and industry groups, central and local government organisations, iwi, tertiary education and research providers, and commercialisation and economic development agencies.

A regional economic development strategy will help identify opportunities to make significant differences in the Waikato.

A jointly funded Waikato economic development strategy would enable a collaborative and integrated approach to regional economic development by:

- leveraging new resources;
- increasing the number of joint projects undertaken;
- aligning activities and resources for economic development.

A strategy would look to boost economic growth by building on areas of regional advantage and helping the Waikato region to identify and take opportunities, and effectively manage risks.

Progress on Key Milestones

The Governance Group released a strategy discussion paper for consultation from mid-October until late November 2013. The strategy discussion paper included high level goals, objectives and potential priority areas for the strategy, for further discussion and agreement. The discussion paper was supported by an economic development issues and opportunities report, which recapped the major issues and opportunities facing the Waikato economy identified through the work to date, and a growth goals assessment report. Copies of these documents are available at <http://www.mpdc.govt.nz/waikatomayoralforum>.

The Governance Group also hosted five workshops in November 2013, each focused on one of the potential strategic priorities listed above.

Meetings were also held with interest groups around the region. In addition, a cross-government workshop with a number of agencies was hosted by MBIE to inform its position on the strategy. Some agencies included their views in MBIE's feedback and others provided feedback separately.

Submissions were received from central and local government organisations, iwi, tourism, tertiary education and non-government organisations, industry and a member of parliament.

Next Steps

Following the conclusion of the consultation process, the Governance Group met in December 2013 to consider a report on the outcomes of consultation and submissions, and recommended changes to the strategy discussion paper.

The governance group has signed off the plan for adoption on 14 February 2014 and to go to the Mayoral forum on 17 February 2014. It should be noted that the term of the Governance Group will end when the strategy is completed.

It is anticipated that implementation matters could be considered by the Waikato Mayoral Forum.

Work stream: Regulatory Bylaws and Policies

Business Plan

Regional Coordination

Executive Summary

The goal of the Regulatory Bylaws and Policy's work stream is to get a greater consistency and quality in regulatory instruments across the Waikato and to create efficiencies by Councils working collaboratively to produce these documents.

When there has been collaboration between councils in the past efficiency gains have been demonstrated. Savings will be made both in terms of costs (e.g. when conducting hearings and consultation) and by reducing staff time across the Waikato Councils as there will not be the duplication of 11 sets of staff working on the same piece of legislation.

There is a collaborative Strategic Planners Network already operating effectively across the Waikato TA's. The Forum is the initiative of staff at Strategy/Policy manager level to share and learn from each other and to identify opportunities for collaboration. Normally about 40-50 people attend including policy analysts with an interest in an agenda item and other stakeholders such as the DHB, Police, Creative Waikato, etc. The Network has been briefed on the Policy and Bylaw work stream and is supportive of the proposal and will take a lead on the work required with the LASS employed contractor.

Bringing together different knowledge and lessons from the respective councils will help to provide a more robust collective output.

This work seeks to minimise ratepayer confusion where regulations and bylaws may vary town to town in the Waikato.

We expect a reduction in public consultation and hearing costs as SCP's may be conducted across boundaries using the same process and documentation. Ideally blocks of Policies and Bylaws may be able to be consulted on at the same time saving further cost.

Mayoral Forum Adoption

There was consensus at the Mayoral Forum of the 25th November 2013 to this proposal proceeding. The CEO Forum made the recommendation to take a two phase approach.

Phase 1

LASS employ a policy planner on a short term, part time contract (under \$20k); cost split evenly between all Councils involved. The contractor to work with the Strategic Planners network to identify a best practice standardised process for the development of regulatory policies and bylaws and to agree a common document template for use across all TA's. *The Standards NZ Bylaw / Policy templates will provide direction here.*

The positive aspects of this option:

- Dedicated focus on the task.
- Consistent approach should lead to a consistent outcome.
- The Strategic Planners Network commitment.

Status

The recruitment of a suitable contractor to administer this work stream has commenced. It is anticipated that we will complete the Phase 1 work by the end of April 2014.

1. Best practice standardised process identified and agreed.
2. A template developed for use when writing documents that provides a consistent style.

Potential Phase 2 (for consideration)

At the completion of phase 1; if the Mayoral Forum saw fit we could proceed to a second phase that will seek to achieve the following;

With a standardised process and template agreed, and again utilising the Strategic Planners Network, identify and assess common policy's and bylaws and determine where the differences are and need to be, with the goal of merging them into a regionally consistent base document with TA specific amendments as appropriate.

The actual writing of policies or bylaws can be divided up amongst all Councils determined by capacity and staff expertise. The Council who is assigned a policy/bylaw takes the lead on that/those particular document(s) on behalf of all Councils.

All Council's would have the ability to make local specific amendments but the basis of the document would be consistent across the region.

The positive aspects of phase 2 if adopted, in addition to phase 1 outcomes:

- Frees Council Policy Planners up to focus on developing growth strategy planning.
- Not driven by Council's timeframes.
- Spreads the work load across Councils.

- Provides a best practice potential.
- The quantum of work to set up, analysis and pull together the work programme is still relatively unknown. A LASS contractor if employed mitigates any impact on the workstream lead CE and Chair's work capacity.

The challenges;

- Loss of control of individual Council's policy / bylaw development.
- Cost of employing planner. On a contract this is likely to be in excess of \$60k which needs to be apportioned across all Councils.
- Do all Waikato Councils have the staff resource to be involved?
- Potential for different priorities within planning teams to slow/stop the process and stretch out timelines.

Overall Finances

The finances for these workstream projects are being collectively managed through the jointly owned organisation Local Authority Shared Services Ltd (LASS), in which each Council is a shareholder.

Each Council gave consideration to its commitment during the 2013/14 Annual Plan process, and almost all Councils made positive funding decisions. Thames-Coromandel declined to participate in the Waikato Plan and Economic Development workstreams, whilst Rotorua limited further funding as it is also partaking in similar Bay of Plenty projects. The two tables reflect the original figures. Changes are still being finalised.

Project Funding Per Year

| Phase Two | Agreed | Share | 2012/13 | 2013/14 | 2014/15 |
|-------------------|-----------------|----------------|---------------|---------------|---------------|
| Waikato RC | 361.00 | 28.74% | 90.00 | 190.00 | 81.00 |
| Hamilton | 253.59 | 20.19% | 54.74 | 157.31 | 41.54 |
| Hauraki | 45.89 | 3.65% | 10.05 | 27.52 | 8.32 |
| Matamata-Piako | 82.08 | 6.54% | 17.32 | 47.98 | 16.78 |
| Otorohanga | 28.86 | 2.30% | 6.15 | 16.43 | 6.28 |
| South Waikato | 44.01 | 3.50% | 9.60 | 26.28 | 8.13 |
| Taupo | 117.21 | 9.33% | 25.29 | 70.63 | 21.30 |
| Thames-Coromandel | 35.17 | 2.80% | 8.48 | 26.68 | 0.00 |
| Waikato | 143.94 | 11.46% | 30.84 | 82.22 | 30.88 |
| Waipa | 111.34 | 8.87% | 23.67 | 65.63 | 22.04 |
| Waitomo | 24.58 | 1.96% | 5.43 | 14.05 | 5.11 |
| Rotorua | 8.28 | 0.66% | 8.28 | 0.00 | 0.00 |
| Total | 1,255.95 | 100.00% | 289.85 | 724.73 | 241.37 |

Project Funding Per Project

| Phase Two | Total | % | Planning | ED | Waters | Roading |
|-------------------|-----------------|----------------|---------------|---------------|---------------|--------------|
| Waikato RC | 361.00 | 28.74% | 276.00 | 85.00 | 0.00 | 0.00 |
| Hamilton | 253.59 | 20.19% | 141.54 | 22.72 | 71.75 | 17.58 |
| Hauraki | 45.89 | 3.65% | 28.36 | 4.48 | 9.53 | 3.52 |
| Matamata-Piako | 82.08 | 6.54% | 57.17 | 6.04 | 11.77 | 7.10 |
| Otorohanga | 28.86 | 2.30% | 21.41 | 2.27 | 2.53 | 2.66 |
| South Waikato | 44.01 | 3.50% | 27.69 | 4.18 | 8.70 | 3.44 |
| Taupo | 117.21 | 9.33% | 72.57 | 10.35 | 25.28 | 9.01 |
| Thames-Coromandel | 35.17 | 2.80% | 0.00 | 0.00 | 24.35 | 10.81 |
| Waikato | 143.94 | 11.46% | 105.23 | 11.85 | 13.78 | 13.07 |
| Waipa | 111.34 | 8.87% | 75.09 | 8.74 | 18.19 | 9.33 |
| Waitomo | 24.58 | 1.96% | 17.40 | 2.49 | 2.52 | 2.16 |
| Rotorua | 8.28 | 0.66% | 1.71 | 0.34 | 5.75 | 0.49 |
| Total | 1,255.95 | 100.00% | 824.16 | 158.46 | 194.14 | 79.19 |

Expenditure to Date

| | Roading | Planning | Waters | Economic Development | Governance | Totals |
|------------------------------------|---------|----------|---------|-------------------------|------------|-----------|
| Contributions | | | | | | |
| Phase One | 20,000 | 32,500 | 51,200 | 0 | 8,000 | 111,700 |
| Phase Two 2012/13 – paid | 30,000 | 135,800 | 40,020 | 84,070 | 0 | 289,890 |
| Phase Two 2013/14 – paid | | 20,000 | 154,140 | 74,710 | | 248,850 |
| Phase Two 2013/14 – to be invoiced | 49,180 | 446,980 | | | 0 | 496,160 |
| Phase Two 2014/15 – to be invoiced | 0 | 241,380 | 0 | 0 | 0 | 241,380 |
| Total Contributions | 99,180 | 876,660 | 245,360 | 158,780 | 8,000 | 1,387,980 |
| Expenditure To Date | 18,000 | 146,512 | 171,400 | 151,342 | 7,430 | 494,684 |
| Still Available | 81,180 | 730,148 | 73,960 | 7,438 | 570 | 893,296 |

Expenditure movement since last progress report

| | Roading | Planning | Waters | Economic Development | Governance | Totals |
|------------------------------------|---------|----------|----------|-------------------------|------------|----------|
| Contributions | | | | | | |
| Phase One | | | | | | |
| Phase Two 2012/13 | | | | | | |
| Phase Two 2013/14 – paid | | 20,000 | | | | 20,000 |
| Phase Two 2013/14 – to be invoiced | (10) | | | 300 | | 290 |
| Phase Two Contributions 2014/15 | | | | | | |
| Total Contributions | (10) | 20,000 | | 300 | | 20,290 |
| Expenditure | | 27,183 | 48,000 | 14,058 | | 89,241 |
| Available | (10) | (7,183) | (48,000) | (13,758) | | (68,951) |