



# Library Services

Activity Management Plan

**2015 - 2025**

**Draft**

February 2015

## Quality Assurance Statement

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For full Quality Assurance Statement, Refer Appendix Z

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## EXECUTIVE SUMMARY

This Activity Management Plan (AMP) describes the strategies and works programmes for the Library Services activity so as to meet the objective of delivering the required level of service to existing and future users in the most cost effective way. This AMP informs the Council's Long Term Plan (LTP) and contributes to the goals and objectives Council aims to achieve in order to achieve community outcomes. The AMP covers:

- A description of the activity, including the rationale for Council involvement and any significant negative effects of the activity.
- The strategic environment (Council's vision and goals and future demand drivers) for the activity, the key activity management policies and strategies adopted within this environment and the main risk issues identified for the activity.
- A statement of the intended levels of service and performance targets.
- Information on the scope of assets involved in delivering services, and statements on:
  - the estimated cost for achieving and maintaining the target levels of service
  - how Council will assess and manage the implications of demand and service levels and standards, the estimated costs of the provision of additional asset capacity and how these costs will be met
  - how the maintenance, renewal and replacement of assets will be undertaken, and how they will be funded
  - how expenses will be met and the estimated revenue levels and other source of funds.

## 1 ACTIVITY DESCRIPTION

### What We Do

Tasman District Libraries provide a range of programmes and services to the community, promoting lifelong learning and the creative use of leisure. Through the library facilities and the library website the following functions are undertaken:

- Collecting, curating and making available a range of materials in multiple formats to meet the community needs in relation to literacy, knowledge, information, research and study and for recreational or leisure activities
- Enabling and supporting independent lifelong learning and the education aspirations of the community
- Fostering the joy of reading and the development of literacy in all its forms, including digital literacy, through events, programmes, services and collections.
- Collecting, creating and conserving content relating to local community culture, identity and history.
- Providing access to materials in the collections of libraries or information repositories throughout New Zealand and the rest of the world.
- Providing freely accessible shared community spaces which encourage social interaction and community cohesion.
- Providing access to the online world and the world at large through internet computers and access to wifi. Enabling members of the community to develop the appropriate skills and knowledge to be technologically competent and effective digital citizens.
- Creating community connections through outreach programmes to schools and community groups.

Service is to all residents of the District through libraries in Richmond, Motueka, Takaka and Murchison. Electronic resources are provided via the Council Libraries website and in the libraries.

Council provides support for Community libraries that provide limited book stock only. These operate in Wakefield, Tapawera, Mapua and Collingwood.

Tasman District Libraries has reciprocal borrowing agreements with Nelson City Council libraries and Marlborough District Council libraries.

A complete description of the assets included in the Library Services activity is in Appendix B.

### Why We Do It

The Council is required by the Local Government Act and by community expectation to promote the wellbeing of the community. Libraries develop an informed community whose members are literate and inspired. The Tasman District Council’s public library services and facilities provide a collective resource that is greater than local families or individuals can afford.

Further rationale for Council's involvement in the libraries activity includes:

1. The community has expressed satisfaction with the current provision of the service with 82% very/fairly satisfied with the service.
2. Public Libraries of New Zealand: a Strategic Framework 2012-17 – a framework for public library services for all of NZ
3. e-Government Strategy - making all government information and services available online
4. The Local Government Act 2002, Section 11A(e) defines public libraries as a core service of Council.

## 2 COMMUNITY OUTCOMES AND OUR GOAL

The community outcomes that the Library Services activity contributes to most are shown in Table 2-1.

**Table 2-1: Community Outcomes**

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our communities are healthy, safe, inclusive and resilient.	TDC libraries provide safe spaces for our community to socialise and interact. TDC libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	TDC libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. TDC libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.
Our communities have access to a range of social, educational and recreational facilities and	TDC libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community.

activities.	Libraries provide a range of resources which enrich quality of life for all.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Through the provision of freely accessible community spaces TDC libraries encourage social interaction and community engagement.

## Our Goal

To provide quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure:

- We provide access to information and leisure through a variety of media.
- We create social capital by providing safe public space for the community to use.
- We connect users to the world at large through the provision of printed and electronic resources.

### 3 KEY ISSUES FOR THE LIBRARY SERVICES ACTIVITY

The most important issues relating to the Library Services activity are shown below in Table 3-1.

**Table 3-1: Key Issues for the Library Services Activity**

Key Issue	Council Approach
<p><b>Provision of Electronic Resources</b> Resources are increasingly available in digital format and the range of resources available in printed format is decreasing. The number of library users accessing library services online is increasing rapidly.</p> <p>The library will need to increase the availability of electronic resources to meet community demand. It is anticipated that as the number of electronic resources increases the number of physical resources will decrease and that the level of service for number of items held per head of population will include both electronic and physical stock.</p>	<p>Current expenditure on library resources is 95% on physical stock and 5% on electronic resources.</p> <p>Capital expenditure on books will be reduced by \$4500 each year from year 1-10. These funds will be reallocated to expenditure on electronic resources.</p> <p>This is expected to achieve 20% expenditure on electronic stock by 2025.</p>
<p>Increasing the proportion of electronic stock has implications for revenue for libraries as currently there is no adequate system for charging for electronic stock, however, increasing the proportion of electronic stock will lead to a reduction in the processing and cataloguing costs associated with providing physical stock.</p>	<p>Review fees and charges and investigate revenue generation options.</p>
<p><b>Level of Service for provision of resources</b> The level of service for stock set through the 2009 Long Term Plan (LTP) and the 2012 LTP was to meet 85% of the Library and Information Association of New Zealand Aotearoa (LIANZA) standard for populations below 50,000. (85% equates to 3 items/head of population).</p> <p>At the time the level of service was set the library collection was considered to be undersized and additional funding was made available to bring the collection up to the agreed level of service.</p> <p>The library collection has reached the agreed level of service and continuing funding at this amount will see the level of service being exceeded.</p>	<p>The level of service for library collections will be maintained at 3 items per head of population.</p> <p>To ensure that the library collection does not exceed the level of service capital expenditure on books will be reduced by \$20,000 in 2015/16. The reduction will continue through the LTP.</p> <p>The level of service for number of items per head of population will include both electronic and physical stock.</p>
<p><b>Motueka Library</b> The existing library facility at Motueka is under-sized for the existing population and projected population growth.</p> <p>The Motueka community has been actively lobbying for an</p>	<p>Funding of \$300,000 in 2019/20 and \$1,100,000 in 2020/21 has been allocated for redevelopment of the library. An additional</p>



<p>improvement to the existing facility. Considerable work has already been undertaken investigating options for an extension, new building and co-location of the facility with other Council or community services.</p>	<p>\$400,000 will be funded from Reserve Financial Contributions.</p>
<p><b>Murchison Library</b> Books at the Murchison Library are underutilised due to low rates of circulation. There is an opportunity to change the model of service delivery to improve book utilisation, introduce operational efficiencies and also make additional space available at the Murchison Service Centre.</p>	<p>The service model for provision of Murchison stock will change to a revolving stock system. The majority of stock will be supplied through the District Library in Richmond. Stock will be changed regularly. This will reduce the total number of books available at any one time at Murchison, but introduce a wider range of books for Murchison readers.</p>
<p><b>RFID</b> There is a strong national trend to adopt Radio frequency identification (RFID) technology for stock management. RFID technology improves efficiency in the circulation of physical items, provides for improved security and tracking of stock, enhanced self-service options and allows staff more time to engage in higher-value activities with customers and a reduced need for casual staff to assist in the Libraries.</p> <p>Without RFID technology, libraries will continue with the existing system, but face renewal costs for the existing security system. There will also be fewer opportunities to find savings through operational efficiencies, while maintaining current service levels.</p>	<p>Funding of \$350,000 in 2015/16 has been allocated for implementation of RFID. The level of implementation will vary across the branch libraries.</p> <p>Cuts have been made to the casual staff budget as a result of the improved efficiency likely to result from installing the RFID.</p>
<p><b>Public Internet Facilities</b> The provision of internet facilities is regarded as a core service of public libraries. Public internet facilities improve equity of access to the online world and fit with libraries' role of providing access to information and assisting members of the community to develop their skills and knowledge. Public internet services at TDC libraries are provided by Aotearoa People's Network (APNK). APNK is majority funded by Central Government through the National Library of New Zealand. The library's current partnership agreement with APNK ends on 30 June 2015.</p> <p>With the trend towards increasing ownership of mobile devices and use of wifi it is likely that the number of PCs provided for public internet use will reduce over time resulting in reduced hardware replacement costs.</p>	<p>The partnership agreement with APNK will be renewed when it expires on 30 June 2015. It is expected that the new agreement will be for a four year period.</p> <p>Computer hardware will be replaced according to the APNK replacement schedule, this will be majority funded by APNK according to the partnership agreement.</p> <p>Funding for Council's contribution to annual costs and hardware replacement is contained within the Information Services Activity budgets.</p>

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## 4 OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY

### Operations and Maintenance

Library Services activities are operated and managed by Council staff.

Maintenance of the Library's buildings is managed by Council's Property Services activity. Building maintenance is carried out through both scheduled programme maintenance and reactive responses to need. The budget for building maintenance is contained within the Property Services activity.

Maintenance of computer equipment is managed either through Council's Information Services activity or as part of external contracts held with the Department of Internal Affairs (DIA) for APNK and Kōtui. Council's partnership agreement with DIA for membership of APNK is for a four-year term ending on 30 June 2015. Council's contract with DIA for membership of the Kōtui consortium is for a five-year term ending on 17 May 2016.

Operation and maintenance is discussed in detail in Appendix E.

### Renewals

Funding for renewal of the library collections is allocated annually. New material is purchased to replace old, worn and outdated material and to ensure that the level of service for the provision of physical resources is maintained.

The library does not have a comprehensive Collection Management Policy but library collections are managed according to industry collection management principles. Collection Management Principles from the Library and Information Association of New Zealand Standards 2004 state that:

- Resources should be provided to cover the widest possible range of subjects to meet the community's information, educational, recreational and cultural needs.
- Resources may be provided in any medium appropriate to the community being served. Print, audiovisual, and electronic formats should be represented. The focus should be on providing the best possible information in the most appropriate format.
- Resources should provide appropriate breadth and depth of coverage, include standard works and recent publications, and represent divergent viewpoints on all issues.

Stock is selected to reflect the reading tastes and information needs of the local community. By providing a combination of new and older titles in the different collections the library should be able to cater for the majority of everyday demands from the community in terms of subject coverage and depth of treatment. Demand for more specialised materials is met through use of the Inter-library loans service.

Items within the collections are reviewed regularly. For the collections to remain relevant and accessible, the review and re-assessment of resources is seen as being as important as selection. Collections are constantly under review with titles purchased and withdrawn. Items are deselected according to specified criteria including usage statistics, age, currency of information and physical condition.

Data from the Library Management System (LMS) on use of the collections and individual items within the collections as well as feedback and suggestions for purchase from library users is used to identify areas of demand and usage trends.

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## 5 EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY

### Population Growth

A comprehensive Growth Demand and Supply Model (GDSM or growth model) has been developed to provide predictive information for population growth and business growth, and from that, information about dwelling and building development across the district and demand for infrastructure services. The Growth Demand and Supply Model underpins the Council's long term planning through the Activity Management Plans (AMPs), Long Term Plans (LTPs) and supporting policies (eg. Development Contributions Policy).

The 2014 Growth Demand and Supply Model is a fourth generation growth model with previous versions being completed in 2005, 2008 and 2011. The significant assumptions in the growth forecasts are covered in the explanation on method and assumptions in Appendix F: Demand and Future New Capital Requirements.

Population growth within the district has a direct effect on the Library Services activity. Therefore the Growth Demand and Supply Model outputs are directly relevant to this activity. In order to maintain the level of service the number lending/reference resources will need to increase as the population grows. Population growth generally leads to intensification of the use of existing facilities for recreation. The potential effects of this on the Library Services activities are:

- increased use of library facilities for recreation
- increased use of library facilities as places to socialise and interact
- Increased demand for access to information and educational resources

It is anticipated that there is sufficient capacity within the existing Library Services buildings in the Richmond, Takaka and Murchison areas to cater for the population growth for the next 10 years. The Motueka Library is undersized for the population it serves and is the only growth related project included in the 10 year forecast.

### Implications of Legislative Change

The Local Government Act 2002 defines libraries as a core service of Council but does not regulate library services. Other legislation such as the Copyright Act 1994 and the Films, Videos, and Publications Classification Act 1993 need to be considered in the management of the libraries but they do not have direct financial implications for the Library Services activity.

### Sustainability

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business, taking into account the current and future needs of communities for good-quality local infrastructure, and the efficient and effective delivery of services.

Sustainable development is a fundamental philosophy that is embraced in Council's Vision, Mission and Objectives, and is reflected in Council's community outcomes. The levels of service and the performance measures that flow from these inherently incorporate the achievement of sustainable outcomes.

Many of the Council's cross-organisational initiatives are shaped around the community well-being (economic, social, cultural and environmental) and take into consideration the well-being of future generations. This is demonstrated in:

- Council's Integrated Risk Management approach which analyses risks and particularly risk

consequences in terms of community well-being

- Council's Growth Demand and Supply Model which seeks to forecast how and where urban growth should occur taking into account opportunities and risks associated with community well-being
- Council adopting a 20 year forecast in the AMPs and the 30 year plus Infrastructure Strategy, to ensure the long term financial implications of decisions made now are considered.
- The adoption of a Strategic Challenges framework and work programme that includes consideration of natural hazards, financial sustainability and growth in the District.

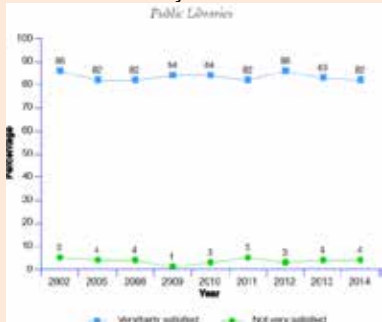
At the Library Services activity level, a sustainable development approach is demonstrated by the following:

- ensuring minimal impact on the environment by the activity; and
- ensuring that the district's likely future Library Services requirements are identified at an early stage and that they, and the financial risks and shocks, are competently managed over the long term without the Council having to resort to disruptive revenue or expenditure measures.

## 6 LEVEL OF SERVICE AND PERFORMANCE MEASURES

The following table summarises the levels of service and performance measures for the Library Services activity. Development of the levels of service is discussed in detail in Appendix R. These levels of service and performance measures are included in the LTP.

**Table 6-1: Levels of Service**

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2013/14)	Future Performance			Future Performance (targets) in Years 4 - 10
				Year 1	Year 2	Year 3	
<b>Community Outcome: Our communities have access to a range of social, educational and recreational facilities and activities.</b>							
1	The provision of access to a wide range of information relevant to the community's recreation and learning needs.	The number of lending/reference items available is 3.0 items per resident. Stock numbers will be measured quarterly using information available from the Library Management System software.	The number of reference/lending items available is currently 3.2 per resident.	The number of reference/lending items available is maintained at 3.0 per resident	The number of reference/lending items available is maintained at 3.0 per resident	The number of reference/lending items available is maintained at 3.0 per resident	The resources budgets will be funded at a level which will ensure that the number of reference/ lending items available is maintained at 3.0 per resident
2		At least 83% of residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey. 	The 2014 residents' survey shows that 82% of residents are satisfied with the District's public libraries, and that 91% of library users are satisfied with the libraries.	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries

**Community Outcome: Our communities have access to a range of social, educational and recreational facilities and activities.**

3	The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.	<p>The floor space of the Richmond and Takaka Libraries meet the LIANZA standard</p> <p>The Murchison Library building at 160m<sup>2</sup> is less than the 210m<sup>2</sup> recommended in the LIANZA standard (i.e. is only 75% of the LIANZA standard) .</p>	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.
4			Space issues in Motueka are causing difficulties with service delivery. The Motueka Library building at 453m <sup>2</sup> achieves 46% of the LIANZA standard. The library will need to increase by 617m <sup>2</sup> in order to allow for population growth through to 2031. Funding for the redevelopment of the Motueka Library was deferred for discussion through the Long Term Plan 2015-2025.	Motueka Library floor area does not meet the LIANZA standard.	Motueka Library floor area does not meet the LIANZA standard.	Motueka Library floor area does not meet the LIANZA standard.	Funding has been included in 2019/20 and 2020/21 for redevelopment of the Motueka Library.

Additional technical performance measures associated with the management of the library activity have been developed. These performance measures are discussed in detail in Appendix R. Technical performance measures are not included in the LTP.

## 7 CHANGES MADE TO ACTIVITY OR SERVICE

Table 7-1 summarises the key changes for the management of the Library Services activity since the 2012 AMP.

**Table 7-1: Key Changes**

Key Change	Reason for Change
The installation of Radio Frequency Identification (RFID) has been deferred by one year.	Financial constraints and prioritisation of limited funds in the 2012-22 period led to the project being deferred.
The Motueka Library upgrade and expansion has been deferred by 6 years.	Financial constraints and prioritisation of limited funds in the 2012-22 period led to the project being deferred.

## 8 KEY PROJECTS

The major capital and operational expenditure drivers are the increasing population of the district and changing technology.

Table 8-1 details the key capital and renewal work programmed for years 2015 to 2025.

**Table 8-1: Significant Projects**

Project Name	Description	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Year 4 to 10 (\$)	Project Driver <sup>1</sup>
<b>New capital expenditure</b>	The only new capital expenditure proposed for libraries over the next 10 years is expenditure on RFID technology and the upgrade and expansion of the Library in Motueka.					
Motueka Library upgrade and expansion	The Motueka Library will need to increase by 617m <sup>2</sup> to allow for population growth through to 2031. It is proposed to commence this work in 2019. It would cost \$1,800,000. It is proposed that \$400,000 of this cost be funded through Reserve Financial Contributions. The remainder to be loan funding and the loan repaid through general rates.	0	0	0	1,800,000	R LoS
Conversion to	The introduction of RFID will	350,000	0	0	0	N/A

<sup>1</sup> LoS = Levels of Service, R = Renewal

RFID technology	lead to a changed service delivery model. RFID will increase staff productivity and customer self-service. RFID tags will be attached to all items in the libraries collections. It is proposed to convert to RFID technology in 2015/16 at a cost of \$350,000.					
	Ongoing purchasing of new reference/lending items in order to maintain the library collections at 3.0 items per resident	288,976	284,397	279,826	2,077,130	R
	Growth of digital collections. Digital collections include digital newspapers and electronic databases. It is expected that e-books and e-audio will be the main areas of growth.	50,432	55,432	60,432	563,024	LoS

## 9 MANAGEMENT OF THE ACTIVITY

### Management

The libraries are managed by Tasman District Council staff. The Library Management System (LMS) is managed under contract by DIA on behalf of the Kōtui consortium. The library's public internet service is managed under contract by DIA on behalf of APNK.

The reports and recommendations to Council are made through the Community Development Committee. These include but are not restricted to:

- operations and maintenance works
- hours of operation
- types of uses
- user fees and other charges.

### Significant Effects

#### Significant Negative Effects

There are no significant negative effects from the activities. The only negative effect is the cost on ratepayers associated with delivering the activities. To mitigate this effect Council seeks funding from external sources to reduce the cost to ratepayers and staff are continually reviewing the way they deliver these activities to ensure they are delivered cost effectively.



## Significant Positive Effects

The activities have a positive effect through their contribution to the Community Outcomes as outlined in Table 2-1 on page 2. See Appendix P for a detailed list of the significant positive effects of the activity.

## Assumptions

Council has made a number of assumptions in preparing the Activity Management Plan (AMP). Table 9-1 lists the most significant assumptions which relate specifically to libraries. For assumptions which apply across Council refer to Appendix Q

**Table 9-1: Significant Assumptions**

Assumption Type	Assumption	Discussion
Key assumptions and uncertainties		
Library Management System	That the Council continues to run modern Library Management software.	The Library Management System (LMS) is Symphony software from Sirsi Dynix which is provided through the national Kōtui consortium. The contract with Kōtui provides for ongoing support and updates of the LMS software. The Council will fund the ongoing costs for the LMS software and will replace or upgrade the software as required at the end of the Kōtui contract period in 2016. The contract with Kōtui may be renewed at the end of the contract period in 2016. LMS support and upgrade costs will continue to reside with Council's Information Services budgets.
Digital service delivery	That there will be increased delivery of digital services via the library website.	Trends in technology for library and information services indicate an increase in the scope and range of digital services that will be provided by libraries in the short to medium term.  It is anticipated that there will be a change in the relative proportions of electronic and physical resources and that the size of the physical collections will reduce over time.  There will be increased digitisation of material in the library's heritage collections.
	That RFID technology has become a feasible option for	Installing RFID technology will increase staff productivity and customer self-

Assumption Type	Assumption	Discussion
	libraries of our size.	service.
	That the APNK network will continue to be funded by the National Library.	The Aotearoa People's Network Kaharoa (APNK) network is dependent on continued funding by the National Library. The current contract APNK expires on 30 June 2015.
Library facilities	That the size of the Richmond, Takaka and Murchison libraries will be sufficient to meet their communities needs	With the expected increase in the use of electronic resources and other online services and the consequent reduction of the physical collections it is anticipated that there is sufficient capacity within the existing library buildings in the Richmond, Takaka and Murchison areas to cater for population growth for the next 10 years

## Risk Management

A risk management plan for libraries was completed in 2011 and no significant risks were identified.

Council's risk management approach is described in detail in Appendix Q.

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the Long Term Plan.

The asset group level (Level 2) risk assessment was carried out at the same time as the Level 1 assessment due to the small number of assets managed within the activity.

Council has also identified and assessed critical assets (Level 3), the physical risks to these assets and the measures in place to address the risks to the asset. There are no specific risk management related projects required for the Library Services activity.

## Improvement Plan

There was no Improvement Plan included in the Library Services Activity Management Plan 2012-22.

This Activity Management Plan document was subject to a peer review in its Draft format by the Nelson City Council Libraries Manager in January 2015. The document was reviewed for compliance with the requirements of the LGA 2002. The findings and suggestions were assessed and prioritised by the activity management team and implemented for the final version of the document. No specific improvement tasks have been identified for the Library Services AMP.

Version (#) of this document and the Improvement Plan was then reviewed a final time by ... in (date 2015). The report produced has been included in Appendix V.

## 10 SUMMARY OF COST FOR ACTIVITY

The following figures have been generated from the Funding Impact Statement held in Appendix L and the Public Debt and Loan Servicing Cost information in Appendix K. Further detail is held in Appendix E, F and I for operation and maintenance, new capital and renewal costs respectively. The 20-year financial forecasts for the District's Library Services activities include the following:

### Income

- Fees and charges (does not include income from rates).

### Operations and Maintenance

- Operating Expenditure (maintenance, electricity, electronic resources, magazines etc.)

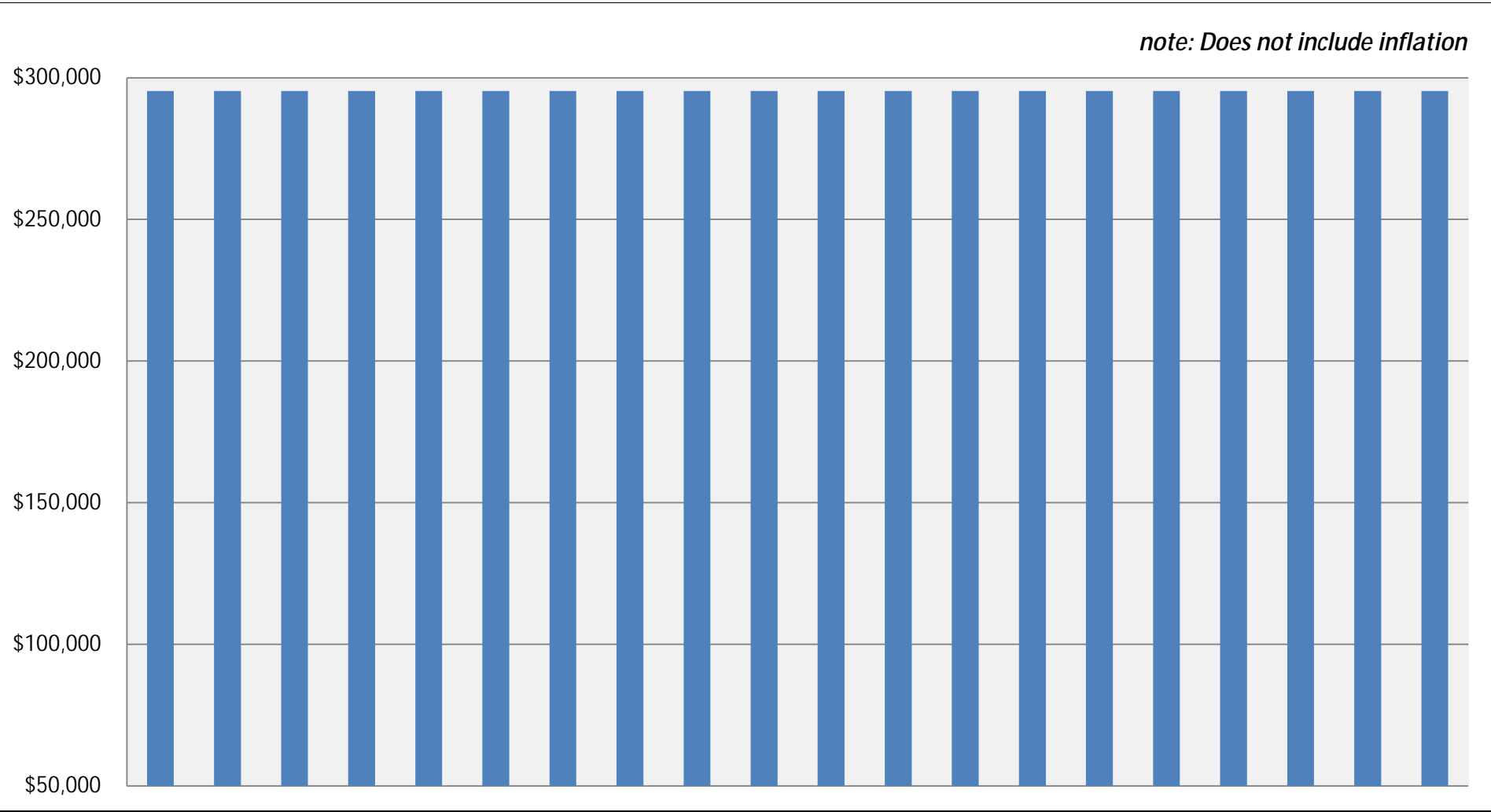
### Capital

- New Capital
- Renewals

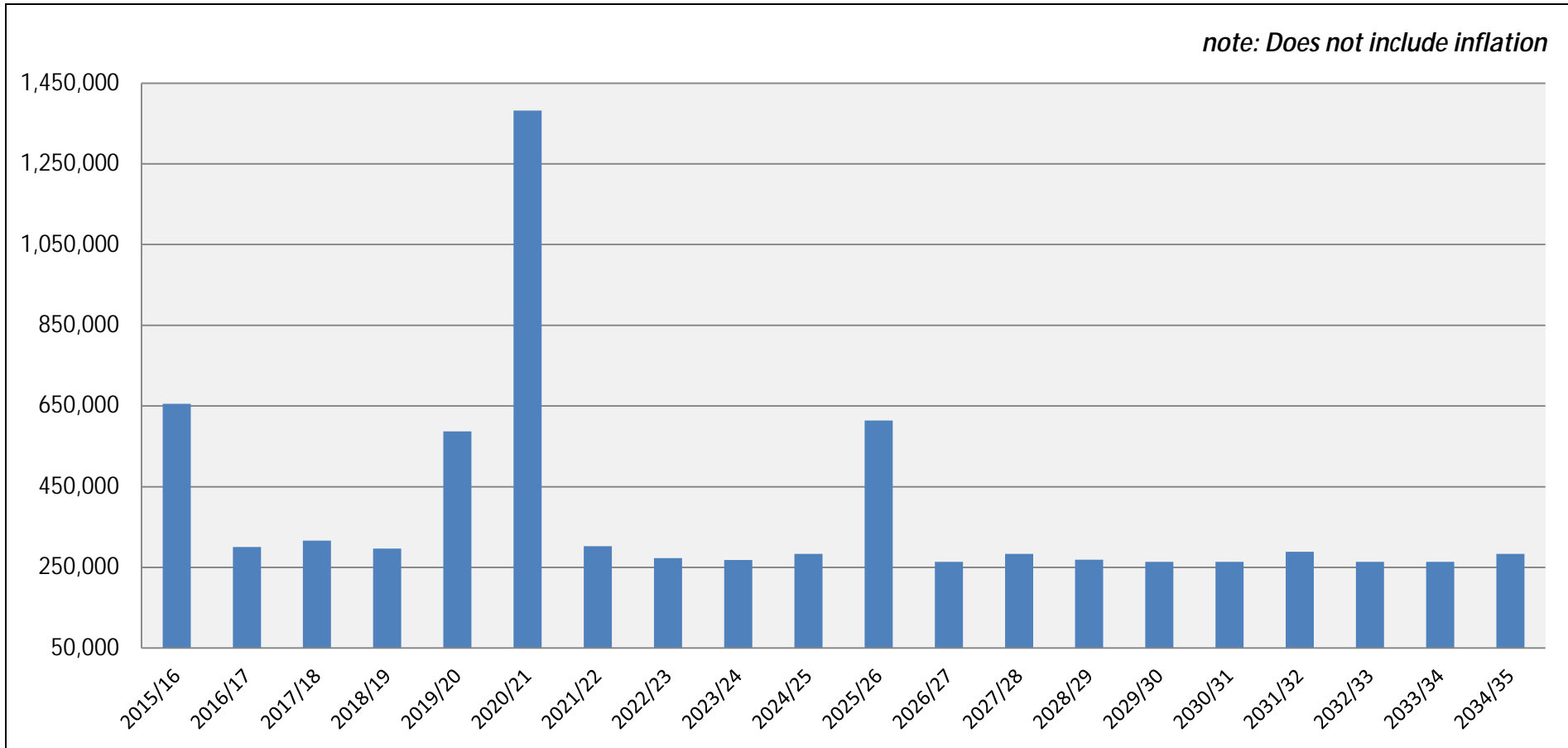
### Debt

- Total accumulated debt

Projections are shown in uninflated dollar values, current as at 1 July 2015.

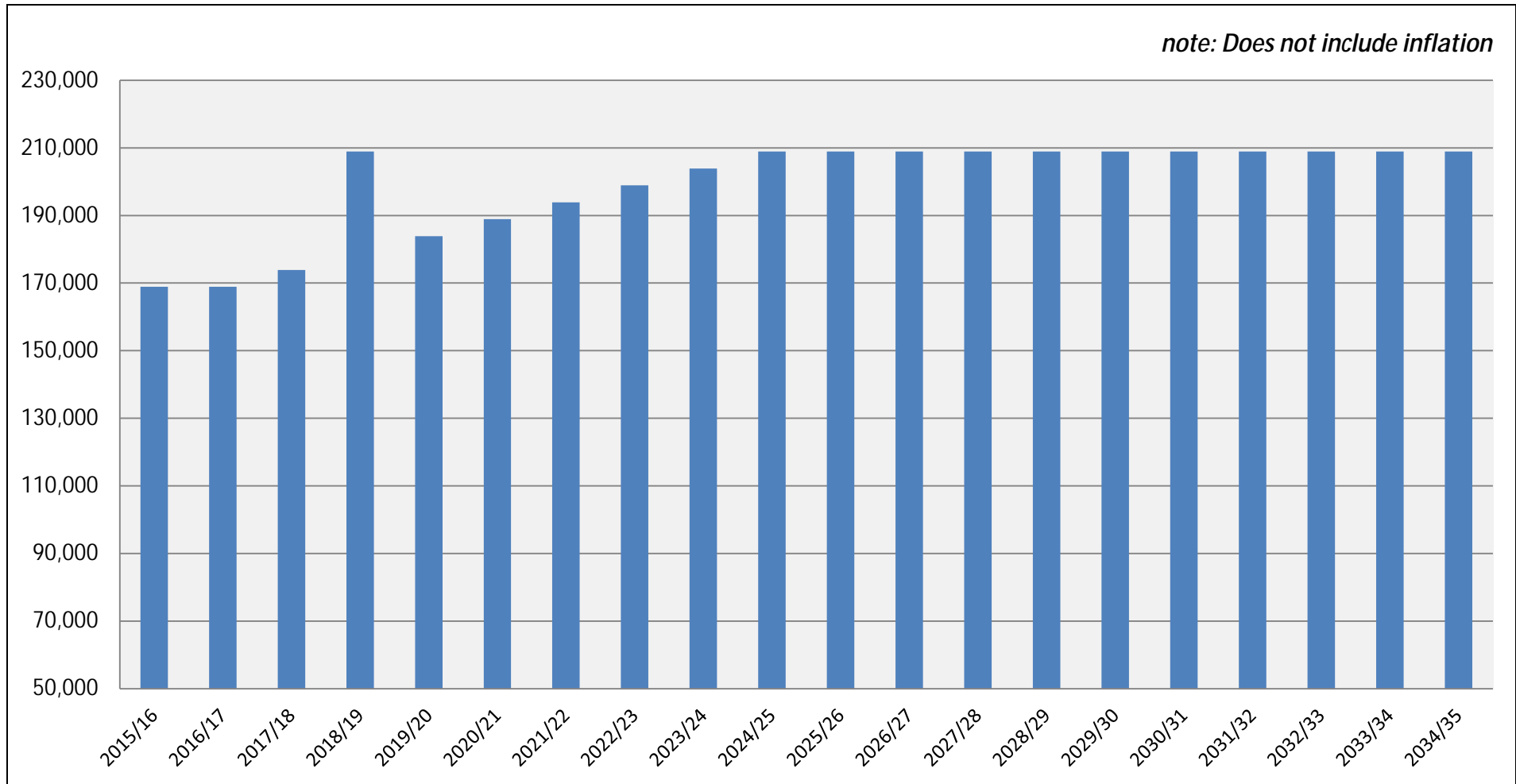


**Figure 10-1: Income from fees and charges**



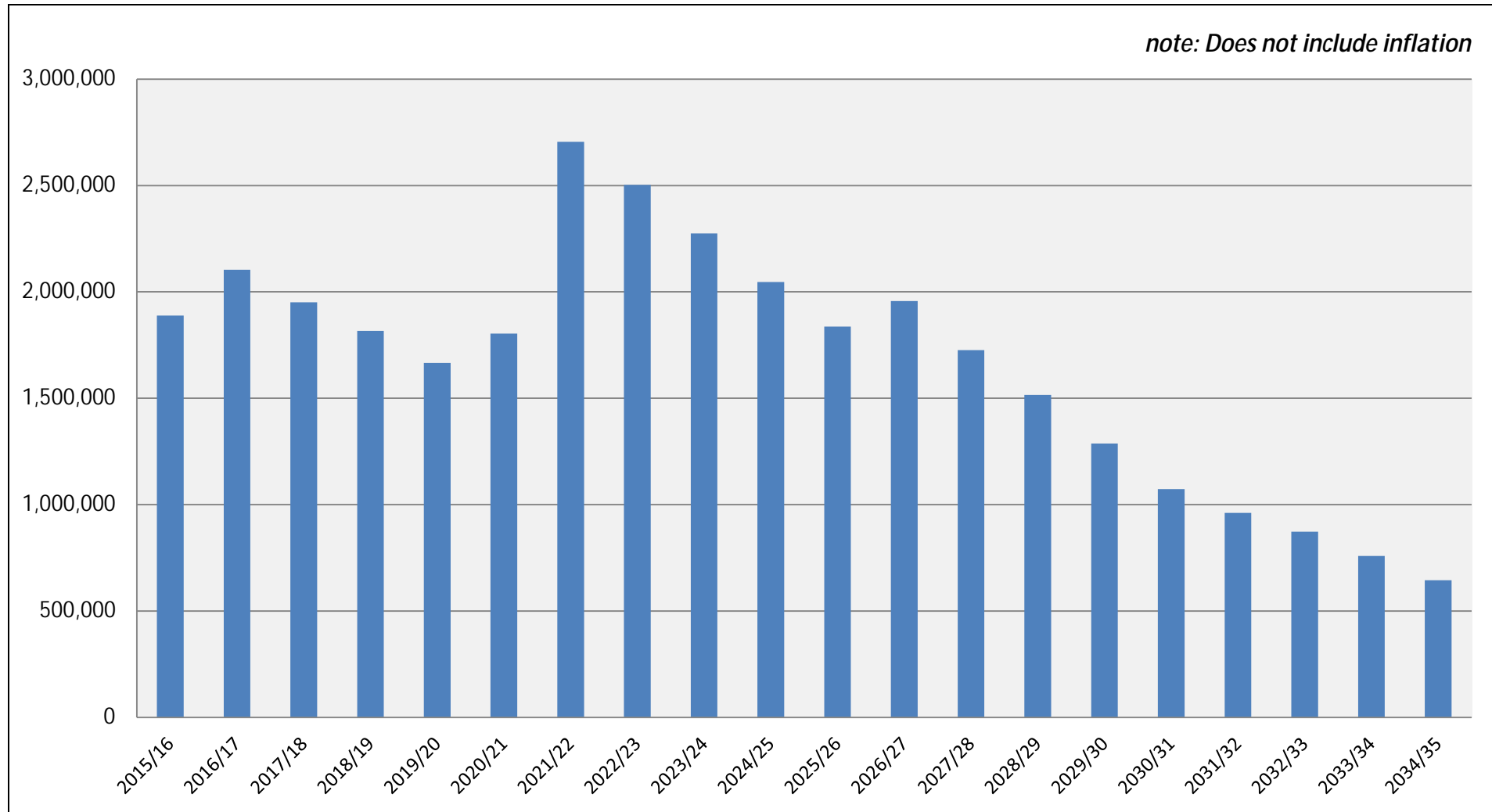
**Figure 10-2: Capital expenditure**

Note - The peak in Capital Expenditure in 2015/16 reflects the installation of RFID. The peak in Capital Expenditure in 2019/20 and 2020/21 reflects the upgrade of the Motueka Library.



**Figure 10-3: Operating Expenditure**

Note - Operating costs for the libraries increase due to the increase in the purchase of electronic resources.



**Figure 10-3: Debt**

Note - Council's debt associated with the Libraries activity is forecast to peak at \$2,705,173 in year 7 and then reduce to \$644,495 by year 20.

## **APPENDICES**

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## **APPENDIX A. LEGISLATIVE AND OTHER REQUIREMENTS AND RELATIONSHIPS WITH OTHER PLANNING DOCUMENTS**

### **A.1 Introduction**

The purpose of this Activity Management Plan (AMP) is to outline the Council's strategic long-term approach to the provision and maintenance of the Library Services activity.

The AMP demonstrates responsible management of the District's Library Services activity on behalf of customers and stakeholders. It assists with the achievement of strategic goals and statutory compliance and ensures that the levels of service required by customers are provided in a cost effective manner.

The target audience of the front section of this AMP document is Council staff, Councillors and the community. The appendices provide more in-depth information for the management of the activity and are therefore targeted at the Activity Managers. The entire document is available within the public domain.

In preparing this AMP the project team has taken account of:

- national Drivers – for example the drivers for improving AMPs through the Local Government Act 2002
- regional and local Drivers – community desire for increased level of service balanced against the affordability
- linkages – the need to ensure this AMP is consistent with all other relevant plans and policies
- constraints – the legal constraints and obligations Council has to comply with in undertaking this activity.

Key activity drivers include the following factors:

- population growth
- aging population
- access to technology
- recreation and leisure demand
- learning and education needs

### **A.2 Key Legislation and Industry Standards**

The key statutes relating to the management of the Libraries activity include:

- Copyright Act 1994
- Copyright (New Technologies) Amendment Act 2008
- Copyright (Infringing File Sharing) Amendment Act 2011
- Employment Relations Act 2000
- Films, Videos, and Publications Classification Act 1993
- Health and Safety in Employment Act 1992
- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- National Library of New Zealand (Te Puna Mātauranga o Aotearoa) Act 2003
- New Zealand Library Association Act 1939
- Privacy Act 1993

Industry standards and guidelines affecting this activity:

- Standards for New Zealand Public Libraries 2004
- ISO11620:2014 Library Performance Indicators
- ISO2789:2013 Information and Documentation – International Library Statistics
- New Zealand Public Libraries Strategic Framework 2012-2017
- MARC 21 (Machine-Readable Cataloguing version 21)
- AACR2 (Anglo American Cataloguing Rules version 2)
- RDA (Resource Description and Access)
- DDC (Dewey Decimal Classification)

### A.3 Links with Strategic Plans and Policies

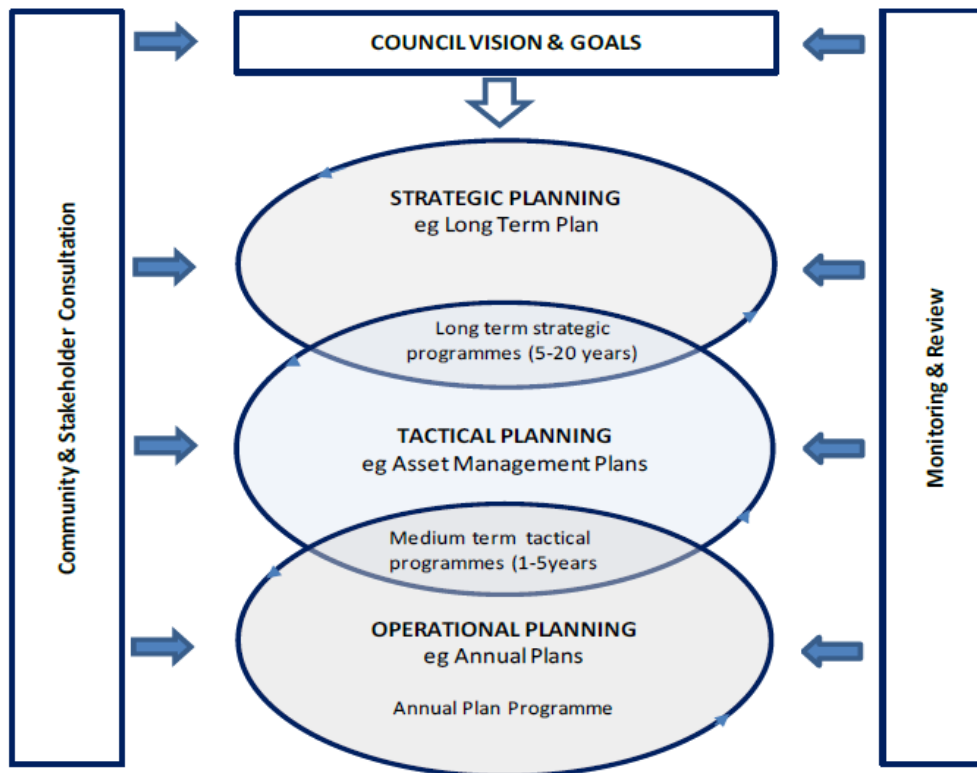
This AMP is a key component in the Council's strategic planning function. Among other things, this plan supports and justifies the financial forecasts and the objectives laid out in the LTP. It also provides a guide for the preparation of each Annual Plan and other forward work programmes. Table A-1 describes the key Council plans and policies with linkages to the Libraries activity.

**Table A-1: Council plans and policies affecting the Library Services AMP**

Long Term Plan (LTP)	The LTP is Council's 10 year planning document. It sets out the broad strategic direction and priorities for the long term development of the District; identifies the desired community outcomes; describes the activities the Council will undertake to support those outcomes; and outlines the means of measuring progress.
Annual Plan	A detailed action plan on the Council's projects and finances for each financial year. The works identified in the AMP form the basis on which annual plans are prepared. With the adoption of the LTP, the Annual Plan mainly updates the budget and sources of funding for each of the years between the LTP.
Annual Report	The Annual Report identifies the prior year's achievements against Long Term Plan/Annual Plan targets.
Annual Work Programme	The expenditure projections for the annual work programme will be taken directly from the financial forecasts in the AMP.
Contracts and agreements	The service levels, strategies and information requirements contained in the AMP are the basis for performance standards in the current Maintenance and Professional Service Contracts for commercial arrangements and in less formal "agreements" for community or voluntary groups.
Corporate information	Quality asset management is dependent on suitable information and data and the availability of sophisticated asset management systems which are fully integrated with the wider corporate information systems (eg. financial, property, GIS, customer service, etc). Council's goal is to work towards such a fully integrated system.
Council bylaws, standards and policies	These tools for asset creation and subsequent management are needed to support activity management tactics and delivery of service.
Growth Supply and Demand Model	The Growth Supply and Demand Model predicts the population increases for the district over the coming 20+ years. These predictions influence the likely demand on Council activities, infrastructure and services.
Tasman Regional Policy Statement	A regulatory document produced under the Resource Management Act 1991 which sets the high level policy for environmental management of the region, with which Council activities have to comply.
Tasman Resource Management Plan	This plan sets objectives, policies and methods for addressing the District's resource management issues.
Significance and Engagement Policy	This policy informs and determines the relationship the Council and community share with regard to engagement.

The following figure depicts the relationship between the various processes and levels of planning within the Council required to deliver on Council's vision and goals.

**Figure A-1: Relationship between corporate planning processes and AMPs**



#### A.4 How Library Services contribute to the Council's Community Outcomes

Table A-2 summarises how the Library Services activity contributes to the achievement of the Council's Community Outcomes.

**Table A-2: How the Library Services activity contributes to Community Outcomes**

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our communities are healthy, safe, inclusive and resilient.	TDC libraries provide safe spaces for our community to socialise and interact. TDC libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	TDC libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. TDC libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.
Our communities have access to a range of social, educational and recreational facilities and activities.	TDC libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community. Libraries provide a range of resources which enrich quality of life for all.
Our Council provides leadership and fosters partnerships, a regional	Through the provision of freely accessible community spaces TDC

perspective and community engagement.	libraries encourage social interaction and community engagement.
---------------------------------------	--

## **APPENDIX B. AN OVERVIEW OF THE LIBRARY SERVICES ASSETS IN THE DISTRICT**

### **B.1 Overview and Asset Description**

The Library Services activity has three key asset types: library buildings, library collections, and technology software and hardware.

Library collections is the term used to describe items in a variety of formats including printed books, DVDs, CDs, recorded books and magazines. There are 149,495 individual items in the library collections.

The library also provides access to electronic databases and books and audio books in electronic format. Access to these resources is procured through licensing agreements and they do not form part of the Library Services assets.

There are library buildings in Richmond, Motueka and Takaka and a shared Service Centre/Library in Murchison. These assets are managed by the Property Services Activity and are included in the Property Services AMP.

The technology used in the Library Services activity is either physical hardware owned by the Information Services activity or is licensed software or leased hardware. The budget for these assets is contained within the Information Services activity.

The budget for Radio frequency identification (RFID) is contained within the Library Services activity. Once installed, the hardware and software associated with RFID will form part of the library assets.

### **B.2 Strategic Management Approach**

The library collections are reviewed as and when needed. Refer to section 4 in the AMP for a discussion of the selection and deselection processes.

### **B.3 Asset Quality and Condition**

There is continual reassessment of the library collections for fitness of purpose.

The library collections are assessed for condition on an ongoing basis, selection and deselection processes ensure condition of the collections is maintained.

The condition of library buildings is managed by the Property Services Activity. Building condition is assessed regularly by library staff and any issues are reported to Property Services.

### **B.4 Future Development & Demand**

Growth of the library collections is driven by the Level of Service and population growth. We will monitor population growth to assess how we are meeting the Level of Service.

## **APPENDIX C. NOT RELEVANT TO THIS ACTIVITY**

## **APPENDIX D. ASSET VALUATIONS**

### **D.1 Library Assets**

Library buildings are valued every three years as part of the Council's revaluation of land and building assets. At the end of each year cost price movement since the last valuation is assessed and if there is thought to be any significant movement then a revaluation is sought earlier than the three year interval.

Historic asset valuation reports are held with Council. Council last revalued their assets as at end of June 2013.

Library books, furniture and fittings, computers and equipment are not currently periodically revalued.

The value of library books is based on a revaluation undertaken in 1999, plus the value of new stock added, less depreciation. Donated books are assigned a value based on current replacement cost, less an allowance for age and condition. Additions are valued at cost less depreciation. The value of library books as at June 2014 was \$1,183,000.

### **D.2 Depreciation**

Depreciation rates for Council buildings vary and depend on figures set by the valuer for each individual property as part of their revaluation process.

Library books are depreciated on a straight line basis over the following estimated life:

- 10 years for Adult books
- 5 years for Children's books
- 2 years for CDs and DVDs.

Furniture and fittings, computers and equipment are depreciated using a 5 year useful life.

## **APPENDIX E. MAINTENANCE AND OPERATING ISSUES**

### **E.1 Maintenance**

Maintenance of the Library's buildings is managed by Council's Property Services activity. Building maintenance is carried out through both scheduled programme maintenance and reactive responses to need. The budget for building maintenance is contained within the Property Services activity.

There is a regular maintenance programme in place to cover cleaning, security, fire protection, air conditioning, heating, auto doors, elevator and painting. Other maintenance or repair work is dealt with reactively by Property Services staff in conjunction with Library staff as required.

Maintenance of computer equipment and software is managed either through Council's Information Services activity or as part of external contracts held with the Department of Internal Affairs (DIA) for the Aotearoa People's Network (APNK) and Kōtui.

The Library's public internet service is provided by DIA through APNK. Support for the software and hardware is provided through APNK. Council's partnership agreement with APNK is for a four-year term ending on 30 June 2015.

The Library Management System (LMS) is Symphony from SirsiDynix. The LMS software is provided by DIA through the Kōtui consortium. The maintenance of the LMS is provided through DIA. Council's contract with DIA for membership of the Kōtui consortium is for a five year term ending on 17 May 2016



## E.2 Projected Operations and Maintenance Costs

General operating costs include the purchase of library resources such as magazines and electronic resources. General operating costs increase due to an increase in the funding for electronic resources.

**Table E-2: Projected Operations and Maintenance Costs**

Libraries	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Expense																				
Maintenance	32,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921
General Operating Costs	127,966	132,966	137,966	142,966	147,966	152,966	157,966	162,966	167,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966
Professional Fees	8,000	8,000	8,000	38,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

## APPENDIX F. DEMAND AND FUTURE NEW CAPITAL REQUIREMENTS

### F.1 Growth Supply and Demand Model

#### F1.1 *Model Summary*

A comprehensive Growth Demand and Supply Model (GDSM or growth model) has been developed for Tasman District. The growth model is a long term planning tool, providing population and economic projections district wide. The supply potential is assessed as well as demand, and a development rollout for each settlement is then examined. The development rollout from the Growth Model informs capital budgets (new growth causes a demand for network services) which feed into the AMPs and in turn underpin the Long Term Plan and supporting policies e.g. Development Contributions Policy.

This 2014 growth model is a fourth generation growth model with previous versions being completed in 2005, 2008 and 2011. In order to understand how and where growth will occur, the growth model is built up of a series of Settlement Areas which contain Development Areas. A Settlement Area (SA) is defined for each of the main towns and communities in the district. There are 17 Settlement Areas for the present version of the growth model. Each Settlement Area is sub-divided into a number of Development Areas. Each Development Area is defined as one continuous polygon within a Settlement Area that if assessed as developable, is expected to contain a common end-use and density for built development.

The growth model organises and integrates the assessments of demand and supply of built development. The development is categorised as residential or business demand and supply, with business including all industrial, commercial and retail uses. For residential demand and supply:

- the 'demand' for residential buildings (dwellings) is assessed from population and household growth forecasts based on Statistics New Zealand's latest release.
- the 'supply' of lots for future dwellings is assessed from analysis of the Development Areas in each Settlement Area and how many lots could feasibly be developed for residential end use over a twenty year time period, after accounting for a number of existing characteristics of the Development Area.

For business demand and supply:

- the 'demand' for business premises is assessed from economic and employment growth forecasts, and associated land requirements.
- the 'supply' of lots for future business premises is assessed from analysis of the Development Areas in each Settlement Area over time in a similar way as that for future dwellings.

The Development Areas and Settlement Areas are the building blocks that allow the growth model to spread demand for new dwellings and business premises, and assess where there is capacity to supply that demand.

The growth model is not just an isolated tool that calculates a development forecast. It is a number of linked processes that involve assessment of base data, expert interpretation and assessment, calculation and forecasting. The key input data, assessment and computational processes, and outputs of the growth model are captured in a database called the Growth Model Database.

The outputs of the growth model are located on a shared browser site that all Council staff have access to. The browser contains:

- all the various input data sets and calculated outputs;
- maps defining the Settlement Areas and Development Areas within those; and

- an updated model description describing the model working in detail, assumptions and planned improvements.

The review process is also mapped in ProMapp.

### F1.2 Overall Population Growth and Trends

Richmond is the largest and fastest growing town in the District with an estimated 13,606 residents, as at 2014. Motueka is the next largest town, with 6,687 residents. Another five settlements are relatively small, with populations ranging from 1239 in Takaka up to 2,498 in the Coastal Tasman area. Nine have populations of less than 500 people.

Tasman District is a popular destination for older age group or “retirees”. A high proportion of population growth results from people moving to the Tasman District from elsewhere, rather than from current residents having children. The growth modelling shows that older people moving to the Tasman District are choosing to live in larger centres with easier access to services, hence the larger settlements are growing and the smaller ones are not. As shown in Table F-1, Richmond, Brightwater and Wakefield are predicted to grow by 500 people or more over the next 25 years. Overall, Tasman’s population is expected to increase by 7,700 people by 2039. Council’s planning also takes into consideration the decrease in the number of persons per household and provides for an increase in the number of holiday homes. The latter is particularly important for holiday settlements such as Kaiteriteri and Pohara/Ligar Bay.

The population projection in the growth model has been taken from Statistics New Zealand population projections derived from the 2013 census data, using a “medium” growth rate projection for all settlement areas (refer Table F-1). The population projections are used to determine a demand for new dwellings in each settlement area.

**Table F-1: Population Projections used in the Growth Model**

Settlement Area	Population in 2014	Population projection for 2039	Increase or decrease in people by 2039
Brightwater	1835	2412	577
Coastal Tasman Area	2498	2903	405
Collingwood	232	250	18
Kaiteriteri	377	382	5
Mapua/Ruby Bay	2028	2506	478
Marahau	119	120	1
Motueka	6687	6810	123
Murchison	413	365	-48
Pohara/Ligar/Tata	543	583	40
Richmond	13606	16396	2790
Riwaka	591	636	45
St Arnaud	101	93	-8
Takaka	1239	1056	-183
Tapawera	284	320	36
Tasman	189	210	21
Upper Moutere	148	177	29

Settlement Area	Population in 2014	Population projection for 2039	Increase or decrease in people by 2039
Wakefield	1939	2471	532
Ward Remainder (Area Outside Ward Balance)	282	303	19
Ward Remainder Golden Bay	3023	3248	225
Ward Remainder Lakes Murchison	2418	2722	304
Ward Remainder Motueka	3096	3597	501
Ward Remainder Moutere Waimea	4248	4937	689
Ward Remainder Richmond	1612	2704	1092
<b>Total for District</b>	<b>47508</b>	<b>55201</b>	<b>7693</b>

*Projected Population data derived from Statistics NZ 2013 Census Data (adjusted for Growth Model). Base projection series applied = medium*

Table F-2 summarises some key statistics for Tasman’s population, based on Statistics New Zealand medium growth projections (2006 base, updated in June 2013).

**Table F-2: Population change in Tasman District**

Key Statistics	2006	2013	2031
Population	45,800	48,800	53,900
Median age (years)	40.3	44.2	47.3
Proportion of population aged over 65	13.6%	17.9%	29.1%
Number of households	17,900	18,261	23,500
Working age population	29,810	30,500	29,170

Additional information from the 2013 census about Tasman District:

- Tasman’s population is 1.1% of New Zealand's total population
- 93.1% of population is European
- 7.6% of population is Māori
- 20% of population aged under 15 years
- 75% of households in occupied private dwellings owned the dwelling or held it in a family trust (this is the highest rate of home ownership in New Zealand)

As shown in Table F-2, Tasman’s population is expected to be about 53,900 by 2031. Like the rest of New Zealand, the median age of Tasman’s population is also increasing. The first of the baby boomers (those born between 1946 and 1964) commenced retiring in 2011 and fertility rates have also decreased over the last 20 years. The median age is projected to increase from 44.2 in 2013 to 47.3 in 2031. By 2031, the number of people aged over 65 in Tasman is projected to comprise 29.1 percent of the population, compared to 17.9 percent in 2013. Twenty years ago the figure was less than 10 percent. These demographic changes raise a number of challenges for the Council.

As Tasman's population increases, Council needs to provide more services. However, many of the retired population will be on fixed incomes and unable to pay for increases in services (rates are a tax on property, not income, and if a property value is high the rates can take a significant portion of this fixed income payment). Council's Growth Strategy considers whether our community can afford to support growth in all 17 settlements and what form this growth will take.

Communities with an older population are likely to have different aspirations to the communities with a younger median age. This may include:

- where they wish to live, possibly closer to main settlement areas where medical and social services are more readily available.
- an increase in the demand for smaller properties and a decrease in the demand for lifestyle or larger properties, particularly given the projected increase in the number of single households.
- the type of facilities and the levels of service requested, including more informal recreation facilities and the increased demand for "free" or low cost services such as libraries.
- their ability and willingness to pay for services and facilities may be lower, given that incomes are expected to be lower.

The Council has taken these factors into account in the development of this AMP and the LTP.

## **F.2 Demand Trends and Impact on Library Services**

### *F2.1 Demographic Trends*

Population growth will put pressure on existing library services. The largest population growth is expected to be experienced in the Richmond area.

Tasman District is a popular destination for older age group or "retirees". The percentage of the total population aged 65+ was 17.9% at the time of the 2013 census compared to a national average of 14.3%. This popularity, combined with New Zealand's trend towards an aging population is expected to result in a population aged 65+ of approximately 26% by 2026.

The projected increase in the older age group is likely to have an impact on the type of library use. In particular, it is likely that there will be increased demand for housebound services. Retired people have more time to undertake community and leisure activities. The increased number of retired people may lead to increase in the demand for library spaces for social interaction and increasing demand for large print and audio books.

### *F2.2 Library Trends*

The rapid development of technology has contributed to a growing community expectation that services should be available on demand at any time which is convenient to the user. Consequently, there is an increasing demand for online services which can be accessed outside of library opening hours. We will respond to this demand by increasing the availability of electronic resources and increasing the range of services available through the library website.

The growing influence of technology in everyday life has created an expectation that libraries will provide access to computers and space for use of laptops and mobile devices. There is also demand for training courses and support for those who are new to using computers and electronic resources. The library will continue to provide public computing facilities and support and training courses for technology users. The delivery of technology support and training courses will be increased according to demand and the availability of staff resources.

There is a shift of focus from libraries being just places for books to including a wider role as community hubs for learning, engagement and interaction. Use of library spaces has evolved to include study, socialisation, meeting and relaxation as well as the more traditional reading and book related activities. Libraries need to be flexible and adaptable spaces to accommodate the changing needs of the community. It is considered that the Richmond, Murchison and Takaka libraries have sufficient space to meet demand for the next 20 years. Funding for increasing the size of the Motueka Library has been included in this AMP.

There are changes in the way people undertake study and learning. There is an increase in the availability of online, self-directed study, leading to an increased demand for access to information and education resources through the public library. Our response will be to increase the availability of electronic resources. Additional resources will also be purchased for the library's physical collections to satisfy demand.

Changes in technology and particularly the growth in the availability and use of e-books have seen an increased demand for material in digital formats. While the use of the library's physical collections is expected to reduce over time as users choose more electronic resources people are still expected to want free access to physical resources. We will respond to this demand by increasing the availability of material in digital formats. There will be some consequent reduction in the funding for the physical collections.

For many people the availability of leisure time is decreasing while at the same time there are more options for ways to spend their leisure time. The library faces increasing competition from other providers of leisure activities.

### **F.3 Growth and Budget Requirements**

In order to cope with the increasing demand for resources in digital formats expenditure on electronic resources will increase. This increased expenditure will be offset by a reduction in expenditure on physical stock. The relative proportion of expenditure on electronic resources is expected to increase from 5% to 20% over the next 10 years.

With the expected increase in the use of electronic resources and other online services and the consequent reduction of the physical collections it is anticipated that there is sufficient capacity within the existing library buildings in the Richmond, Takaka and Murchison areas to cater for population growth for the next 10 years. The Motueka Library is currently undersized for the population it serves and is the only growth related project included in the 10 year forecast. The design of the Motueka Library building will need to take into account the flexibility and adaptability required of modern library spaces.

It is proposed that RFID technology is installed in the libraries in 2015/16. Installing RFID will create efficiencies and ensure that the library maintains technology standards.

RFID technology improves efficiency in the circulation of physical items, provides for improved security and tracking of stock, enhanced self-service options and allows staff more time to engage in higher-value activities with customers.

### **F.4 New Capital Requirements**

The only new capital projects for the next 20 years are the proposed installation of RFID and the redevelopment of the Motueka Library.

**Table F-3: New Capital Requirements for Next 10 years (excluding inflation)**

Libraries	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
New Capital	350,000	0	0	0	300,000	1,100,000	0	0	0	0

## **F.5 Development of New Capital Requirement Forecasts**

Population growth in the Richmond area over the next twenty years may result in a need to reassess the floor space of the Richmond Library.

## **APPENDIX G. DEVELOPMENT CONTRIBUTIONS / FINANCIAL CONTRIBUTIONS**

Financial contributions for reserves and community infrastructure are recovered under the financial contributions provisions of the Tasman Resource Management Plan (section 16.5).

Reserve Financial Contributions fund the growth component of library collection renewals.

It is proposed that the Motueka Library upgrade will be part-funded from Reserve Financial Contributions.

## **APPENDIX H. NOT RELEVANT TO THIS ACTIVITY**

## APPENDIX I. CAPITAL REQUIREMENTS FOR FUTURE RENEWALS

### I.1 Forecast of Renewals Expenditure for Next 20 years

There will be ongoing expenditure on renewal of the library collections. There will also be renewal costs for library technology, including RFID technology.

**Table I-1: Renewal Expenditure for Next 20 years (excluding inflation)**

Libraries	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Renewals	305,175	292,596	288,025	283,369	286,819	282,179	269,607	264,907	260,327	255,757	613,757	255,757	255,757	255,757	255,757	255,757	255,757	255,757	255,757	255,757	255,757

### I.2 Renewal Standards

Refer to Section 4 of the Activity Management Plan for a discussion on renewal of the library collections.



## **APPENDIX J. DEPRECIATION AND DECLINE IN SERVICE POTENTIAL**

### **J.1 Depreciation of Library Assets**

Library buildings are valued every three years as part of the Council's revaluation of land and building assets. Depreciation rates for Council buildings vary and depend on figures set by the valuer for each individual property as part of their revaluation process.

Library book depreciation rates use a 10 year life for Adult books, 5 year life for Children's books and 2 year life for CDs and DVDs.

Furniture and fittings, computers and equipment are depreciated using a 5 year useful life.

### **J.2 Decline in Service Potential**

The decline in service potential is a decline in the future economic benefits (service potential) embodied in an asset.

It is Council policy to operate the library services activity to meet a desired level of service (refer Appendix R). Council will monitor and assess the state of the library assets and upgrade or replace components over time to counter the decline in service potential at optimum times.

### **J.3 Council's Borrowing Policy**

The Council's borrowing policy was that it only funds capital and renewal expenditure through borrowing, normally for 20 years, but shorter terms are used for some assets depending on how long they are expected to last before they need to be replaced.

The Council has now made a decision to start to phase in the funding of depreciation; effectively this will create a reserve to fund the replacement of assets. This method means that debt will not be raised to fund asset replacement. This is being phased in over ten years and is more fully explained in the Financial Strategy which is part of Supporting Information associated with the LTP 2015-2025.

## **APPENDIX K. PUBLIC DEBT AND ANNUAL LOAN SERVICING COSTS**

### **K.1 General Policy**

The Council borrows as it considers prudent and appropriate and exercises its flexible and diversified funding powers pursuant to the Local Government Act 2002. The Council approves, by resolution, the borrowing requirement for each financial year during the annual planning process. The arrangement of precise terms and conditions of borrowing is delegated to the Corporate Services Manager.

The Council has significant infrastructural assets with long economic lives yielding long term benefits. The Council also has a significant strategic investment holding. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to the Council's assets and investments. Debt in the context of this policy refers to the Council's net external public debt, which is derived from the Council's gross external public debt adjusted for reserves as recorded in the Council's general ledger.

Generally, the Council's capital expenditure projects with their long term benefits are debt funded. The Council's other district responsibilities have policy and social objectives and are generally revenue funded.

The Council raises debt for the following primary purposes:

- capital to fund development of infrastructural assets
- short term debt to manage timing differences between cash inflows and outflows and to maintain the Council's liquidity
- debt associated with specific projects as approved in the Annual Plan or LTP. The specific debt can also result from finance which has been packaged into a particular project.

In approving new debt, the Council considers the impact on its borrowing limits as well as the size and the economic life of the asset that is being funded and its consistency with Council's long term financial strategy.

## K.2 Loans

Loans to fund capital works over the next 20 years add up to the following detailed in Table K-1.

**Table K-1: Projected Capital Expenditure Funded by Loan for Next 10 years (excluding inflation)**

Libraries activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Loans Raised	366	8	30	14	350	1,298	40	10	10	37
Opening Loan Balance	1,889	2,112	1,958	1,825	1,676	1,853	2,936	2,728	2,489	2,250
Closing Loan Balance	2,112	1,958	1,825	1,676	1,853	2,936	2,728	2,489	2,250	2,037

## K.3 Cost of Loans

The Council funds the principal and interest costs of past loans and these are added to the projected loan costs for the next 10 years as shown in Table K-2.

**Table K-2: Projected Annual Loan Repayment Costs for Next 20 Years (excluding inflation)**

Libraries Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Loans Interest	106	109	101	88	92	128	153	147	132	119
Loan Principal	144	162	163	164	173	214	248	249	249	251

## APPENDIX L. SUMMARY OF FUTURE OVERALL FINANCIAL REQUIREMENTS

Table L-1: Funding Impact Statement and Funding Sources for the 'Community Facilities and Parks' Group of Activities (including libraries and aquatic centre)

Funding Impact Statement - Community Facilities and Parks	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	8,530	8,947	9,267	9,469	9,747	10,060	10,516	10,908	11,301	11,639	12,051
Targeted rates (other than a targeted rate for water supply)	3,322	3,306	3,476	3,502	3,612	3,793	3,926	4,058	4,231	4,349	4,400
Subsidies and grants for operating purposes	112	116	119	123	126	131	135	140	145	150	156
Fees, charges and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,744	1,312	1,363	1,433	1,504	1,574	1,682	1,734	1,780	1,826	1,874
<b>TOTAL OPERATING FUNDING</b>	<b>13,708</b>	<b>13,681</b>	<b>14,224</b>	<b>14,527</b>	<b>14,989</b>	<b>15,557</b>	<b>16,258</b>	<b>16,839</b>	<b>17,457</b>	<b>17,964</b>	<b>18,481</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	8,363	8,091	8,313	8,792	8,928	9,098	10,208	10,145	10,195	10,476	11,040
Finance costs	1,483	1,614	1,608	1,533	1,396	1,396	1,352	1,291	1,237	1,110	970
Internal charges and overheads applied	3,070	2,493	2,617	2,725	2,794	2,841	2,916	2,983	3,065	3,155	3,186
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>12,915</b>	<b>12,197</b>	<b>12,538</b>	<b>13,050</b>	<b>13,118</b>	<b>13,336</b>	<b>14,475</b>	<b>14,419</b>	<b>14,497</b>	<b>14,741</b>	<b>15,196</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>793</b>	<b>1,483</b>	<b>1,686</b>	<b>1,477</b>	<b>1,871</b>	<b>2,222</b>	<b>1,783</b>	<b>2,421</b>	<b>2,960</b>	<b>3,223</b>	<b>3,285</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,301	1,834	1,936	1,811	1,962	2,027	2,096	1,970	2,041	2,116	2,154
Increase (decrease) in debt	433	755	(1,443)	(1,153)	(950)	(1,237)	(323)	(1,789)	(1,893)	(2,331)	(2,334)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,733</b>	<b>2,589</b>	<b>493</b>	<b>658</b>	<b>1,012</b>	<b>790</b>	<b>1,773</b>	<b>181</b>	<b>148</b>	<b>(215)</b>	<b>(180)</b>

Funding Impact Statement - Community Facilities and Parks	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
- to meet additional demand	926	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,007	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	524	3,996	1,945	1,839	1,974	1,821	3,118	1,419	1,578	1,778	1,666
Increase (decrease) in reserves	70	77	234	296	909	1,191	437	1,182	1,530	1,230	1,438
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,526</b>	<b>4,072</b>	<b>2,179</b>	<b>2,135</b>	<b>2,883</b>	<b>3,012</b>	<b>3,556</b>	<b>2,602</b>	<b>3,108</b>	<b>3,008</b>	<b>3,105</b>
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(793)	(1,483)	(1,686)	(1,477)	(1,871)	(2,222)	(1,783)	(2,421)	(2,960)	(3,223)	(3,285)
FUNDING BALANCE	0	0	0	(0)	0	0	(0)	0	0	0	0

**Table L-2: Summary of Financial Requirements for the Next 20 Years (excluding inflation)**

Libraries	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
<b>Income</b>																				
General Rates	-3,145,927	-3,142,976	-3,133,074	-3,131,734	-3,117,230	-3,186,417	-3,227,500	-3,230,057	-3,213,128	-3,183,413	-3,166,458	-3,171,011	-3,166,331	-3,143,541	-3,109,029	-2,988,801	-2,987,832	-3,013,874	-2,963,207	-2,959,818
Fees & Recoveries	-269,650	-268,750	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650	-267,650
Sundry Income	-103,675	-102,971	-100,662	-100,577	-100,611	-102,428	-104,594	-103,741	-106,824	-108,868	-109,274	-104,846	-105,904	-103,797	-104,434	-110,866	-106,937	-108,851	-116,921	-113,494
<b>Total Income</b>	<b>-3,519,252</b>	<b>-3,514,697</b>	<b>-3,501,386</b>	<b>-3,499,961</b>	<b>-3,485,490</b>	<b>-3,556,495</b>	<b>-3,599,744</b>	<b>-3,601,448</b>	<b>-3,587,602</b>	<b>-3,559,931</b>	<b>-3,543,381</b>	<b>-3,543,507</b>	<b>-3,539,885</b>	<b>-3,514,988</b>	<b>-3,481,113</b>	<b>-3,367,316</b>	<b>-3,362,419</b>	<b>-3,390,375</b>	<b>-3,347,778</b>	<b>-3,340,962</b>
<b>Expense</b>																				
Maintenance	32,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921	27,921
General Operating Costs	127,966	132,966	137,966	142,966	147,966	152,966	157,966	162,966	167,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966	172,966
Professional Fees	8,000	8,000	8,000	38,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Overheads	1,736,029	1,729,047	1,741,185	1,727,852	1,724,118	1,731,223	1,718,736	1,732,074	1,732,660	1,708,225	1,705,602	1,704,504	1,713,134	1,700,274	1,697,995	1,695,828	1,695,865	1,728,817	1,692,625	1,691,159
Loan Interest	111,187	113,927	105,242	92,296	95,632	127,046	148,208	140,551	126,175	112,387	97,560	98,384	85,232	72,171	59,033	49,328	43,369	37,349	30,543	24,293
Depreciation	247,021	279,642	304,497	332,920	356,584	397,936	436,120	462,551	488,562	514,221	488,231	484,888	482,078	479,902	477,988	476,484	475,691	475,360	475,244	475,786
<b>Total Expense</b>	<b>2,263,125</b>	<b>2,291,503</b>	<b>2,324,812</b>	<b>2,361,955</b>	<b>2,360,220</b>	<b>2,445,092</b>	<b>2,496,951</b>	<b>2,534,063</b>	<b>2,551,284</b>	<b>2,543,720</b>	<b>2,500,280</b>	<b>2,496,663</b>	<b>2,489,331</b>	<b>2,461,233</b>	<b>2,443,903</b>	<b>2,430,528</b>	<b>2,423,811</b>	<b>2,450,413</b>	<b>2,407,299</b>	<b>2,400,125</b>
<b>Non Current Assets</b>																				
Capex Additions Property, Plant And Equipment	655,175	300,596	316,025	296,369	586,819	1,382,179	302,607	272,907	268,327	283,757	613,757	263,757	283,757	268,757	263,757	263,757	288,757	263,757	263,757	283,757
Total Non Current Assets	6,202,060	6,423,684	6,631,755	6,791,601	7,210,987	8,384,334	8,439,919	8,439,078	8,407,646	8,365,889	8,643,055	8,573,564	8,526,759	8,467,128	8,404,410	8,343,197	8,307,777	8,247,688	8,187,714	8,147,199
<b>Non Current Liabilities</b>																				
Loans Raised	-358,000	-8,000	-28,000	-13,000	-308,000	-1,108,000	-33,000	-8,000	-8,000	-28,000	-358,000	-8,000	-28,000	-13,000	-8,000	-8,000	-33,000	-8,000	-8,000	-28,000
Principle Repaid Term Borrowings	143,202	161,102	162,002	163,027	171,052	206,452	234,977	236,002	236,402	237,302	238,202	238,602	239,502	240,527	222,068	120,143	121,168	122,193	122,593	123,493
Total Non Current Liabilities	-2,103,807	-1,950,706	-1,816,704	-1,666,677	-1,803,625	-2,705,173	-2,503,197	-2,275,195	-2,046,793	-1,837,491	-1,957,289	-1,726,687	-1,515,186	-1,287,659	-1,073,591	-961,448	-873,281	-759,088	-644,495	-549,002

## APPENDIX M. FUNDING POLICY, FEES AND CHARGES

### M.1 Funding Strategy for Library Assets

Libraries are provided mainly for the public good and so are predominantly funded from the general rate. Some funding for the activities also comes from Reserve Financial Contributions and fees and charges. Fees and charges are subject to review every year as part of the annual planning process.

There are five main funding sources available for Library Services:

- General rates
- Reserve Financial Contributions (RFC)
- User charges
- Grants and subsidies
- Loans

- 1) General rates  
General rate funding is used to meet operational and renewal expenditure.
- 2) RFC  
Some funding for the purchase of new library books is provided from RFC to provide additional collections to meet the needs of the growing community
- 3) User fees & charges  
User fee income is derived from charges relating to the use of library materials, the hire of the library meeting rooms and printing and photocopying charges. The Schedule of fees and charges is included in section M.2
- 4) Grants and subsidies  
One off external grants and subsidies relating to specific projects or activities may be available from time to time.
- 5) Loans  
Loan funding is generally only used to fund large capital works projects (where no other funding source is available) to spread the impact on rate funding requirements.

An investigation of alternative funding sources is part of the future work programme. The use of alternative funding sources and changes to fees and charges will be subject to Council approval.

### M.2 Schedule of Fees and Charges

**Table M-1: Schedule of Library Fees and Charges**

Library Charges	Charges from 1 July 2015 including GST
Loans	
New adult books – three week loan	\$1.50
All magazines in adult section – three week loan	50c
Music CDs – three week loan	\$1.00
DVDs – two week loan	\$4.00
Hot Picks Collection – two week loan	\$4.00

Library Charges	Charges from 1 July 2015 including GST
Holds and Requests	
Holds within Tasman District Libraries	\$2.00
Requests (interloan) outside Tasman District – minimum charge, see leaflet for details	\$5.00
Overdue items	
Adult Member	
After due date	\$1.00
Two weeks late	\$3.00
Four weeks late	\$5.00
Hot Picks Collection	\$1.00/day
Junior Member	
After due date	50c
Two weeks late	\$1.50
Four weeks late	\$2.50
Replacement Membership Card	\$3.00
Damaged Administration Fee (if charged)	\$5.00 per item
Lost Book Administration Fee (non-refundable)	\$8.00 per item
LIBRARY ROOM HIRE CHARGES (Meeting rooms and Learning Suite)	
Non-profit Use - 1 hour	\$10.00
Non-profit Use - half day (4 hours)	\$20.00
Commercial Use - 1 hour	\$20.00
Commercial Use - per day	\$100.00

Photocopying	Charges from 1 July 2015 including GST
A4 black and white	
Single sided	20c
Double sided	40c
A3 black and white	
Single sided	40c
Double sided	70c
Colour copies A3 and A4	\$2.00

## APPENDIX N. DEMAND MANAGEMENT

### N.1 Managing Demand

Demographic changes lead to changes in demand for different types of stock within the collections. Increasing demand for material in digital formats indicates a need to change the relative proportions of expenditure on physical and digital materials.

Demand for library collections is assessed using information available from the LMS and customer feedback. Adjustments to the makeup of the collections are made as part of the library's annual planning process.



Increased demand due to population growth is managed through the LoS for collections. The LoS measures collections on a per capita basis.

**APPENDIX O. Not relevant to this activity**

**APPENDIX P. SIGNIFICANT EFFECTS ARISING FROM THIS ACTIVITY**

There are no significant negative effects from the activities. The only negative effect is the cost to ratepayers associated with delivering the activities. To mitigate this effect Council seeks funding from external sources to reduce the cost to ratepayers and staff are continually reviewing the way they deliver these activities to ensure they are delivered cost effectively. The activities have a positive effect through their contribution to the Community Outcomes as listed in Table P-1.

**Table P-1: Significant positive effects**

Effect	Description
Access to lending collection	<b>Social, Cultural</b> – Library resources are available to all in the community to support life-long learning and recreation.
Improved learning outcomes	<b>Social, Cultural</b> – Education and training programmes and assistance for schools and school-aged children supports life-long learning and recreation.
Access to the online world	<b>Social, Cultural</b> – Access to PCs and wifi through the Partnership with Aotearoa People’s Network Kaharoa (APNK) enables members of the community to develop skills and knowledge to be technologically competent.
Provision of community spaces	<b>Social, Cultural</b> – Freely accessible shared community spaces encourage social interaction and community cohesion.
Supporting employment	<b>Social, Economic</b> – The provision of facilities for members of the community to undertake job searching and to prepare job applications helps support employment. The provision of online and print information supports the development of skills and knowledge to improve employability.
Improved literacy outcomes	<b>Social, Cultural</b> – Reading programmes, the encouragement of reading and support for new readers of all ages helps to develop a literate, knowledge-based society.

**APPENDIX Q. SIGNIFICANT ASSUMPTIONS, UNCERTAINTIES, AND RISK MANAGEMENT**

**Q.1 Assumptions and Uncertainties**

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made. This section documents the uncertainties and assumptions that the Council considers could have a significant effect on the financial forecasts, and discusses the potential risks that this creates.

*Q1.1 Financial Assumptions*

The following assumptions have been made:

- all expenditure is stated in dollar values as at 1 July 2014, with no allowance made for inflation;
- all costs and financial projections are GST exclusive.

#### *Q1.2 Asset Data Knowledge*

While the Council has asset registers and many digital systems, processes and records, the Council does not have complete knowledge of the assets it owns. To varying degrees the Council has incomplete knowledge of asset location, asset condition, remaining useful life and asset capacities. This requires assumptions to be made on the total value of the assets owned, the time at which assets will need to be replaced and when new assets will need to be obtained to provide better service.

The Council considers these assumptions and uncertainties constitute only a small risk to the financial forecasts because:

- the majority of asset data is known and well recorded
- asset performance is well known from experience.

#### *Q1.3 Growth Forecasts*

Growth forecasts are inherently uncertain and involve many assumptions. The growth forecasts also have a very strong influence on the financial forecasts, especially in Tasman district where population growth is higher than the national average. The growth forecasts underpin and drive:

- the asset creation programme;
- the Council's income forecasts including rates development contributions and reserve financial contributions; and funding strategies.

Thus the financial forecasts are sensitive to the assumptions made in the growth forecasts. If the growth is significantly different it will have a significant impact. If higher, the Council may need to advance capital projects. If it is lower, the Council may need to defer planned works.

However, Council prepares a robust Growth Demand and Supply model to forecast future growth in the 17 major settlements in the district.

#### *Q1.4 Timing of Projects*

The timing of many projects can be well-defined and accurately forecast because there are few limitations on the implementation other than the community approval through the LTP/Annual Plan processes. However, the timing of some projects is highly dependent on some factors which are beyond the Council's ability to fully control.

These include factors like:

- obtaining resource consent, especially where community input is necessary;
- obtaining community support;
- obtaining a subsidy from central government;
- the rate of population growth.

Where these issues may become a factor, allowances have been made to address them in a reasonable timeframe. However these plans are not always achieved and projects may be deferred as a consequence.

### *Q1.5 Funding of Projects*

When forecasting projects that will not occur for a number of years, a number of assumptions have to be made about how the project will be funded.

Funding assumptions are made about:

- whether projects will qualify for subsidies;
- whether major beneficiaries of the work will contribute to the project, and if so, how much they will pay;
- whether a project should be funded from reserve financial contributions, and if so, how much is appropriate; and
- whether the Council will subsidise the development of the project.

The correctness of these assumptions has major consequences especially on the affordability of new projects. The Council has considered each new project and concluded for each a funding strategy. The funding strategy will form one part of the consultation process as these projects are advanced toward construction.

### *Q1.6 Accuracy of Project Cost Estimates*

The financial forecasts have been estimated from the best available knowledge. The level of uncertainty inherent in each project is different depending on how much work has been done in defining the problem and determining a solution. In many cases, only a rough order cost estimate is possible because little or no preliminary investigation has been carried out. It is not feasible to have all projects in the next 30 years advanced to a high level of accuracy. It is general practice for all projects in the first three years and projects over \$500,000 in the first 10 years to be advanced to a level that provides reasonable confidence with the estimate.

To get consistency and formality in cost estimating, the following practices have been followed:

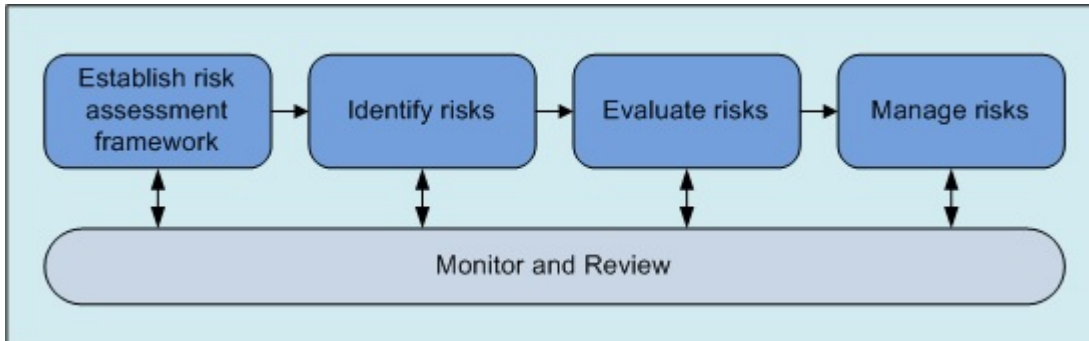
- all expenditure is stated in dollar values as at 1 July 2014, with no allowance made for inflation;
- all costs and financial projections are GST exclusive;
- a project estimating template has been developed that provides a consistent means of preparing estimates;
- where practical, a common set of rates has been determined;
- specific provisions have been included to deal with non-construction costs like contract preliminary and general costs, engineering costs, Council staff costs, resource consenting costs and land acquisition costs;

### *Q1.7 Future Changes in Legislation and Policy*

The legal and planning framework under which local government operates frequently changes. This can significantly affect the feasibility of projects, how they are designed, constructed and funded. The Council has assumed that there will be no major changes in legislation or policy. The risk of significant changes remains high owing to the nature of Government policy formulation. If major changes occur it will impact on required expenditure and the Council has not provided mitigation for this effect.

### Q1.8 Why do we do Risk Management

Risk management is the systematic process of identifying, analysing, evaluating, treating and monitoring risk events so that they are mitigated as far as possible, refer to Figure Q-1.



**Figure Q-1: Risk Management Process**

Risk management involves assessing each risk event and identifying an appropriate treatment. Treatments are identified to try and manage or reduce the risk. There are some risk events for which it is near impossible or not feasible to reduce the likelihood of the event occurring, or to mitigate the effects of the risk event if it occurs eg, extreme natural hazards. In this situation the most appropriate response may be to accept the risk as is, or prepare response plans and consider system resilience.

Well managed risks can help reduce:

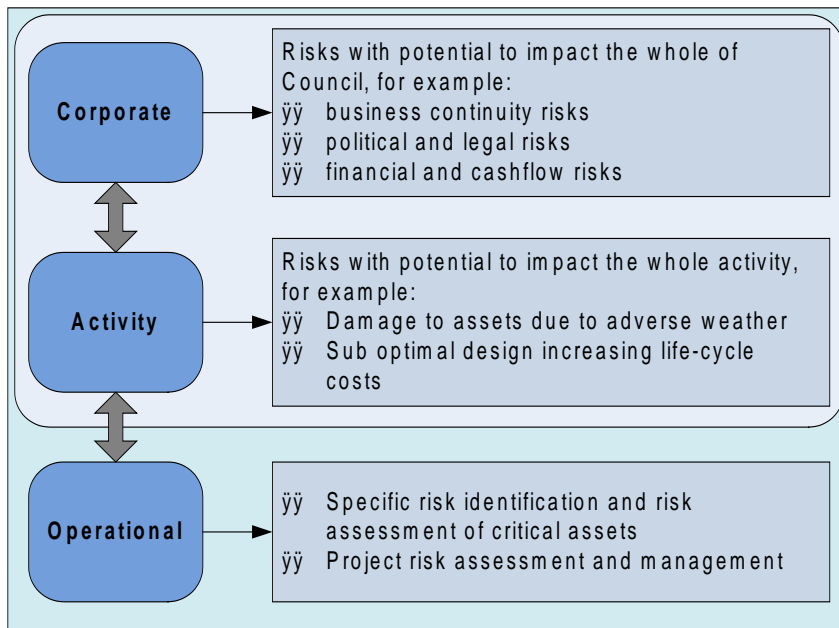
- disruption to infrastructure assets and services
- financial loss
- damage to the environment
- injury and harm
- legal obligation failures.

### Q1.9 Our Approach to Risk Management

#### Q.1.9.1 Risk Assessment Framework

The Council's risk assessment framework was developed in 2011 to be consistent with *AS/NZS IS 4360:2004 Risk Management*. It assesses risk exposure by considering the consequence and likelihood of each risk event. Risk exposure is managed at three levels within the Council organisation, refer to Figure Q-2:

- Level 1 – Corporate Risks
- Level 2 – Activity Risks
- Level 3 – Operational Risks.



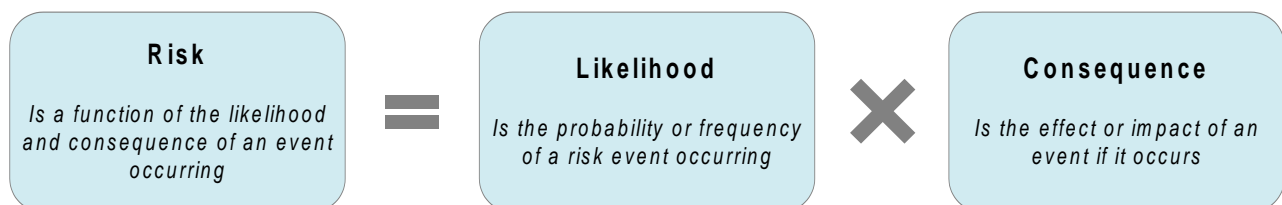
**Figure Q-2: Levels of Risk Assessment**

The risk assessment framework is applied to Corporate and Activity specific risks. There are some risk events which could be interpreted as either Corporate or Activity level risks. For example, a risk event may have the potential to impact the Council organisation as a whole or many parts of the organisation if it was to occur. In the first instance this type of risk would be classified as a Corporate risk. There is however a secondary consideration that needs to be given, that is, “is the risk best managed in different ways within the separate activities?” For example, a large seismic event will likely impact the Council organisation as a whole however, each activity will prepare for and manage these risks differently; eg, water reservoirs may be strengthened to minimise the risk of collapse, or Corporate Services may prepare a business continuity plan.

The Council is yet to implement consistent risk management processes at the operational risk level. The Council plans to develop a framework for assessing maintenance and project risks in 2015.

**Q.1.9.2 Risk Identification and Evaluation**

The risk management framework requires the activity management team to identify activity risks and to then assess the risk, likelihood and consequence for each individual event. The definitions of risk, likelihood and consequence are defined Figure 3.



**Figure Q-3: Risk Assessment Definitions**

The Council has developed objective based scales to assist asset managers when determining the likelihood and consequence scores for all risk events. The consequence of each risk event is assessed on a scale of one to 100 for all of the consequence categories listed in Table Q-1 and the respective consequence rating score (Table Q-2) is selected. The detailed objective scale used to assess the consequence rating of the risk event against the risk **is attached** to this appendix.

**Table Q-1: Risk Consequence Categories**

Category	Sub Category	Description	
Consequence Categories	Service Delivery	N/A	Asset's compliance with Performance Measures and value in relation to outcomes and resource usage.
	Social Cultural	Health and Safety	Impact as it relates to death, injury, illness, life expectancy and health.
		Community Safety and Security	Impact on perceived safety and reported levels of crime.
		Community Social / Cultural	Damage and disruption to community services and structures, and effect on social quality of life and cultural relationships.
		Compliance Governance	Effect on the Council's governance and statutory compliance.
		Reputation Perception of Council	Public perception of the Council and media coverage in relation to the Council.
	Environment	Natural Environment	Effect on the physical and ecological environment, open space and productive land.
		Built Environment	Effect on amenity, character, heritage, cultural, and economic aspects of the built environment.
	Economic	Direct Cost	Cost to the Council.
		Indirect Cost	Cost to the wider community.

**Table Q-2: Consequence Ratings**

Consequence Rating					
Description	Extreme	Major	Medium	Minor	Negligible
Rating	100	70	40	10	1

Table Q-3 provides a summary of the likelihood assessment criteria.

**Table Q-3: Likelihood Ratings**

Likelihood Rating			
Description	Frequency	Criteria	Rating
Almost certain	Greater than every 2 years	The threat can be expected to occur <u>or</u> A very poor state of knowledge has been established on the threat	5
Likely	Once per 2-5 years	The threat will quite commonly occur <u>or</u> A poor state of knowledge has been established on the threat	4

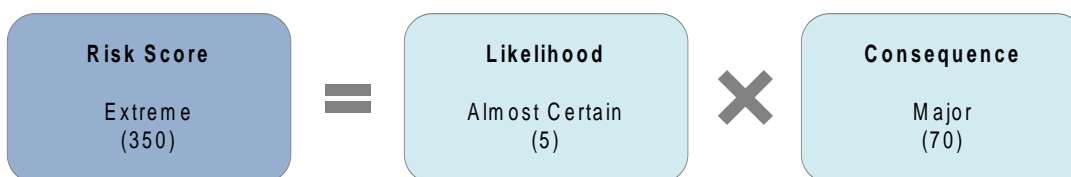
Likelihood Rating			
Possible	Once per 5-10 years	The threat may occur occasionally <u>or</u> A moderate state of knowledge has been established on the threat	3
Unlikely	Once per 10-50 years	The threat could infrequently occur <u>or</u> A good state of knowledge has been established on the threat	2
Very Unlikely	Less than once per 50 years	The threat may occur in exceptional circumstances <u>or</u> A very good state of knowledge has been established on the threat	1

Using the existing risk management framework summarised in Table Q-4, the risk score is calculated by multiplying the likelihood of the risk event with the highest rated individual consequence category for that risk event to generate a risk score, as shown in Figure Q-4.

**Table Q-4: Risk Scores**

Risk Scoring Matrix		Consequence					Risk Score
		Negligible	Minor	Medium	Major	Extreme	
Likelihood	Almost Certain	5	50	200	350	500	Extreme
	Likely	4	40	160	280	400	Very High
	Possible	3	30	120	210	300	High
	Unlikely	2	20	80	140	200	Moderate
	Very Unlikely	1	10	40	70	100	Low
							Negligible

An example of how the risk score is calculated is below.



**Figure Q-4: Risk Score Calculation**

Risk scores are generated for inherent risk, current risk and target risk.

- Inherent risk is the raw risk score without taking into consideration any current or future controls.
- Current risk the level of risk to the Council after considering the effect of existing risk management controls.
- Target risk is the level of risk the Council expects and wants to achieve after applying the proposed risk management controls.

In some cases it is not feasible to reduce the inherent risk and in this case the Council would accept the inherent risk level as the current and target risk levels.

#### Q.1.9.3 Limitations

The processes outlined above form a conservative approach to evaluating risk and could be seen as representing the worst case scenario. They also provide limited ability to differentiate the priority of risks due to the potential to score highly in at least one of the consequence categories; this tends to create a smaller range of results. For example, two events with a likelihood of “Almost Certain (5)” have been compared below:

- **Event A** – scores “Major (70)” for one consequence category and “Negligible (1)” in all the remaining consequence categories, this will generate an inherent risk score of “Extreme (350)”.
- **Event B** – scores “Medium (40)” in all 10 consequence categories, this will generate an inherent risk score of “Very High (200)”.
- **Event C** – scores “Major (70)” in all 10 consequence categories, this will generate an inherent risk score of “Extreme (350)”.

These examples show that there are limitations for the Council when prioritising risk events, especially those that may have a wider impact on the activity eg, Event B or C. Consequently, the Council acknowledges that there are some downfalls in its existing framework and it has proposed to undertake a full review of its risk management framework during 2015.

#### Q1.10 *Corporate Risk Mitigation Measures*

##### Q.1.10.1 Asset Insurance

Tasman District Council has various mechanisms to insure assets against damage. These include:

- Tasman District Council insures above ground assets, like buildings, through private insurance which is arranged as a shared service with Nelson City and Marlborough District Councils.
- Tasman District Council is a member of the Local Authority Protection Programme (LAPP) which is a mutual pool created by local authorities to cater for the replacement of some types of infrastructure assets following catastrophic damage by natural disasters like earthquake, storms, floods, cyclones, tornados, volcanic eruption, tsunamis. These infrastructure assets are largely stopbanks along rivers and underground assets like water and wastewater pipes and stormwater drainage.
- Tasman District Council has a Classified Rivers Protection Fund, which is a form of self-insurance. The fund is used to pay the excess on the LAPP insurance, when an event occurs that affects rivers and stopbank assets.
- Tasman District Council has a General Disaster Fund, which is also a form of self-insurance. Some assets, like roads and bridges, are very difficult to obtain insurance for or it is prohibitively expensive if it can be obtained. For these reasons, the Council has a fund that it can tap into when events occur which damage Council assets that are not covered by other forms of insurance. Some of the cost of damage to these assets is covered by central government, for example the New Zealand Transport Agency covers around half the cost of damage to local roads and bridges (as set out in the co-investment rate/financial assistance rate).



#### Q.1.10.2 Civil Defence Emergency Management

The Civil Defence Emergency Management Act 2002 was developed to ensure that the community is in the best possible position to prepare for, deal with, and recover from local, regional and national emergencies. The Act requires that a risk management approach be taken when dealing with hazards including natural hazards. In identifying and analyzing these risks the Act dictates that consideration is given to both the likelihood of the event occurring and its consequences. The Act sets out the responsibilities for Local Authorities. These are:

- ensure you are able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency;
- plan and provide for civil defence emergency management within your own district.

Tasman District Council and Nelson City Council jointly deliver civil defence as the Nelson Tasman Civil Defence Emergency Management (CDEM) Group. The vision of the CDEM Group is to build "A resilient Nelson Tasman community".

Civil Defence services are provided by the Nelson Tasman Emergency Management Office. Other council staff are also heavily involved in preparing for and responding to civil defence events. For example, Council monitors river flows and rainfall, and has a major role in alleviating the effects of flooding.

Nelson Tasman Civil Defence Emergency Management Group developed Regional Plan in 2012. The Plan sets out how Civil Defence is organised in the region and describes how the region prepares for, responds to and recovers from emergency events. It is available online here: <http://www.nelsontasmancivildefence.co.nz/plans-publications/cdem-group-plan/> A review is scheduled in 2016/2017.

#### Q.1.10.3 Recovery Plans

These plans are designed to come into effect in the aftermath of an event causing widespread damage and guide the restoration of full service.

The Recovery Plan for the Nelson Tasman Civil Defence and Emergency Management Group (June 2008) identifies recovery principles and key tasks, defines recovery organisation, specifies the role of the Recovery Manager, and outlines specific resources and how funds are to be managed.

Information about welfare provision in the Nelson-Tasman region is contained in a Welfare Plan (December 2005), which gives an overview of how welfare will be delivered during the response and recovery phases of an emergency.

The plan is a coordinated approach to welfare services for both people and animals in the Nelson Tasman region following an emergency event.

#### Q.1.10.4 Business Continuance

Council has a number of processes and procedures in place to ensure minimum impact to library services in the event of a major emergency or natural hazard event.

- Council have limited business continuity plans that were developed around influenza pandemic planning in 2006.
- Building warrants of fitness are in place for all buildings used by the public, ensuring emergency evacuation systems and procedures are in place.
- A Council-wide risk assessment exercise was undertaken during 2010/11.

#### Q1.11 *Library Services Risks*

In order to identify the key activity risks the activity management team has applied a secondary filter to the outcomes of the risk management framework. This is necessary to overcome the

limitations of the framework. To apply this secondary filter the activity management team have used their professional knowledge and judgement to identify the key activity risks. The key risks relevant to the activity are summarised in Table Q-6.

**Table Q-5: Key Risks**

Risk Event	Mitigation Measures
Loss of information following natural event, technology breakdown or security breach	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Electronic backups</li> <li>· Information systems security</li> <li>· Library Management System (LMS) provider Business Continuity Planning</li> </ul>
Earthquake (1:400) causes significant damage to Library buildings	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Design Standards.</li> <li>· Seismic assessment completed for Library buildings</li> <li>· Business Continuity Planning (BCP).</li> <li>· Evacuation plans.</li> </ul>
Failure to adequately manage collections to meet community needs	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Collection Management Plan</li> <li>· Information from LMS</li> <li>· Annual Community Survey</li> <li>· Suggestion forms from library users</li> </ul>
Loss of access to key electronic resources at end of contract with supplier.	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Use a range of suppliers</li> <li>· Use a combination of both purchase and access models for resources</li> </ul>

An activity management improvement item included in Appendix V is to review all inherent, current and target risk scores following the adoption of the amended framework.

#### Q1.12 Projects to address Risk shortfalls

The specific risk mitigation measures that have been planned within the 20 year Library Services Activity programmes are:

- Comply with LMS provider requirements for information security.
- Monitor library buildings so that they are maintained in a safe and sound condition that complies with the Building Act, where required.
- Update Collection Management Plan as needed to reflect changing demand.
- Where possible use suppliers of electronic resources who provide purchase or ongoing access models.

Other projects to address risk shortfalls include the following:

#### Health and Safety

- A Health and Safety plan is in place for the Council, which details the requirements for staff and the management of contractors working for the Council.
- Building warrants of fitness are in place for all buildings used by the public, ensuring emergency evacuation systems and procedures are in place.
- Building security reviews have been undertaken for all library buildings.

#### Service Standards

- The specifications for all regular maintenance and operation activities have been defined and documented in the maintenance contracts.

#### Resources

- Sufficient staff resources of a suitably skilled nature are in place to manage and operate this activity.

#### Delegations

- Financial authority delegations are in place for all staff with purchasing authority.

#### Responsibility Allocated to Ensure Completion of Work

- Individual responsibilities are defined in their job description and annual work programmes
- Progress against annual work programmes are monitored on a quarterly basis through staff meetings and other communication.
- A formal review of performance is undertaken at the end of each financial year, areas for improvement (if any) identified, and the work programme for the coming year is agreed.

#### Council Policies

- The Council has a Corporate Policy manual in which are recorded all Council policies.

#### Monitoring and Reporting

- The Library Services Manager formally reports to Council's Community Development Committee every six weeks on progress towards achieving the outcomes identified in the LTP.

#### Cost 'Blowouts'

- Operational and capital expenditure is monitored monthly to ensure expenditure is achieved within budget targets.

## Q.2 Critical Assets

Library assets are considered to be non-critical.

## APPENDIX R. LEVELS OF SERVICE, PERFORMANCE MEASURES, AND RELATIONSHIP TO COMMUNITY OUTCOMES

### R.1 Introduction

A key objective of this AMP is to match the level of service provided by the Library Services activity with agreed expectations of customers and their willingness to pay for that level of service.

The levels of service for Libraries have been developed to contribute to the achievement of the Council's Community Outcomes, but taking into account:

- the Council's statutory and legal obligations
- the Council's policies and objectives
- the Council's understanding of what the community is able to fund.

## R.2 Levels of Service

Levels of service are attributes that Tasman District Council expects of its assets and activities to deliver the required services to stakeholders.

A key objective of this plan is to clarify and define the levels of service for the Library Services Activity, and then identify and cost future operations, maintenance, renewal and development works required of this activity to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful levels of service.

Levels of service can be strategic, tactical or operational, should reflect the current industry standards, and should be based on:

- *Customer Research and Expectations*: Information gained from stakeholders on expected types and quality of service provided.
- *Statutory Requirements*: Legislation, regulations, environmental standards and Council by-laws that impact on the way assets are managed (i.e. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- *Strategic and Corporate Goals*: Provide guidelines for the scope of current and future services offered and manner of service delivery and define specific levels of service that the organisation wishes to achieve.
- *Best Practices and Standards*: Specify the design and construction requirements to meet the levels of service and needs of stakeholders.

### R.2.1. Industry Standards and Best Practice

The AMP acknowledges Council's responsibility to act in accordance with the legislative requirements that impact on Council's Library Services activity. A variety of legislation affects the operation of these assets, as detailed in Appendix A.

## R.3 What Level of Service do we seek to achieve?

There are many factors that need to be considered when deciding what level of service the Council will aim to provide. These factors include:

- Council needs to aim to understand and meet the needs and expectations of the community;
- Council must meet its statutory obligations;
- the services must be operated within Council policy and objectives; and
- the community must be able to fund the level of service provided.

The levels of service and performance measures are used to ensure the service and facilities are able to achieve the strategic levels of service and Council's objectives.

Level of services need to be reviewed and upgraded on a continuous basis in line with legislative and regulatory changes and feedback from customers, consultation, internal assessments, audit and strategic objectives.

The levels of service that the Council has adopted for this AMP have been developed from the levels of service prepared in previous AMP's. They take into account feedback from various parties, including Audit New Zealand, industry best practice and ease of measuring and reporting of performance measures.

Table R-1 contains the levels of service and performance measures for the Library Services activity to be included in the Long Term Plan.

#### **R.4 What plans has Council made to meet the Levels of Service?**

In order to meet the intended future levels of service, during the next 10 year period the Council has allocated capital funding of \$1.8 million for expansion of the Motueka Library building and \$2.9 million for renewal of the library collections.

#### **R.5 Technical Performance Measures**

Additional technical performance measures associated with the management of the library activity have been developed for this AMP.

Future performance targets for a number of measures are set at a higher level than current performance. The technical performance measures reflect the anticipated increase in the use of electronic resources and digital services following the allocation of additional funding for electronic resources and the anticipated increase in the use of library facilities as community hubs for learning, engagement and interaction.

Appendix F contains a discussion of the demand trends which were taken into account during the development of the technical performance measures.

Table R-2 contains the technical performance measures for the Library Services activity. The technical performance measures are not included in the LTP.

**Table R-1: Levels of Service and Performance Measures**

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2013/14)	Future Performance			Future Performance (targets) in Years 4 - 10
				Year 1	Year 2	Year 3	
<b>Community Outcome: Our communities have access to a range of social, educational and recreational facilities and activities.</b>							
1	<b>The provision of access to a wide range of information relevant to the community's recreation and learning needs.</b>	The number of lending/reference items available is 3.0 items per resident. Stock numbers will be measured quarterly using information available from the Library Management System software.	The number of reference/lending items available is currently 3.2 per resident.	The number of reference/lending items available is maintained at 3.0 per resident	The number of reference/lending items available is maintained at 3.0 per resident	The number of reference/lending items available is maintained at 3.0 per resident	The resources budgets will be funded at a level which will ensure that the number of reference/lending items available is maintained at 3.0 per resident
2		At least 83% of residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.	The 2014 residents' survey shows that 82% of residents are satisfied with the District's public libraries, and that 91% of library users are satisfied with the libraries.	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2013/14)	Future Performance			Future Performance (targets) in Years 4 - 10
				Year 1	Year 2	Year 3	
<b>Community Outcome: Our communities have access to a range of social, educational and recreational facilities and activities.</b>							
3	<b>The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.</b>	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.	<p>The floor space of the Richmond and Takaka Libraries meet the LIANZA standard</p> <p>The Murchison Library building at 160m<sup>2</sup> is less than the 210m<sup>2</sup> recommended in the LIANZA standard (i.e. is only 75% of the LIANZA standard) .</p>	The Richmond, Takaka and Murchison libraries floor areas are maintained at current the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at current the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at current the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at current the current size.
4			<p>Space issues in Motueka are causing difficulties with service delivery. The Motueka Library building at 453m<sup>2</sup> achieves 46% of the LIANZA standard. The library will need to increase by 617m<sup>2</sup> in order to allow for population growth through to 2031. funding for the redevelopment of the Motueka Library was deferred for discussion through the Long Term Plan 2015-2025.</p>	Motueka Library floor area does not meet the LIANZA standard.	Motueka Library floor area does not meet the LIANZA standard.	Motueka Library floor area does not meet the LIANZA standard.	Funding has been included in 2019/20 and 2020/21 for redevelopment of the Motueka Library. Year 10: The floor space of the Motueka Library meets the LIANZA standard.

**Table R-2: Technical Performance Measures**

ID	Levels of Service (we provide)	Technical Performance Measure	Current Performance (as at end Yr 2 2013/14)	Performance Target			Future Performance (targets) in Years 4 - 10
				Year 1	Year 2	Year 3	
<b>Community Outcome: Our communities have access to a range of social, educational and recreational facilities and activities.</b>							
1	<b>Residents have access to a high quality collection of resources</b>	Use of the Libraries' print collections	640,841 issues	At least 600,000 issues per year	At least 600,000 issues per year	At least 600,000 issues per year	At least 600,000 issues per year
2		Use of the Libraries' ebook and eaudio collections	8,182 issues	At least 9,500 issues per year	At least 11,000 issues per year	At least 13,000 issues per year	At least 25,000 issues per year by year 10
3		Use of the Libraries' Electronic database subscriptions	29,725 user sessions	At least 30,000 user sessions	At least 31,000 user sessions	At least 32,000 user sessions	At least 35,000 user sessions by year 10
4		The increase in the percentage of expenditure on new collection items in digital format	5% of expenditure on items in digital format	7% of expenditure on items in digital format	8.5% of expenditure on items in digital format	10% of expenditure on items in digital format	20% of expenditure on items in digital format
5		The total number of holds per year	33,477 holds	At least 30,000 holds per year	At least 30,000 holds per year	At least 30,000 holds per year	At least 30,000 holds per year
6		The total number of interloan requests per year	961 interloan requests	No more than 1,000 interloan requests per year	No more than 1,000 interloan requests per year	No more than 1,000 interloan requests per year	No more than 1,000 interloan requests per year



ID	Levels of Service (we provide)	Technical Performance Measure	Current Performance (as at end Yr 2 2013/14)	Performance Target			Future Performance (targets) in Years 4 - 10
				Year 1	Year 2	Year 3	
7	<b>Services are well used and libraries remain relevant to the communities they serve</b>	The number of physical visits to the library	483,791 visits	At least 450,000 visits per year	At least 450,000 visits per year	At least 450,000 visits per year	At least 450,000 visits per year
8		The number of registered members who have used the library in the last two years	24,312	At least 24,000	At least 24,000	At least 24,000	At least 24,000
9		The number of new members registered annually	2,553	At least 2,400 per year	At least 2,400 per year	At least 2,400 per year	At least 2,400 per year
10		Total number of information queries per year	20,407	At least 20,000	At least 20,000	At least 20,000	At least 20,000
11		The number of events, programmes and training courses run by or hosted at the libraries	450 events	At least 450 events per year	At least 455 events per year	At least 455 events per year	At least 460 events per year
12		The number of attendees at events, programmes and training courses run by or hosted at the libraries	10,200 attendees	At least 10,200 attendees	At least 10,300 attendees	At least 10,300 attendees	At least 10,400 attendees
13	<b>Library customers can easily access information and electronic resources</b>	The number of virtual visits to the library website	60,766 visits	At least 61,000 per year	At least 62,000 per year	At least 63,000 per year	At least 68,000 visits per year by year 10

## **APPENDIX S. COUNCIL'S DATA MANAGEMENT, ASSET MANAGEMENT PROCESSES AND SYSTEMS**

### **S.1 Asset Management Processes and Systems**

The Library uses Symphony Library Management System which is used to manage the collection assets.

The LMS provides information relating to:

- Location of items
- Age of items
- Purchase price and supplier of individual items
- Usage of individual items
- The relative balance of the collections.

## **APPENDIX T. NOT RELEVANT TO THIS ACTIVITY**

## **APPENDIX U. STAKEHOLDERS AND CONSULTATION**

### **U.1 Consultation**

#### *U1.1 Purpose of Consultation and Types of Consultation*

There is no formal consultation undertaken on a regular basis.

Informal consultation is undertaken with community and stakeholder groups on an issue-by-issue basis as required.

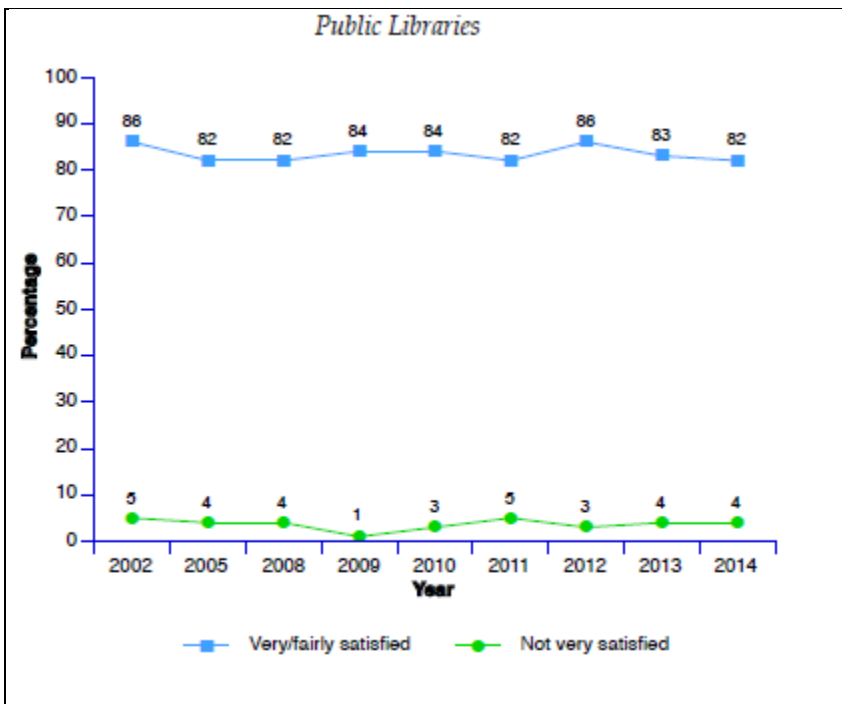
The Council's knowledge of customer expectations and preferences is based on:

- Council household customer satisfaction surveys
- LOS consultation on specific issues
- Feedback from staff customer contact
- Feedback from elected members
- Ongoing staff liaison with community organisations, user groups and individuals
- Annual Consultation via the Annual Plan process

#### *U1.2 Consultation Outcomes*

Council has previously undertaken General Residents Surveys (NRB Communitrak™) comprising random household selection/telephone surveys to determine, amongst other things the level of satisfaction residents have with various services the Council provides.

The results from the most recent Communitrak™ survey in 2014 as they relate to Library Services activities are showed that 82% of respondents were either "very satisfied" or "fairly satisfied" with Library Services.



**Figure U-1: Community Survey Satisfaction Levels**

These results are consistent with those from previous surveys. Results are fairly typical of Communitrak™ surveys at other Councils in New Zealand, where satisfaction with libraries is very high.

## U.2 Stakeholders

There are many individuals and organisations that have an interest in the management and/or operation of Council's Library Assets. The AMP recognises stakeholder interest in ensuring legislative requirements are met and sound management and operational practices are in place. Key stakeholders include:

- District residents and ratepayers
- community associations
- community and resident groups
- schools and preschools

## APPENDIX V. IMPLEMENTATION AND IMPROVEMENT PROGRAMME

The development of this AMP has been based on existing levels of service and asset management practices, the best available information and knowledge of Community Development staff.

Council identified the key cross activity improvement actions for implementation prior to development of the AMPs for the 2015 to 2025 LTP period. These were:

- update the growth strategy for the changed economic climate
- review levels of service to ensure they adequately cover core customer values
- review and update Council's risk register for each activity

These actions were all completed and have fed into the development of the current AMP.

Ongoing improvement actions that apply to all AMPs include:

- operations and maintenance: an ongoing review of contracting and internal service agreement strategies will be carried out, to achieve the best balance of risk transfer, cost and performance based focus
- risk assessments will be periodically reviewed, to enhance optimised decision-making capability
- changes in Council direction, legislation and Government policy will be taken into account during AMP reviews
- recruitment, retention and development of sufficient and suitably qualified staff.

No specific improvement tasks have been identified for the Library Services AMP.

## **APPENDIX W. DISPOSALS**

No significant asset disposal is planned for the Library Services activity

## **APPENDIX X. GLOSSARY OF ASSET MANAGEMENT TERMS**

The following acronyms and terms are used in this AMP:

**Table X-1: Glossary of Acronyms used**

<b>Acronyms</b>	<b>Name</b>
AMP	Activity Management Plan
APNK	Aotearoa People's Network Kaharoa
DIA	Department of Internal Affairs
LIANZA	Library and Information Association of New Zealand Aotearoa
LMS	Library Management System
TDC	Tasman District Council
LOS	Level of Service
LTP	Long Term Plan
RFID	Radio Frequency Identification
TRMP	Tasman Resource Management Plan

**Table X-2: Glossary of Asset Management Terms**

<b>Term</b>	<b>Meaning</b>
Activity	An activity is the work undertaken on an asset or group of assets to achieve a desired outcome.
Activity Management Plan (AMP)	Activity Management Plans are key strategic documents that describe all aspects of the management of assets and services for an activity. The documents feed information directly in the Council's LTP, and place an emphasis on long term financial planning, community consultation, and a clear definition of service levels and performance standards.
Annual Plan	The Annual Plan provides a statement of the direction of Council and ensures consistency and co-ordination in both making policies and decisions concerning the use of Council resources. It is a reference document for monitoring and measuring performance for the community as well as the Council itself.
Asset	A physical component of a facility which has value enables services to be

	provided and has an economic life of greater than 12 months.
Asset Management (AM)	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management System (AMS)	A system (usually computerised) for collecting analysing and reporting data on the utilisation, performance, lifecycle management and funding of existing assets.
Asset Management Strategy	A strategy for asset management covering, the development and implementation of plans and programmes for asset creation, operation, maintenance, renewal, disposal and performance monitoring to ensure that the desired levels of service and other operational objectives are achieved at optimum cost.
Asset Register	A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction, technical and financial information about each.
Basic Asset Management	Asset management which relies primarily on the use of an asset register, maintenance management systems, job/resource management, inventory control, condition assessment and defined levels of service, in order to establish alternative treatment options and long term cash flow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than risk analysis and optimised renewal decision making).
Benefit Cost Ratio (B/C)	The sum of the present values of all benefits (including residual value, if any) over a specified period, or the life cycle of the asset or facility, divided by the sum of the present value of all costs.
Business Plan	A plan produced by an organisation (or business units within it) which translate the objectives contained in an Annual Plan into detailed work plans for a particular, or range of, business activities. Activities may include marketing, development, operations, management, personnel, technology and financial planning
Capital Expenditure (CAPEX)	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CAPEX increases the value of an asset.
Condition Monitoring	Continuous or periodic inspection, assessment, measurement and interpretation of resulting data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action.
Critical Assets	Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.
Current Replacement Cost	The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.
Deferred Maintenance	The shortfall in rehabilitation work required to maintain the service potential of an asset.
Demand Management	The active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid or defer CAPEX expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand.
Depreciated Replacement Cost (DRC)	The replacement cost of an existing asset after deducting an allowance for wear or consumption to reflect the remaining economic life of the existing asset.

Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the historical cost (or revalued amount) of the asset less its residual value over its useful life. Disposal Activities necessary to dispose of decommissioned assets.
Economic Life	The period from the acquisition of the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life however obsolescence will often ensure that the economic life is less than the physical life.
Facility	A complex comprising many assets (e.g. swimming pool complex, etc.) which represents a single management unit for financial, operational, maintenance or other purposes.
Geographic Information System (GIS)	Software which provides a means of spatially viewing, searching, manipulating, and analysing an electronic database.
Infrastructure Assets	Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised 'ordinary' assets as components.
I.M.S.	Infrastructure Management System - Computer Database
Level of Service	The defined service quality for a particular activity (i.e. water) or service area (i.e. water quality) against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Life	A measure of the anticipated life of an asset or component; such as time, number of cycles, distance intervals etc.
Life Cycle	Life cycle has two meanings: <ul style="list-style-type: none"> <li>the cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset i.e. from planning and design to decommissioning or disposal</li> <li>the period of time between a selected date and the last year over which the criteria (e.g. costs) relating to a decision or alternative under study will be assessed.</li> </ul>
Life Cycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Life Cycle Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.
Long Term Plan	The Long Term Plan (LTP) is the primary strategic document through which Council communicates its intentions over the next 10 years for meeting the community service expectations and how it intends to fund this work. The LTP is a key output required of Local Authorities under the Local Government Act 2002.
Maintenance Plan	Collated information, policies and procedures for the optimum maintenance of an asset, or group of assets.
Net Present Value (NPV)	Net Present Value – Standard method for evaluating long-term projects in capital budgeting.
Objective	An objective is a general statement of intention relating to a specific output or activity. They are generally longer-term aims and are not necessarily outcomes that managers can control.
Operation	The active process of utilising an asset which will consume resources such as

	manpower, energy, chemicals and materials. Operation costs are part of the life cycle costs of an asset.
Decision Making (ORDM)	An optimisation process for considering and prioritising all options to rectify performance failures of assets. The process encompasses NPV analysis and risk assessment.
Performance Indicator (PI)	A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.
Performance Monitoring	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards.
Planned Maintenance	Planned maintenance activities fall into three categories: <ul style="list-style-type: none"> <li>• Periodic – necessary to ensure the reliability or sustain the design life of an asset.</li> <li>• Predictive – condition monitoring activities used to predict failure.</li> <li>• Preventive – maintenance that can be initiated without routine or continuous checking (e.g. using information contained in maintenance manuals or manufacturers’ recommendations) and is not condition-based.</li> </ul>
Recreation	Means voluntary non-work activities for the attainment of personal and social benefits, including restoration (recreation) and social cohesion.
Rehabilitation	Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification. Generally involves repairing the asset using available techniques and standards to deliver its original level of service without resorting to significant upgrading or replacement.
Renewal	Works to upgrade, refurbish, rehabilitate or replace existing facilities with facilities of equivalent capacity or performance capability.
Renewal Accounting	A method of infrastructure asset accounting which recognises that infrastructure assets are maintained at an agreed service level through regular planned maintenance, rehabilitation and renewal programmes contained in an AMP. The system as a whole is maintained in perpetuity and therefore does not need to be depreciated. The relevant rehabilitation and renewal costs are treated as operational rather than capital expenditure and any loss in service potential is recognised as deferred maintenance.
Repair	Action to restore an item to its previous condition after failure or damage.
Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.
Remaining Economic Life	The time remaining until an asset ceases to provide service level or economic usefulness.
Risk Cost	The assessed annual cost or benefit relating to the consequence of an event. Risk cost equals the costs relating to the event multiplied by the probability of the event occurring.
Risk Management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Routine Maintenance	Day to day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative maintenance.
Service Potential	The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset.
Strategic Plan	Strategic planning involves making decisions about the long term goals and

	strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long term survival, value and growth of the organisation.
Unplanned Maintenance	Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.
Upgrading	The replacement of an asset or addition/ replacement of an asset component which materially improves the original service potential of the asset.
Valuation	Estimated asset value that may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.

## APPENDIX Y. LOCATION OF LIBRARY ASSETS AND FACILITIES

TDC's libraries are located at the following addresses:

Tasman District Library	280 Queen Street Richmond
Motueka Public Library	12 Pah Street, Motueka
Takaka Memorial Library	3 Junction Street, Takaka
Murchison Service Centre/Library	90 Fairfax Street, Murchison

The library collections are held entirely within these facilities. Small loans of stock are regularly made to community libraries in Collingwood, Mapua, Tapawera and Wakefield. The loans are held at the community libraries for short-term periods of to 6-9 months.

## APPENDIX Z. AMP STATUS AND DEVELOPMENT PROCESS – LIBRARY SERVICES ACTIVITY

### Z.1 Quality Assurance

Quality Assurance Statement		
<b>Tasman District Council</b> 189 Queen Street Private Bag 4 Richmond 7050 Telephone: (03) 543 8400 Fax: (03) 543 9524	<b>Version:</b>	Draft – February 2015
	<b>Status:</b>	Draft
	<b>Prepared by:</b> <b>AMP Authors</b>	Glennis Coote Maxine Day
	<b>Approved for issue by:</b> <b>Community Development Manager</b>	Susan Edwards



## Z.2 Quality Requirements and Issues

	Issues and Requirements	Description
1	Fitness for Purpose	The AMP has to be “fit for purpose”. It has to comply with Audit NZ expectations of what an AMP should be to provide them the confidence that the Council is adequately managing the Council activities.
2	AMP Document Consistency	Council want a high level of consistency between AMPs so that a reader can comfortably switch between plans.
3	AMP Document Format	The documents need to be prepared to a consistent and robust format so that the electronic documents are not corrupted (as happens to large documents that have been put together with a lot of cutting and pasting) and can be made available digitally over the internet.
4	AMP Text Accuracy and Currency	The AMPs are large and include a lot of detail. Errors or outdated statements reduce confidence in the document. The AMPs need to be updated to current information and statistics.
5	AMP Readability	The AMPs in their current form have duplication – where text is repeated in the “front” section and the Appendices. This needs to be rationalised so that the front section is slim and readable and the Appendix contains the detail without unnecessary duplication.
6	Completeness of Required Upgrades/Expenditure Elements	The capital expenditure forecasts and the operations and maintenance forecasts need to be complete. All projects and cost elements need to be included.
7	Accuracy of Cost Estimates	Cost estimates need to be as accurate as the data and present knowledge allows, consistently prepared and decisions made about timing of implementation, drivers for the project and level of accuracy the estimate is prepared to.
8	Correctness of Spreadsheet Templates	The templates prepared for use need to be correct and fit for purpose.
9	Assumptions and Uncertainties	Assumptions and uncertainties need to be explicitly stated on the estimates.
10	Changes Made After Submission to Financial Model	If Council makes decisions on expenditure after they have been submitted into the financial model, the implications of the decisions must be reflected in the financial information and other relevant places in the AMP – eg. Levels of service and performance measures, improvement plans etc.
11	Improvement Plan Adequate	Improvements identified, costed, planned and financially provided for in financial forecasts.