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| Report No: | RCN11-12-03 |
| File No: | A506 |
| Date: | 7 December 2011 |
| Decision Required | |

REPORT SUMMARY

Report to: Full Council
Meeting Date: 15 December 2011
Report Author: Susan Edwards, Strategic Development Manager
Subject: Long Term Plan Policy on Significance

EXECUTIVE SUMMARY

Schedule 10(11) of the Local Government Act 2002 (LGA) states that “A long-term plan must contain a summary of the local authority’s policy on determining significance under the Act”. This report provides a copy of the Policy on Significance contained in the Ten Year Plan 2009-2019 with proposed changes for approval by Council for inclusion in the Draft Long Term Plan 2012–2022.

RECOMMENDATION/S

That the proposed policy be adopted for inclusion in the Draft Long Term Plan 2012–2022.

DRAFT RESOLUTION

THAT the Tasman District Council confirms the proposed Policy on Significance, as attached in Appendix 1, for inclusion in the Draft Long Term Plan 2012-2022.

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Subject: **Long Term Plan Policy on Significance**

1. Purpose

- 1.1 To seek Council approval of an amended *Policy on Significance* for inclusion into the Draft Long Term Plan 2012-2022 (LTP).

2. Background

- 2.1 Schedule 10(11) of the Local Government Act 2002 (LGA) states that “A LTP must contain a summary of the local authority’s policy on determining significance under the Act”. A proposed amended Policy from the Ten Year Plan 2009-2019 with track changes is attached as Appendix 1. This is the full Significance Policy, rather than a summary of it.

2.2 LGA Requirements

Section 90 of the LGA states:

- 1) *Every local authority must adopt a policy setting out –
 - a. that local authority’s general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and
 - b. any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.*
- 2) *The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.*
- 3) *A policy adopted under subsection (1) may be amended from time to time.*
- 4) *A local authority must use the special consultative procedure both in relation to –
 - a. the adoption of a policy under subsection (1); and
 - b. the amendment, under subsection (3), of a policy adopted under subsection (1).*

For the LGA definitions of significance, significant, special consultative procedure and strategic asset please refer to Appendix 2.

2.3 Current Policy on Significance

The current Policy outlines the thresholds, criteria and procedures for determining what significance proposals and decisions have and whether they are to be determined as being significant. This in turn indicates how the Council must comply with the decision-making requirements of the LGA, including, in some circumstances, whether the Special Consultative Procedure must be followed.

The proposed amendments were discussed at a Council workshop in September. They are:

- a) Updating the text to reflect the changes made last year to the LGA
 - i) The Long Term Council Community Plan is now the Long Term Plan
 - ii) There is an emphasis on Groups of Activities rather than Functions of Council
- b) The thresholds that assist Council in determining significance were previously expressed as percentages of asset base and Council turnover. It is proposed that a value of \$10 million be used instead.
- c) Ownership of Port Tarakohe as a whole is proposed as a strategic asset

3. Financial/Budgetary Considerations

3.1 There are no financial considerations to adopting this Policy.

4. Options

4.1 The LGA requires Council to include a summary of the Policy on Significance in the Long Term Plan. Council can adopt the policy as proposed or adopt an amended policy. Given that the policy is reasonably succinct, and it line with previous plans, it is proposed that the full policy be included in the LTP, rather than a summary.

5. Significance

5.1 The adoption of the Policy on Significance for consultation as part of the Long Term Plan is not in itself significant.

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| 6. Recommendation |
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- 6.1 That the proposed policy be adopted for inclusion in the Draft Long Term Plan 2012-2022.

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| 7. Draft Resolution |
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THAT the Tasman District Council confirms the proposed Policy on Significance, as attached in Appendix 1, for inclusion in the Draft Long Term Plan 2012-2022.

Appendices:

1. Policy on Significance
2. Interpretation of Local Government Act 2002

Appendix 1

Policy on Significance

Introduction

Pursuant to Section 90 of the Local Government Act 2002 (the Act), Council adopted a Policy on Significance setting out:

- a. Council's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and
- b. Any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.

Such a policy must also list the assets considered by Council to be strategic assets.

Why Consider "Significance"?

Council's assessment of the significance of a decision is important for the following reasons:

- degree of compliance – the assessment of significance will determine the nature, extent and degree of compliance necessary with the decision making process set out in Part Six of the Act. In essence, the more significant the issue the higher the standard of compliance required;
- consultation – the degree of significance will assist Council when considering consultation with persons who will or may be affected by or have an interest in the decision or matter;
- disclosure – the degree of significance will assist in determining the extent and detail of information to be disclosed by

Council when reporting to the District, or the amount of information included in consultation papers; and

- inclusion in LTCCP – the degree of significance may also determine whether a decision on a matter must be explicitly included in the LTCCP, and in a statement of proposal which has been considered under a special consultative procedure, before the decision can be made.

General Approach to Determining which Proposals and Decisions are Significant (Section 90(1)(a) of the Act)

When determining the question of the significance of proposals and decisions in relation to issues, assets or other matters the Council will determine the extent to which:

- the consequences or impacts of the issue, assets, or other matters, affect a large number of residents and ratepayers to a moderate extent;
- the consequences or impacts of the issue, assets or other matters, affect a small number of residents and ratepayers to a large extent;
- the issue, asset or other matters have a history of generating wide public interest within Tasman District or New Zealand generally.

Thresholds, Criteria and Processes for Determining which Proposals and Decisions are Significant (Section 90(1)(b) of the Act)

When undertaking a process to determine the extent to which issues, proposals or decisions or other matters are significant, the Council

could use the following thresholds, criteria and procedures:

Thresholds

- ~~incur more than 1% of Council's asset base, or 5% of Council's budgeted turnover~~ decisions that have a value of more than \$10 million over the ten year period of the Long Term Plan.
- Any transfer of ownership or control, or the construction, replacement or abandonment of a strategic asset as defined by the Act or listed in this policy.
- The sale of more than 20% of Council's shareholding in any Council-controlled trading organisation or Council-controlled organisation.
- Entry into any partnership with the private sector to carry out a significant activity, or any new proposal to contract out the delivery of any Council ~~function~~ group of activities.

Criteria

- Whether the asset is a strategic asset within the meaning of the Act or listed in this policy.
- The extent to which there is or is likely to be a change in the level of service in carrying out any significant activity.
- The extent to which there is or is likely to be a change in the way in which any ~~significant group of activities are activity is~~ carried out or if Council decides to exit an existing or add a new group of activities.
- The extent to which there is or is likely to be a change in the capacity of the Council to provide any significant service or carry out any significant activity.
- The extent to which any decision is likely to be controversial in the context of numbers of people

affected, the area affected or the duration of the effect.

Procedures

In achieving this Policy:

- Where any issue, policy, decision or other matter triggers one or more thresholds, the matter shall be reported to Council.
- Each report shall include a statement indicating that the issue, policy, decision or other matter has been considered in regard to Council's Policy on Significance. The report shall include an assessment of the degree of significance of the issue, policy, decision or other matter, based on the criteria outlined in this Policy.
- If the issue, policy, decision or other matter is considered to be significant, the report to Council will also include a statement addressing the appropriate observance of such of Sections 77, 78, 80, 81 and 82 of the Act as are applicable.
- Once an issue, policy, decision or other matter is determined as significant in accordance with the application of this Policy, the decision making provisions of the Act shall be applied as outlined in Sections 76 to 81 of that Act.

Assets Considered Strategic

- Transportation system as a whole
- Wastewater reticulation system as a whole
- Stormwater reticulation system as a whole
- District Libraries as a whole
- Reserves and Cemeteries as a whole
- Water reticulation system as a whole
- Water treatment plants as a whole
- Wastewater treatment plants as a whole
- Ownership in Port Nelson Ltd
- Ownership of Port Tarakohe as a whole
- Ownership in Nelson Airport Ltd

- Association with Nelson Regional Sewerage Business Unit
- Association with Tasman Bays Heritage Trust
- Forestry Estate as a whole
- Eves Valley Landfill

Decisions on “significance” will be made in accordance with the Council’s Governance Statement, Standing Orders and the Delegation Register.

Local Government Act Interpretation

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- (a) the current and future social, economic, environmental, or cultural wellbeing of the district or region:
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

special consultative procedure means the procedure set out in section 83.

strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community; and includes—

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in—
 - (i) a port company within the meaning of the Port Companies Act 1988:
 - (ii) an airport company within the meaning of the Airport Authorities Act 1966