

## 8. AMENDMENTS TO REGULATORY SERVICES FEES AND CHARGES 2007/2008



<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services, DDI 941-8549
<b>Officer responsible:</b>	Environmental Policy and Approvals Manager
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### PURPOSE OF REPORT

1. The purpose of this report is to present explanations regarding proposed amendments to the schedule of Council Regulatory Fees and Charges 2007/08 shown in the draft 2007/08 Annual Plan. It is proposed that the fees adopted in 2006/07 continue except where identified in the draft plan.

### EXECUTIVE SUMMARY

2. The proposed amendments to the schedule of Council Fees and Charges 2007/08 will be included in the consultation documents for the annual plan associated with the 2006–2016 LTCCP (Long Term Council Community Plan). In the Regulatory Services area, the changes include:
  - Clarification - changed text so that it is clear that “Fixed Fees” apply in respect of Privately Requested Plan Changes and Designation requests. Previous wording included the word “deposit”.
  - Consistency – an increased “fixed” fee in respect of altering a designation, to make the charge consistent with other resource consent charges.
  - Consistency – Sales and updates of both City and Banks Peninsular District Plan charged for.
  - Increased chargeable hourly rate - Time and cost charges in processing building, resource and subdivision consents. Increased to reflect increased cost of delivering services related to Building Consent Authority accreditation, inflationary pressures and corporate overheads and new records and document management procedures associated with EDMS (Electronic Data Management System) Increased LIM and PM charges – Storage of property records in a secure, controlled environment and work on EDMS (Electronic Data Management System) will lead to improved service, with scanned plans and records printed out as part of delivery of service.
  - Increased building inspection, code compliance certificate and certificates for public use charges – cost changes to reflect additional quality/time required to be spent on each inspection to achieve BCA (Building Accreditation) requirements.
3. Ongoing review of user charges is necessary each year as regulatory services areas of Council deliver their services in a user pays environment. A number of the changes proposed are for clarification and consistency but the major changes proposed are:
  - To increase the chargeable hourly rate to reflect the full costs of processing building consents, resource consents and subdivision consents. Costs in these areas have increased because of customer needs and a statutory requirement for Council to deliver the services in tight time frames, become accredited as a Building Consent Authority, additional requirements with document and records management and increases in personnel costs.
  - To increase the cost of LIM's (Land Information Memoranda) by \$25.00 (14%) and PIM's (Project Information Memoranda) by \$10.00. The introduction of an EDMS (Electronic Data Management System) will significantly benefit customers in these areas.
  - To increase the cost of building inspections by \$5.00 (8%), Code Compliance Certificate by \$5 (11%) and certificates for public use by \$5 (11%)
4. The proposed introduction of an EDMS (Electronic Data Management System) will deliver a number of benefits to our customers. They will ultimately have access to a complete scanned or electronic copy of their property records which can be printed out; they will be able to apply on line for consents or LIM's. All of this information will be able to be accessed on the internet or at our public service counters.
5. The proposed increases are necessary to meet customer expectations of a high quality service and to meet statutory requirements related to Building Consent Authority accreditation, Public Records Act requirements, and statutory timeframes for consents.

## **FINANCIAL IMPLICATIONS**

6. The regulatory services increases will deliver \$860,000 in increased revenue from users of the services. There will be \$325,000 to cover central government imposed compliance and inspection costs, i.e. Building Act Accreditation, building inspection costs and general inflationary cost pressures within the Unit and \$535,000 to fund the introduction of EDMS (Electronic Data Management System).
7. This increase is in the schedule of charges and is achieved by a mix of:
  - changing the standard hourly calculation (Officers remuneration x 2.2/chargeable hours) - the increase is derived by increasing the 2.0 overhead component.
  - Increasing the charges for PIM's, LIM's, building inspections, code compliance certificates and certificates for public use.
8. This is an ongoing source of funding which will enable the progressive back scanning of property records , as they are recovered in ensuing years. Over the course of 7 years every property file is expected to be recovered and it will be scanned at that time.
9. The scale of charges proposed increases the charges for Building, Resource and Subdivisions consents, inspections, as well as PIM's and LIM's. The level of increase varies for different types of fees but a comparison of these charges with other Territorial Authorities reveals that the proposed increase still means that our charges are either comparable or behind other major Councils.

### **Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?**

10. The Regulatory Services Unit budgets are based on operating in a user pays environment. These increases reflect the cost of delivering the service to the user and accordingly are aligned with the 2006 16 LTCCP budgets.

## **LEGAL CONSIDERATIONS**

11. The charges proposed are provided for in the Local Government Act 2002, Building Act 2004, Resource Management Act 1991 and Official Information and Meetings Act 1987.

### **Have you considered the legal implications of the issue under consideration?**

12. This matter has been discussed with the Legal Services Unit and the process for approval is provided under the Annual Plan approval process.

## **ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

13. The EDMS project will help in the delivery of consents within statutory timeframes and increase customer satisfaction levels with the service. These are measures in the LTCCP.

### **Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?**

14. As above.

## **ALIGNMENT WITH STRATEGIES**

15. Aligns with Financial Strategy.

## **CONSULTATION FULFILMENT**

16. The Annual Plan approval process provides for community consultation. There has been extensive consultation with major building companies and developers who are increasingly looking for a streamlining of processes including the ability to apply on line for consents.

## **STAFF RECOMMENDATION**

It is recommended that the Council include the proposed scale of increased fees and charges in the annual plan process.

## **BACKGROUND (THE ISSUES)**

17. The delivery of regulatory services under the Building Act 2004, Resource Management Act 1991 and Official Information and Meetings Act 1987 are statutory responsibilities of Council. They are delivered on a user pays basis and frequent review is necessary to meet increased cost and to fund smarter ways of delivering the service.
18. The main drivers for the proposed increases this year are customer expectations, central government imposed compliance cost related to Building Act Accreditation and the Public Records Act, general inflationary pressures and corporate overheads.
19. The major change proposed is an increase in user charges and increased PIM and LIM charges to fund an EDMS (electronic data management system) which will provide immediate benefits to customers who would have access to complete and comprehensive property records on line and able to be immediately printed out. This reduces the risk of information not being included in LIM's and PIM's (hence reducing legal risks to the Council). It enables customers to utilise electronic details of their properties i.e. plans and cross sections, inspection details, specifications. It also creates the ability to apply for and track consents and LIM's on line and receive these consents and information in a shorter time period.
20. Currently most Councils already have the capability to scan consents and plans to help the retrieval of these records and make processing easier. There is proven technology to enable this and there is an increasing customer expectation of being able to apply and pay electronically for this information. The introduction of an EDMS system is critical to our delivering regulatory services and keeping up with modern day requirements.
21. The proposed fees and charges changes are difficult to compare with other Councils for the major categories of building consents, resource consents and subdivision consents. This is because the processing is based on an hourly rate and the final charge will depend on the complexity and completeness of the application documents. However for a PIM/Building Consent for a standard \$250,000 residential building, our average charge on the new fee scale would be \$1895.00 – which includes all the processing and inspections. Typically other major Councils would charge on a fixed fee and their average charge would be \$2155.
22. The proposed cost of a LIM (\$175) compares with a typical charge at other Councils of \$275.00, a PIM \$210 compares with a typical charge at other Councils of \$465.00 and an inspection (\$70) is about the same.

## **THE OBJECTIVES**

23. The objective addressed by this report is to increase the regulatory fees and charges to meet increased compliance and inflationary costs and to deliver a better of service for Building, resource and Subdivision consents, LIM's and PIM's, through the introduction of an EDMS (electronic data management system). The proposed increases are necessary to meet customer expectations of a high quality service and to meet statutory requirements related to Building Consent Authority accreditation, Public Records Act requirements, and statutory timeframes for consents.

## **THE OPTIONS**

24. (a) Status quo.  
(b) Increase the Fees and Charges for PIM's and LIM's and the hourly rate by 10% to meet increased compliance costs, inflationary pressures and fund the introduction of the EDMS.

## **THE PREFERRED OPTION**

25. The preferred option is Option (b)

## ASSESSMENT OF OPTIONS

### The Preferred Option

26. Increase the Fees and Charges for PIM's and LIM's and the hourly rate by 10% to meet increased compliance costs, inflationary pressures and fund the introduction of the EDMS.

	Benefits (current and future)	Costs (current and future)
<b>Social</b>		
<b>Cultural</b>		
<b>Environmental</b>	The EDMS will ensure more complete and understandable environmental information is able to be given to customers.	
<b>Economic</b>	The increased levels of service from the EDMS will add value for customers to the LIM and consenting process.	The users of the service will fund \$735,000 in extra charges. There will be not ratepayer funding required.
<b>Extent to which community outcomes are achieved:</b>  The increase in fees is consistent with the 2006 – 2016 LTCCP and enables KPI's to be met.  <b>Impact on the Council's capacity and responsibilities:</b>  The increases are necessary to meet statutory requirements under the Building Act 2004 and Public Records Act.  <b>Effects on Maori:</b>  There are no effects on Maori.  <b>Consistency with existing Council policies:</b>  These increases reflect that Regulatory Services are delivered on a user pays basis.  <b>Views and preferences of persons affected or likely to have an interest:</b>  The Annual Plan process provides for consultation on this matter. Regular customers have indicated a willingness to pay more to get an increased level of service and to be able to apply for consents on line and shorten processing times.  <b>Other relevant matters:</b>		

**Maintain the Status Quo (if not preferred option)**

## 27. Status quo

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>		
<b>Cultural</b>		
<b>Environmental</b>		
<b>Economic</b>	No increase in fees to user but a reduced service.	An immediate shortfall in funding of \$325,000 which would lead to a reduction in service and reduced ability to achieve accreditation as a Building Consent Authority. A further delay in introducing an EDMS system to meet modern day standards.
<b>Extent to which community outcomes are achieved:</b>  Desired community outcomes require a regulatory service that meets statutory requirements and delivers consents and requests for information that are comprehensive and within agreed timeframes. This is extremely difficult without the help of modern day technology (EDMS) and unachievable if we don't increase inspection and consenting resources to achieve accreditation as a Building Consent Authority by November 2007.  <b>Impact on the Council's capacity and responsibilities:</b>  The present levels of service around delivery of Resource Consents, Building Consents and inspections and subdivisions consents are significantly compromised.  <b>Effects on Maori:</b>  There are no specific effects on Maori.  <b>Consistency with existing Council policies:</b>  These increases reflect that Regulatory Services are delivered on a user pays basis.  <b>Views and preferences of persons affected or likely to have an interest:</b>  Housing companies and developers have advised that they are prepared to pay extra to receive consents and information quicker. They have expressed a desire to be able to submit and track applications on line.  Consumers of the service will get the opportunity to submit to the Annual Plan process.  <b>Other relevant matters:</b>		