

STAFF REPORT

TO: Mayor and Councillors
FROM: Executive Officer – Strategic Development
REFERENCE: RCN10-02-08
DATE: 4 February 2010
SUBJECT: Changes to Schedule of Charges

PURPOSE/REASON FOR REPORT

To seek Council approval for changes to the Schedule of Charges for inclusion in the Draft Annual Plan 2010/2011.

COMMENT/DISCUSSION

Staff recommend making the following changes to the Schedule of Charges:

Community Services

Library

The library is seeking to introduce two new charges to recover the administrative time spent on dealing with damaged and lost books.

Damaged book administration fee (if charged)	\$5.00 per item
Lost book administration fee (non-refundable)	\$8.00 per item

Cemetery Charges

Council has recently introduced natural burials in some of its cemeteries and a Memorial Wall in Richmond. New charges are needed for these new services.

Plot – Purchase Right of Burial

Natural Burial – Standard Plot Size	\$750.00
Natural Burial – Large Plot Size	\$1,500.00

Ashes – Purchase Right of Burial

Richmond Memorial Wall Plaque Space	\$150.00
Richmond Memorial Wall Plaque Space plus Out of District Fee	\$250.00

Engineering

Most of the engineering charges have been inflation adjusted (with appropriate rounding), with the exception of aerodrome charges and some waste charges which have not changed. Some waste charges (e.g. rubbish bags, mixed refuse) have gone up more than the inflation adjustment.

Environment & Planning Charges

Apart from the CPI adjustment with rounding, the main changes proposed are

- Changes to deposits for resource consent applications to better reflect total costs and to ensure we can cover more effort in light of the proposed discounting policy as insufficient funds will be a reason for stopping the clock to minimise the payment of discounts. More payment up front will hopefully minimise transaction costs and Council's exposure to delays in recovering costs. The figures align with Nelson City Council's current charges. The deposits for minor non-notifieds have gone from \$485 to \$500, more complex non-notifieds from \$835 to \$900 and notified from \$4,100 to \$5,000. We are finding that applications involving hearings can cost up to \$30,000, so we have reserved the right to seek a deposit top up before proceeding to a hearing.
- There have been some formatting changes to make clear resource consent charges are set under section 36(1) of the RMA and we have made clear the distinction between deposits and standard charges.
- In relation to building consents charges we have set a formal deposit. Up until 31 January 2010 all building consents had to be issued with a PIM, so we always asked for the PIM fee to accompany lodgement of a consent application. PIMs are now voluntary and we have noted a trend in applications being lodged but not proceeded with and we spend time trying to recover costs incurred. A deposit of \$500 or the actual fee whichever is lower should get round this.
- The only suggested change to the level of building fees is the Certificate of Acceptance (CoA). This is what people can obtain where unauthorised work has occurred. Unfortunately some think they should act first and seek forgiveness after. We are getting an increasing number of requests for CoAs. While applicants pay the same fees as for a building consent and government levies, there are also some extra costs to be recovered but there should also be some "disincentive value". This deposit is set at \$700 which only covers 5½ hours work and which is \$200 above that for the normal consent.
- We have restructured the fees for food premises to align more clearly with the current categories of license and better reflect level of effort. In a number of cases this has resulted in reduced fees (eg for hairdressers). We have introduced a late payment fee because of the number of applications that come in without the required fee and to cover the extra effort required to chase recovery. We have also introduced a similar late payment fee for commercial operator licenses.
- Note there has been no change to sale of liquor license fees. These are still set by Government regulation!

- In addition to the CPI adjustment we have increased the dog registration by \$1 to cover some additional costs including power, telephone and signage. This means urban dogs are \$47 and rural dogs are \$29.
- In relation to annual charges for resource consents we have dispensed with the catchment factor. Originally it was imposed at variable levels across the various water management zones to reflect effort. It is considered easier and more transparent to set the appropriate fee without having to multiply by the catchment factor. To recognise the lesser effort in the Aorere West Coast and Upper Buller zones it is proposed to give a 33% discount. This change does not alter the level of charge or income. We have also removed a couple of charges because they are redundant and we have made clear that water takes only for frost fighting will get a 50% discount on annual charges to recognise out of season use. A note clarifying the basis of charges for non-consumptive uses has been added to the general rules.

Update to Development Contribution Quanta

Provision exists within the Development contribution Policy to apply a cost escalation using the Construction Industry Group Input figures in the Producers Price Index from the Department of Statistics (which is the replacement to the Cost Construction Index and is now provided for in NZS 3910).

We will report back to Council on the proposed adjustment once the March 2010 figures are available.

RECOMMENDATION

- 1 THAT Council receives this report;**
- 2 THAT the changes to the Schedule of Charges as outlined above be approved for inclusion in the Draft Annual Plan 2010/2011;**
- 3. THAT the proposed deposit for building consents at \$500 or the actual fee whichever is lower, and the proposed deposit for Certificates of Acceptance at \$700 have effect from 1 March 2010;**
- 4. THAT the attached full Schedule of Charges be included in the Draft Annual Plan 2010/2011, with the addition of a section at the beginning summarising the key changes to charges, as outlined in the body of this report.**

S E Hartley
Executive Officer – Strategic Development