

OIR: 2425/1243

4 March 2025

[REDACTED]
[REDACTED]

Tēnā koe [REDACTED]

Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)

Thank you for your email of **11 January 2025** requesting the following information:

Please provide me with a copy of the 2024 Review of Regulatory Environment Team.

At Tasman District Council the LGOIMA staff are anonymous. If you could please provide both, that would be most appreciated.

Please find attached a copy of the Morrison Low review completed in 2024 on our Resource consenting area.

On behalf of the GM Strategy and Growth, who has recently taken on oversight of the resourcing consent function, I note the following:

- This report helpfully offers some insights into the effectiveness of our resource consenting work. However, there are some limitations in the findings of the report, given the small group of people interviewed and high-level analysis that informed the broad view of this area of Council's work.
- Whilst it is pleasing to see an indication that we are achieving well against national standards, I acknowledge that there are some efficiency and capability issues which need further consideration.
- Subsequent to this report, and in response to wider stakeholder feedback, further investigation of our processes and systems is now underway.

Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.

We expect to outline a short and targeted summary of what's working well, and areas for improvement in May 2025 at our Strategy, Operations and Finance Committee meeting.

Ngā mihi,

A handwritten signature in black ink, appearing to read 'Kris Pervan', with a stylized, cursive script.

Kris Pervan

Group Manager Strategy and Growth
Te Kaihautū Rautaki me te Tupu

Consenting and Compliance Review

Kapiti Coast District Council

UPDATED, 7 August 2024



Prepared for:

Job #	Version	Written	Reviewed	Approved	Report Date
292001	1, draft (workshop)	A. Grace and A. Upton	Ewen Skinner	Ewen Skinner	27 June 2024
292001	2, final	A. Grace and A. Upton	Ewen Skinner	Ewen Skinner	17 July 2024
292001	3, updated	A. Grace and A. Upton	Ewen Skinner	Ewen Skinner	6 August 2024
292001	4, updated	A. Grace and A. Upton	Ewen Skinner	Ewen Skinner	7 August 2024

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Purpose of review

- From the Terms of Reference:

“The purpose of the review is to gain a greater understanding of the challenges, constraints and opportunities faced by Council’s Resource Consents and Compliance Team when performing its resource consenting function, with a goal to enable services that are more efficient, lower risk and more responsive.

The review will make recommendations to enable the Resource Consents and Compliance Team to better align themselves and their partners and stakeholders for the growth that is coming to Kapiti - positioning Kapiti Coast for the future.”

Recent feedback from applicants triggered this review

- The council is aware of feedback about what applicants perceive as an increasingly difficult environment for development, as a result of:
 - uncertain engineering information requirements, particularly at the RFI stage
 - uncertainty around the application of some planning policies
 - difficulties in communicating with Council
 - applications taking a longer time to be processed than expected

Current state

Types of resource consent applications

- The number of applications fluctuates and is not always high, yet the processing team has been under pressure.
- From the RC team's perspective, this seems to have stemmed from a combination of:
 - Changes to evidence requirements relating to stormwater and geotechnical mitigation
 - A shift in the types of applications towards higher density development
 - Development of larger-scale land blocks
 - More development driven by applicants from outside the region
 - Fast-track consenting provisions
 - LGOIMA requests, appeals and litigation are time consuming activities that take resourcing away from core consent processing activities.

Resource consent processing (as at 14 May 2024)

- Ratio external to internal processing is 3 external : 1 internal, while the target is 1 external : 4 internal
 - External consultants handling 4x volume per planner than internal, including the large subdivisions and other complex consent applications
- 23% of applications are over statutory timeframes and 41% are at the Request for Information (RFI) stage, which appears high
 - External consultants have less applications over statutory timeframes, but more applications at RFI stage

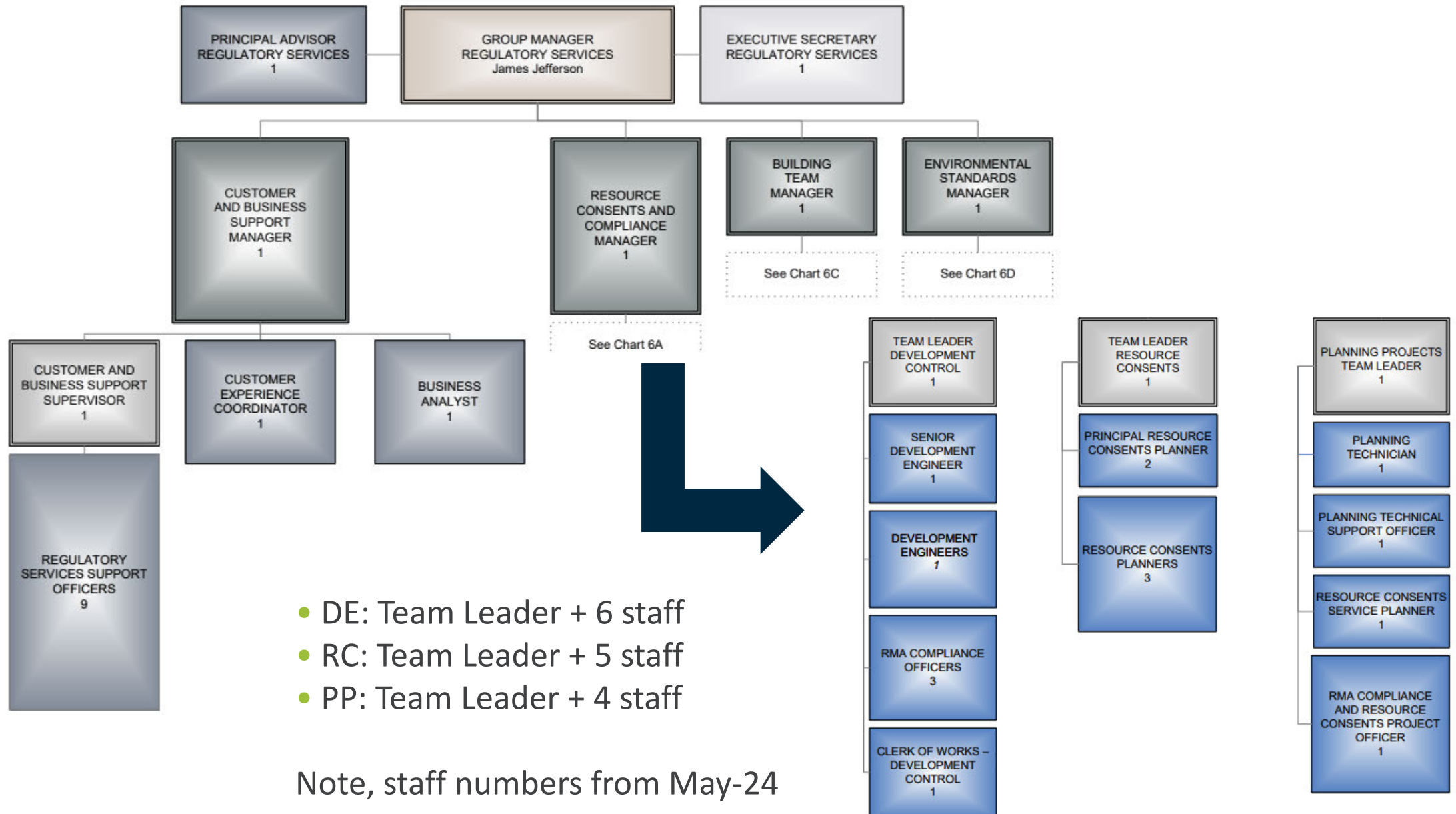
Measure	Result	Percentage or further information
Total consents being processed	153	
Assigned to internal	40	26%
Assigned to external	104	68%
Unassigned	9	6%
Consents assigned per internal planner	7	(6 internal planners)
Consents assigned per external planner	26	(4 external planners)
Average number processing days	54	(versus 20-day statutory limit)
Consents over statutory timeframes	35	23%
Consents with RFI	62	41%

Resource consent processing revenue and cost

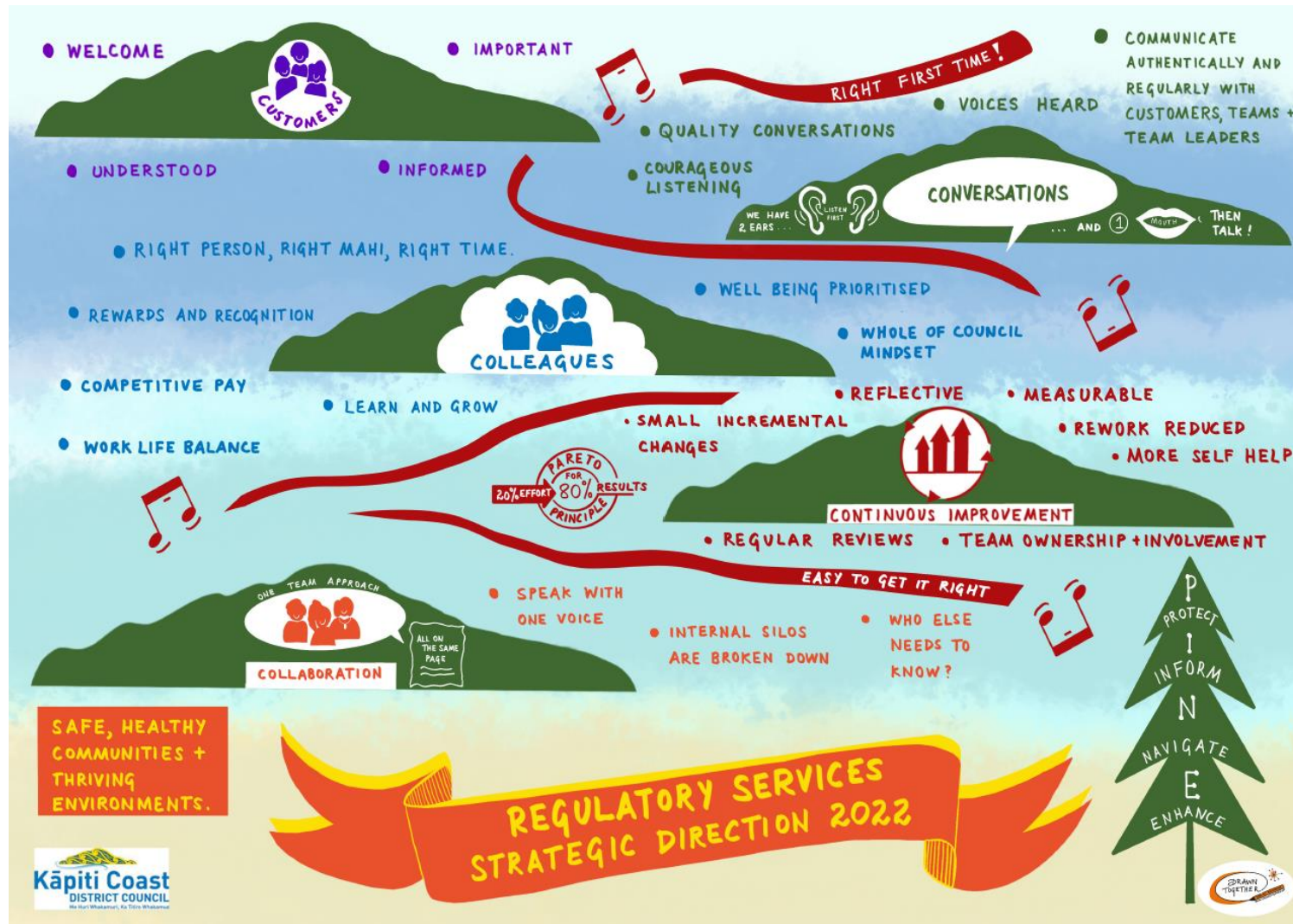
- The ratio of total income vs expenditure for resource consenting was 1:2.4 YTD May-24
 - This is a reduction from the peak of 1:2.8 in 2022/23, close to the annual budget ratio of 1:2.3
- At May-24 operating expenditure is forecast to be \$490,000 over budget
 - Largely due to external resourcing costs, but legal costs are also a contributor

Memo	YTD Actuals	Total Forecast	Total Budget 2023/24	Full Year Variance	Full Year Actuals 2022/23	Full Year Budget 2022/23
Income						
17089 LIM REVENUE	(133,904)	(157,904)	(92,278)	65,626	(129,098)	(88,558)
17090 RESOURCE CONSENT APPLICATION FEES	(789,323)	(1,077,527)	(1,332,384)	(254,857)	(1,106,629)	(1,278,677)
17091 SUBDIVISION APPLICATION FEES	1,318	1,318	-	(1,318)	(507)	-
17093 OTHER REVENUE	(49,433)	(52,422)	(74,976)	(22,554)	(66,549)	(71,952)
17096 ALCOHOL CERTIFICATES	(737)	(1,643)	(3,048)	(1,405)	(1,136)	(2,928)
17097 SUBDIVISION ENGINEERING FEES	-	-	-	-	-	-
Total Income	(972,079)	(1,288,177)	(1,502,686)	(214,509)	(1,303,919)	(1,442,115)
Total Expenditure	2,431,587	3,999,506	3,510,261	(489,245)	3,782,947	3,265,211

Resource consents within the regulatory services group



Customer Service – the ‘5 Cs’ model



- These speak to the way you work
- We heard a few other ‘Cs’
- **Consistent, clear, complete**

Previous reviews

- Two recent reviews of consent decisions:
 - Awatea Development Review, Sweetman Plan. Serv. & Orogen
 - Arawhata Road Review Report, Orogen
- Other recent reviews and initiatives:
 - Customer journey mapping resulting in the '5 Cs' model
 - Quality Applications project
 - Improved Pre-Application meetings project
- Consistent themes across the reviews
 - The reviews concluded that the consent decisions were appropriate, but there were improvements that could be made in how RC&C reached their decisions.

Improvement projects

The RC&C team have identified the following improvement projects to address the findings of the previous reviews. The status of these projects is included in the list below:

- Assessment of Development Control team communication channels required - ***underway***
- Applicant approach to be reviewed – ensure good guidance to applicants, as well as documenting agreements in pre-apps - ***underway***
- Establish improved document/version control tracking systems - ***underway***
- Develop a decision-making matrix and decision-making guidance – ***to commence***
- Roles and responsibilities clarification/definition requirements – ***to commence***
- Pre-application process to be strengthened and recorded for future reference – ***completed and monitoring changes***
- Processes to be mapped and entered into Pro-map - ***completed***

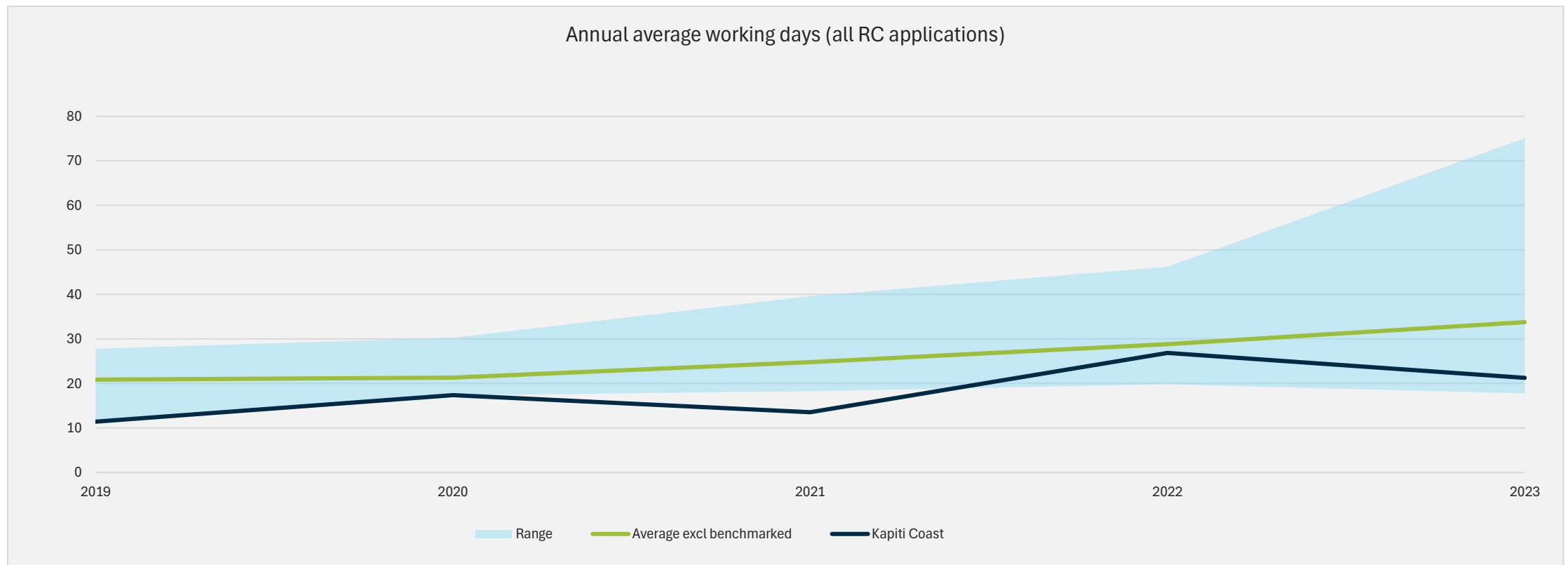
Benchmarking

Approach to benchmarking

- Data sources
 - MfE NEM data, last five years
 - StatsNZ local government data, last five years
- Reference councils across lower west of the North Island:
 - Wellington, Hutt, Upper Hutt and Porirua Cities
 - Palmerston North City
 - Horowhenua and Manawatu Districts
- The benchmark average and range excludes KCDC
 - KCDC is plotted as its own line
- The comparison with other councils gives an indication of how KCDC is performing its resourcing consenting function, but cannot provide a complete picture. Data can be categorised differently by different councils and between reporting years.
- Spikes in data can occur. This can be a result of how councils have allocated their costs, data differing from one year to the next or timing in expenditure and activities occurring. These variances affect all councils in the benchmark as well as KCDC.

What did we see in the MfE data?

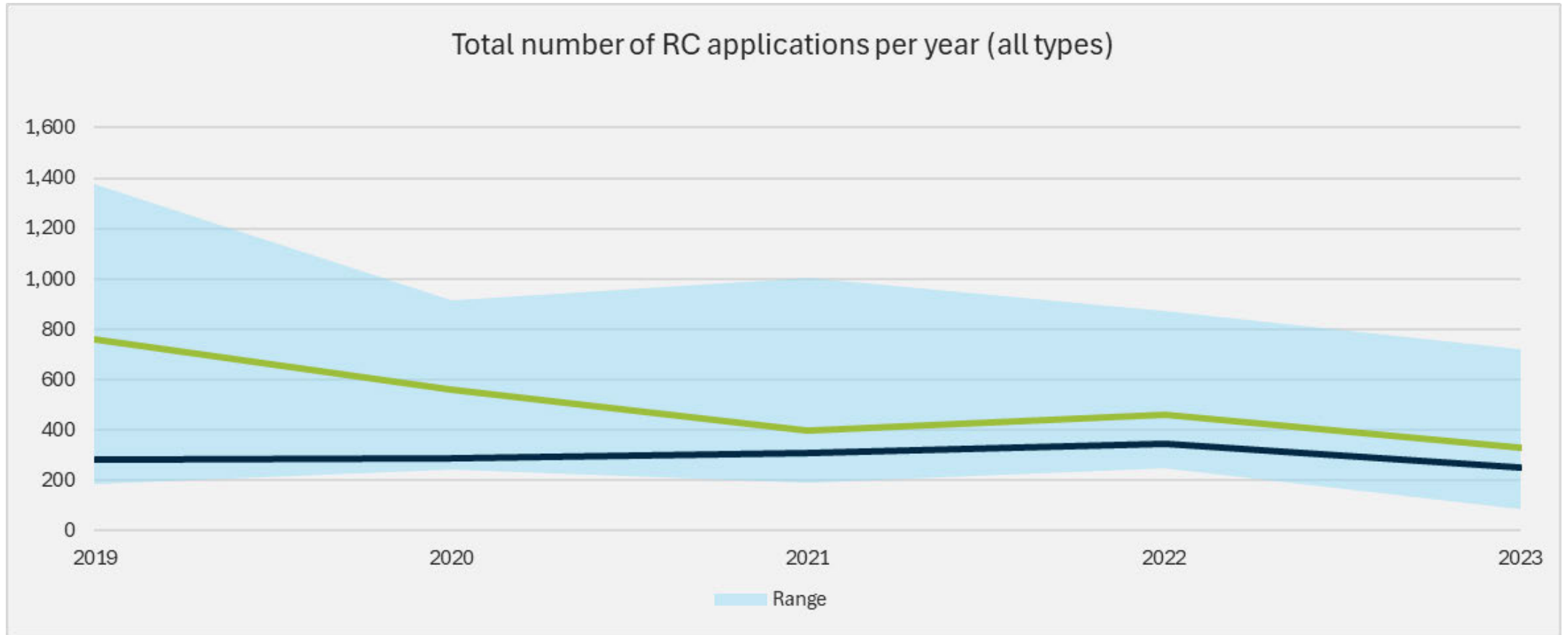
- While 30% of KCKDC's consents are over statutory timeframes as at May 2024, data from the last five years shows KCDC's average processing time is less than the 20-day statutory limit and is generally lower than the benchmarked councils.



Note "average excl benchmarked" means the average of the councils benchmarked against, i.e. excludes Kapiti Coast

What did we see in the MfE data?

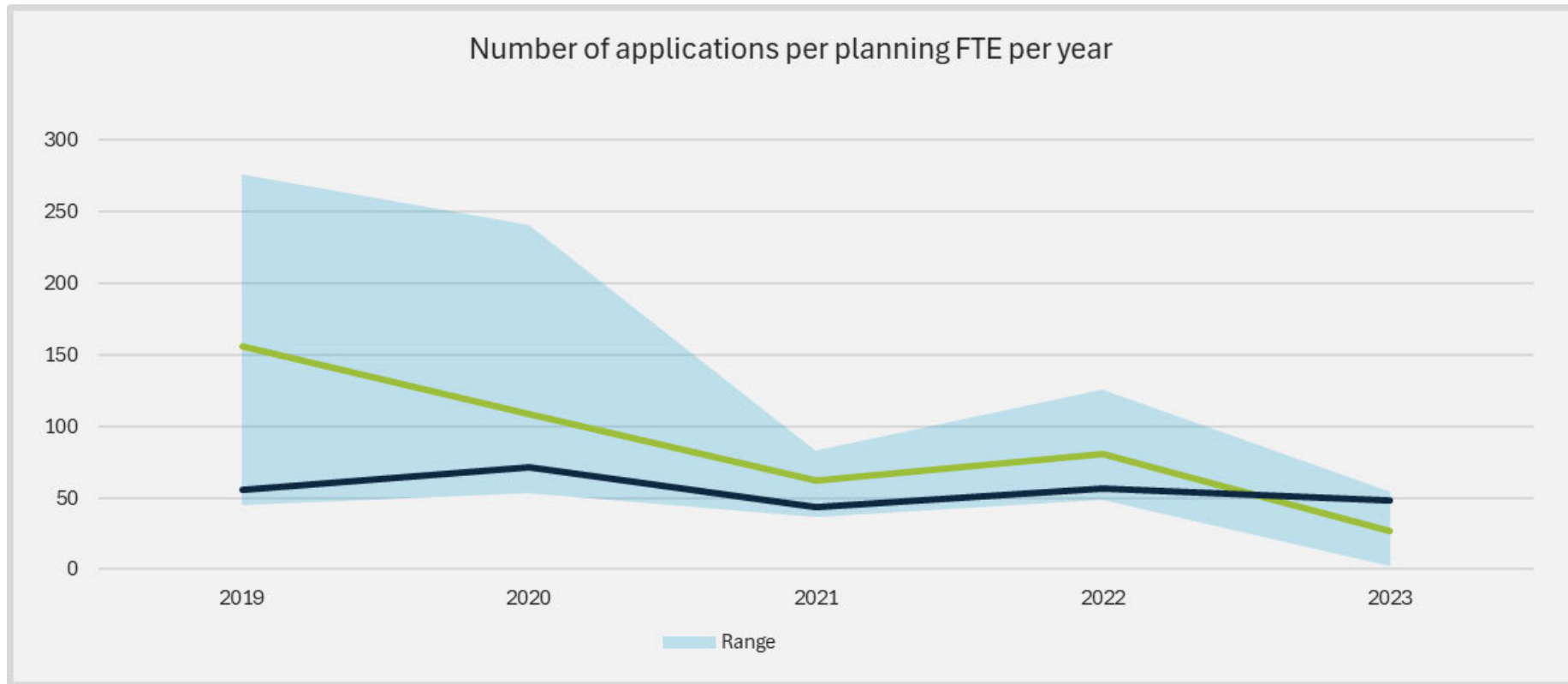
- The number of consents processed by KCDC per year is lower than the average of the benchmarked councils. KCDC is not being stretched by the overall volume of consents processed.



Note "average excl benchmarked" means the average of the councils benchmarked against, i.e. excludes Kapiti Coast

What did we see in the MfE data?

- KCDC has generally maintained a low application-to-planner ratio.
- This ratio is the number processed per internal planner (six planners in total). If external planners (4 in total) were also included, KCDC's applications per planner would drop further to 35, below the benchmarked range every year except 2023.

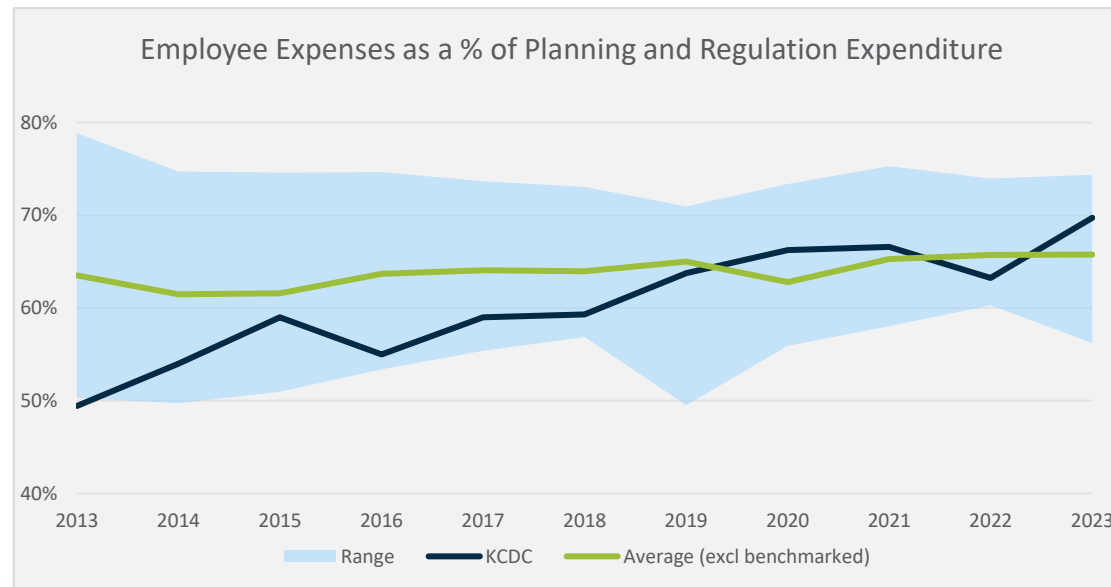


Note "average excl benchmarked" means the average of the councils benchmarked against, i.e. excludes Kapiti Coast

Note this measures the number of applications being processed per planner, including both internal and external processing planners

What did we see in the StatsNZ data?

- Spending on Planning and Regulation is higher at KCDC than the benchmarked councils.
- This category covers more than just RC&C costs. Operating costs of \$11.8 million are included in this category, while KCDC's RC&C operating costs are \$3.8 million, one third of this category.
- Employee expenditure as a proportion of Planning and Regulation Expenditure is around average when compared to the benchmarked councils.
- Therefore, the higher costs are across all expenditure categories, not just high employee costs.
- In terms of RC&C's contribution to this, the low processing volume per planner and the high volume processed by external consultants both contribute to higher costs.



Note "average excl benchmarked" means the average of the councils benchmarked against, i.e. excludes Kapiti Coast

Interviews

Interviews

- Conducted 21 May to 12 June 2024
- In total we will have interviewed 60 individuals across
 - 14 individual interviews
 - 10 internal group interviews
 - 5 external consultant company interviews
- Interviews were conducted on site at KCDC or via videoconference

Observations by the RC&C team

- Consent complexity is increasing with more medium density and marginal land, and 'fast-track' consenting has been difficult.
- Resourcing issues in the Development Control (DC) Team last year have had ongoing impacts on workloads and quality.
- Senior planners are overloaded with peer review.
- Management improvements have been deferred due to workloads.
- Pressure is being applied to consenting decisions at upper management and political levels and in public, and communications can be overwhelming.
- Consent compliance monitoring has become increasingly difficult due to the complexity of geotechnical and flooding issues. Additionally, there are issues at times with consistency and appropriateness of conditions that creates extra work and costs to applicants, including requests to remove those conditions. This can have a negative impact on consent-holder facing roles.
- Internal roles and responsibilities of the consent planners, development engineers, asset & infrastructure engineers and economic development team are unclear, resulting in individuals stepping outside their decision-making authority, delaying feedback on applications that in turn places pressure on consenting timeframes, and ambiguity and uncertainty for applicants. Roles and responsibilities within KCDC processes need to be more clearly defined.

Observations by other council teams

- People are generally 'too busy' to implement improvements.
- The planning team needs more capacity to understand and implement the RMA at middle and senior management level.
- There may be issues with performance measures and incentives due to a lack of a strategic plan for how the RC&C team deliver their work.
- Engineering matters are being double handled by Asset Management and Infrastructure due to lack of capacity in the DC Team.
- Changes have meant that institutional knowledge is lost.
- An increasing customer-focus has created unintended problems.

Observations by consultants and applicants

- Preapplication meetings have not been effective or efficient.
- Consultants regularly in contact with multiple people from Council.
- Escalation often necessary due to delays in processing, but hard to know whether a 'good cop' or 'bad cop' approach is more effective.
- Some external processing planners are taking an unhelpfully narrow view on consenting issues.
- The RFI process has been poorly used, with apparent lack of discretion and oversight applied at times by processing planners.
- The move to increase refusals at s88 would be counterproductive – instead, Council needs to be more consistent and transparent with its requirements.
- Applicants described successful relationships as ones where the planner is a 'steward' and is:
 - the single point of contact for applicants throughout the process.
 - engaged and assertive in defining the information requirements for the consent decision, both internally and externally.
 - empowered to make RMA policy judgements with support from technical advisors in exceptional circumstances.



Review findings

Findings

- KCDC's processing timeframes are within the range of other councils and reviews of the consenting team's decisions has demonstrated that the decisions being made are sound.
- The number of applications processed by KCDC has remained relatively constant and is low when compared to other councils, but the RC&C team is facing criticism from applicants about its processes and is struggling to retain its staff.
- The complexity of processing is higher than in the past (e.g. due to development on more marginal land than in the past, larger subdivisions), and there are more consent-related activities taking up time (e.g. LGOIMA, fast-track processes, appeals, etc).
 - This is not unique to KCDC, and other councils are struggling too.
- KCDC's costs for performing its Regulatory and Planning functions are higher than benchmarked councils and the RC&C's contribution to this is its low processing volume per planner and high use of external planners.
- Interviews with other parts of council and applicant consultants show a level of frustration with how the RC&C team delivered its function, but also an understanding that it was a challenging role with high turnover in the team. The RC&C team have acknowledged themselves that resourcing gaps have made delivery of its consenting function difficult.

Resourcing gaps

- It was a widely-held view among interviewees that:
 - The level of technical experience in the resource consent processing management structure is a constraint that results in increased risk and inefficiencies.
 - Periods of high vacancies in the DC Team have severely constrained the council's consent processing capacity and resulted in increased risks and inefficiencies, including pressure on the Assets & Infrastructure Group and the RC processing team.
- The resource consenting problems observed in the last 6-12 months are a result of resourcing gaps growing over the last 2-3 years.
- Some behaviours we heard about are likely to be symptoms of underlying resourcing gaps. These behaviours have become risks in their own right.
- If left unchecked, the issues these have caused will get worse, with implications for Council's reputation and ability to meet community and environmental objectives.

Resourcing gaps lead to pressure

- Technical pressure has come on the consenting system – and on the engineering plan approvals process in particular – at a time when RC&C resourcing has been fragile.
- A combination of additional pressure plus reduced capacity has resulted in some behaviours that have negative cyclical effects that have escalated over time.
- This has created conditions that make it difficult for staff to successfully do their jobs and has created uncertainty and frustration for some applicants.
- Pressure creates new issues. Negative cyclical effects include:
 - A decrease in confident decision-making at lower levels, increasing escalation both internally and by applicants.
 - Manager workloads increasingly dominated by ‘responsive’ tasks such as responding to escalation, while becoming more risk averse.
 - Proactive management that is needed to reduce and manage risks is deferred increasing reactive workloads and risk.
 - Applicants have adapted a range of behaviours to try and secure outcomes, with some increased assertiveness bordering on conflict and deliberately submitting incomplete applications to see what will be accepted. These behaviours can harm relationships and increase risk averse behaviours.

Customer service vs enabling development

- There appears to be a misunderstanding about what is required when Council wants to enable development in the district, whilst delivering its regulatory functions. Some have interpreted this as a need to be more flexible with planning rules, potentially compromising standards, as opposed to a requirement to provide good customer service.
- There were a number of comments to the effect that 'Council needs to define who the customer is'. However, in our view, it may be more useful to be clear about what good customer service looks like regardless of who the 'customer' is.
- Good customer services would include clear communication, timely responses and consistent application of planning rules.

The role of external consultants

- There is a tension between the need to use external consultants and an objective to empower employee planners to be ‘stewards’ of the consenting process who can make confident decisions and communicate clearly and directly.
- Although KCDC has access to some very experienced internal and consultant planners, we observed that ‘stewardship’ skills and behaviours may not be being transferred to the internal team.
- This is not surprising given that consultants are engaged primarily to provide discrete technical services.
- The use of external consultants results in the need for internal peer review of their work. This in turn means KCDC is spending more time than it might otherwise on some applications through double-handling. External consultant costs compounded by double-handling costs increase KCDC’s RC&C costs overall.

Other contributing issues

- Systems and processes for providing engineering plan approvals and peer review are not well embedded in the DC team, resulting in improvisation that increases risk. It may be that individuals are taking too much ownership of organisational risk.
 - Information management systems are inconsistent or incomplete, increasing risk of errors and escalation.
 - Some areas of policy application appear to be missing well-documented standards and procedures.
- Responsibility for engineering risk between applicant and council is unclear, creating an impression Council 'overmanages' some risks and steps in with design, which is inherently risky for the regulator.
- Unstructured and indirect communications both between the regulatory teams and with applicants increases the risk of errors and escalation. This is likely to be a symptom of high risk-aversion and low confidence.
- There is a need for greater clarity in roles and responsibilities for the resource consenting processing, particularly between RC&C and the engineers within Assets & Infrastructure.

Other related matters - the District Plan

- Some of the comments about the District Plan (DP) were contradictory. What was clear was that:
 - Planners need to consider, weigh, and reconcile complex and changing policies.
 - Planners need to be confident communicators whilst maintaining project relationships.
 - Confident decision making and communication within the complex environment of a DP requires planners who are experienced and well-supported.
- While the DP was not part of our scope of review, we did observe that:
 - External consultants' general views are that the DP is no more or less complex, onerous, or ambiguous than others in the region.
 - Civil engineering difficulties arising from increased housing density may need to be addressed through specific subdivision standards and procedures.
 - Preapplication meetings were highly regarded as being useful in concept. Some work may be needed to ensure these are focussed on the right level of information at the right time with a clear understanding by all parties about how consenting risks are managed.

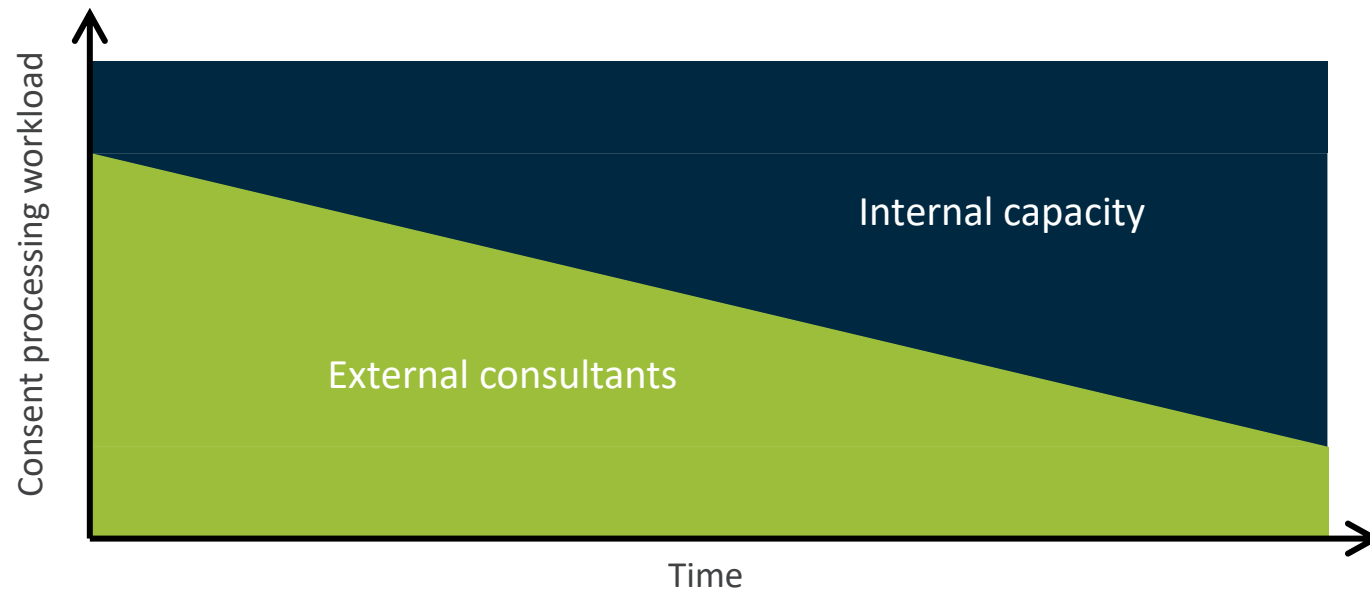
Approaches to change

Addressing the findings

- A successful resource consenting and compliance function would include: (with links to Regulatory Team's 5Cs)
 - Quality decision in appropriate timeframes (customers)
 - Good customer service (customers)
 - Consistent, clear and complete planning advice (conversations)
 - Building then maintaining internal capability and capacity (colleagues)
 - Recruitment and retention of the right resources (colleagues)
 - Minimised risk to council (collaboration)
 - Alignment with wider council direction (collaboration)
 - Implementation of recommendations from previous reviews (continuous improvement)
 - Cost-efficient service delivery
- The underlying issue we identified in this review, the RC&C Team resourcing gaps, means successful delivery of this function is not currently possible.
- We have identified a range of interventions to address the resourcing gaps and improve the function.

Team balance

- Long term, our view is that successful resource consenting will come from increasing internal team capacity with a view to reducing the reliance on consultants in the medium term.
 - There will always be a need for some external processing to support complex applications and address peaks in demand (Council's long-term goal is a ratio 1 external : 4 internal)
- This will happen, but without intervention and support now, there is a risk it will take too long, putting more pressure on the team in the short term.



Intervention options

- To achieve long-term team balance, the current team needs:
 - training and development (more on the job than training courses);
 - improved systems and processes (implementing identified projects); and
 - clear direction.
- Increasing short-term resourcing and support for the RC&C team would free up RC&C management to focus on clear direction and implementing systems and processes, including the identified projects that respond to recent reviews.
- We have looked at four options for this that range from higher use of external resources through to changes to internal teams:

External resources	Secondment	Expand in-house team	Change reporting lines
Rely more on external consultants for processing complex consents	Short-term secondment of senior technical resources to help develop and train the teams, for 6-12 months	Increase the number of in-house FTEs	Move parts of the team to report into a different part of Council

- It's not one option or the other, rather the degree to which each of these options is used.
- In the following sections we will explore the benefits and challenges of each approach.

Expand in-house team

- KCDC already has a low number of consents being processed per planner, which suggests it is not the overall number of staff contributing to the reported issues.
- RC&C management have found it difficult to resource its current team. Additional in-house resources would add to this recruitment challenge.
- These new resources would need development and training, like the existing resourcing, adding to the existing issues.
- We do not recommend this intervention because it would add to the existing resourcing challenge, without freeing up RC&C management to implement supporting processes and systems and provide direction.

Increased use of external resources

- This approach provides increased resourcing at a sufficiently senior level to process consents efficiently, particularly for complex consents.
- However, external processing also does not help build the internal capability and capacity of the Council team, as those external resources need to focus on delivering consent decisions.
- External processing is also more expensive than internal processing and introduce double-handling costs.
- While there will always be a need for some external resources, we are not recommending this increases at this time.

Changing reporting lines

- Two proposal changes have been considered:
 - Moving the development engineers to Assets & Infrastructure
 - Moving the compliance officers to the resource consents processing team
- The compliance officers may benefit from moving into the resource consent processing team to be closer to the planners and help with the wording of conditions they are then required to monitor.
- The development engineers may benefit from greater professional development support from the engineers that sit within Assets & Infrastructure.
- Both of these changes increase support for the development of parts of the RC&C team, but do not provide additional resourcing to free up RC&C management to the same extent as other interventions.
- There is a trade-off between separation of regulatory functions and improved support for the development engineers.
- If processes could be put in place to support professional development of the development engineers, without moving them to Assets & Infrastructure, then this would help maintain the separation between functions.
- On balance, our recommendation is to leave the development engineers where they are for now but put in place a programme to support their development, whilst moving the compliance officers now.
- Note, a change of reporting line for the whole RC&C team was considered, but there was no compelling reason to change the current reporting line.

Short-term secondment

- Short-term secondment of senior technical specialists improves the capacity of internal teams with a focus on showing leadership in planning decisions, passing this on to the team to build their capability, and helping put in place the systems the teams can use long term.
- A short-term secondee would both be able to contribute good practice approaches to the implementation of recommendations from previous reviews, and also provide senior resources that supported RC&C management, and enabling them to focus more on team direction and the improvement projects.
- Secondments will increase costs short term, but will provide legacy benefits to the RC&C team after their secondment ends.
- Our recommendation is to second resources to support both the resource consent planners and the development engineers for 6-12 months each.

Overall approach to improving performance

The intervention options should be implemented in a staged manner.

Short term:

- Second additional experienced resources into the planning team and development control team as soon as possible. These will provide an initial high-level resource that can help train the team.
- Change the reporting line for the compliance team from development control to planning to start providing input into consent conditions.
- Higher in-house costs for the secondments will be offset by an immediate reduction in the use of external planners (and external engineers).
- Focus RC&C management on implementing the system and process changes needed to support efficient and effective resource consenting and develop a strong team culture.

Overall approach to improving performance

Medium term:

- Once the internal teams are operating more efficiently, look to review the types of skills required to supplement the internal team through recruitment, when existing roles are being refilled.
- Recruitment is likely to be reducing as a more stable environment is attractive to work in, improving retention.
- Further reduce reliance on external planners with in-house planners having increased their capacity to process applications. Use of external planners would be targeted at the very complex projects.

Long-term:

- A strong in-house team will best deliver the outcomes Council needs, with lower consenting costs and higher efficiency in consent processing.

Recommendations

Recommendations

Overall, we recommend a balance of the interventions discussed. Our recommendations are to undertake the following short-term actions:

1. Second a senior, industry-respected planning specialist for 6-12 months to support the resource consenting team, showing leadership through processing of complex consents and contributing to the improve projects (signalled in the previous reviews).
2. Second a senior, industry-respected engineering specialist for 6-12 months to support the DE team, showing leadership through their advice on complex engineering decisions, establishing clear boundaries between RC&C and A&I and putting in place the professional development support programme for the development engineers.
3. Reconsider the reporting lines for the DE team at the end of the secondment.
4. Change the reporting lines for the compliance officers from the DE team to the RC team and establish a process for them providing input into consent conditions.
5. As a result of the introduction of the additional resources, focus the RC&C management team on delivering the system and process changes that have been programmed to respond to the recommendations from previous reviews.

Taking these actions now, with reduce the reliance on external planners, reduce consent processing costs and improve customer experience in the medium to long term.