

**MEETING:** BAY OF ISLANDS-WHANGAROA COMMUNITY BOARD  
06 APRIL 2016

**Name of item:** GRANT TO KAWAKAWA BUSINESS ASSOCIATION FOR  
ELECTRICITY COSTS FOR THE EXISTING COMMUNITY  
LIGHTING SCHEME INSTALLED WITHIN PRIVATELY  
OWNED VERANDAS

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**Date of report:** 14 March 2016

**Document number:** A1693022

### **Executive Summary**

The purpose of this information report is to:

Inform the Bay of Islands-Whangaroa Board of some of the issues surrounding Under Veranda Lighting (UVL) in Kawakawa, and to;

Inform the Bay of Islands-Whangaroa Board that a grant has been offered to the Kawakawa Business Association as an interim solution to cover the electricity costs for the Community Lighting scheme installed within businesses verandas.

### **1) Background**

Council has been approached by the Kawakawa Business Association (BA) for financial assistance for the existing Community Lighting scheme, installed in privately owned verandas. The basis of the request is that the scheme is costly for business owners and time consuming for the BA to administer.

The lights not only provide security type lighting to privately owned shop fronts, but also provide lighting for pedestrian traffic using the footpath within the CBD which the BA views as a public amenity function paid for by businesses.

The scheme consists of approximately 29 x 58w fluorescent bulbs, and is controlled (switched on and off) by the streetlight circuit. The balance of the under veranda lights that are not part of the scheme, are presumably wired into the individual buildings and the electricity is paid for by each business owner with their standard monthly electricity bill.

Under Veranda Lighting (UVL) is not unique to Kawakawa, it is a district wide issue. To date, Council has maintained the position that the lights are not a Council owned asset, and therefore will not pay for operating costs associated with the lighting.

Councils Long Term Plan (LTP) 2015/25 specifically excludes UVL (see attachment 1); this position is however not currently covered within Councils Street Lighting Policy #4110.

Currently, public lighting on the main street (SH1) of Kawakawa is provided for in two ways:

- a) Via a small number of Streetlights on the main street (State Highway) which are owned and maintained by the New Zealand Transport Agency (NZTA). These streetlights primarily light the road (carriageway) and offer little in terms of lighting the footpath.
- b) Via the UVL lights installed in privately owned veranda's which form part of the building.

The Community Lighting scheme is unmetered, which means the electricity is billed based on an estimate of electricity consumption. This estimate is worked out by the number and wattage of the lights multiplied by the number hours the lights are on.

Currently, the BA administers the scheme collecting funds annually from each business owner who is signed up to the scheme.

## **2) Discussion**

An audit was carried out by Richard Duley from the BA in conjunction with the current electricity retailer (Trust Power). This resulted in an agreement for electricity supply for the scheme between the two parties which is paid for up until 31 March 2016.

### **a) Cost of Operation**

The agreement for Electricity supply for the scheme is approximately \$280 p/month (\$3,360 p/annum) excluding GST including fixed daily charges.

A total of \$150 per 58w light p/annum is charged to the businesses that are signed up to the scheme. This results in a total of \$4,350 excluding GST per annum being generated. The surplus (\$990) is used for maintenance of the lights.

A summary of the annual cost is as follows:

Approximate Cost for Electricity Supply p/annum (\$280 p/month)	\$3,360.00
Total Amount generated by the scheme p/annum (\$150 p/58w light)	\$4,350.00
Surplus used to maintain the scheme	\$990.00

### **b) Advantages of the Scheme:**

- Certainty that a fixed number lights will be switched on and functioning year round;
- Unforeseen circumstances such as change of ownership and financial strife have minimal impact as the costs are settled via an annual fee;
- Provides security lighting to business owners shop fronts and a public safety and amenity function to the community.

### **c) Issues associated with the Scheme:**

- Who should pay for lighting, which provides security to shop fronts and a benefit to the public using the footpath;
- The time associated with administering the scheme (collecting payments from individual business owners);
- Affordability for businesses in the scheme.

There were two options considered in response to BA's request for assistance.

#### **Option 1):**

Do nothing. This would result in the electricity bills not being paid; eventually the electricity supply to the lights would be cut-off and an immediate potential public safety issue for the community.

#### **Option 2):**

Offer a short term (two year) grant to the BA to enable them to pay for the electricity of the lights subject to the following conditions:

- A Memorandum of Understanding (MoU) would need to be signed requiring the BA to report back to Council on how the grant was spent;
- The grant is to be allocated and administered by the BA;
- The lights would remain in the ownership of the businesses;
- Maintenance costs for the existing scheme will continue to be met and coordinated by the BA.

### **3) Financial implications and budgetary provision**

The grant offered to the BA to cover the electricity costs for the scheme is for two years and is a total of \$6,720 (\$3,360 p/annum) excluding GST.

This amount is within the General Manager of Infrastructure and Asset Management's financial delegation.

The grant is able to be met from the Eastern Amenity Development Levy Fund, which has a balance of \$82,176.79.

### **4) Reason for the decision**

This report is to inform the Board that a grant of \$6,720 excluding GST has been offered to the BA to cover the electricity costs for the Community Lighting scheme for a period of two years, subject to the conditions outlined in section two of this report being met.

This option would enable the existing Community Lighting Scheme to keep functioning in Kawakawa, thus avoiding a potential community safety issue.

The two year timeframe would enable Council to undertake a detailed review of its current Street Lighting Policy #4110, involving workshopping and consulting with affected parties with a goal to finalising its position on UVL on a district wide basis.

Manager: Jacqui Robson - General Manager - Infrastructure and Asset Management Group

Attachment 1: Exclusion of Under Veranda Lighting within Councils Long Term Plan (LTP) 2015/25 - Document number A1693024

Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
  - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
  - b) Assess the options in terms of their advantages and disadvantages; and
  - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Maori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Relationship with existing policies and Community outcomes.	Policy # 4110 - Street Lighting
Possible implications for the relationship of Māori and their culture and traditions with their ancestral land, water, site, waahi tapu, valued flora and fauna, and other taonga.	None known.
Views or preferences of persons likely to be affected by, or to have an interest in the matter, including persons with disabilities, children and older persons.	Communication with Kawakawa Business Association around the issue.
Does the issue, proposal, decision or other matter have a high degree of significance or engagement as determined under the Council's Policy #2124?	No
If the matter has a Community rather than a District wide relevance has the Community Board's views been sought?	This is a Community Board report.
Financial Implications and Budgetary Provision.  Chief Financial Officer review.	Financial implications and budgetary provisions have been met.  The Chief Financial Officer has reviewed this report.