ROTORUA LAKES COUNCIL
Te Kaunihera o ngā Roto o Rotorua

ATTACHMENTS

Community and District Development Committee Meeting

Under Separate Cover

Wednesday, 9 July 2025

Table of Contents

7.2 Parking Services - Contract Status and Tender Approach

Attachment 1 (Base) Parking Management Policy principles 4

Attachment 2 Draft Parking Framework/Layout Plans 7

Attachment 3 Local Government Act Section 17a (basic) report 8

Attachment 1: (Base) Parking Management Policy principles (Part 1 of two-step review process)

1.4 Context

There is growing awareness of the important role played by parking in the transport system. Successful urban centres depend on having access to a well-managed parking supply. Therefore it is essential that local parking supply is managed in a way that contributes to the Council's strategic visions and goals. In the context of parking, this is to prioritise parking for short stay parking, including visitors, to the city centre, not long stay parking for commuters.

The Parking Policy Proposal for Rotorua District Council (June 2010) and the Rotorua Transport Demand Management Strategy (2007) identified the aim of achieving, on average, a target occupancy of 70-90% of the car parking supply. Achieving this target would mean that approximately 1 in 7 parking spaces are vacant and available, which is seen as efficient use of the parking supply whilst not comprising over use. This enables motorists to readily find a vacant parking space when needed, thereby limiting the time and resources used circulating and looking for a parking space.

Current demand for parking in Rotorua is higher than the desired occupancy rate of 85% in some areas of the city centre. A 2006 parking survey found occupancy to be as high as 95% near Tutanekai Street, a key retail area in the city centre. This is 5% over the target occupancy range. The survey also identified that a major contributor to high occupancy in these areas was high demand for all day parking by commuters.

Parking in the city centre is managed using time-limits of up to two hours and pricing using a mix of single space meters and pay and display machines. There are limited payment options which can make it difficult for parking users and for the monitoring and enforcement of parking regulations. Council also provides off-street parking in a parking building at the top of Pukuatua Street and an additional uncovered car park on Haupapa Street.

Moving away from a 'predict and provide' approach to parking (in which the demand for parking is predicted and provided for mainly through off-street parking requirements) to a parking management approach can have significant benefits for urban centres including:

- Improved public perceptions of parking
- More consumer choice
- Reducing unnecessary vehicle movements in the city centre

1.5 Principles Underlying the Policy

This section outlines the underlying principles that guide the management of on-street parking. These principles support a performance based approach to on-street parking management.

Note that some of these underlying principles also have implications for, or in some cases have more relevance to, private parking areas. For example, principle 3 (sharing) is wholly applicable to non public off-street parking areas.

Principle 1 - Choice

Parking management measures should be designed to positively influence people's travel choices, while also providing consumers with more choice around where to park and how long to park for. This should be done without arbitrarily imposing restrictions (such as time-limits) that reduce people's choice and/or convenience. Furthermore, policies must ensure that choices that reduce the demand for parking are rewarded. By way of an example of how people can be 'rewarded' see principle 2 below.

Principle 2 – Pricing

Users should pay directly for the parking they use. This reduces the costs for those people who choose to use less parking, through substitution (i.e. changing transport mode) or conservation (reducing travel). The parking management should aim to create accurate price signals for consumers which will enable more informed transport decisions about transport modes and trip management.

Principle 3 – Sharing

Parking facilities should serve multiple users and destinations. This will allow for parking resources to accommodate variations in peak demand associated with different land uses. Price signals should encourage all organisations, particularly the private sector, to consider opportunities to share parking more efficiently.

Principle 4 - User Convenience

Consumers should be able to find a park where and when they need it. Consumers need to be informed of the location, prices, availability, regulations and penalties associated with the use of parking facilities. Parking information needs to be provided in a clear and legible way.

Principle 5 – Quality Design

An emphasis on the quality of parking facilities is as important as the quantity of parking provided. Parking facilities should be designed so as to support, urban design principles, passive surveillance, pedestrian accessibility, convenience, security, and user information.

Principle 6 – Peak Demand Management

Special measures will be implemented for large and infrequent events to deal with peak demands to reduce the negative impacts of driver frustration, illegal parking and traffic congestion. Special events should be managed using travel demand management measures such as free public transport and/or providing suitable areas to accommodate over-flow parking.

Principle 7 – Simplicity

The aim of parking enforcement is not to raise revenue, but to encourage compliance. Parking regulation is often difficult to understand or confusing which leads to poor public perceptions of parking. It is important to regulate parking in a way that is simple and legible and therefore contributes to user convenience.

Principle 8 - Prioritisation

The most desirable parking spaces should be managed to support high-priority users. This principle effectively seeks to establish a hierarchy of parking users based on their specific needs which will reflect personal circumstances or vehicle geometry.

The hierarchy of parking users will be informed by the precincts identified in the Rotorua Urban Design Framework 2010 including:

- Tutanekai Precinct
- Lakefront Precinct
- Haupapa Precinct
- Southern Edge Precinct

A hierarchy of users will include provision for:

- Visitors and shoppers
- Mobility space users
- Campervans
- Taxis
- Buses
- Commuters

The priority given to users will depend on the strategic goals for each area.

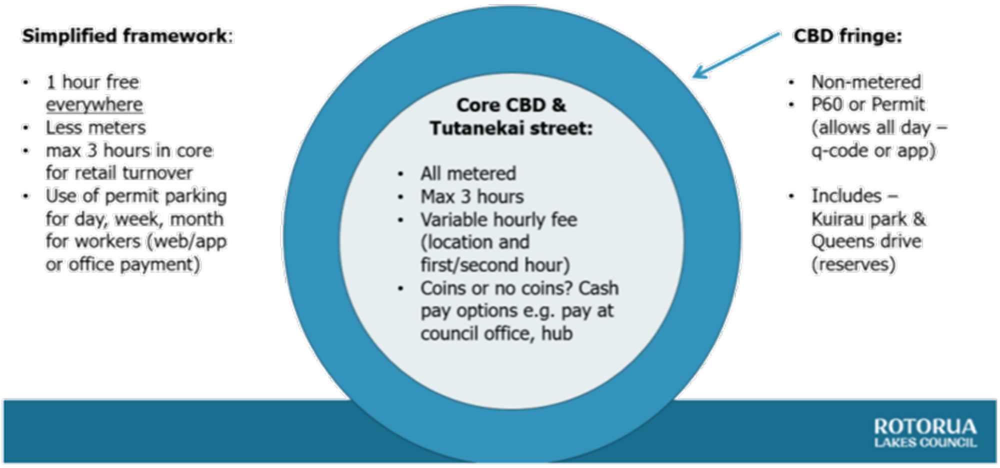
Principle 9 – Effective Utilisation

Parking should be managed so that spaces are frequently occupied according to desired occupancy rates and to encourage frequent turnover and a good availability of parking.

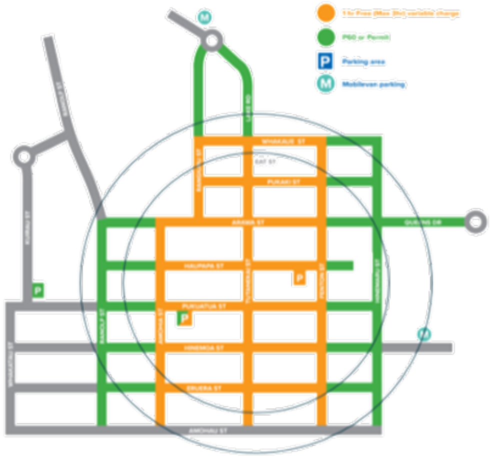
Principle 10 - Comprehensive Analysis

All costs and benefits should be considered when managing parking resources, with the most cost effective strategy implemented first. Expansions in parking supply are not usually the most cost effective approach when compared to demand management measures.

Attachment 2: Draft parking framework/layout plan



Current elements



Possible new approach?

Section 17A Local Government Act 2002

Rotorua Lakes Council – Parking Services

July 2025

Produced by Jean-Paul Gaston and Kurt Williams

Table of Contents

1. Introduction 3
2. Legal Requirement 3
3. Review Scope and Process 4
   - Out of scope: 5
   - Process 5
4. Strategic Context 5
   - Rotorua Parking policy 5
   - Inner city vitality and business outcomes 6
   - Key Issues 6
5. Options Assessment 6
   - Overview of options 6
   - Assessment process 8
   - Criteria 8
   - Assumptions 8
   - Outcome of Options Assessment 8
   - Attachment 1: Analysis of options 10
     - Detailed Option Analysis 11
   - Attachment 2: Advantages and Disadvantages of Options 15

1. Recommendation 18

1. Introduction

In its role as a Local Authority, Rotorua Lakes Council (Council) undertakes parking services on behalf of the community primarily in the central city (CBD) area.

Rotorua's parking activities are shaped by Councils own performance-based parking management practices - policy and guidelines which is ultimately aimed at ensuring the right amount of parking is available, in the right location and at the right price.

In 2017, Council moved away from providing its parking services entirely from within Council and entered into an 8-year contract with Innovative Parking Solutions Limited (i-Park). Under the contract, i-Park provide all on-street enforcement services, back-office processing and customer service components. Council still retained control over the Parking Policy and setting tariffs (fees at the meter).

Council has recently notified i-Park that it will not be extending the contract past the expiry date of 30 June 2026. Prior to this decision, Council staff visited a number of Councils in order to research the services being delivered in other centres, check our understanding of what best practice is, and to help Council make an informed decision about future service delivery. This information and observations have been pivotal in finalising our recommendations to Council.

This report accompanies a paper being presented to the Community and District Development Committee on 9 July 2025 in which a range of options and a recommendation will be presented to the committee for consideration, a decision on the future direction sought.

2. Legal Requirement

The Local Government Act 2002 (LGA) Section 17A(1) sets out the requirements for local authorities to review the cost-effectiveness of their current arrangements for meeting the needs of communities for good quality local infrastructure, local public services and performance of regulatory functions.

A review under Section 17A requires local authorities to:

> "...consider options for governance, funding and delivery of infrastructure, services, and regulatory functions, including, but not limited to, the following options:
>
> (a) Responsibility for governance, funding and delivery is exercised by the local authority:
> (b) Responsibility for governance and funding to is exercised by the local authority, and responsibility for delivery is exercised by –
>   (i) a council-controlled organisation of the local authority; or
>   (ii) a council-controlled organisation in which the local authority is one of several shareholders; or
>   (iii) another local authority; or
>   (iv) another person or agency:
> (c) Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangements and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv)".

In additional to the requirements set out in S17A of the LGA Council needs to ensure policy settings are reflective of the needs of the inner city and promote the economic vitality of the city and its businesses.

3. Review Scope and Process

Governance options

It is not proposed to change the governance of parking as this is seen as a critical service and regulatory function of Council. Alternative governance could exist, but this would need to be considered as part of a wider CCO if considered further. In the absence of any discussions on a 'transport' related CCO no further evaluation is considered.

Delivery mechanism for infrastructure and service

Council is proposing to notify its current parking service provider (concluding an 8 year contract) that the contract will be extended past the current expiry date by three months only. This will extend the contract expiry date from 30 June 2026 to 30 September 2026.

Rotorua Lakes Council's fully outsourced model was not replicated in any of the councils visited. Most were fully providing all operational elements of their parking services and owned their hardware while retaining linkages to repair services and external software support. One Council leases the hardware (meters) with a view to retaining flexibility around future technology advances and not being subject to ongoing software development costs.

Pros and cons evident from other councils service delivery models are detailed further below.

The scope of the Section 17A review is limited to those key functions and service delivery areas that have been assessed as being critical to delivering on Councils strategic outcomes identified in Section 2 of this report. It is noted that Council is not proposing a significant change to relevant service levels, but instead a change in the parties delivering the services.

These functions and service delivery areas include:

In scope:

Role/Function	Description
Parking enforcement	• Parking wardens/Team Leader • Back-office processing • Infringement processing/reminders • Appeal adjudication • Court lodgment/Baycorp (Debt collection) • Customer service • Equipment maintenance/repair
Technology/software/hardware	• Parking meters • Parking payment app/permit provision • Hand held license plate reading (LPR) scanners • LPR cameras for LPR vehicles • LPR cameras (carpark building) • Software for infringement processing/interface • LPR scan vehicles • Reporting/trend and data collection capability

4

Out of scope:

Role/Function	Description
Policy and planning	Positions already held within Council to inform changes in policy, parking layout etc.

Process

The S17A LGA review process has included interviews with six other councils and discussions on;

- Parking policy / desired parking outcomes
- Provision of parking wardens, back-office processing, customer service
- Adjudication of appeals and prosecution
- Hardware and software providers (including apps).
- Lived experience of service levels including maintenance and reliability
- Common complaints and any positive feedback received from the public
- Extent of external service providers used
- Local user groups e.g. workers/commuters, shoppers etc.
- Utilisation of parking buildings and/or off street parking
- Procurement approaches (including timeframes) including leasing or purchase of equipment
- KPI reporting
- Financial performance – costs and outcomes
- Public communications initiatives used
- Future focused initiatives including AI
- Collection / debt management methods
- Customer experience regarding machine usability/legibility
- Any learnings that could apply to our Council going forward

4. Strategic Context

Rotorua Parking policy

Rotorua Lakes Council Performance Based Parking Management Practices – Policy and Guidelines (Parking Policy) lists its main purpose as follows "To ensure the right amount of parking is available, in the right location and at the right price".

Parking should be managed so that spaces are frequently occupied to desired occupancy rates and to encourage frequent turnover and good availability of parking (roughly one in seven spaces should be available) to support businesses while catering for different user groups using a hierarchy-based approach.

The parking policy guides parking management in Rotorua using a performance-based (demand responsive pricing) parking management approach. The policy applies to the management of on and off-street public parking and has the following aims:

- To efficiently utilise the City's parking supply
- To improve parking user quality, convenience, service and information
- To ensure that the limited supply of public parking is allocated in an equitable way

The policy is being updated as a two-step process. The first part is to confirm the policy principles while the second part will be completed post Council's decision on areas of operation and methods of delivery.

Pricing of parking is first and foremost about managing parking demand, rather than gathering revenue. Pricing is the primary tool used to manage demand, followed by time limiting. Fees may vary in different parts of the city based in demand and desired occupancy rates.

Inner city vitality, safety and business outcomes

Linked Strategic Outcomes:

- The following outcomes are sought as a result of the changes
- The Future Development Strategy (FDS) also outlines plans to enhance parking infrastructure to ensure accessibility and convenience for residents and visitors, thereby fostering economic development and improving the overall urban experience.
- Effective parking solutions are seen as integral to creating a vibrant, inclusive, and sustainable inner city that aligns with Rotorua's long-term vision. As Rotorua aims to revitalise its inner city, parking management becomes crucial to support increased commercial activity, tourism, and residential growth
- Better integration of land use with transport systems, resulting in more efficient use of land i.e. optimisation of space, better traffic flow resulting in reducing travel times, and Improved coordination of different modes of transport leading to safer streets and lower emissions.
- Enhanced ticketing technology provides an opportunity to substantially improve enforcement of parking offences which occur in suburban areas, including outside schools, sports and cultural facilities. These parking offences have long been problematic to enforce due to location and duration of offending. The effect of this type of offending can have serious road safety implications for children, disabled persons, cyclists and other vulnerable road users.
- Safe infrastructure and community wellbeing are two of four Council priorities (2022-2025) and aligns with goals in the RLC Transport Activity Management Plan, Road Safety Action Plan and the newly adopted Te Ara Wātea | Accessibility for All Policy.

Key Issues

The S17A review and specifically interviews held by staff with other Councils have identified a number of issues with Rotorua Lakes Councils current approach (fully contracted out) which equally result in potential opportunities. These are detailed further in the following sections:

5. Options Assessment

Overview of options

Council is required, as part of a Section 17A review, to consider the following options:

Options for the **governance, funding and delivery of services** including but not limited to:

(a) Responsibility for governance, funding and delivery is exercised by the local authority:
(b) Responsibility for governance and funding to is exercised by the local authority, and responsibility for delivery is exercised by –
   (v) a council-controlled organisation of the local authority; or
   (vi) a council-controlled organisation in which the local authority is one of several shareholders; or
   (vii) another local authority; or
   (viii) another person or agency:
(c) Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangements and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv)".

Clause (b) above separates **governance and funding** and **service delivery** – so the governance and funding remains with Council, but the delivery of the function or activity is undertaken by another entity.

Under clause (c), the difference is that the governance and funding is delegated to either a joint committee or another shared governance arrangement of Council, and the delivery of the service is undertaken by either a council-controlled organisation, another local authority, or another person or agency.

The following section explores the viability of each of these options.

Option	Assessment
Delivery by a Council-controlled organisation	May not be viable at a parking service level. Would need to be considered as part of a wider CCO, therefore is discounted in this report.
Delivery by a Council-controlled organisation in which Council is one of several shareholders	No current model exists and may require further development or consideration. This is not considered viable in the short-term. An interim Council approach would be necessary for at least the next 1-5 years to allow an option of this type to be explored/considered. Not currently a viable option.
Delivery is carried out by another local authority	This has not been identified to date or evident from current investigations. Partnering for competitive pricing on components eg. software is an option but it is not considered viable as an option at present.
Delivery is carried out by another person or agency	This reflects the current fully contracted model and remains a viable option.
Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for	Not currently considered a viable option.

7

delivery is carried out by any of the entities or agencies specified above	

As this is a regulatory service of Council it is considered that governance should be undertaken by Council directly. This reflects the most commonly known approach by Council's to deliver future and alternative options (as identified above) which may be considered over the short to medium term in parallel to service delivery directly by Council.

Assessment process

As identified in the section above, the number and range of options is different for the delivery of the parking function. On this basis, the assessment of options for has been undertaken separately, with recommendations identified for each function.

The process for assessing options included both an analysis of the advantages and disadvantages for each option, and a weighted scoring process to rank the options that are being considered.

The weighted scoring process involves:

1. Setting the criteria
2. Weighting the criteria based on its importance
3. Scoring each option against each criteria
4. Determining which option has resulted as the preferred option.

Criteria

The following criteria was developed for the function and which responds to the issues identified:

- **Strategic Alignment:** The degree to which the purpose and activities of the option are aligned with the strategic outcomes sought.
- **Effectiveness:** The ability for the option to take advantage of the opportunities and operate in a commercially agile, adaptive and innovative fashion.
- **Accountability:** The degree to which the governance arrangements and delivery responsibilities are clarified.
- **Cost efficiencies:** The extent which the option could achieve cost efficiencies through either cost savings and/or increased profit.
- **Ability to attract resources (expertise):** How attractive will the option be as an employer.
- **Transition costs:** Considers the costs associated with and ease, including the complexity, of transitioning to the option.

Assumptions

Some key assumptions were made for the options assessments:

- The functions will be appropriately resourced, suitable to the option being considered.
- There are multiple contractors that have the capability and interest in managing the relevant supply and functions described.

Outcome of Options Assessment

The weighted scoring assessment of each option against the criteria is included as **Attachment 1**.

Three options are identified as viable and have been assessed for delivery as follows:

Option 1: full In-house delivery and purchase of required hardware

Option 2: full outsourced delivery (status quo)

Option 3: Mixed model delivery - people based services (Council) and infrastructure/software systems (contracted – lease/purchase).

The option that scored the highest is **'Option 3: Mixed model delivery**. The main advantage of this option is that it presents the greatest strategic alignment and closest alignment to improving customer experience/feedback, and data ownership/analysis.

Attachment 1: Analysis of options

Options	Strategic alignment		Effectiveness		Accountability		Cost efficiencies		Ability to attract resources		Transition costs		Total Score	Rank
	25%		25%		15%		15%		10%		10%		100%	
Name	Grade	Score	Grade	Score	Grade	Score	Grade	Score	Grade	Score	Grade	Score	Out of 100	
Option 1: full In-house delivery	1	25	1	25	1	15	2	10	1	15	3	5	95	2
Option 2: full outsourced delivery (status quo)	3	25	2	20	3	10	2	5	3	5	1	10	70	3
Option 3: Mixed model delivery - people based services (Council) and infrastructure/software systems (contracted – lease/purchase).	1	25	1	25	1	15	1	15	1	15	2	10	100	1

Key:

Grading (1=best, 3=worst)

Score (% out of a combined section total of 100%)

10

Detailed Option Analysis

Option	Strategic alignment	Effectiveness	Accountability	Cost Efficiencies	Ability to attract resourcing	Transition costs
Option 1: full In-house delivery	- Completely aligned - Potential for heightened political change	- Maximum ability to change/flexibility - Enables increased customer experience focus (Wardens and Customer Service) - Data collection/ control and overview maximised - Increased potential for proactive interventions/ trends	- Governance view of management delivery effectiveness and risk - Risk of becoming outdated due to technology progress due to longer term likely required to keep meters in service and realise financial benefits (expected life of machines) - Parking wardens also actively supplement other Council priorities e.g. community safety	- High set up costs. Purchase of meters, handheld enforcement equipment, software and vehicles. - Maintenance/repair cost borne entirely by Council - Software upgrade costs entirely borne by Council - Reduces impact of CPI increases as this is restricted to hardware/software suppliers, not staff - Reduced chance of additional costs for data analysis and reporting. We do our own.	- Fully aligned	- Significant. Council currently owns none of the hardware/software /vehicles required. Upfront purchase of all aspects required - Two LPR scan cars required - Parking wardens and Team Leader required - Contracts still required with technology provider for back end processing capability - Minimal impact on Customer Service staffing levels

11

Option 2: full outsourced delivery (status quo)	- Less strategically aligned (outcomes re: customer experience)
	
	- More requirement to balance community need with economic outcomes
		- Commercially focused provider
		
		- Minimal ability to take risk and be adaptive due to contract constraints and cost of change
		
		- Increased risk of customer isolation in terms of service delivery
		
		- Limited progress in recent years
			- Roles and responsibilities are for governance and deliverables are clear
			
			- Likely limitations on data for Council when compared to other options
			
			    - Incomplete live Council overview of operations and trends when compared to other options
			
			    - Overview of performance somewhat limited to monthly reports
			
			    - Reduced potential for Council driven proactive
				- Limited potential for cost savings after initial set-up
				
				- Some opportunity to drive increased profit
				
				- Required changes at contractors end often result in increased costs for Council
				
				- CPI impact increase as all hardware/software and staff supplied by contractor.
					- Limited past offerings (Council does not directly contract Parking Wardens).	- No transition costs associated with this option if staying with current provider
						
						- If moving to a new provider, Council will incur any settlement costs remaining under the current contract
						
						- If staying with current supplier, only one additional LPR Scan car required
						
						- No impact on current Customer Centre staffing levels

12

			interventions (reactive rather than proactive).			
Option 3: Mixed model delivery - people based services (Council staff) and infrastructure/software systems (contracted – lease/purchase).	- Completely aligned. Only difference is Council does not own the hardware etc outright but is instead leasing - Potential for heightened political change - If leasing, no initial capital cost which otherwise impacts rates etc	- Enhanced ability to change/flexibility - Enables increased focus on customer experience focus (Council Wardens and Customer Service) - Data collection/ control and overview maximised - Increased potential for proactive interventions/trends -	- Governance view of management delivery effectiveness and risk - Minimal risk of becoming outdated due to technology progress if included in contractual arrangement and potential for lesser contractual timeframe with hardware/repair and maintenance supplier - Greater opportunity to quickly pivot as a result of technology advances	- Lower set up costs. Lease meters and hardware (even potentially lease vehicles), handheld enforcement equipment and software - Potential for single supplier to deal directly with (lease) - increased control over quality of outcomes - Maintenance/repair cost borne entirely by Council - Software upgrade costs entirely borne by Council - Reduces impact of CPI increases as this is restricted to	- Fully aligned	- Some. Council needs to directly employ wardens, Team Leader and back-office staff. Customer - Two LPR scan cars required - Parking wardens and Team Leader required - Contracts still required with technology provider for back-end processing capability - Minimal impact on Customer Service staffing levels

13

			- Parking wardens also actively supplement other Council priorities e.g. community safety	hardware/software suppliers, not staff - Reduced chance of additional costs for data analysis and reporting. We do our own.		

Attachment 2: Advantages and Disadvantages of Options

1). In house delivery (with full ownership of assets or through lease arrangement).

Advantages	Disadvantages
Accountability is simplified, the governing organisation is responsible for delivery. Only external reliance is on effectiveness of software and hardware suppliers.	RLC is not profit driven, our focus should be on our community and compliance with our parking policy. Only a disadvantage is expectations were misaligned in this space
RLC would retain the institutional knowledge.	Potentially we lack the entrepreneurial flair to deliver at the required level – potentially not nimble in responding to new ideas and taking risks. - RLC needs access to a suitable number of staff with this knowledge for succession purpposes
Cost savings can be achieved within overheads – finance, IT etc and buying power across an organisation.	Historically RLC has lacked skills in controlling costs, therefore return on investment is lower.
Tax efficiency if profit making	Standard HR practises, limit the opportunity to incentivise staff or manage poor performance in a timely way.
Improved strategic alignment to desired community outcomes	Increased chance of political interference with an in-house model if not appropriately handled
Improved ability to respond to and make informed decisions around customer experience aligned to our Parking Policy.	Appropriate levels of staff resource required to give effect.
Improved visibility and context of customer feedback and complaints	Appropriate levels of staff resource required to give effect.
Council staff should possess clearer alignment to Councils strategic outcomes	Training and investment required, alongside allowance for leave etc.
Improved public perception of Council accountability (no view of a 'hands off' approach to parking)	Level of accountability of Council dramatically increased
Reduced contractual restrictions/considerations when compared to fully outsourced model	No real disadvantage noted.
Better alignment to community and Government expectations that Councils have appropriate control over core council services	No additional disadvantages not already mentioned
Council can remain more responsive to technology advances through a lease arrangement than outright purchase of assets.	If technology advance is slower than anticipated, we will not fully realise this benefit (this is extremely unlikely). No large financial investment required upfront.
If asset lease arrangement exists, Council does not inherit the risk of owning out of date, limited use equipment in the future (particularly with the highly corrosive geothermal environment which exists in Rotorua).	If after the expiry of a lease period, council does not wish to renew the lease agreement, council will be in a position of needing to consider significant investment in hardware solutions. (note: this is unlikely as the future of parking hardware worldwide is becoming more mobile based and less reliant on physical hardware on the street).
Council can purchase and fully own the required assets making changes easier to implement (no permission required).	Large financial investment required with a disproportionate effect on rating charges. We are also then at risk of owning technology solutions that become outdated or attract further costs associated with keeping aging technology aligned to software advances etc. Insurance against damage and theft will also be completely borne by Council.

2). Delivery by a Council-controlled organisation

Advantages	Disadvantages
Independent board appointments introduce commercial disciplines and specialist expertise that is not likely available at RLC.	RLC will high set-up fees and there is potential loss of efficiency in having two separate systems e.g. IT, finance, marketing, HR.
The risk in moving to a CCO can be controlled through the Statement of Intent.	Annual CCO director's fees
A CCO is a small, simple organisation with a dedicated focus on a narrow set of business objectives.	RLC and the CCO require resources to report and to monitor performance.
Governance capability for a CCO is reinforced by requirements of the Companies Act 1993.	The CCO pays tax on profit.
The CCO holds a monopoly position but in the context of the competitive market it has integrity and is an effective proxy for a private firm.	Size may not be viable to create efficiency / off-set CCO costs (fees and systems).
CCO costs and benefits are more transparent as a CCO reports separately as a company.	There may be high reliance on the CCO CEO, with lack of succession planning and risk typical of a small organisation.
A CCO may have better opportunities to incentivise staff to achieve and deal with non-performance issues.	Tension between the RLC and the CCO may arise if RLC attempts to go beyond this role in monitoring or decision making.
A CCO is positioned to be entrepreneurial and nimble in responding to new initiatives, trends and opportunities.	If not aligned, potential conflict between CCO and Council around timing of potential improvements, and policy/Council timing requirements
A CCO has less opportunity for political interference than in an in-house model.	As above
Council itself is not overly involved in the day to day running of the parking activity	The same potential criticism arises as per fully contracted model whereby Council can be seen to be 'hands off' and not fully connected to the communities/users feedback and experiences

Delivery is carried out by another person or agency (Option for venues only)

Advantages	Disadvantages
A contract between the RLC and the contractor would clearly define the quantity and quality of services to be provided and specifies social as well as financial outcomes (costs cannot be hidden).	A contractor will accurately assess the true costs and potential revenue and this may disadvantage RLC.
A contractor may increase community access and utilisation by introducing quality management systems and marketing.	A contractor may inherently focus on profit generating activities, at the expense of community needs.
A contractor may operate at less cost than RLC through flexible employment practices and greater buying power and produce more income through commercial and marketing expertise.	Specification by the TA is difficult and managing a contract is open to dispute. Resources must be provided to manage the relationship and monitor contract delivery.
When a win-win contract is in place, the TA can receive a profit share/dividend when a facility achieves a surplus. This can then be reinvested back into the areas from where the money was collected.	A TA may be tied into long-term contracts. If changes in policy direction or technology occur, this may require expensive variations or cancellation of existing contracts.
Risk of profit/loss sits with the contractor so there is certainty around budgets and no exposure to budget blowouts (costs and benefits are more transparent).	A TA may lose institutional knowledge that is difficult to re-establish and the impact on in-house staff may be high in the transition.
A contractor may provide specialist, qualified staff, professional development for staff, professional development for staff and access to a skill base not available to a TA.	The contractor's profit motive may not align with the values of the TA (but can be secured through the contract).
A contractor may be entrepreneurial and responsive to new initiatives and opportunities if this contributes to increased participation and profitability	A contractor may attempt to cover up an emerging problem for fear of jeopardising the contract or the relationship. The problem then becomes bigger at a later stage.
A contractor is responsible for all HR functions, which enables the TA to pass a degree of risk to the contractor.	Poorly maintained assets may result from poorly executed contracts that are based on the term of the contract relationship rather than the life of the asset
A primary contractor utilising sub contracted services to complete the full range of services, results in one less area for Council to be directly managing through the contract.	Council can experience reduced visibility over sub-contractor performance, opportunities created and issues linked to sub-contractors due to no direct contract with Council. Council is still responsible for sub-contractors under the HSWA however has reduced visibility of daily operations.
Quality contractors can add considerable value to facilities (including poor quality facilities) through investment and expertise.	This can present problems if the contractors is not locally present or where their ambition or timing may not allow with Council's.
There is less opportunity for political interference that can result in a poor decision making in an in-house model.	To the contrary, it can be difficult for a contractor running a commercial business to fully understand that reasons, process and timing of desired actions. This can result in an incorrect view that council is 'holding up' progress, when proper process in the local government perspective is simply occurring. This can be misconstrued as political interference.

1. Recommendation

Based on the analysis and assessment of options, this report makes the following recommendations:

1. That Rotorua Lakes Council proceed with a mixed model delivery for parking services - people based services (Council) and infrastructure/software systems (contracted – leased).