



Meeting of the Strategic Planning and Finance Committee

Date: Wednesday 21 July 2010
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
Napier

Agenda

ITEM	SUBJECT	PAGE
1.	Welcome/Notices/Apologies	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Strategic Planning and Finance Committee held on 16 June 2010	
4.	Matters Arising from Minutes of the Strategic Planning and Finance Committee held on 16 June 2010	
5.	Action Items from Strategic Planning and Finance Meetings	3
Decision Items		
6.	Venture Hawke's Bay (VHB): - Financial Position Reforecast to 30 June 2010 - Proposed Budget for the 2010/11 Financial Year	7
7.	Public Transport Update	13
Information or Performance Monitoring		
8.	Future Scenarios Progress Report	19
9.	Public Consultation Survey Results	23
10.	Website Refresh Update	27
11.	Business Innovation Award	29
12.	General Business	31
Information Items (Public Excluded)		
13.	Treaty Settlements - Crown Verbal Update (1:00pm) Public Excluded	33

**HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE**

Wednesday 21 July 2010

**SUBJECT: ACTION ITEMS FROM STRATEGIC PLANNING AND FINANCE
MEETINGS**

INTRODUCTION:

1. On the list **attached** as **Appendix 1** are items raised at Council meetings that require actions or follow-ups. All action items indicate who is responsible for each action, when it is expected to be completed and a brief status comment for each action. Once the items have been completed and reported to Council they will be removed from the list.

DECISION MAKING PROCESS:

Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that as this report is for information only and no decision is required in terms of the Local Government Act's provisions, the decision making procedures set out in the Act do not apply.

RECOMMENDATIONS:

That the receives the report "Action Items from Council Meetings".



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

- 1 Schedule of Action Items

Actions from Strategic Planning and Finance Committee Meetings

Item 5

	Agenda Item	Action	Person Responsible	Due Date	Status Comment
1.	Action items from Council Meeting	<ul style="list-style-type: none"> • Provide Committee with an update on refreshing Council's website 	EL/DB	July 10	Update on this agenda, with final costings to be presented in September

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 21 July 2010

SUBJECT: VENTURE HAWKE'S BAY (VHB):
- FINANCIAL POSITION REFORECAST TO 30 JUNE 2010
- PROPOSED BUDGET FOR THE 2010/11 FINANCIAL YEAR

REASON FOR REPORT

1. To provide to Council, the information requested at the Council meeting on Wednesday 30 June 2010 as below:
 - 1.1. The estimated financial result at year end 30 June 2010 and explanations for the estimated deficit.
 - 1.2. The detail of the proposed 2010/11 budget including key performance indicators for that year.

COMMENT

Forecast Results to 30 June 2010

2. The budget for 2009/10 approved by the Board of VHB included a deficit of \$117,000. At the time of approving that budget the deficit was to be paid from VHB's accumulated reserves of \$250,000. During the year other programme decisions were made by the General Manager for additional work to be undertaken to facilitate the expanding cruise industry, and ensure delivery of the economic benefits from this industry to Hawke's Bay region. This additional expenditure was to be funded from the remaining VHB reserves.
3. During April 2010 the Board instructed VHB management to reforecast the year end position for 2009/10 as it was becoming evident that revenue contracts included in the budget for external revenue from New Zealand Trade and Enterprise and other funding agencies may not be received during the current financial year. VHB management undertook this reforecasting exercise and presented to a Special VHB Board meeting on Monday 10 May 2010, the reforecast deficit position of \$477,000.
4. The Board has continued to keep a high level of scrutiny on the monitoring of the year-end financial position and have received a further report on Monday 21 June 2010 from VHB management which indicated that the year-end deficit has been revised to \$495,000 as revenue earned for web services is anticipated to be below budget and external expenditure on the Shanghai trade initiative has increased marginally.
5. The paper submitted to Council on 30 June 2010 proposed to fund this year end deficit of \$495,000 from VHB reserves (\$250,000) and a loan (\$250,000) from this Council to VHB, such loans to be repayable over a five year period at market interest. At that meeting it was also discussed that because the resolution to provide loan funding from the Council of \$250,000 to fund the portion of the deficit was withdrawn, then this sum would, in the interim, be funded from the Council's cash operating balances.
6. The options available to Council for the funding of the remaining deficit of \$250,000 are as follows:
 - 6.1. Council's cash operating balances.
 - 6.2. Loan of \$250,000 repayable over five years at market rates.

- 6.3. Reduce the 2010/11 expenditure for VHB by \$250,000.
- 6.4. Reverse the Council resolution made on 16 December 2009 to transfer \$590,000 from Council operations to the Sale of Land Account balances to maintain these balances in real terms for the movements in the 2008/09 year. This fund would then be used for the \$250,000 VHB deficit.

If options 6.2 or 6.3 above were resolved to be adopted by Council for the funding of the \$250,000 then there would be impacts on the operations of VHB going forward into the 2010/11 year. If funding was by way of a loan then \$60,000 would need to be funded from the 2010/11 budgets whereas if the full \$250,000 had to be found in the one year in the case of 6.3, then such budget reductions would have medium term impacts on the effectiveness of the international and domestic tourism promotions and would likely result in further personnel adjustments.

7. The major reasons for the projected deficit of \$495,000 are set out below:

Reason	\$
<p>7.1. Cruise ship co-ordination and promotion:</p> <p><i>During the year an additional staff member was added to provide co-ordination to cover the cruise sector development. The reason for this was the cruise industry is the fastest growing tourism sector in Hawke's Bay and this work was undertaken to ensure the region was ready to cope with the influx of visitors expected to double in the next two years. The staff cost was approximately \$40,000 and was not included in the Annual Plan budget.</i></p>	\$60,000
<p>7.2. Decrease in revenue from website:</p> <p><i>The Annual Plan estimated that \$80,000 of revenue would be achieved from businesses in Hawke's Bay for the promotion of their businesses on the VHB website. However advertising take-up on this newly developed website was not as high as expected with some advertisers being lost from the changeover from the old website to the new revised version. It is now estimated that only \$40,000 of revenue will be achieved by the end of the 2009/10 financial year.</i></p>	\$40,000
<p>7.3. Rugby World Cup:</p> <p><i>The Annual Plan assumed that \$200,000 would be paid from Hawke's Bay Regional Council to VHB for Rugby World Cup initiatives. Against this \$200,000 income was a budgeted expenditure of approximately \$100,000.</i></p> <p><i>Hawke's Bay Regional Council had always proposed to pay the \$200,000 commitment to the Rugby World Cup by a payment of \$100,000 in 2009/10 and a further \$100,000 in 2010/11, such payments to reflect the flow of expenditure on the Rugby World Cup promotion.</i></p> <p><i>The effect on VHB budgets was \$100,000 of revenue included in the Plan but not received in 2009/10.</i></p>	\$100,000
Reason	\$
<p>7.4. Regional Strategy Fund (RSF):</p> <p><i>The Annual Plan included \$150,000 of revenue expected to be received from New Zealand Trade and Enterprise (NZTE) as part of the third year of the RSF. Subsequent to finalisation of the Annual Plan, changes in the processes for approvals from the RSF were made by NZTE, which meant that the funding round did not fall within the 2009/10 financial year as expected. Applications for this funding were submitted to NZTE in May/June 2010 for VHB projects to the value of \$150,000 successfully approved in July 2010. These</i></p>	\$150,000

Reason	\$
<p>projects will be carried out by VHB during 2010/11 and will be funded from the RSF in that year.</p> <p>The personnel and resources available in VHB to deliver on the \$150,000 NZTE contract during the 2009/10 year were redirected to other activities within VHB that did not generate equivalent revenues.</p>	
<p>7.5. Visitor Guide:</p> <p>The Annual Plan provided for the production of the Visitor Guide by using VHB personnel, however during the financial year it was decided to outsource the management and production of the Visitor Guide to Hawke's Bay Today. The arrangement was that Hawke's Bay Today would retain the revenues generated by them through the Visitor Guide, and pay a small commission to VHB for the right to issue the Visitor Guide, and also save VHB costs for producing the guide.</p> <p>The staff that were involved in the preparation of the Visitor Guide were assigned to other activities within VHB that were not revenue producing.</p>	\$25,000
<p>7.6. Apple Futures – commission paid for administration costs:</p> <p>The agreement with Apple Futures, (this project sponsored by NZTE and Pipfruit New Zealand) was for VHB to receive \$2,000 per month for the management/co-ordination etc of the Apple Futures programme within Hawke's Bay. This would amount to \$24,000 to be received by VHB during 2009/10.</p> <p>The Annual Plan provided in the Apple Futures programme for \$58,000 of revenue for this service and a further \$24,000 in other income. This resulted in the revenue budgets being overstated by \$58,000.</p>	\$58,000
<p>7.7. Grant/Consultancy:</p> <p>A grant to Film Hawke's Bay so they could establish a presence within Hawke's Bay (\$5,000) and a consultancy for management restructuring and the facilitation of that restructuring (\$12,000), both of these costs were not in the Annual Plan.</p>	\$17,000
<p>7.8. Bureau to facilitate conventions and conferences:</p> <p>The Meetings Trade Show occurred twice during the 2009/10 year, one of these Trade Shows was not budgeted for (\$8,000), and the expenses for the production of the meeting and incentive planner for this bureau (\$14,500) was also not budgeted for in the 2009/10 year.</p>	\$22,500
Total	\$472,500

8. Set out as **attachment 1** to this paper are the following:
- 8.1. Income Statement 2009/10 providing expenditure and revenue by category.
 - 8.2. Income Statement 2009/10 expenditure and revenue for groups of activities.
 - 8.3. Operating projects summary showing actual for 11 months ending 31 May 2010 along with the reforecast to 30 June 2010.

Proposed Budget for the 2010/11 Financial Year

9. The VHB Board has been considering options to ensure the 2010/11 financial year was able to be operated effectively within a significantly modified but fully funded budget. This balanced budget was achieved by the Advisory Board approving on 21 May 2010, a restructuring plan which involved the disestablishment of four roles, including overhead roles, and other unfunded roles. Additionally there will be three term contract

roles which will cease in December 2010. This will mean that only eight full-time equivalent roles will be retained. Note also that contract roles with the Apple Futures project funded by NZTE and the Pipfruit sector finished at 30 June 2010.

10. The restructuring will result in the employment related costs of \$1,283,000 in 2009/10 reducing to \$786,000 in 2010/11 and further to \$581,000 in 2011/12 (based on current year dollars).
11. The proposed 2010/11 budget included with this paper as **attachment 2** shows a break even budget given some of the key assumptions below:
 - 11.1. Staff restructuring exercise completed.
 - 11.2. The relocation of VHB to the Regional Council building in Dalton Street, this move reducing overhead costs from \$309,000 in 2009/10 to \$225,000 in 2010/11 and further reductions are anticipated for 2011/12.
 - 11.3. It is proposed that the accounting system be integrated with the Hawke's Bay Regional Council system for financial control.
 - 11.4. The provision of support to cruise industry planning and co-ordination was funded to the end of December 2010 and it is proposed that if this initiative is to continue, that it be funded from those members in the business community that benefit from such a service.
 - 11.5. The budget includes provision of \$90,000 for the servicing of a loan of \$380,000 from Hawke's Bay Regional Council. The assumptions behind this loan is for the additional funding of \$130,000 for the Rugby World Cup and the \$250,000 required for the 2009/10 deficit (not funded from VHB reserves) to be funded through loan funding from the Regional Council to VHB. It is assumed that this will be a five year loan at market rates.
12. Set out as **attachment 2** to this paper are the following supporting papers for the 2010/11 budget:
 - 12.1. Income Statement 2010/11 providing expenditure and revenue by category.
 - 12.2. Income Statement 2010/11 expenditure and revenue for groups of activities.
 - 12.3. Operating Projects Summary.
 - 12.4. Analysis of Revenue details.
 - 12.5. Individual Projects Detailing Expenditure and Revenue, and Draft Key Performance Indicators for these projects.

Additional Projects to be Considered for 2010/11

13. There are a number of options for Council to fund the \$250,000 2009/10 deficit. The 2010/11 budget as drafted assumes loan funding from the Council to VHB which would require \$60,000 in servicing charges for the 2010/11 year. If the other options such as the use of cash operating balances, were used by Council to fund this deficit then there would be no need to include \$60,000 servicing charges in the 2010/11 budget. This \$60,000 would then be able to be reallocated to additional economic development/ tourism promotional work that would provide extra value to the region.

Management and Reporting Lines for 2010/11

14. Currently VHB management involves Michael Basset-Foss covering economic issues, and Michael Wan covering tourism. Both staff will report to the Council's Chief Executive for the next three months at least until such time as there is clarity of ownership and direction supported by industry.
15. The Chief Executive and Group Manager of Corporate Services will report activities and financial performance to the VHB Advisory Board as well as the Council's Strategic Planning and Finance Committee.

Industry Engagement

16. There is currently significant constructive dialogue within industry predominantly at this stage via the Chamber of Commerce and the Wine Country Tourism Association. A joint venture bid for Central Government economic development work has been submitted jointly by the Chamber and VHB.
17. A sub-group of the Wine Country Tourism Association has met with the VHB staff and a Board member to work through and refine the focus of the tourism promotion budget specifically. This work may require ongoing effort over the next month.

Governance

18. In September 2010 a paper outlining options for governance of VHB will be presented to Council which in turn can recommend a model to the subsequent Council post the October elections.

DECISION MAKING PROCESS

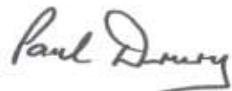
19. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded the following:
 - 19.1. Sections 97 and 98 of the Act do not apply as these relate to decisions that significantly alter the service provision or affect a strategic asset.
 - 19.2. Sections 83 and 84 covering special consultative procedure do not apply.
 - 19.3. The decision does not fall within the definition of the Council's policy on significance.
 - 19.4. No specific parties are affected by this decision.
 - 19.5. Clearly set out in this paper are the options Council will need to consider for the residual funding of \$250,000 for VHB covering the 2009/10 year.
 - 19.6. Section 80 of the Act covering decisions that are inconsistent with an existing policy or plan does not apply.
 - 19.7. Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others having given due consideration to the nature and significance of the issue to be considered and decided, and also the persons likely to be effected by or have an interest in the decisions to be made.

RECOMMENDATIONS:

That the Strategic Planning and Finance Committee :

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. That the remaining deficit of \$250,000 covering 2009/10 for VHB be funded by either:
 - 2.1. Council's cash operating balances; or
 - 2.2. A loan of \$250,000 from the Council to VHB, such a loan to be repayable over a

- five year period at market interest; or
- 2.3. Direct VHB to further reduce \$250,000 from operating budgets for 2010/11, noting that such action would in the medium term compromise the effectiveness of the delivery of the international and domestic tourism promotional campaigns; or
 - 2.4. Reverse the Council resolution made in December 2009 transferring from Council's 2009/10 operations \$590,000 to the Sale of Land Account balances to maintain these balances in real terms for movements in the 2008/09 year, this reversal would then fund the \$250,000 deficit funding requirement for VHB.
3. Receive the proposed budget for 2010/11 for VHB noting that it is a balanced budget.



Paul Drury
GROUP MANAGER CORPORATE
SERVICES



Andrew Newman
CHIEF EXECUTIVE

Attachment/s

1. **Financial Documents – 2009/10:**
 - 1.1 Income Statement 2009/10 providing expenditure and revenue by category Under Separate Cover
 - 1.2 Income Statement 2009/10 expenditure and revenue for groups of activities Under Separate Cover
 - 1.3 Operating Projects summary showing actual for 11 months ending 31 May 2010 along with the reforecast to 30 June 2010 Under Separate Cover
2. **Supporting Papers for the 2010/11 Budget:**
 - 2.1 Income Statement 2010/11 providing expenditure and revenue by category Under Separate Cover
 - 2.2 Income Statement 2010/11 expenditure and revenue for groups of activities Under Separate Cover
 - 2.3 Operating Projects Summary Under Separate Cover
 - 2.4 Analysis of Revenue Details Under Separate Cover
 - 2.5 Individual Projects Detailing Expenditure and Revenue, and Draft Key Performance Indicators for these projects Under Separate Cover

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 21 July 2010

SUBJECT: PUBLIC TRANSPORT UPDATE

REASON FOR REPORT:

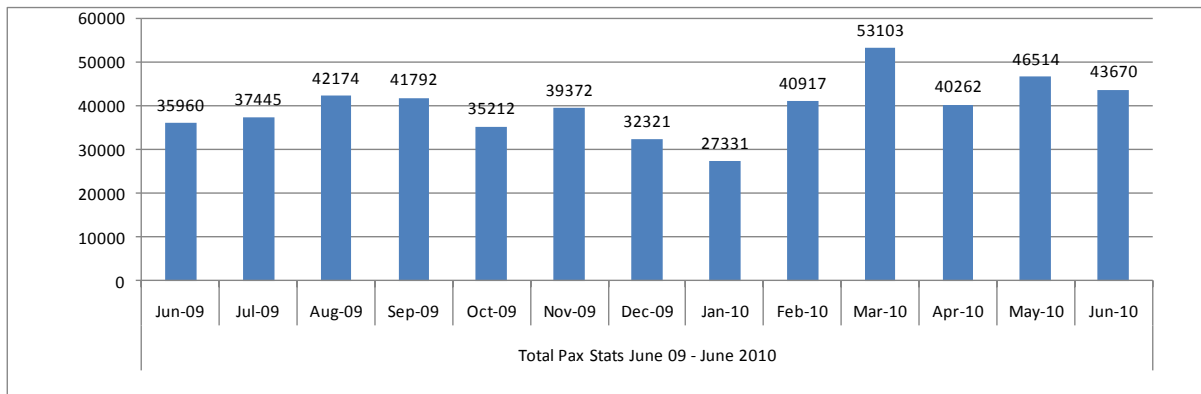
1. This agenda item provides Councillors with an update on passenger transport issues since the previous update in March 2010.

General Information

2. Total Passenger Numbers

- 2.1. The following graph outlines total passenger numbers from June 2009 to June 2010.
- 2.2. The average monthly passenger stats for January to June 2010 were 41,988, this equates to 41% capacity. The farebox recovery rate for January to June and was 30.5%.

Diagram 3 – Total Passenger (Pax) Numbers



3. Commuter Express Trial

- 3.1. The Commuter Express service was introduced by Council as a two-year trial in September 2008. The purpose of the service is to provide a sustainable mode of transport for commuters travelling to work between Havelock North, Hastings and Napier.
- 3.2. The Commuter Express routes are:
 - 3.2.1. Route 10 – travels between Hastings and Napier, via the regional hospital, the expressway and Onekawa
 - 3.2.2. Route 11 – travels between Havelock North, Hastings and Napier via Clive
 - 3.2.3. 16 Commuter Express services operate daily Monday to Friday from 7.10am to 8.25am and 4.35pm to 5.55pm.
- 3.3. The cash fare is \$3.50 for a single trip, or \$3.00 with a goBay smartcard. Concession fares are not available on the Commuter Express.
- 3.4. Since it was introduced (two years ago) the Commuter Express has carried almost 26,000 passengers with the majority of passengers who use the service being professional people, and a smaller number of students also using the service.
- 3.5. The average monthly farebox recovery is \$4,693. The cost to Council of providing this service is approximately \$7,200 per month.
- 3.6. Promotion of the Commuter Express is ongoing and has included articles in Hawke's Bay Today and in the monthly 'It's all go' column in the Napier Courier and

Hastings Leader; radio advertising; short term promotions offering free trips to major employers (NCC, HDC, HBRC, HBDHB); visual displays including posters and flyers.

- 3.7. The service was also promoted and listed as one of the top priorities in the Hastings District Council (HDC) bid for model communities. HDC are promoting the use of the service to enhance the model communities approach.
- 3.8. It is now recommended that this Committee and Council consider making this service permanent. Under the current contract with Go Bus Transport Ltd it is not necessary to tender this service out at the conclusion of the trial, and this has been confirmed by the New Zealand Transport Agency. Therefore it is recommended that the Commuter Express be added as a variation to the current gross contract with Go Bus. NZTA has committed funding this service as a permanent service and Council budgets also have allowed for this service continuing.

Below are two graphs, the first shows the number of passengers who travelled on the service since the last update provided to the Committee in March and the second shows the total number of passengers who have used this service since it began.

Diagram 1 - Number of Passenger Trips – Commuter Express

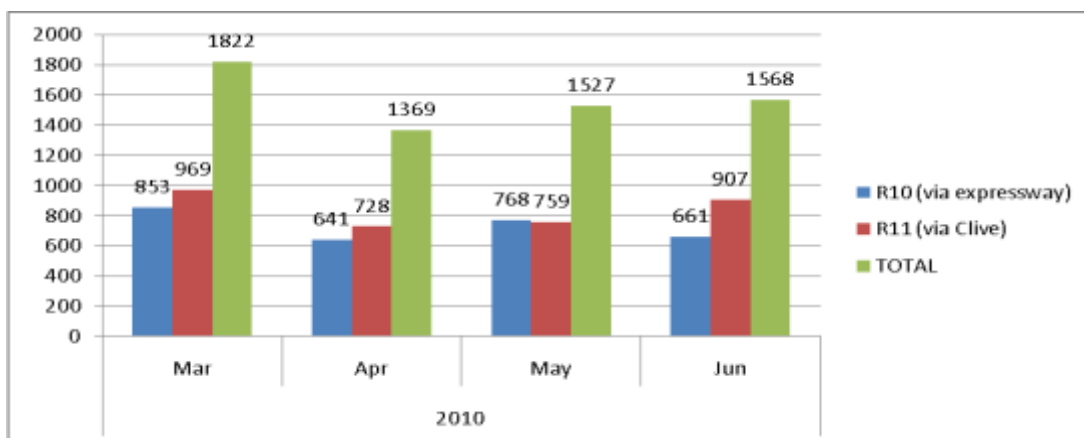
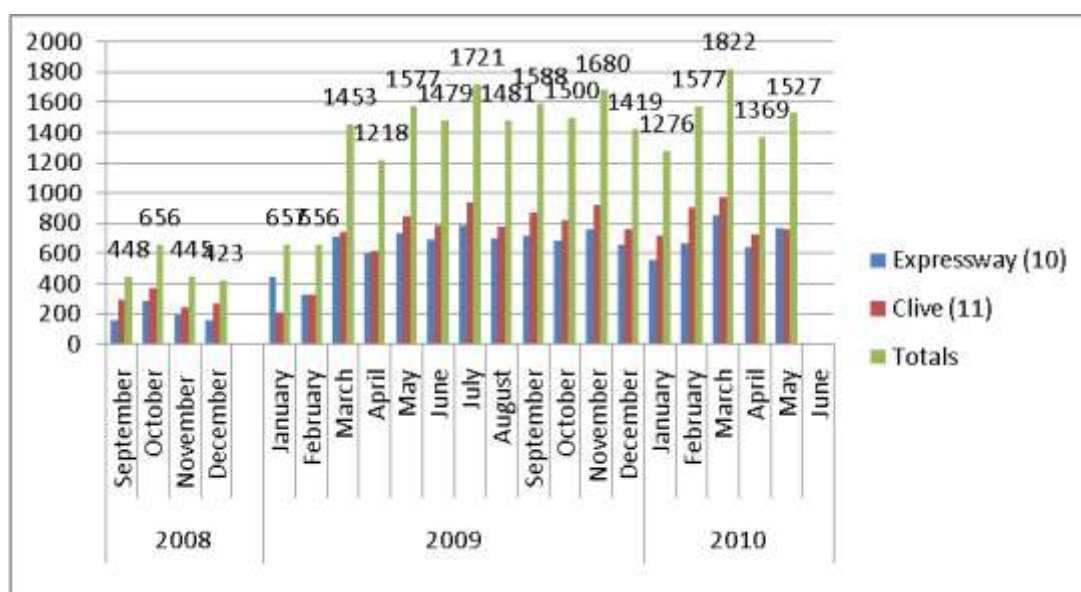


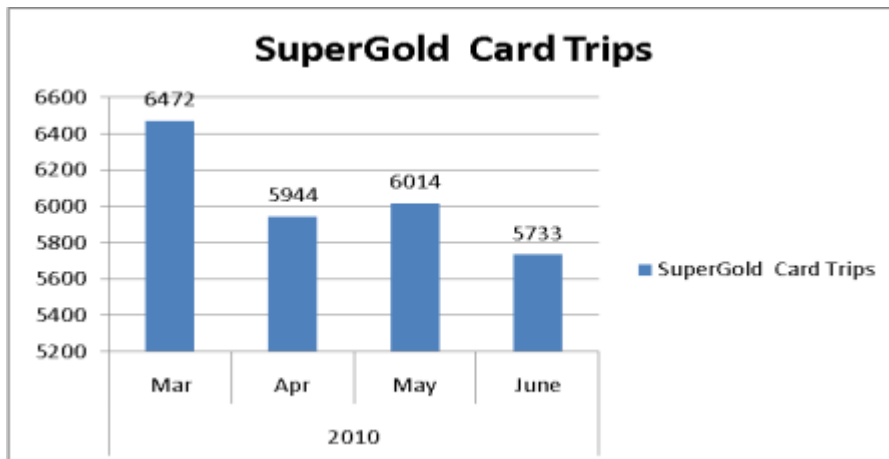
Diagram 2 – Total Number of Passenger Trips – Commuter Express



4. SuperGold Card

- 4.1. Following a review undertaken by NZTA, to which Council made a submission, the Ministry of Transport (MOT) advised Council last week that the reimbursement rate will alter for the 2010/11 year to 65% (previously this was 75% of the average adult fare). This will have a potential reduction in revenue to Council of about \$22,000 per year. The MOT further advised that no contribution would be made to the administration fees for the 2010/11 year (\$10,000 was provided in 2009/10). No decisions have been made on changes for the following years.
- 4.2. The following graph shows the number of passengers who travelled using SuperGold cards on bus services since the last update was provided to the Committee in March.

Diagram 2 - Number of SuperGold Card Passenger Trips



5. Infrastructure

5.1. Bus Stops

- 5.1.1. Four new bus stops along Te Awa Road, Napier have been introduced on the Route 11 Commuter Express service. These bus stops are marked and two have on-street timetable information.
- 5.1.2. Work is continuing with staff at Hastings District Council and K-Mart management to relocate the current K-Mart bus stop due to safety concerns and congestion problems.
- 5.1.3. Submissions were made to Napier City and Hastings District Council Annual Plans, for bike shelters at Dalton St and Eastbourne Street termini.
- 5.1.4. Staff are continuing to work on the production of an on-line bus stop map.
- 5.1.5. New bus timetables were printed and distributed in June 2010. Minor adjustments were made to some services. All on-street timetables have been updated.
- 5.1.6. Staff are in the early stages of investigating a community project to replace and paint an old, vandalised bus shelter in Maraenui. Staff believe that involving the local community may result in fewer incidents of vandalism.

6. Travel Plans

- 6.1. Although funding assistance from NZTA for travel plans was not approved, a School Travel Plan brochure was designed and mailed out to all urban primary schools in Napier and Hastings, inviting them to join the HBRC school travel plan programme. There has been no response to date.
- 6.2. HBRC is undertaking a workplace travel plan. Phase one entails surveying all staff to establish current modes of transport to and from work.

7. Change to Fare Structure

7.1. Drivers report that replacing the beneficiary/disabled fare category with a Community Services card fare category is working very well and June adult fare numbers were the highest since the new contract with Go Bus commenced.

8. Total Mobility Update

8.1. This scheme is continuing to increase in client numbers, with an average of 22 new clients in the past year, bringing a total of 2156 clients currently in the scheme. Below is a table showing details of client numbers and expenditure to date for the 2009/10 financial year.

Diagram 4 – Total Mobility Statistics

Total Mobility Numbers to 30 June 2010								
Month	Amount (incl. GST)	Trips	Passengers	Wheelchair Passengers	New Clients	Net Increase in Clients	Total Clients	Av. Fare subsidy per trip
Jul-09	\$31,883.05	4246	4973	1168	30	19	1933	\$7.50
Aug-09	\$35,464.55	4834	5721	1316	42	45	1978	\$7.33
Sep-09	\$38,505.84	5273	6100	1371	42	16	1994	\$7.30
Oct-09	\$33,794.12	4675	5542	1386	34	10	2004	\$7.22
Nov-09	\$34,346.59	4545	5158	1114	35	30	2031	\$7.55
Dec-09	\$40,638.35	5485	6485	1228	36	9	2040	\$7.40
Jan-10	\$29,601.42	4008	4661	1011	39	10	2030	\$7.40
Feb-10	\$32,208.27	4149	4760	1238	45	16	2046	\$8.50
Mar-10	\$43,673.55	5709	6494	1346	53	33	2079	\$8.80
Apr-10	\$35,843.26	4830	5249	1186	44	34	2113	\$7.42
May-10	\$39,573.98	5435	6183	1282	30	34	2147	\$7.28
Jun-10	\$36,529.75	5102	5903	1222	35	9	2156	\$7.15
TOTAL	\$432,062.73	58291	67229	14868	465		2156	\$7.41

DECISION MAKING PROCESS:

9. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded the following:
 - 9.1. Sections 97 and 98 of the Act do not apply as these relate to decisions that significantly alter the service provision or affect a strategic asset.
 - 9.2. Sections 83 and 84 covering special consultative procedure do not apply.
 - 9.3. The decision does not fall within the definition of the Council's policy on significance.
 - 9.4. The persons affected by this decision are users of the Commuter Express bus routes.
 - 9.5. The options considered are that Council can agree to include the commuter express service as a permanent service or to discontinue the service.
10. Section 80 of the Act covering decisions that are inconsistent with an existing policy or plan does not apply.
11. Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others having given due consideration to the nature and significance of the issue to be considered and decided, and also the persons likely to be effected by or have an interest in the decisions to be made.

RECOMMENDATIONS:

That the Strategic Planning and Finance Committee :

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion

under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.'

2. Recommends to Council that the Commuter Express Trial Service be made a permanent service and a variation of contract be issued to Go Bus Transport Limited to include the services as part of the current contract, noting that the 2010/11 Annual Plan budgets provide funding for this service to continue.
3. Receives the report "Update on Passenger Transport Issues".



Carol Gilbertson
ADMINISTRATION MANAGER



Paul Drury
GROUP MANAGER CORPORATE SERVICES

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 21 July 2010

SUBJECT: FUTURE SCENARIOS PROGRESS REPORT

REASON FOR REPORT:

1. This item presents progress on the development of futures scenarios for Hawke's Bay, being developed under the strap-line of Embracing Bay Futures - an initiative under the Council's Embracing Futures Thinking brand.

The Focal Issue for the Scenarios

2. The first step of the process was to identify the focal issue – what is it that we wanted the scenarios to help us think about? This was done by taking a group of staff and individuals from outside the organisation through a series of questions. This process confirmed at this early stage the very positive support for the project with all external parties recognising the value that it could bring to the region's thinking about the future.
3. It demonstrated that a very important part of the scenario development project is the process itself; the process of involving people, helping them understand how scenarios can help them and their organisation and then keeping them informed along the way.
4. The resulting focal issue for the Hawke's Bay Futures Scenarios is phrased as a series of questions, as follows:
 - 4.1 What will Hawke's Bay look and feel like in 40 years time?
 - 4.2 How will land be used?
 - 4.3 How will natural resources be managed?
 - 4.4 What will land tenure look like?
 - 4.5 How will people be living together?

Progress to date

5. The project plan endorsed by the committee in November 2009 sets out the key steps as shown below.
6. Based on the project plan, the scenarios are expected to be written by July/Aug 2010, with the production of the report and associated communication materials to be completed by September 2010. We are on target as at mid July and expect to deliver the scenarios in accord with the plan.

Embracing Bay Futures - Project Plan												
Stages	2009			2010								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Focal Issue Identification	█											
STEEP Reports			█	█								
Interviews		█	█	█	█	█						
STEEP Author Workshop						█	█					
Collation							█					
Interviewee Workshop								█				
Scenario Retreat								█	█			
Scenario Writing								█	█	█	█	
Report Publication										█	█	█
Workshop Communication											█	█

We are on target to deliver the scenarios in accordance with the project plan.

7. We completed 70 interviews of which you all were included. There was positive support by interviewees overall for the project and many contributed well when interviewed. The Interviews themselves ranged between 1 and 2 hours.
8. Midway through the interviews we hosted all the STEEP Trends Report authors for a day to discuss each others draft reports. This allowed us to report to them common themes arising from the midway stage of the interviews, challenge each others draft reports and to reassert to them the need for their research to be Hawke's Bay focused.
9. The completion of the interviews culminated in two interviewee workshops where we presented the common themes that were identified through the interview process. Held at the Napier Club one evening and again the following morning both sessions engaged their audiences with robust discussion. These workshops were invaluable to distil further what issues required more and less attention heading into the Scenario Development Retreat a few weeks later.]
10. The Scenario Development Retreat was held in late May. The Scenario Retreat team comprised:
 - Roger Maaka
 - Hugh Ritchie
 - Alistair Bramley
 - Andy Coltart
 - Chris Perley
 - Murray Douglas
 - Colin James
 - Susan Bates (Facilitator)
 - Margaret Horner (Scenario Writer)

- Helen Codlin
 - Joseph Stafford.
11. The participants were selected for their range of expertise and knowledge coupled with their ability to think laterally and openness to new ideas. They were required to commit to 3 days of no cell-phones and focused attention to the scenarios development and we were very pleased with the calibre of their contribution.
 12. The scenario team was satisfied that the process was robust and provided the necessary direction and detail of information for the scenario writer to scribe 3 distinctly different scenarios covering all the major issues identified through the interviews and workshops.
 13. We are awaiting the scenarios at time of writing this agenda item which will then be circulated to the scenario team for their initial feedback.

Scenarios as a Tool

14. The Future Scenarios purpose is to raise individual and community consciousness toward the impacts of our decisions as individuals, business owners, community leaders as we look forward. Scenarios are to be used as a tool to facilitate discussion when planning for the future.
15. From discussion with people that have used scenarios as a tool it can take several "reads" to understand how they may add-value to one's planning. On the surface they may appear simple but the value arises from understanding their context and in turn how the region and its resources have arrived at that point depicted in the scenario.
16. The scenarios will be supported by a report explaining what scenarios are and the robust process undertaken to arrive at this point.

Communications Plan

17. The next stage will be to develop a communication plan to manage the scenarios release to the wider stakeholders. It is proposed to launch the scenarios at the next Embracing Futures Thinking Breakfast on 22 September 2010. In recognition of the interviewees contribution their invite will include a complimentary breakfast.
18. The communication plan will also articulate how the scenarios may be used as a tool for discussion internally and externally. It is anticipated the scenarios will form the basis of a council workshop in December as the first step in the development of the Strategic Plan which is due June 2011.
19. From our perspective the scenarios can prime any discussion considering future use of the region's resources and infrastructure. For example when the HBRC Strategic Plan or Regional Economic Development Strategy is being developed, the working drafts should be reviewed against the Scenarios from time to time. The same when developing the Regional Transport Strategy and the Water Management Policy.
20. The communication plan will identify as well as the breakfast launch and final report, all other mediums for making the scenarios available and engaging for other businesses, government departments and the public in general.
21. The communication plan will be presented at the 15 September Strategic Planning and Finance Committee meeting for endorsement.

DECISION MAKING PROCESS:

22. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded the following:
 - 22.1 Sections 97 and 98 of the Act do not apply as these relate to decisions that significantly alter the service provision or affect a strategic asset.
 - 22.1 Sections 83 and 84 covering special consultative procedure do not apply.
 - 22.3 The decision does not fall within the definition of Council's policy on significance.

- 22.4 The decision to undertake the development of Futures Scenarios is contained in the Ten Year Plan and has already been consulted on.
- 22.5 Section 80 of the Act covering decisions that are inconsistent with an existing policy or plan does not apply.
- 22.6 Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others having given due consideration to the nature and significance of the issue to be considered and decided, and also the persons likely to be effected by or have an interest in the decisions to be made.

RECOMMENDATIONS:

- 1. That the Committee receives the progress report on the development of Futures Scenarios for Hawke's Bay.

That the Committee recommends Council:

- 2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
- 3. Endorses the launch of the scenarios at the Embracing Futures Thinking breakfast on Wednesday 22 September 2010.



Jo Stafford
STRATEGIC POLICY ADVISOR

Helen Codlin
GROUP MANAGER STRATEGIC DEVELOPMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 21 July 2010

SUBJECT: PUBLIC CONSULTATION SURVEY RESULTS

REASON FOR REPORT:

1. This agenda item provides a summary of results from the public consultation survey undertaken in May 2010.

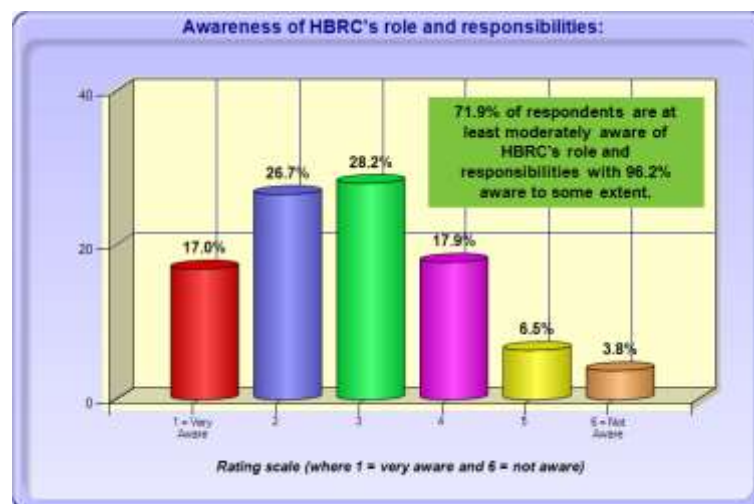
Background

2. An environmental awareness and satisfaction survey is carried out every three years. The last regional survey of 450 rural and urban residents was completed in October 2008.
3. In 2009, the need was identified to better understand the awareness and involvement of urban residents:
 - in council-led work programmes and events, and
 - in council's planning processes.
4. A benchmark survey of 329 mainly urban residents was carried out in September 2009, and a comparison survey of 341 people was carried out in May 2010.
5. Surveys were conducted face-to-face using touch screen tablet computers and results were compiled automatically.
6. The results indicate the urban community's current level of awareness and involvement and will be used to develop communication tools, activities and events that better serve the public's growing need for information and engagement.

Results

7. As a regional indicator, the survey results show positively improving awareness and involvement and reflect well on Council.
8. **Awareness of Council Role & Responsibilities**
71.9% of those surveyed were aware of the Regional Council's role and responsibilities (rated 1-3 out of 6), refer Diagram 1.
 - 8.1. This compares with 56.5% in 2009 (Touchscreen) and 53% in 2008 (Cinta).

Diagram 1



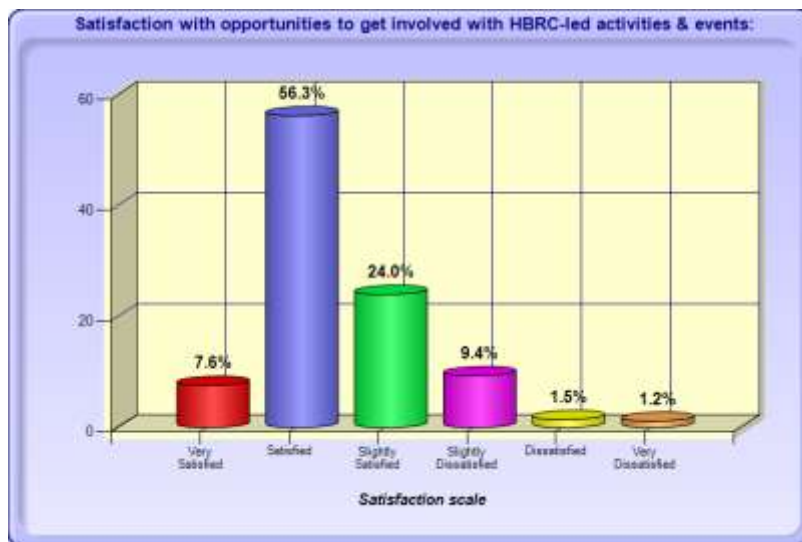
9. **Satisfaction with Opportunities for Involvement**

The majority of those surveyed (87.9%) were at least slightly satisfied with their opportunities for involvement in Regional Council-led activities and events. Only 2.7% were dissatisfied, refer Diagram 2.

9.1. This result compares with 54.7% in 2009 (Touchscreen), with no data for 2008.

9.2. Residents 40+ years (69.3%) were more satisfied than those under 40 years (52.7%).

Diagram 2

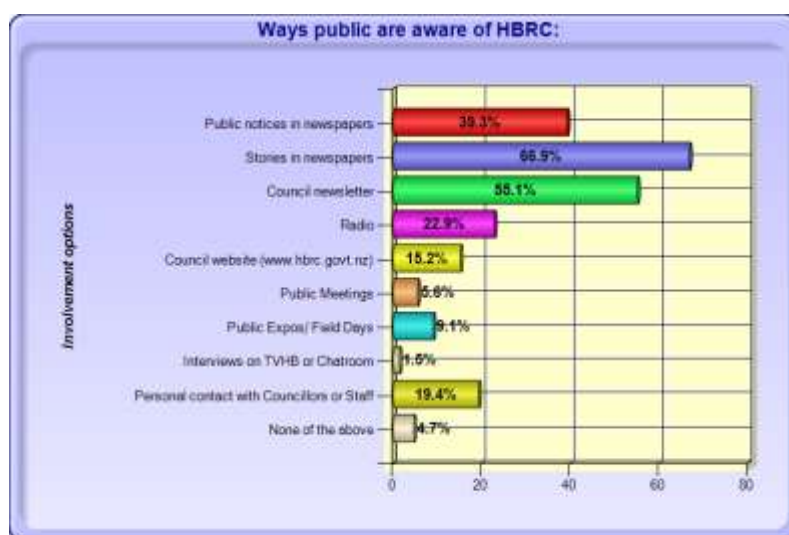


10. **How the Public are Aware of Council**

Results were consistent with the 2009 survey, showing newspapers and public notices as the main avenues of public awareness. Council’s newsletter contributed significantly (55.1%) to public awareness, refer Diagram 3.

10.1. Radio (22.9%), personal contact (19.4%) and council’s website (15.2%) were also significant contributors to awareness of Council’s work.

Diagram 3



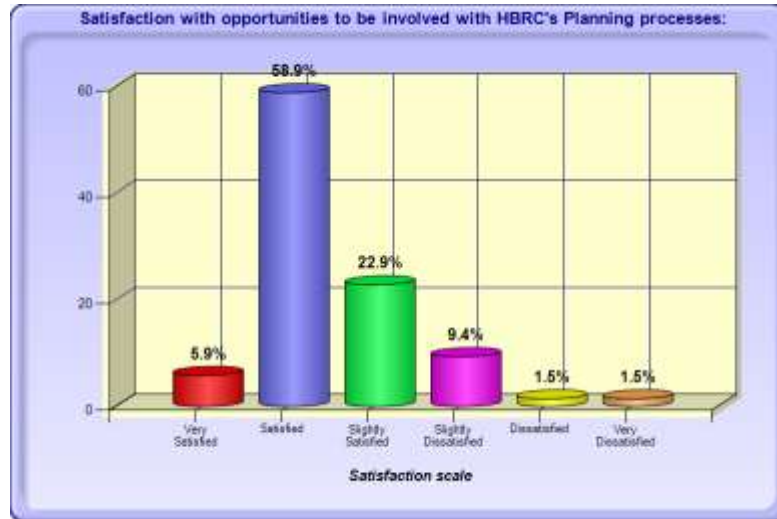
11. **Satisfaction with Opportunities for Involvement in Planning**

87.7% of those surveyed were at least slightly satisfied with opportunities to be involved with HBRC’s planning processes, refer Diagram 4.

11.1. This compares with 50.2% in 2009 (Touchscreen); there is no data for 2008.

11.2. Many commented that they lacked the interest to become involved, but were satisfied with the opportunities present. A small number of those surveyed were already actively engaged in Council’s planning process.

Diagram 4



12. **Preferred Involvement in Future Planning**

Many planning tools identified by the public are already in use, refer Diagram 5. The public identified continuing support for newspapers and radio (44.9%), expos & field days (27.6%), public meetings (25.2%) and council's website or web forums (24.3%).

12.1. There was also significant interest in an open day at council (21.1%).

Diagram 5



DECISION MAKING PROCESS:

13. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

RECOMMENDATIONS:

That the Strategic Planning and Finance Committee :

1. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

2. That the Committee receive this report.



**Drew Broadley
COMMUNITY ENGAGEMENT AND
COMMUNICATIONS MANAGER**



**Liz Lambert
GROUP MANAGER EXTERNAL
RELATIONS**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 21 July 2010

Item 10

SUBJECT: WEBSITE REFRESH UPDATE

REASON FOR REPORT:

1. This item provides an update on planning to refresh Council's corporate website.

Background

2. The last major update to the website occurred in 2006 when Council migrated to a new content management platform, DotNetNuke (DNN).
3. The current website contains static text and imagery using both HTML and PDF and does not comply with eGovernment 2.0 accessibility standards. Content management, search functionality and user interaction are limited, and site navigation is confusing.
4. Subject to approval, a refresh would address navigation, design and a re-build of the website.
5. Within scope, the project would improve access to information for a range of site users, to enable easy online interaction with Council that could be managed efficiently. The website would incorporate eGovernment standards and be capable of supporting new features, such as social media interaction. Possible integration with other appropriate council and business unit websites would be considered.
6. The project would also identify 'out of scope' services and functionality for future development, in line with council's communication objectives and web strategy.

Update and Timing

7. A Terms of Reference document was sent to prospective agencies in July 2010. Responses are expected during August. A Council paper in September will address the Website Refresh Proposal and include a summary of the project scope with the proposed budget.
8. Subject to approval, the project could be completed by 2010 calendar year end.

DECISION MAKING PROCESS:

9. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

RECOMMENDATIONS:

That the Strategic Planning and Finance Committee :

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.

2. Receives this update.



**Drew Broadley
COMMUNITY ENGAGEMENT AND
COMMUNICATIONS MANAGER**



**Liz Lambert
GROUP MANAGER EXTERNAL
RELATIONS**

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE

Wednesday 21 July 2010

Item 11

SUBJECT: BUSINESS INNOVATION AWARD

REASON FOR REPORT:

1. This item is to inform Council on the status of this year's Business Innovation Award, a new category in the Hawke's Bay Chamber of Commerce Business Awards.

Background

2. Prior to 2010, Council offered a business category in the Environmental Awards, in conjunction with the Napier and Hastings councils.
3. After experiencing a declining number of entries from the business community (3 entries under Business and 3 entries under Product/ Service in 2009) a partnership was considered with Hawke's Bay Chamber of Commerce to deliver a business and environment-focused award to business-focused target audience.
4. After discussion with the Hawke's Bay Chamber in March 2010 and in consideration of timing for the 2010 event, a *Hawke's Bay Regional Council/ Venture Hawke's Bay Business Innovation Award* category was created.
 - 4.1 The award category outline reads as follows:

"Open to all businesses/ organisations that can demonstrate innovation, building on key elements in the Hawke's Bay environment – land, water, climate, people – creating new products or services that embrace future-focused technologies or systems that are New Zealand-leading or are moving towards success in this area"
5. The Hawke's Bay Business Awards feature 12 categories with a further Business of the Year selected from category winners on the night.

Category Update and Timing

6. As at July, interest in the Business Innovation Award category has been shown by 7 local businesses.
7. Entry for nominations opened on 6 July and will close on 20 August.
8. Judging of finalists occurs during September and October by an independent panel of judges, headed by Rick Cranswick, with an event for finalists to be held on 8 September.
9. The Awards Ceremony and Gala Dinner will be held on 4 November.

DECISION MAKING PROCESS:

10. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.

RECOMMENDATIONS:

That the Strategic Planning and Finance Committee :

1. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that, as this report is for information only and no decision is to be made, the decision making provisions of the Local Government Act 2002 do not apply.
2. Receive this report.



Drew Broadley
COMMUNITY ENGAGEMENT AND
COMMUNICATIONS MANAGER



Liz Lambert
GROUP MANAGER EXTERNAL
RELATIONS

Attachment/s

There are no attachments for this report.

**HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE**

Wednesday 21 July 2010

Item 12

SUBJECT: GENERAL BUSINESS

INTRODUCTION:

This document has been prepared to assist Councillors note the General Business to be discussed as determined earlier in Agenda Item 6.

ITEM	TOPIC	COUNCILLOR / STAFF
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		

**HAWKE'S BAY REGIONAL COUNCIL
STRATEGIC PLANNING AND FINANCE COMMITTEE**

Wednesday 21 July 2010

**SUBJECT: TREATY SETTLEMENTS - CROWN VERBAL UPDATE (1:00PM)
PUBLIC EXCLUDED**

Item 13

That the Council exclude the public from this section of the meeting being Agenda Item 14 Treaty Settlements – Crown Verbal Update with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

**GENERAL SUBJECT OF THE
ITEM TO BE CONSIDERED**

Treaty Settlements – Crown
Verbal Update

REASON FOR PASSING THIS RESOLUTION

7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

**GROUND UNDER SECTION 48(1)
FOR THE PASSING OF THE
RESOLUTION**

The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.



**Andrew Newman
CHIEF EXECUTIVE**

Attachment/s

There are no attachments for this report.