



## MINUTES OF A MEETING OF THE STRATEGIC PLANNING AND FINANCE COMMITTEE

**Date:** Wednesday 15 September 2010

**Time:** 9.00am

**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

**Present:** A J Dick  
T Gilbertson  
N Kirton  
E McGregor  
L Remmerswaal  
K Rose  
C Scott  
E von Dadelszen  
F Wilson  
M Mohi

**In Attendance:** A Newman – Chief Executive  
L Lambert – Group Manager External Relations  
C Gilbertson – Governance and Public Transport Manager

## 1. WELCOME/APOLOGIES/NOTICES

The Chairman welcomed everyone to the meeting and called for apologies and notices.

### Notices:

#### Annual Report – Number of Meetings Attended by Councillors

Mrs Gilbertson advised that in consultation with Councillor Scott and Mr John Peacock an update had been made to the table in the Annual Report that outlined the number of meetings attended by Councillors, the change made was to include attendance at hearings held on Air Quality and Air Plan change.

#### CHB WasteWater Consent

The Chief Executive provided a verbal update on this consent.

#### Review of Finance Function

The Chief Executive advised that recently a review had been undertaken of Council's Finance Department which consisted of a benchmarking exercise comparing this Council to other Councils of a similar size. The Chief Executive will distribute the report for Councillor's information.

### Resolution:

That the apology from Mr Mohi to leave the meeting at 11.30am be accepted.

von Dadelszen/Wilson  
CARRIED

## 2. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations made.

## COMMITTEE HELD ON 21 JULY 2010

### Resolution:

Minutes of the Strategic Planning and Finance Committee held on Wednesday, 21 July 2010, a copy having been circulated prior to the meeting, were taken as read and confirmed.

McGregor/Rose  
CARRIED

## 4. MATTERS ARISING FROM MINUTES OF THE STRATEGIC PLANNING AND FINANCE COMMITTEE HELD ON WEDNESDAY 21 JULY 2010

There were no matters arising from the minutes.

## 5. ACTION ITEMS FROM STRATEGIC PLANNING AND FINANCE MEETINGS

### Update on Refreshing Council's Website

Mrs Lambert advised that a budget for the refresh of Council's website will be included as part of the Annual Plan 2011/12 process and more information will be provided via that process.

### Resolution:

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

Gilbertson/Rose  
CARRIED

## 6. CONSIDERATION OF GENERAL BUSINESS ITEMS

### 1. Wairarapa Rail Issue

## 7. RISK MANAGEMENT

Mr Newman provided an update to Council on the top ten risks facing Council and sought agreement to the risk mitigation approach proposed for each of those risks. The Committee then proceeded to go through each risk issue and make comment on each of them, highlights included:

Risk Issue 3 – The Chief Executive advised that he has completed a pre-election report which will provide information to candidates on key issues that are covered in this risk area.

Risk Issue 5 - It was acknowledged that this risk doesn't cover land use intensification in relation to soils or list as a risk, the loss of confidence of the primary sector, these are to be included for this risk issue.

Risk Issue 6 – The Chief Executive noted that the Minister of Local Government has rated Hawke's Bay Regional Council very highly in relation to the work it does. The Chairman reminded Councillors that there is \$50,000 allocated to embark on a joint study in the early term of the new Council to look at shared services and governance in Hawke's Bay.

Risk Issue 7 – Mrs Lambert advised that Hawke's Bay had topped \$1M for contributions to funding Council's Heat Smart and Air Quality programmes, this means that this risk issue is now a diminishing risk and the programmes in place are working effectively. There was also a comment that the work done on Air Quality and Heat Smart, in particular the removal of old chimneys, may mitigate some earthquake risk.

Risk Issue 8 – Water Quantity – this risk should include a more adversarial approach to water.

Risk Issue 10 – Operational Risks – there was a comment that this risk should be split in two – one being risk of disaster and secondly financial operation controls. Governance should also be included in here – i.e. how clear and how well governance is working.

### **Resolution:**

The Strategic Planning and Finance Committee recommend that Council:

1. Note the top ten risks currently facing Council; the current and planned future position of the risk issue; the current situation and risk; the proposed mitigation approach; and the impact that mitigation approach will have on the level of risk. Noting feedback from the meeting.
2. Approve the proposed risk mitigation approach to each of the ten risk issues as set out in the attachments to this briefing paper.

**Gilbertson/von Dadelszen  
CARRIED**

## 8. PUBLIC TRANSPORT - FURTHER UPDATE

Mrs Gilbertson advised that further information has been provided to this Committee on the SuperGold Card review and also patronage and financial trends. In relation to SuperGold card the Chief Executive advised that this is another Central Government funding restriction which is put onto regional councils to pick up the shortfall. Council sees this as a gross injustice and Council does not support the decision to change the Super Gold Card scheme reimbursement rate. Council responds to social issues through this Scheme and it should not be altered.

In relation to patronage and financial trends, the Committee said it was very pleasing to see the increase in patronage from the comparison made for February to August 2009 and the

same period in 2010 and noted that this was good news for this Council.

**Resolution:**

The Strategic Planning and Finance Committee recommend that Council:

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. Notes the information contained in this report;
3. Instruct the Chief Executive to write to the Ministry of Transport stating that Council will not accept the changes to the SuperGold Card scheme and the subsequent loss of revenue resulting from their review of the scheme.

**Rose/von Dadelszen  
CARRIED**

***The meeting adjourned at 10.15am and reconvened at 10.40am***

**9. VENTURE HAWKE'S BAY SUMMARY STRATEGIC PLAN AND BUDGET**

The Chief Executive said that the Venture Hawke's Bay Strategic Plan was being presented to this Committee following input from the Venture Hawke's Bay Advisory Board. Mr Michael Bassett-Foss was in attendance for this item and gave Council a presentation on the intervention activity model, economic development model and regional promotional and marketing interventions. Mr Bassett Foss outlined the work that would be involved around these interventions and the budget implications for these.

The recommendation had originally been that the Strategic Plan and budget would be approved by the Committee and forwarded then to Council but following discussion it was agreed that the matter would be left to lie on the table until further financial information was made available to the Council. Mr Newman undertook to provide Council with a fully costed budget showing the current bottom line and an actual budget of the first two months of the current financial year. The Chairman of Venture Hawke's Bay Councillor Kirton also said that staff resources in Venture Hawke's Bay seems to be spread very thinly and it will be hard to meet the objectives contained in the strategic plan with current staff levels.

The Chairman noted that good progress is being made on Venture Hawke's Bay and its strategic plan and the Chief Executive also noted two external contracts that have now been secured. This includes the NZT&E contract for \$1.5 million, the business services TECHNz and NZT&E contract has been accepted and approved which was pleasing.

It was agreed that further information will be provided prior to the adoption of the Strategic Plan and the budget implications around this.

***Mr Mohi left the meeting at 11.30am***

**Resolution:**

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. Agree to let the matter lie on the table.

**Kirton/Dick  
CARRIED**

## 10. PROPOSAL TO NEW COUNCIL FOR THE COMMITTEE STRUCTURE FOR NEXT TRIENNIAL TERM

Mrs Lambert and Mr Newman presented this report which makes a recommendation to the incoming Council on a review of Committee structure and terms of reference for appropriate committees for the new Council term.

There was discussion around the proposal for a new joint Committee for regional planning, the governance of Venture Hawke's Bay, the current Committee structure and its appropriateness and the scheduling of meetings and meeting frequency. It was reiterated that this is a recommendation from the outgoing Council to the new Council which will be appointed following the October elections

### **Resolution:**

That the Committee recommends to Council that:

1. The Council propose to the incoming Council for the triennial term October 2010 to September 2013 to:
  - 1.1 Establish a new joint Committee for Regional Planning, with membership comprising equal representation of Councillors, and non-Councillors from the Treaty claimant groups.
  - 1.2 Retain the Environmental Management and Asset Management and Biosecurity Committees.
  - 1.3 Incorporate the reporting structures of Venture Hawke's Bay directly into Council, via the Strategic Planning and Finance Committee but establish industry advisory mechanisms to assist with direction setting.
  - 1.4 Or, subject to the Tourism Sector demonstrating a genuine multi-year financial commitment to Tourism promotion, splitting the Tourism component from Venture Hawke's Bay and governing this activity through an industry led Board, noting however the following caveats; Regional Council would retain financial control via its finance function; and the staff would remain Regional Council employees.
  - 1.5 Noting 1.3, review the performance and operation of Tourism sector activities specifically to establish what, if any, funding continues in the 2011/12 financial year.
  - 1.6 Re-establish the Maori Committee, with a review of its role in twelve months.
  - 1.7 Continue the other current committees of Council into the next term.
  - 1.8 Continue with established industry and community groups including the Ruataniwha Water Storage Leadership Group, the Ruataniwha Stakeholder Group and the Dairy Liaison Group.

**Rose/Gilbertson  
CARRIED**

**11. PROPOSED HAWKE'S BAY REGIONAL LAND AND WATER SYMPOSIUM**

Mr Newman advised that it is proposed to hold a Hawke's Bay Regional Land and Water Symposium early in the new Council term.

**Resolution:**

1. That the Strategic Planning and Finance Committee receives the report.

**Rose/Wilson  
CARRIED**

**12. GENERAL BUSINESS**

**Wairarapa Rail Issue**

Councillor Gilbertson advised that he attended a meeting on the Wairarapa rail issue on behalf of the Chairman. He said it was disappointing that no one from KiwiRail was able to attend the meeting as KiwiRail staff were in Christchurch to address issues following the recent earthquake.

**15. CONFIRMATION OF PUBLIC EXCLUDED MINUTES OF THE STRATEGIC PLANNING AND FINANCE COMMITTEE HELD ON 21 JULY 2010**

That the Council exclude the public from this section of the meeting being Confirmation of Public Excluded Minutes - Agenda Item 13 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	REASONS FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
Minutes of Meeting from 21 July 2010 - Treaty Settlements – Crown Update	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**von Dodelszen/Wilson  
CARRIED**

**16. CONFIRMATION OF PUBLIC EXCLUDED MINUTES OF THE STRATEGIC PLANNING AND FINANCE COMMITTEE HELD ON 21 JULY 2010**

**Resolution:**

That the public excluded Minutes of the Strategic Planning and Finance Committee held on Wednesday, 21 July 2010, a copy having been circulated prior to the meeting, were taken as read and confirmed.

**Scott/Wilson  
CARRIED**

**17. MATTERS ARISING FROM MINUTES OF THE STRATEGIC PLANNING AND FINANCE COMMITTEE HELD ON WEDNESDAY 21 JULY 2010**

There were no matters arising from the minutes.

***The meeting went into public excluded session at 12.30pm and out of public excluded session at 12.34pm***

**Rose/Remmerswaal  
CARRIED**

**Closure:**

There being no further business the Chairman declared the meeting closed at 12.35pm on Wednesday, 15 September 2010.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....