



MINUTES OF A MEETING OF THE CORPORATE AND STRATEGIC COMMITTEE

Date: Wednesday 11 September 2019

Time: 9.00am

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

Present: N Kirton - Chairman
P Bailey
R Barker
P Beaven
T Belford
A J Dick
R Graham
D Hewitt
M Paku
F Wilson
T Waaka

In Attendance: J Palmer – Chief Executive
J Ellerm – Group Manager Corporate Services
C Dolley – Group Manager Asset Management
L Lambert – Group Manager Regulation
A Roets – Governance Administration Assistant
S Dave – Chief Financial Officer
J Lawrence – Group Manager Office of the CE & Chair
S Lucy – Audit NZ
V Moule – HR Manager
D Broadley – Community Engagement and Communications Manager
M Mohi – Te Tuwharetoa representative
P Munro – Te Pou Whakarae
D Cull – Strategy and Projects Leader
T Skerman – Group Manager Strategic Planning

1. Welcome/Apologies/Notices

The Chairman welcomed everyone to the meeting and Pieri Munro opened with a karakia. Crs Debbie Hewitt and Cr Rex Graham advised that they need to depart at 1.30pm and 2pm respectively.

2. Conflict of Interest Declarations

There were no Conflict of Interest Declarations.

3. Confirmation of Minutes of the Corporate and Strategic Committee meeting held on 5 June 2019

C&S11/19 Resolution

Minutes of the Corporate and Strategic Committee meeting held on Wednesday, 5 June 2019, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Wilson/Beaven
CARRIED**

Secretarial note: As there are no provisions under the Standing Orders for "Matters arising from the Minutes", these are recorded as part of the Follow-ups from the previous Environment and Services Committee meetings item.

4. Follow-ups from Previous Corporate and Strategic Committee Meetings

- Internal Audits are carried out by external auditors Crowe Horwath and are intended to provide insight and recommendations based on analyses and assessments of data and business processes in order to improve the effectiveness of the organisation's operations
- Implementation of the Strategic Plan is reported within the Annual Report and was highlighted at the front end of the Pre-election report.

C&S12/19 Resolution

That the Corporate and Strategic Committee receives and notes the "Follow-ups from Previous Corporate and Strategic Committee Meetings" report.

**Bailey/Beaven
CARRIED**

5. Call for Minor Items of Business not on the Agenda

Recommendations

That Corporate and Strategic Committee accepts the following "Minor Items of Business Not on the Agenda" for discussion as Item 11.

Topic	Raised by
Matariki Regional Development Strategy and whether Matariki activities are incorporated into council activities	T Waaka

6. Report and Recommendations from the Finance Audit and Risk Sub-committee

Jessica Ellerm introduced the item, highlighting the two significant issues of the Remission of Penalties on Rates Policy (Fixed Term) and the Six Monthly Report on Risk Assessment and Management the meeting considered.

- Due to Council's change in the rates payment due date from 31 January 2021 to

20 September 2020, some ratepayers will be required to make two payments in the 2020 calendar year, therefore the Remission of Penalties on Rates Policy (Fixed Term) is intended to assist ratepayers who may experience financial hardship as a result

- Recommendations for adjustments to the SIPO and Council's investment portfolio, including the proceeds of the Port share float will be put to the new Council for consideration and communication with the public.
- An item on several matters arising from the Port IPO will be presented to the 25 September Council meeting
- It was suggested that the HAIL register and Council's Procurement policies be shared with Toro Waaka, and that the draft Remission of Penalties on Rates Policy (Fixed Term) be attached with the recommendations from this committee.

C&S13/19 Resolutions

The Corporate and Strategic Committee:

1. Receives and notes the *"Report and Recommendations from the 21 August 2019 Finance, Audit and Risk Sub-committee Meeting"*
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to be affected by or have an interest in the decision.

Remission of Penalties on Rates Policy (Fixed Term)

3. Recommends that Hawke's Bay Regional Council:
 - 3.1. Agrees the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council will consult as required by LGA s103(4) and s82 as part of either the 2020-21 Annual Plan or with other appropriate consultation process.
 - 3.2. Subject to consultation as per 3.1 above, agrees to adopt a Remission of Penalties on Rates Policy (Fixed Term).

Six Monthly Report on Risk Assessment and Management

4. Receives and notes the resolutions of the sub-committee following, confirming the robustness of Council's risk management systems, processes and practices.
 - 4.1. The Finance, Audit and Risk Sub-committee:
 - 4.1.1. receives and considers the *"Six Monthly Risk Assessment and Management"* staff report
 - 4.1.2. confirms its confidence that Council management has a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks.

Reports Received

5. Notes that the following reports were provided to the Finance Audit and Risk Sub-committee.
 - 5.1. Treasury Report
 - 5.2. Procurement Hub Update
 - 5.3. August 2019 Sub-committee Work Programme Update.

**Dick/Bailey
CARRIED**

7. Annual Report Update

Jessica Ellerm introduced the item and discussions traversed:

- Financials from Napier Port were received late due to the Napier Port IPO transaction, thus the delay in timing to present the financials
- The Group Financial statements will be consolidated this week and its intended that the final Annual Report will be presented to an Extraordinary Meeting of Council on 9 October 2019.

Steven Lucy, Council's auditor, advised:

- Napier Port is also experiencing delays in terms of the Regional Council's reporting
- Due to the Port being listed on the stock market, the ability to share financial information became more limited
- Discussions between HBRC management, HBRIC and Napier Port decided what information can be released and made available; being Napier Port financial position at the end of March 2019, and HBRIC and HBRC to 30 June 2019
- It would be prudent for both HBRIC and HBRC to obtain legal and accounting advice on non-compliance with accounting standards.

Desiree Cull introduced the non-financial measures and discussions covered:

- The new (2018-28 LTP) measures focus on quantitative results that can be verified and repeated, to build a time series to show trends over time
- 60 measures in total and 77 % of those were either achieved or partially achieved and 3 not measured
- Previous reporting was activity based, however the Local Government Act requires Council to now describe the community outcomes and to link the activities to the outcomes
- Council consciously decided that they wanted to see stretchy objectives and thus not surprising to see some "non-achievement" on these measures.
- Objectives are measured over both the 3year and 10 year period in the Long Term Plan.
- HBRC will proactively work with territorial authorities to achieve alignment on policies, plans and strategies – this particular measure needs to be prioritised and reviewed in the next Long Term Plan.
- It was suggested that Tāngata Whenua Partnerships and Community Engagement Activity has not been achieved in terms of tikanga
- In addition to the non financial measures reporting, there is an extensive narrative in the Annual Report regarding the Regional Planning Committee, the Māori Committee, the Operation of the Māori Partnerships group and a range of bilateral partnerships that HBRC has with tangata whenua
- It was suggested that Catchment Management Activities should include partnerships with TLAs in the next LTP
- Concerns raised about the Compliance and Pollution Response Activity being "not Achieved" with 90.9% of resource consents monitored due to resourcing issues
- Concerns raised that Council is losing sight of the Civil Defence component of the business with increased focus on Community Engagement capability and Hazards Management.

C&S14/19 Resolution

That the Corporate and Strategic Committee receives the "Annual Report Update" staff report.

Wilson/Kirton
Abstained: Waaka
CARRIED

The meeting adjourned at 10.35am and reconvened at 10.51am.

8. Human Resources and Health & Safety 2018-19 Annual Report

Viv Moule introduced the item, with discussions highlighting:

- 55 new and 41 internal staff appointments were made to increase the number of FTE staff to 250.3.
- The turnover rate increased to 11.4%, but is still below the national average for local government
- The number of female staff increased as well as female manager or team leader roles
- Specific leadership development opportunities for female staff intended to achieve a better gender balance at supervisory level
- As a result of an independent audit in September 2018 Council has developed a number of steps to address issues raised in the audit and recently advertised for a Health and Safety Advisor to ensure that Audit Implementation Plan is carried out
- The number of incidents reported has increased, with five of the 30 accidents requiring time off work
- Staff are engaged in health and safety and truly understand its importance.\
- Main focus for training has remained on leadership development and identified 26 staff to undergo a year-long manager development programme
- A significant review of remuneration and performance management was undertaken
- The Committee praised Viv for his exceptional work ethic, contributions and commitment throughout his 30 year service to the Council.

C&S15/19 Resolution

That the Corporate and Strategic Committee receives and notes the "*Human Resources and Health & Safety 2018-19 Annual Report*".

**Dick/Paku
CARRIED**

9. Works Group Annual Report

Chris Dolley, Group Manager Asset Management introduced Hamish Fraser, Works Group Manager, to present the overall performance of the Works Group for 2018-19. Discussions traversed:

- the majority of work (80%) is performed for Council and the remainder is a combination of work for other councils, shared services and tendered work
- the Works Group holds a TQS1 standard in Quality (audited and re-certified to May 2022) and holds a strong Health and Safety standard, being SiteWise Accredited to 100%
- Works Group is committed to reducing environmental impacts and endeavour to lead by example by committing to training packages focussing on the HBRC Environmental Code of Practice to ensure all work is compliant with the COP
- Accounts are audited on a six-monthly basis by BDO Spicers and annually by HBRC auditors
- Upgraded all utes to 5 star ANCAP Safety rating over 2 years.

C&S16/19 Resolution

That the Corporate and Strategic Committee Meeting receives the "*Works Group Annual Report*".

**Barker/Graham
CARRIED**

10. Marketing and Communications Update

Drew Broadley, Community Engagement and Communications Manager gave an overview of recent work undertaken by the Marketing Communications team with

discussions highlighting:

- Councillors expressed their disappointment at not having received the presentation prior to the meeting
- The Marketing and Communications team has strong environmental education programmes supported by part-time Enviroschools facilitators
- Work with Regional Council teams, e.g. Integrated Catchment Management, Regulation, on campaigns including annual 'plant to protect', Conservation Week and a recent stormwater campaign
- Web and digital media projects throughout the year include Elections 2019, Environmental data, Rates invoices through email channel, Sustainable Homes Hub, Tukituki refresh and Outstanding Water Bodies consultation
- Social media continues to have strong support and engagement
- Building positively on HBRC's reputation (Napier Port IPO transaction, Community awareness of the Council's environmental role)
- New brand with specific focus on the logo, language and public messaging
- Currently working on the cultural context and a complimentary path alongside the new brand refresh
- Recently delivered Council's Annual Plan and 2019 Pre-Election report focussed on the region's key challenges and activities to address those
- Just released the State of Environment summary Report 2014-18 and will produce a video to support the report
- The Communications Marketing team is focussed on more outcome based reporting.

C&S17/19 Resolution

That the Corporate and Strategic Committee receives the "*Marketing and Communications Update*" report.

**Graham/Beaven
Against: Barker
CARRIED**

11. Discussion of Minor Items not on the Agenda

Topic	Raised by
Matariki Regional Development Strategy and whether Matariki activities are incorporated into council activities <ul style="list-style-type: none">• Concerns raised about community welfare, poor living conditions with low wages, suicide rate increase, and more families moving into state housing.• Question was raised where Council sits in terms of achieving the objectives of the Matariki Strategy	T Waaka

12. Report from the Public Excluded Finance Audit and Risk Sub-Committee Meeting

C&S18/19 Resolution

That Council excludes the public from this section of the meeting, being Agenda Item 12 Report from the Public Excluded Finance Audit and Risk Sub-committee Meeting 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:

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

Report from the Public
Excluded Finance Audit and
Risk Sub-committee Meeting

REASON FOR PASSING THIS RESOLUTION

7(2)7(2)(f)(ii) The withholding of the
information is necessary to maintain the
effective conduct of public affairs through
the protection of such members, officers,
employees, and persons from improper
pressure or harassment.

**FOUNDATIONS 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.

**Dick/Graham
CARRIED**

The meeting moved into public excluded session at 12.29pm and out of public excluded session at 2.33pm.

Pieri Munro closed the meeting with a karakia whakamutunga.

Closure:

There being no further business the Chairman declared the meeting closed at 12.33pm on Wednesday, 11 September 2019.

Signed as a true and correct record.

DATE:

CHAIRMAN: