



## Unconfirmed

### MINUTES OF A MEETING OF THE CORPORATE AND STRATEGIC COMMITTEE

- Date:** Wednesday 11 March 2020
- Time:** 1.00pm
- Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER
- Present:** N Kirton - Chairman  
R Barker  
P Eden  
W Foley  
C Foss  
R Graham  
H Ormsby  
J van Beek  
M Williams
- In Attendance:** J Palmer – Chief Executive  
J Ellerm – Group Manager Corporate Services  
L Lambert – Group Manager Regulation  
J Lawrence – Group Manager Office of the CE & Chair  
T Skerman – Group Manager Strategic Planning  
P Munro – Te Pou Whakarae Māori Partnerships  
L Hooper – Governance Lead  
A Langley – Project:Haus  
D Cull – Strategy and Projects Leader  
N Zaman – Manager Compliance  
J Blunden – Environmental Officer - Compliance

## 1. Welcome/Apologies/Notices

The Chairman welcomed everyone to the meeting.

### Resolution

C&S1/20 That the apology for absence from Charles Lambert, and from Councillor Rick Barker for early departure are accepted.

Foley/van Beek  
CARRIED

## 2. Conflict of Interest Declarations

There were no conflict of interest declarations.

## 3. Call for Minor Items not on the Agenda

There were no minor items for discussion.

## 4. Report and Recommendations from the Finance Audit and Risk Sub-Committee

The item was taken as read.

### C&S2/20 Resolutions

That the Corporate and Strategic Committee:

1. Receives and notes the "*Report and Recommendations from the 12 February 2020 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 the Committee can exercise its discretion and make decisions on these items without conferring directly with the community or persons likely to have an interest in them.

### Confirmation of the Terms of Reference for the Finance, Audit and Risk Sub-committee

3. Recommends that Hawke's Bay Regional Council adopts the Terms of Reference (attached) as proposed to and confirmed by the 12 February 2020 Finance, Audit and Risk Sub-committee meeting.

### Confirmation of the Sub-committee Work Programme

4. Agrees the proposed audit scopes for the:
  - 4.1. Risk Management review
  - 4.2. Follow-up on the previous audit programme.

### Risk Assessment and Management

5. Recommends that the Corporate and Strategic Committee receives and notes the resolutions of the Sub-committee, including the specific risks that require reassessment; being:
  - 5.1. ORG002: Ability to retain and attract appropriately skilled staff
  - 5.2. CORP001: ICT Failure - Business Wide.

### Reports Received

6. Notes that the following reports were provided to the Finance Audit and Risk Sub-committee.
  - 6.1. Introduction to Council's Audit NZ Auditor
  - 6.2. Confirmation of the Sub-committee Work Programme (*resolved: Agrees that*

*the work programme for the Sub-committee will be developed through workshops ahead of confirming the schedule of work and budget allocations at the 13 May 2019 FARS meeting, and that in the meantime Internal Audits agreed in August 2019 will be scoped and/or carried out as planned.)*

- 6.3. Treasury Report for Period to 31 December 2019 (*resolved: receives and notes the "Treasury Report for period to 31 December 2019" staff report and that recommended amendments to the SIPO be provided to the 11 March 2020 Corporate and Strategic Committee meeting for adoption.*)
- 6.4. Business Continuity Plan (*resolved: receives and accepts the "Business Continuity Plan" staff report and associated plan*)
- 6.5. Cyber Security Internal Audit (*resolved: receives and notes the "Cyber Security Internal Audit" staff report and requests that staff report back to the May FARS meeting on progress on management actions that have been undertaken to respond to the issues identified and recommendations made in the Crowe Horwath Cyber Security internal audit report.*)

**Foss/Foley  
CARRIED**

## **5. Investment Strategy Workshop Follow-up including Statement of Investment Policy Objectives Review**

Jessica Ellerm introduced the item, which seeks agreement to actions arising from the FARS workshop as well as an amended Statement of Investment Policy Objectives (SIPO).

Councillors agreed the need to review the updated SIPO with the changes tracked and so that part of the item is deferred to the 25 March Council meeting.

Queries and discussions covered:

- SIPO relates to the management and allocation of investment funds
- Consideration of options for Council's investment in water storage
- A broader approach to strategic investment in the region
- Council's internal processes and controls to receive and consider applications for funding from various agencies.

*Peter Eden arrived at 1.28pm*

- Query whether Ethical Investments list should include what Council prefers to invest in as well as what is ruled out
- Investment parameters in relation to risk appetite should be reflected in the SIPO.

C&S3/20

### **Resolutions**

That the Corporate and Strategic Committee:

1. 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 and persons likely to be affected by or to have an interest in the decision.
2. Supports the proposed actions and timeframes for staff to progress next steps from the Investment Strategy Workshop.

**Foss/Barker  
CARRIED**

3. Refers the proposed changes and revisions to the Statement of Investment Objectives to the 25 March 2020 Regional Council meeting.

**Barker/Ormsby  
CARRIED**

**6. Remission of Penalties on Rates Policy (Fixed Term) Statement of Proposal for Consultation**

Jessica Ellerm introduced the item, which enables the waiver of penalty rates.

**C&S4/20 Resolutions**

1. That the Corporate and Strategic Committee receives and considers the “Remission of Penalties on Rates Policy (Fixed Term) Statement of Proposal for Consultation” staff report.
2. The Corporate and Strategic Committee recommends that Hawke’s Bay Regional Council:
  - 2.1. Adopts the Statement of Proposal for Remission of Penalties on Rates Policy (Fixed Term) consultation as proposed.
  - 2.2. Delegates the establishment of a Hearing Panel to hear submissions on 19 May if required, to the Hearings Committee.

**Ormsby/Graham  
CARRIED**

**7. HBRC 2020 Local Governance Statement**

Joanne Lawrence introduced the item, which was taken as read.

**C&S5/20 Resolutions**

1. That the Corporate and Strategic Committee:
  - 1.1. receives and considers the “HBRC Local Governance Statement” staff report
  - 1.2. agrees that publication of the 2020 Local Governance Statement will be online only
  - 1.3. provides feedback on any additional content required for incorporation into the final version of the 2020 Local Governance Statement web pages.
2. The Corporate and Strategic Committee recommends that Hawke’s Bay Regional Council:
  - 2.1. 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 and persons likely to be affected by or to have an interest in the decision.
  - 2.2. Adopts the HBRC 2020 Local Governance Statement web publication as proposed.

**Barker/van Beek  
CARRIED**

**8. Regional Water Security**

Tom Skerman introduced the item and Amanda Langley (Project:Haus), which also relates to the Notice of Motion to prioritise water security in Tukituki resolved at the 26 February Regional Council meeting. Queries and discussions covered:

- The default governance structure and alternative options beyond what has been proposed by the Regional Growth Fund
- Outcomes and objectives around Māori land to be investigated through scoping and then pre-feasibility phases
- First objective is to provide water for environmental enhancement
- Proposing to complete scoping work for Council to decide which projects to be taken to pre-feasibility and the pre-feasibility work by the end of the year.

**Resolutions**

1. That the Corporate and Strategic Committee receives and considers the “Regional Water Security” staff report.
2. The Corporate and Strategic Committee recommends that Hawke’s Bay Regional Council:
  - 2.1. 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.
  - 2.2. Agrees that Council will continue to resource a comprehensive work programme focussed on regional water security consistent with completion of the Scoping Study for presentation to the May 2020 Regional Council meeting, of options to be carried through to pre-feasibility.
  - 2.3. Directs staff to further investigate alternative governance models for the Tukituki Water Security Scheme and the Heretaunga Flow Enhancement Scheme that that will identify and assess a short list of programme governance models for recommendation to Council for adoption at the May 2020 Regional Council meeting.

**Foley/van Beek  
CARRIED**

## 9. Strategic Bi-lateral Arrangements

Liz Lambert introduced the item which introduces an additional engagement structure between governors of this Council and the Territorial Authorities in the region, particularly urban infrastructure planning. Queries and discussions covered:

- This type of engagement gives governors better understanding of each other’s challenges and opportunities
- Envisage there will be Executive level staff support for governors at meetings
- It was agreed that meetings will be held four times a year, hosted by the relevant territorial authority, with the broad scope of discussions to cover matters linked to the provision of urban infrastructure, climate change adaptation and mitigation, long term asset management planning, water quality and ecological goals, and public communications. There will be an agenda prepared and circulated prior to aide discussions.
- All councillors will be invited to all meetings to offer the opportunity to discuss issues of interest or concern.

**Resolutions**

That the Corporate and Strategic Committee:

1. Receives and considers the “*Strategic Bi-lateral Arrangements*” staff report.
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 with the community.
3. Requests that the Hawke’s Bay Regional Council Chairman and Chief Executive put forward a proposal to the next available HB Local Government Leaders Forum to establish regular bilateral meetings with the governors of each of the four territorial authorities in the region, with the broad scope of discussion to cover matters linked to the provision of urban infrastructure including resilience and adaptation to climate change, long term asset management planning, long-term water quality and ecological goals, overview and monitoring of performance standards, and agreed public communications.

**Ormsby/Williams  
CARRIED**

## 10. HBRC Agrichemical Collection Service Funding

Jack Blunden and Nick Zaman spoke to the item, which seeks approval for additional funding to enable the collection of unwanted Agrichemicals, in association with AgRecovery, to continue for the remainder of this financial year, and asks the committee to consider longer term options for the service. Queries and discussions covered:

- Responsibility for companies that produce and sell Agrichemicals to recover and/or pay for recovery of these products
- General agreement that commercial operations should be factoring agrichemical disposal into operating costs.

### C&S8/20 Resolutions

1. That the Corporate and Strategic Committee:
  - 1.1. Receives the “HBRC Agrichemical Collection Service Funding” staff report
  - 1.2. 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.
  - 1.3. Agrees to Option 3 and recommends that Council funds up to an additional \$15,000 to subsidise the collection costs of the more hazardous high-risk chemicals and then no further funding until the 2020-21 period. Once the \$15,000 is spent the user will pay for the remaining high-risk chemicals not covered by this subsidy.
  - 1.4. Requests that staff investigate options to continue Agrichemical collection on a user pays basis for commercial users, and contributing to HazMobile collection events held annually by the district and city councils which target residential users.

**Barker/van Beek  
CARRIED**

## 11. National Environment Standards for Plantation Forestry Update

Liz Lambert introduced the item, which updates the Committee on the NES and the outstanding risks of these activities. Queries and discussions traversed:

- Risks remain around the Erosion Susceptibility classification at a national level and legacy issues of slash at the local level
- Possum (pest) control in forestry plantations
- Harvesting and rules around sediment control are covered by industry best practice guidelines and resource consent conditions set by the Council
- Bio Char is a commercial fertiliser produced using forestry slash and may be something for some foresters to consider in order to get a return from the waste product.

### C&S9/20 Resolution

That the Corporate and Strategic Committee receives and notes the “*National Environment Standards for Plantation Forestry Update*” staff report.

**Ormsby/Foss  
CARRIED**

## 12. Organisational Performance for Period to 31 December 2019

The item was taken as read, noting the formatting improvements to make the report easier to read, with questions and discussions traversing:

- Level of Service Statements are set in the Long Term Plan

*Councillor Barker left the meeting at 3.02pm*

- Erosion Control Scheme uptake of 20,000 hectares over the 10 year life of the scheme, and the potential to increase uptake as the scheme becomes more established and policy reform adds impetus for landowners

*Councillor Graham left the meeting at 3.06pm*

- Concern about the trend of staff resignation and need for consideration of workloads

*Councillor Graham re-joined the meeting at 3.10pm*

- Organisational Performance reports are available to the public as included in the agenda, provided to the Executive Leadership Team for monitoring achievement and shared with all staff for awareness of activities across Council
- The report continues to evolve to decrease the reporting burden on staff, with a “report once – to feed into multiple reports” philosophy.
- Suggestion that some context and comparison of statistics, e.g. website visits compared to other regional councils, would be helpful
- Carbon emissions and climate change targets for the organisation, and how those are measured
- 200 Heretaunga unconfined aquifer water take renewals notified in March, based on legal advice after having been on hold for some time awaiting notification of the TANK plan change.

**C&S10/20 Resolution**

That the Corporate and Strategic Committee receives and notes the “Organisational Performance for period to 31 December 2019” staff report.

**Foss/Ormsby  
CARRIED**

*The meeting adjourned at 3.20pm and reconvened at 3.35pm*

**15. Jarden Investment Fund Manager Introduction & Presentation**

Representatives of Jarden provided an update on Council’s investment portfolio returns and impacts of the financial market downturn in response to Covid-19.

Jarden is continuing with their plan of investing over time, and over the next two quarters, to achieve 100% investment of Council’s funds.

**C&S11/20 Resolution**

That the Corporate and Strategic Committee receives the “Jarden Investment Fund Manager Introduction & Presentation”.

**Foss/Ormsby  
CARRIED**

**16. Discussion of Minor Matters Not on the Agenda**

There were no minor items for discussion.

**17. Proposed Wellington Leasehold Property Sale**

That Council excludes the public from this section of the meeting, being Agenda Item 18 Proposed Wellington Leasehold Property Sale 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	REASON FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR
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**ITEM TO BE CONSIDERED**

Proposed Wellington  
Leasehold Property Sale

s7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

**THE PASSING OF THE RESOLUTION**

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

**Williams/Ormsby  
CARRIED**

*The meeting went into public excluded session at 4.16pm and out of public excluded session at 4.35pm*

*Councillor Craig Foss left the meeting at 4.34pm*

**13. Financial Results for the 2019-20 Financial Year, for the Period to 31 December 2019**

Jessica Ellerm introduced the item, deferred from the 12 February FARS meeting, which reports financial results to 31 December 2019.

**C&S12/20 Resolution**

That the Finance, Audit and Risk Sub-committee receives and notes the "Financial Results for the 2019-20 Financial Year, for the Period to 31 December 2019" staff report.

**Kirton/van Beek  
CARRIED**

*Councillor Rex Graham left the meeting at 4.37pm*

**14. HB Tourism Quarterly Update**

Joanne Lawrence introduced the item, which was taken as read, highlighting positive outcomes of the Environmental Sustainability survey undertaken with the sector.

*Councillor Rex Graham re-joined the meeting at 4.39pm*

**C&S13/20 Resolution**

That the Corporate and Strategic Committee receives and notes the "HB Tourism Quarterly Update" report.

**Kirton/Ormsby  
CARRIED**

Councillor Ormsby led the group in offering a karakia to close the meeting

**Closure:**

There being no further business the Chairman declared the meeting closed at 4.45pm on Wednesday 11 March 2020.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....