



MINUTES OF A MEETING OF THE CORPORATE AND STRATEGIC COMMITTEE

Date: 18 August 2021

Time: 9.00am

Venue: By Zoom invitation

Present: Cr N Kirton – Chair
Cr R Barker
P Eden (*Māori Committee Representative*)
Cr W Foley
Cr C Foss – Deputy Chair
Cr C Lambert
Cr H Ormsby
A Tapine (*Regional Planning Committee Representative*)
Cr J van Beek
Cr M Williams

In Attendance: J Palmer – Chief Executive
K Brunton – Group Manager Policy & Regulation
C Dolley – Group Manager Asset Management
J Ellerm – Group Manager Corporate Services
I Maxwell – Group Manager – Integrated Catchment Management
P Munro – Te Pou Whakarae Māori Partnerships
T Skerman – Acting Group Manager Corporate Services
L Hooper – Team Leader Governance
S Bell – Team Leader Strategy and Performance
D Cull – Strategy & Governance Manager
K Burkett – Business Analyst Organisation Performance
J Blunden – Team Leader Compliance - Urban and Industrial
D Broadley – Marketing Communications Manager
R Franklin – Acting Chief Financial Officer
R Hogan – Manager Compliance
L Monteith – People and Capability Manager
A Roets – Governance Advisor

1. Welcome/Karakia /Apologies/Notices

The Chair, Cr Neil Kirton welcomed everyone to the meeting.

2. Conflict of Interest Declarations

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Corporate and Strategic Committee meeting held on 19 May 2021

C&S24/21 Resolution

Minutes of the Corporate and Strategic Committee held on Wednesday, 19 May 2021, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Foss/Williams
CARRIED**

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

The report was taken as read.

C&S25/21 Resolution

That the Corporate and Strategic Committee receives and notes the "Follow-up Items from Previous Meetings".

**Kirton/Williams
CARRIED**

5. Call for Minor Items not on the Agenda

Recommendations

That the Corporate and Strategic Committee accepts the following "Minor Items Not on the Agenda" for discussion as Item 13

Topic	Raised by
Update on Business continuity during Level 4	James Palmer
Messaging for public on transport services and mask wearing during lockdown	Cr Martin Williams

6. HBRC Representation Arrangements Review

Leeanne Hooper introduced the item, which was taken as read. Queries and discussions traversed:

- Land area of current constituencies is Wairoa 4,077 km², CHB 3,827 km², Hastings 5,200 km² and Napier 105 km²
- Preference of Māori Committee and RPC tangata whenua reps is for two Māori constituencies with the boundary between the two formed by an awa as fits with how iwi and hapū traditionally set boundaries
- Using the Ngaruroro as the boundary between North and South splits the population on the Māori Roll roughly in half
- Options provided for extending the Wairoa boundary south to take area and population from Ngaruroro to bring general electoral population (GEP) closer to compliance with +/-

10% of average population per councillor while still being able to be considered a 'community of interest'

- Options are for a total of either 9 or 11 councillors in line with previous indications of no appetite for increase to more than 11 councillors total
- PSGEs have significant 'members' living in urban areas not within the Treaty Settlement areas so may prefer a single Māori constituency that gives the opportunity for members registered to vote outside of their rohe to still vote for a candidate from their PSGE or place of origin
- Need to balance population of constituencies with 'community of interest' considerations and the practicalities associated with the geography and size
- Suggestion was made for a single 'rural' constituency encompassing Wairoa, Ngaruroro and Central Hawke's Bay for election of 3 councillors to 'balance' ratio of constituents per member. Some risks associated with this model might include disproportionate representation by the area within the constituency with the highest population concentration, e.g. all 3 elected from what is now Ngaruroro, as well as a diminished sense of community because of the wide geographical spread of smaller communities
- If council increased to 13 members the relative proportion of Māori representation would be diminished from 22% with 9 total and 18% with 11 total, to 15% and general consensus is that 11 is the most appropriate
- Extending the boundary between Wairoa to include Puketitiri and the Esk Valley (option 6) goes some way to increasing the population of what might be called the Mohaka-Wairoa constituency there will still be the need to apply for an exemption from the +/- 10% ratio
- Personal views favouring a single Māori constituency, however, agreement reached to accept the recommendation by the tangata whenua reps on Māori and Planning committees and go with two knowing that it can be reviewed in 3 years' time.

C&S26/21 Resolutions

1. That the Corporate and Strategic Committee receives and considers the "*HBRC Representation Arrangements Review*" 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 significant, and acknowledges the consultation procedures required for Representation Reviews under the Local Electoral Act (sections 19M and 19N).
 - 2.2. In accordance with sections 19H and 19J of the Local Electoral Act 2001, adopts as its initial proposal for the review of representation arrangements:
 - 2.2.1 Hawke's Bay Regional Council comprising **eleven** councillors elected as follows
 - 2.2.1.1 One (1) member elected by the Māori Constituency 1 - Northern (name to be determined)
 - 2.2.1.2 One (1) member elected by the Māori Constituency 2 - Southern (name to be determined)
 - 2.2.1.3 One (1) member elected by the Tamatea-Central Hawke's Bay Constituency
 - 2.2.1.4 Three (3) members elected by the Heretaunga-Hastings Constituency
 - 2.2.1.5 Three(3) members elected by the Ahuriri-Napier Constituency
 - 2.2.1.6 One (1) member elected by the Ngaruroro Constituency
 - 2.2.1.7 One (1) member elected by the Mohaka-Wairoa (name to be confirmed) Constituency.
 - 2.3 Two Māori constituencies, the proposed names and boundaries of each being:
 - 2.3.1 Māori Constituency 1 (Northern) – name to be determined - the

- constituency boundary being that area which encompasses the Wairoa District Council and Napier City Council areas, parts of the Hastings District Council area north of the Ngaruroro River, as well as meshblocks within the Regional boundary belonging to Taupo District council.
- 2.3.2 Māori Constituency 2 (Southern) – name to be determined - the constituency boundary being that area which encompasses the Central Hawke's Bay District Council area, parts of the Hastings District Council area south of the Ngaruroro River, as well as meshblocks within the Regional boundary belonging to Rangitikei District council.
- 2.4 Five General constituencies, the proposed names and boundaries of each being:
- 2.4.1 **Tamatea-Central Hawke's Bay**; the constituency boundary being the same as that for the Central Hawke's Bay District Council area.
- 2.4.2 **Heretaunga-Hastings**; the constituency boundary being that area which encompasses the wards of Flaxmere, Hastings-Havelock North and most of Heretaunga within the Hastings District Council area.
- 2.4.3 **Ahuriri-Napier**; the constituency boundary being the same as that for the Napier City Council area.
- 2.4.4 **Ngaruroro**; the constituency boundary being that area which encompasses the wards of Mohaka, Kahuranaki and parts of Heretaunga within the Hastings District Council area as well as meshblocks within the Regional boundary belonging to Rangitikei District Council.
- 2.4.5 **Mohaka-Wairoa** (name to be confirmed); the constituency boundary being the same as that for the Wairoa District Council area as well as meshblocks within the Regional boundary belonging to Rangitikei District and Taupo District councils and meshblocks in the Hastings District Council areas of Tutira, Puketitiri and Esk Valley.
- 2.5 Notes that the proposal for General Constituencies does not fully comply with the *Local Electoral Act 2001* section 19V(2), but that the proposal is considered the most appropriate solution for Hawke's Bay.
- 2.6 Applies to the Local Government Commission, clearly identifying the grounds for the proposed non-compliance, for approval to not comply with the LEA section 19V(2) +/-10% fair representation requirement.

Kirton/Barker
Against: Foss, Lambert
CARRIED

7. Report & Recommendations from the 4 August 2021 Finance Audit and Risk Sub-Committee Meeting

Craig Foss introduced the item, which was taken as read. Queries and discussions noted:

- The need for re-setting the Risk Management Maturity Project Plan baselines for the implementation of the Risk Maturity Roadmap
- Findings of the Talent Management internal audit.

C&S27/21 Resolutions

1. That the Corporate and Strategic Committee receives and notes the report and recommendations from the 4 August 2021 Finance, Audit and Risk Sub-committee, including:

Risk Management Maturity Update

- 1.1. Reports to the Corporate and Strategic Committee, the Sub-committee's satisfaction that adequate evidence has been provided of progress to implement the maturing risk management system in accordance with the risk maturity roadmap

Internal Assurance Programme

- 1.2. Reports to the Corporate and Strategic Committee, the Sub-committee's satisfaction that the Internal Assurance Programme Update provides adequate evidence of the adequacy of Council's internal assurance functions and management actions undertaken or planned respond to findings and recommendations from completed internal audits.

Internal Audit Report – Talent Management

- 1.3. That the Finance, Audit and Risk Sub-committee receives and considers Crowe's "Internal Audit Report – Talent Management", including the key management actions added by Staff in response to the report's recommendations.
- 1.4. Notes the intention of staff to present a *People and Capability Strategy* to the Finance, Audit and Risk Sub-committee by the end of the 2021 calendar year.
- 1.5. Requests that staff provide a summary, to FARS, of interim measures to manage recruitment risks.

2020-21 Annual Report Audit Plan

- 1.6. That the Finance, Audit and Risk Sub-committee receives and considers the "2020-21 Annual Report Audit Plan" staff report.

2020-21 Annual Treasury Report

- 1.7. That the Finance, Audit and Risk Sub-committee receives and notes the "2020-21 Annual Treasury Report".

Six Monthly Enterprise Risk Report

- 1.8. Reports to the Corporate and Strategic Committee, the Sub-committee's satisfaction that the *Six Monthly Enterprise Risk Report* provides adequate evidence of the robustness of Council's risk management policy and framework and progress to implement the maturing risk management system.
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 this issue without conferring directly with the community or persons likely to have an interest in the decision.

Risk Management Maturity Update

3. Agrees to reset the baseline of the supporting Risk Management Maturity Project Plan to implement the roadmap as proposed.

**Foss/Foley
CARRIED**

8. Territorial Local Authority (TLA) Compliance Programmes

Katrina Brunton introduced the item, which was taken as read noting that:

- Robust compliance programmes in place for engaging and managing consented and permitted activity discharges/land uses by the main Territorial Local Authorities (TLAs) in the region
- Jack Blunden participates (as the HBRC staff representative) on the Waste officer's forum which meets quarterly to discuss waste minimisation, compliance issues and solutions
- Protocols for hazardous substances are agreed between TLAs for the management of asbestos and collection of household hazardous waste
- Intention is to increase TLA compliance programmes through additional monitoring staff
- HB Drinking Water Governance Joint Committee discussed its future role in light of having completed its work programme. Recommendations to disestablish the Joint Committee and for the Working Group to report directly to the HB Leaders' are going to all Partner councils for consideration.
- Confidence expressed, that there is a robust and effective strategy in place to ensure TLA

compliance with national regulations and regional rules.

C&S28/21 Resolution

That the Corporate and Strategic Committee receives and notes the “*Territorial Local Authority (TLA) Compliance Programmes*” staff report.

**Ormsby/Tapine
CARRIED**

The Committee adjourned at 10.46am and reconvened at 11am.

9. 2020-21 Annual Interim Results and Carry Forwards for 2020-21

Jessica Ellerm introduced the item and welcomed Ross Franklin, Acting Chief Financial Officer, noting the interim nature of the financial results, which have not yet been audited. Key points of discussion included:

- requests to carry forward expenditure are likely to change as officers refine information through the Audit process
- Audit of 2020-21 annual report is not expected to commence until October, for adoption in December to meet the new statutory deadline of 31 December 2021.
- Worth noting that there was a significant adjustment on the balance sheet for the growth in the value of the Endowment Leasehold Properties with the addition of a \$21.7m provision to reflect the share of the sale price that will have to be paid to ACC
- An overall favourable position for Council over the financial year
- Investment fund returns exceeded expectations
- The CE, James Palmer acknowledged the hard work of all budget managers
- Note error in figures with Policy & Regulation seeking to carry forward \$233,007 not \$254,854 as stated is correct in recommendations.

C&S29/21 Resolutions

1. That the Corporate and Strategic Committee receives and considers the “*2020-21 Annual Interim Results and Carry Forwards for 2020-21*” 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 or persons likely to have an interest in the decision.
 - 2.2. Approves the carry forward of all expenditure requests from the 2020-21 to the 2021-22 budget; being:

Operating Expenditure Carry Forward Requests

Project	Request	Source of Funds			
		General	Reserve	External	Debt
Policy & Regulation					
191 - Regional Coastal Plan	121,925	121,925			
192 - Strategy & Planning	233,007	233,007			
Asset Management					
240 - Makara Flood Control Scheme	44,693		44,693		
322 - Coastal Processes	96,341	96,341			
ICM					
312 - Tukipo Wetland	41,000			41,000	
339 - Land Science Research & Investigations	40,000	26,000		14,000	
354 - Whakaki Lake Protection & Enhancement	269,422	269,422			
379 - Erosion Control Scheme	1,275,511				1,275,511
662 - Biodiversity	374,440			374,440	
Recovery Funding	600,000				600,000
Total	3,096,649	747,005	44,693	429,440	1,875,511

Capital Expenditure Carry Forward Requests

Project	Request	Source of Funds			
		General	Reserves	External	Debt
Asset Management					
287 - Clive River Dredging	1,155,904		1,155,904		
291 - HPFCS - Napier/Meeanee/Puketapu	79,237		79,237		
ICM					
310 - Ruataniwha Groundwater Modelling	389,102				389,102
313 - Hydrodynamic Model	25,000				25,000
333 - 3D Aquifer Mapping (SkyTEM)	543,715				543,715
334 - LiDAR Mapping	410,493				410,493
Regional Income					
995 - Water Security	2,872,387		2,872,387		
IT					
913 - Systems Integration Projects	1,430,000				1,430,000
CAPEX					
IT Asset Purchases	577,000		427,000		150,000
Buildings	1,915,000				1,915,000
Monitoring Drilling	369,549				369,549
Science Equipment Purchases	136,500		86,500		50,000
Total	9,903,887		4,621,028		5,282,859

**Foss/Kirton
CARRIED**

10. 2020-21 Annual Report – Interim Non-Financial Results

James Palmer introduced the item which was taken as read.

- The Committee suggested changes to bolster the qualitative commentary for some measures, including “All river berms managed by Council are either fenced if grazed, or mowed” added to stock exclusion, consider bolstering Life supporting with some SOE results, add detail about NPS for biodiversity and type of sites to Ecosystem Prioritisation. The Level of Service statements, measures and performance targets are set in the Long Term Plan and reported against.
- Strategic relationships – add in some commentary acknowledging the milestones and shifts in relationships and outcomes achieved this year e.g. establishment of Māori constituencies and co-design of Mohaka plan change
- It was suggested that discussions take place with tangata whenua Chairs and Deputies of the Māori Committee and Regional Planning Committee around performance measuring framework for Tangata Whenua Partnerships to ensure appropriate performance measuring is taking place.

C&S30/21 Resolution

That the Corporate and Strategic Committee receives and notes the “2020-21 Annual Report – Interim Non-financial Results” staff report.

**Williams/Kirton
CARRIED**

11. Organisational Performance Report for Period 1 April to 30 June 2021

James Palmer introduced the item which was taken as read, noting improvements planned for the new financial year including using the newly implemented TechOne system to pull data into the People & Capability and Finance pages of the dashboard.

C&S31/21 Resolution

That the Corporate and Strategic Committee receives and notes the “Organisational Performance Report for period 1 April to 30 June 2021”.

**Kirton/van Beek
CARRIED**

12. HBRIC Quarterly Update

Rick Barker introduced the item, which was taken as read.

C&S32/21 Resolution

That the Corporate and Strategic Committee receives and notes the “*HBRIC Ltd Quarterly Update*”.

**Barker/Foss
CARRIED**

13. Discussion of Minor Items Not on the Agenda

Topic	Raised by
<p>Update on Business continuity in level 4:</p> <ul style="list-style-type: none">• Response is led by the Ministry of Health• The CDEM Group is effectively providing support and coordination between other agencies• The Welfare Coordination Group met this morning – an 0800-number will be published for needs assessments• Improved systems in place since the 2020 Covid-19 response• NZ Police are taking an “educational” approach in the next 24-hours, after which they will undertake stronger enforcement• Five HBRC staff members deployed at HB CDEM facilities in Hastings to provide support• Council being advised to prepare for longer lockdown period• Pollution response is essential service and will respond to any significant pollution events• Normal maintenance work has been suspended until further notice• The bus services are operating on reduced “Saturday” services• HBRC website will be updated on the status of Council’s business• By-election may be extended and voting papers have been posted out.	James Palmer
<p>Messaging on transport services during lockdown:</p> <ul style="list-style-type: none">• Ensure that public is informed (via HBRC website) that reduced “Saturday” Public Transport services are provided• That mask wearing on any public transport is mandatory• HBRC has provided masks on busses and cash handling has been suspended.	Cr Martin Williams

14. Confirmation of the Public Excluded Minutes of the 19 May 2021 Corporate & Strategic Committee Meeting

C&S33/21 Resolutions

That the Corporate and Strategic Committee excludes the public from this section of the meeting, being Agenda Item 14 Confirmation of the Public Excluded Minutes of the 19 May 2021 Corporate & Strategic 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	REASON FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Confirmation of the Public Excluded Minutes of the 19 May 2021 Corporate & Strategic Committee Meeting	s7(2)(j) 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 prevent the disclosure or use of official information for improper gain or improper advantage.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
Foss/Kirton CARRIED		

15. Public Excluded Report from the Finance, Audit and Risk Sub-Committee

C&S34/21 That the Corporate and Strategic Committee excludes the public from this section of the meeting, being Agenda Item 15 Public Excluded Report from the Finance, Audit and Risk Sub-committee 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	REASON FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Public Excluded Report from the Finance, Audit and Risk Sub-committee	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.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Foss/Kirton
CARRIED**

The meeting went into public excluded session at 12.21pm and out of public excluded session at 12.48pm

Closure:

There being no further business the Chairman declared the meeting closed at 12.48pm on Wednesday, 18 August 2021.

Signed as a true and correct record.

DATE:

CHAIRMAN: