



HAWKES BAY
REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Unconfirmed

Minutes of a meeting of the Corporate and Strategic Committee

Date: Wednesday 4 September 2024

Time: 1.30pm

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

Present: Cr X Harding – Chair
Cr J Mackintosh – Deputy Chair
Cr W Foley
Cr N Kirton
Cr C Lambert
Cr H Ormsby
Cr D Roadley (*online*)
L Kele – RPC representative (*online*)
Cr S Siers
Cr M Williams

In Attendance: S Young – Group Manager Corporate Services
K Brunton – Group Manager Policy & Regulation
T Munro – Te Pou Whakarae
C Comber – Chief Financial Officer
L Hooper – Team Leader Governance
A Allen – Senior Business Partner
R Hogan – Manager Compliance
S Bell – Team Leader Strategy & Performance
D de Klerk – Beca Consulting (Silt Taskforce)
P Bicknell – Senior Group Accountant
K McInnes – Team Leader Health Safety & Wellbeing
M McGrath – Chief Legal Advisor
D Cull – Strategy & Governance Manager
A Gibson – Climate Change Lead Strategic Advisor
T Skerman – HBRIC Commercial Manager
D Birch – HBRIC Independent Board Member (*online*)
J Cameron – HBRIC Independent Board Member (*online*)
D Druzianic – HBRIC Chair
R McLeod – HB Regional Recovery Agency Chief Executive
Blair O’Keeffe – Chair, HB Regional Recovery Agency Oversight Board

1. Welcome/Karakia /Apologies

The Chair welcomed everyone to the meeting and Marei Apatu led the group in opening with a waiata and karakia.

Resolution

CS16/24 That the apologies for absence from Peter Eden and for lateness from Councillor Thompson Hokianga be accepted.

**Ormsby/Siers
CARRIED**

2. Conflict of interest declarations

There were no conflicts of interest declared.

Councillor Xan Harding declared his interest in item 6 as a resource consent holder.

3. Confirmation of Minutes of the Corporate and Strategic Committee meeting held on 15 May 2024

CS17/24 Resolution

Minutes of the Corporate and Strategic Committee held on Wednesday, 15 May 2024, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Mackintosh/Williams
CARRIED**

4. Public Forum

There were no speakers

5. 2023-2024 Carry Forwards

Susie Young introduced the item and Chris Comber (Chief Financial Officer) and Amy Allen (Senior Business Partner) to respond to any questions. Discussions covered:

- Staff have tried very hard to avoid carry forwards where there is no realistic capacity to complete the work or where there are no more funds to complete projects. These unspent budgets, general rates funded, not being requested to carry forward are listed in the agenda item after paragraph 70.

Laura Kele joined the meeting online at 1.44pm

- The long term investment fund was set up so that any amount in excess of the capital protected amount could be used for operational activities. We don't want to sell down the managed funds investments to cover operational costs.
- Shortfalls of targeted rate funded budgets are paid for out of the targeted rate reserves.
- General funds were \$7.2m under budget, mostly related to the Port dividend being down on budget expectations and lower returns on managed funds. Because there is no surplus in general funds the carry forward requests do not include general funded activities.
- Of the total \$41.1M budgeted \$17M was from ratepayers – from general rates and cyclone charge.
- Those unfunded (by carry forwards) activities will be funded from within existing, reprioritised budgets.
- Sustainable Homes carry forwards don't include the Wairoa insulation programme.
- Waitangi Regional Park and Hawea historic park funding is leveraged against external funding already committed.
- Details of the Hawea historic park arrangements with marae and hapū will be followed up on by the Māori Partnerships team for sharing with Tamatea Pōkai Whenua.

- Effectively, carry forwards are approvals to spend budgets previously approved by the Council.

CS18/24 Resolutions

1. That the Corporate and Strategic Committee receives and notes the *2023-2024 Carry forwards* staff report.
2. The Corporate and Strategic Committee recommends that Hawke' 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. Approves the carry forward of all expenditure requests from the 2023-24 budgets to 2024-25 budgets, being:

Operating expenditure carry forward requests

Activity/Project		Amount Requested	Source of funds		
			Debt	Reserves	External
<i>Asset Management</i>					
1	Coastal Hazards	\$37,500		\$37,500	
2	NIWE	\$1,269,200	\$317,300		\$951,90*
<i>Integrated Catchment Management</i>					
3	Biodiversity	\$52,300	\$52,300		
4	Ruataniwha Model	\$64,600	\$64,600		
5	Environmental Science	\$332,700			\$332,700
6	Land for life	\$57,500		\$57,500	
<i>Governance & Partnerships</i>					
7	Sustainable homes	\$17,800		\$17,800	
<i>Corporate services</i>					
8	ICT Software as a service development (SAAS)	\$572,600	\$572,600		
Total opex		\$2,404,200	\$1,006,800	\$112,800	\$1,284,600

Capital expenditure carry forward requests

Activity/Project		Amount Requested	Source of funds		
			Debt	Reserves	External
<i>Asset Management</i>					
1	Cyclone Gabrielle infrastructure repairs	\$10,000,000			\$10,000,000
2	NIWE	\$1,801,700	\$331,825		\$1,469,875
3	IRG – HPFCS	\$2,514,200		\$125,710	\$2,388,490
4	Flood control	\$293,400		\$293,400	
5	Regional Water Security	\$567,800		\$567,800	
6	Regional Parks	\$1,220,000	\$870,000		\$350,000
7	Forestry	\$198,000		\$198,000	

Activity/Project		Amount Requested	Source of funds		
			Debt	Reserves	External
<i>Integrated Catchment Management</i>					
8	Whakaki Weir	\$100,000	\$100,000		
9	Monitoring drilling	\$32,900	\$32,900		
<i>Governance & Partnerships</i>					
10	Sustainable homes	\$594,000	\$594,000		
<i>Corporate services</i>					
11	ICT	\$359,500	\$69,500	\$290,000	
Total capex		\$17,681,500	\$1,998,225	\$1,474,910	\$14,208,365

Williams/Mackintosh
For: Roadley, Lambert, Foley, Williams, Ormsby, Kirton, Harding, Kele
Against: Siers
CARRIED

6. Annual Compliance, Monitoring, and Enforcement Report 2022-2023

Katrina Brunton introduced the item, noting that the report is one year late due to the impacts of Cyclone Gabrielle. Discussions covered:

- Compliance monitoring is set by the levels of service in the Long Term Plan and it was queried whether, given the cost pressures, Council is being over-vigilant and could save money by not monitoring as much or as many. In response it was explained that Council has statutory responsibility to monitor consents for their impacts on the environment, prioritised on the risks posed to the environment and any history of non-compliance.
- The 2023-24 compliance report is expected to be 'on time' and released in February of 2025. The report relies on information provided by consent holders after the end of the financial year, then collated by staff and so takes several months to compile.
- Kaitiaki monitoring is provided for by consent conditions, for example Wairoa District Council's discharge consent requires tangata whenua engagement and monitoring.
- Some of the figures, e.g. stormwater, need clear labels before the final report is published.
- The trend of non-compliance of the CHB wastewater discharges continues and has not improved during the 2023-24 financial year.
- It was suggested that a graph showing the level of compliance by priority group would be helpful in future reports, e.g. x% of priority 1 consents and x% of priority 3 consents were fully compliant.
- Most enforcement action in response to burning complaints is taken when prohibited items are being burned.
- Most forestry non-compliance is around sediment run-off as opposed to slash.
- A targeted campaign on commercial/industrial wastewater prior to Cyclone Gabrielle is looking to be reinstated in areas such as Awatoto and Whakatu industrial areas.
- Napier City Council has been regularly maintaining the wastewater outfall pipeline .
- The Council does report on enforcement in relation to non-consented activities.

CS19/24 Resolutions

That the Corporate and Strategic Committee:

1. Receives and considers the *Annual Compliance, Monitoring, and Enforcement Report 2022-2023*.
2. 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 consulting the community or persons with an interest in the decision.

- 2.2. Adopts the *Annual Compliance, Monitoring, and Enforcement Report 2022-2023* for publication.

**Kirton/Siers
CARRIED**

7. **Organisational Performance Report for the period 1 April - 30 June 2024**

Sarah Bell introduced the item, which was taken as read, updated with more financial information in response to feedback on the last report. Discussions covered:

- Increase in FTEs is attributed to the Infrastructure Programme Management Office (IPMO).
- The upward trend in incidents, including improvement suggestions, reported is seen as a positive sign that the organisation is maturing in the way it considers H&S as a positive part of every day.
- As many in the community, staff are fatigued and this is reflected in people seeking EAP support.
- Consider how the Council uses Facebook and consider other ways of sharing the good news stories.

CS20/24 **Resolution**

That the Corporate and Strategic Committee receives and notes the *Organisational Performance report for the period 1 April - 30 June 2024*.

**Williams/Ormsby
CARRIED**

8. **Interim Financial Results 2023-2024**

Chris Comber introduced the item, providing an overview of the interim year-end financials. Chris Dolley, Darren de Klerk and Pam Bicknell were available to respond to any questions. Discussions covered:

- The insurance and NEMA claims funds will be applied to the loans that were drawn down for the work to be carried out.
- Large variances between budgeted and actual are in line with the last financial year's results, largely due to Cyclone Gabrielle.
- The excess \$8.5M remaining in the Commercial Silt fund has not been approved for reallocation at this stage.
- Darren de Klerk advised that ongoing management of the silt deposition sites can be challenging, in particular dust, and remediation of those sites will begin once silt collection has stopped.

CS21/24 **Resolution**

That the Corporate and Strategic Committee receives and notes the *Interim financial results 2023-2024* staff report.

**Ormsby/Kirton
CARRIED**

9. **Annual Report 2023-2024 interim non-financial results**

Sarah Bell introduced the item, which was taken as read, and highlighted that the auditors have recommended that 'partially achieved' is not used, so those levels of service previously reported in that way are now reported as not achieved.

- The impacts of Cyclone Gabrielle are reflected in the number of 'not achieved' levels of

service.

- External factors impacting staff's ability to achieve targets include impacts of Cyclone Gabrielle, staff turnover, key roles being vacant, and changes in central government policy.
- The Farm Environment Management Plan (FEMP) programme ceased in May 2023 and the freshwater Farm Management Plans have been put on hold by central government. It is encouraging that farmers that already have a FEMP or farm plan have reported that they will continue with that work.

CS22/24

Resolution

That the Corporate and Strategic Committee receives and notes the *Annual Report 2023-2024 Interim non-financial results* staff report.

**Siers/Mackintosh
CARRIED**

10. Health, Safety and Wellbeing Strategic Plan 2024-2027

Susie Young introduced the item and Kirsty McInnes and Matt McGrath were available to respond to questions.

- The 2024 Strategic Plan combines the well-being strategy for the first time and incorporates Mason Durie's four dimensions of holistic well-being (Te Whare Tapa Whā) of mental health and emotions; spiritual health; physical health; and whānau.
- The strategy covers everyone that works for or with HBRC, including volunteers and contractors, and required by legislation.
- Practical ways for councillors to meet their due diligence requirements are by receiving the organisational performance report, attending a site visit with the H&S staff as well as through the one-page risk management plan. Staff also offered the opportunity for councillors to attend site visits with staff to observe Health and Safety in the field.
- Work methods (were codes of practice) are regularly reviewed, including critical risk controls.

CS23/24

Resolution

That the Corporate and Strategy Committee receives and notes the *Health, Safety and Wellbeing Strategic Plan 2024-2027* staff report.

**Williams/Mackintosh
CARRIED**

11. Annual reporting on Climate Action

Desiree Cull introduced the item, which was taken as read, and Amberley Gibson, Climate Change Lead Strategic Advisor and James Park, Management Accountant and lead for Council's corporate carbon footprint. Discussions covered:

- In relation to the Council meeting its own net carbon zero target by 2025, and meeting the science-based target of reducing emissions by 42% of the gross emissions baseline by 2030 toward achieving the 2050 net zero national target, there was good news in 2023-24 with a 17% reduction, although staff consider this reduction very likely related to the 2022-23 Cyclone Gabrielle response. Staff are investigating ways to reduce emissions as continuous improvement measures including vehicle utilisation to achieve the ambitious longer term goal.
- The Climate Action Joint Committee's remit is in relation to regional emissions and is informed by a Technical Advisory Group made up of staff representing each of the 5 councils, convened by Amberley Gibson.
- The rideshare app HBRC rolled out earlier this year is intended to be rolled out to other councils to achieve critical mass to get more usage.
- It was noted that the costs of mitigation are exponentially less than for adaptation as evidenced by the costs to recover from the damage caused by Cyclone Gabrielle.
- The Council's progress to achieve emission reduction targets is reported against the level of

service in the LTP.

CS24/24 **Resolution**

That the Corporate and Strategic Committee receives and notes the 'Annual reporting on climate action' staff report.

**Williams/Ormsby
CARRIED**

12. HBRIC Ltd quarterly update

Tom Skerman introduced the item, which was taken as read, noting an error of repetition in the agenda item. Jonathan Cameron and Debbie Birch introduced themselves and provided a brief overview of their experience. Dan Druzianic noted the valuable addition of Jonathan and Debbie's skills and experience to the HBRIC Board. Discussions covered:

- HBRIC is focussed on looking at the best way forward and conscious of the political pressures while noting that investments must take a long term view .
- HBRIC intends to come back to Council with options for a more enduring investment structure, however the strategic assets and the risk profile need to be agreed first of all.

CS25/24 **Resolution**

That the Corporate and Strategic Committee receives and notes the *HBRIC Ltd quarterly update* report.

**Harding/Williams
CARRIED**

13. HB Regional Recovery Agency update

Ross McLeod and Blair O'Keeffe spoke to the item, which was taken as read, and highlighted the HB Regional Recovery Agency's (RRA) work with the Council on the Order in Council for regulatory relief for the flood resilience work, transport infrastructure recovery and the Regional Land Transport Plan, as well as additional funding from central government to speed up recovery projects. Discussions covered:

- The scale and complexity of the challenges that the regional council has faced in responding to Cyclone Gabrielle were acknowledged.
- In relation to longer term flood resilience beyond the next 5 years, those discussions with central government haven't commenced yet although engagement by the RRA with the HBRC team has been initiated and there is a pathway for further discussion.
- The RRA is funded to the middle of next year as a creation of the Matariki Governance Group.
- The RRA, a small, nimble team able to add value, fills the critical coordination and engagement role working with central government on strategic regional issues, which has been valuable, e.g. regional deals.
- Initially all funding was provided for restoration, not for improvements and resilience, however now funding has been approved by government for Waikare Gorge realignment which may signal some future investment into improving resilience.

CS26/24 **Resolution**

That the Corporate and Strategic Committee receives and notes the *HB Regional Recovery Agency update* staff report.

**Siers/Mackintosh
CARRIED**

Councillor Charles Lambert led the group in offering a closing karakia.

Closure:

There being no further business the Chair declared the meeting closed at 5.05pm on Wednesday,

4 September 2024.

Signed as a true and correct record.

Date:

Chair: