

Meeting of the Hawke's Bay Regional Council

Date: Wednesday 18 December 2024
Time: 1.30pm
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

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Information or Performance Monitoring		
10.	Discussion of minor items not on the Agenda	
Decision Items (Public Excluded)		
11.	Flood Resilience Financial Considerations	31

Subject: Public Forum

Reason for report

1. This item provides the means for Council to give members of the public an opportunity to address the Council on matters of interest relating to the Council's functions.

Background

2. The Hawke's Bay Regional Council's Standing Orders provide for public forums as follows:

14. Public Forums

Public forums are a defined period of time, usually at the start of a meeting, which, at the discretion of a meeting, is put aside for the purpose of public input. Public forums are designed to enable members of the public to bring matters to the attention of the local authority.

In the case of a committee or sub-committee, any issue, idea or matter raised in a public forum must also fall within the terms of reference of that meeting.

Requests must be made to the HBRC Governance Team (06 835 9200 or governanceteam@hbrc.govt.nz) at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

14.1 Time limits

A period of up to 30 minutes, or such longer time as the meeting may determine, will be available for the public forum at each scheduled Regional Council, Corporate & Strategic Committee, Environment & Integrated Catchments Committee and Regional Transport Committee meeting.

Speakers can speak for up to 5 minutes. No more than two speakers can speak on behalf of an organisation during a public forum. Where the number of speakers presenting in the public forum exceeds 6 in total, the Chairperson has discretion to restrict the speaking time permitted for all presenters.

14.2 Restrictions

The Chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time where:

- a speaker is repeating views presented by an earlier speaker at the same public forum
- the speaker is criticising elected members and/or staff
- the speaker is being repetitious, disrespectful or offensive
- the speaker has previously spoken on the same issue
- the matter is subject to legal proceedings
- the matter is subject to a hearing, including the hearing of submissions, where the local authority or committee sits in a quasi-judicial capacity.

14.3 Questions at public forums

At the conclusion of the presentation, with the permission of the Chairperson, elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

14.4 No resolutions

Following the public forum no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.

Decision-making process

3. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision-making provisions do not apply.

Recommendation

That Hawke's Bay Regional Council receives and notes the *Public Forum speakers' verbal presentations*.

Authored by:

Leeanne Hooper
Team Leader Governance

Approved by:

Desiree Cull
Strategy & Governance Manager

Attachment/s

There are no attachments for this report.

HAWKE’S BAY REGIONAL COUNCIL

Wednesday 18 December 2024

Subject: Call for minor items not on the Agenda

Reason for Report

1. This item provides the means for councillors to raise minor matters they wish to bring to the attention of the meeting.
2. Hawke’s Bay Regional Council standing order 9.13 states:
 - 2.1. “A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.”

Recommendations

That Hawke’s Bay Regional Council accepts the following *minor items not on the agenda* for discussion as item 10.

Topic	Raised by

Subject: Implementation of recommendations from the flood reviews

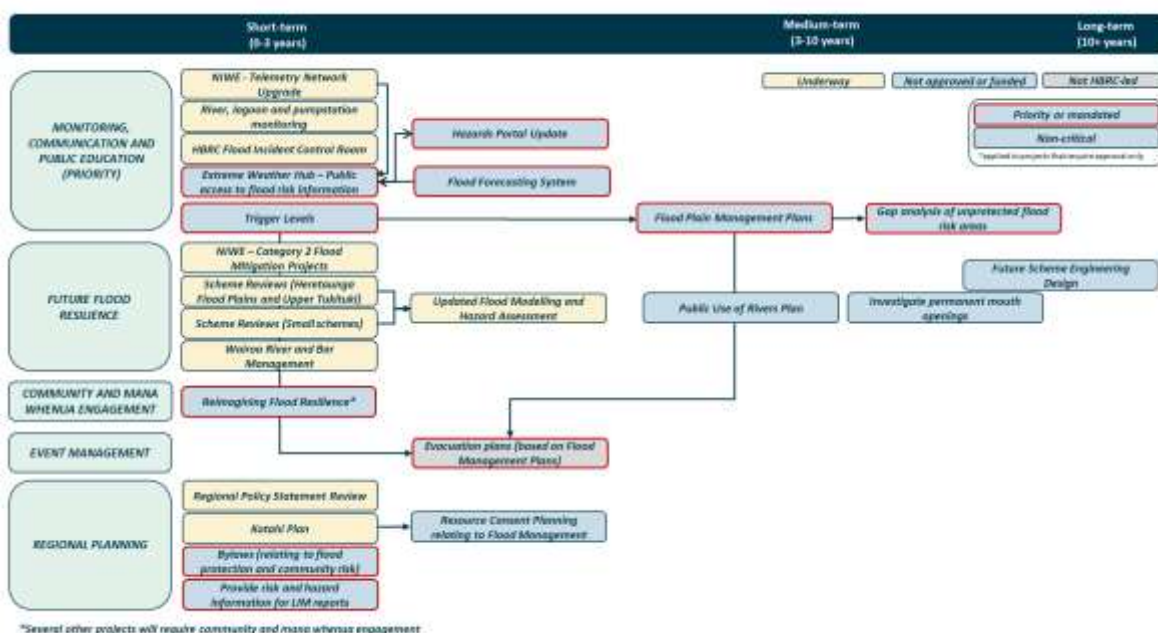
Reason for report

1. This paper seeks a decision from Council to proceed with the implementation of priority projects identified in the paper presented to Council at the 3 December 2024 Council workshop.
2. This paper provides more detail on resourcing requirements and estimated costs so a decision can be made on how these will be funded.
3. The paper seeks direction on the other projects not identified as priorities. Should decisions on these projects be held over until the next annual plan discussion in late 2025?
4. This paper recommends that an independent audit of completed projects should be undertaken to ensure appropriate effect has been given to the recommendations and to provide external assurance.
5. The paper requests Council to confirm ongoing quarterly reporting to Council on the progress and status of the recommendations.

Discussion

6. Following on from the 1-page overviews that responded to each of the 52 flood review recommendations, further analysis was undertaken to identify the key outcomes and deliverables of this work. From this analysis, interconnected recommendations were grouped (bundled) to create a project view of this work, and to provide better context of how recommendations can be or are being achieved.
7. There are 24 projects, which make up the overall implementation programme, as shown below in Table 1: Hawke’s Bay Independent Flood Review (HBIFR) Implementation Programme Timeline (see also in **attachments**). Please note this programme timeline has been updated since the 3 December 2024 paper and workshop.
8. The programme timeline shows critical path of projects, the expected timing for delivery and highlights what projects have been identified as a priority or are mandated.

Table 1: HBIFR Programme Timeline



*Several other projects will require community and mana whenua engagement

9. Following the Council workshop on 3 December 2024, the following five priority projects have been identified for further consideration for funding:
 - 9.1. The Extreme Weather Hub
 - 9.2. Flood Forecasting System
 - 9.3. Trigger Levels (Interim and Pilot)
 - 9.4. Hazard Portal Upgrade Business Case
 - 9.5. Engagement of Reimagining Flood Resilience (for Heretaunga Plains and Upper Tukituki).
10. **The Extreme Weather Hub** is a concept to better provide the public with easily accessible information and education, in one place, on flood risk and other extreme weather risk, e.g., drought. The hub will sit on Regional Council's website and will host a number of useful environmental data widgets, access to webcam footage, and links to key apps (including social media), key partner agencies, and educational information that supports self-assessment of risk in an event.
11. A two-phased approach is required for this project. The first phase is to display information already available. The second phase will look to advance the hub's functionality and add more tools once they have been developed, such as the Flood Forecasting System, where updated hydro-data showing local flood levels can be added to improve interpretation of results.
12. **The Flood Forecasting System** can be more effective if we implement several updates, such as, river cross-sections, rainfall data, recalibration of the existing models, and running additional rainfall envelope scenarios (MetService forecast model variations).
13. A new Flood Forecasting dashboard is in development. The objective of this tool is to provide a public-facing dashboard that simplifies the technical flood forecasting data into meaningful information that can be interpreted by the public at place to make decisions regarding potential flood risk.
14. **Trigger Levels** is a significant work programme. It is required to work alongside the technical assessment of flood hazard maps, developed as part of the scheme reviews, which will enable more trigger levels to be formalised.
15. There is a tension between starting with interim trigger levels based upon a desk top analysis, versus a more thorough assessment based on modelling and engagement with communities at place, which significantly increases the scope of this project.
16. An alternative proposal is to work with one or two communities to trial the development of trigger levels to be used to inform Flood Plain Management Plans and Evacuation Plans.
17. This work is required to be developed in collaboration with partner agencies such as Hawke's Bay Civil Defence Emergency Management (HBCDEM), Territorial Local Authorities (TLAs), the Police and FENZ.
18. There will be five key phases to this project:
 - 18.1. Set up cross-agency working group (HBCDEM, TLAs, Police and FENZ)
 - 18.2. Define project locations (where trigger levels will/ will not be applied)
 - 18.3. Define pilot locations (suggest 2 locations, 1 with no flood control, 1 with flood control)
 - 18.4. Prepare scenarios showing downstream effects (depth, velocity) based on variety of trigger levels
 - 18.5. Determine appropriate triggers based on feedback from working group
 - 18.6. Proof of concept

- 18.7. Report back to council on proof of concept and for decision around next steps (the pilot will allow costs and schedule to be reforecast).
- 18.8. Determine trigger levels for all other agreed locations
- 19. This project also aims to clarify roles and responsibilities in the case of an event, and how trigger levels are communicated and acted on (e.g. evacuation protocols).
- 20. **The Hazard Portal** is a tool used by the public to access individual property level information on a range of regional risks and hazards but requires an upgrade. The current portal is reaching its end of life in terms of the code and technology that it is built upon. Without the needed upgrade, the portal has ongoing limitations around adding more content without risk of breaking the underlying GIS infrastructure. The portal also has limited load capacity due to its architecture and can easily crash if overloaded with too many users at one time. This results in a limited capacity of users that can use the tool per day or in an event.
- 21. It is important to note that the portal is currently at capacity and no further data can be directly added without risking the functionality of the system.
- 22. While it is acknowledged that the hazard portal will require significant investment to upgrade, the portal is currently functioning and able to be utilised by the community. Concerns arise when the flow of traffic to the portal increases, but staff believe that postponing further investment in the portal until the next annual plan year is feasible. It is therefore recommended that a business case is undertaken to better understand the requirements and cost to have the Hazard Portal upgraded in preparation for the following Annual Plan (2026/27).
- 23. The portal is currently governed by the Coordinating Executive Group (CEG). Overall ownership of the system resides with HBCDEM. Data is added to the portal as and when requested by the Steering Group. However, it's clear that there's a growing need for climate change / natural hazard data across the region, e.g. data requirements of the Climate Action Joint Committee.
- 24. **Engagement on Reimagining Flood Resilience** (for Heretaunga Plains and Upper Tukituki) is a significant piece of work that reflects several of the recommendations from the HBIFR. Work has already begun on the design phase for engaging with the community. More information is provided in a separate 'Reimagining Flood Resilience' paper at this meeting (item 7).
- 25. **Introduction of By-laws** is a further project that was included in the past paper but not actively discussed at the Council workshop on 3 December 2024. The establishment of By-laws is one mechanism that the Regional Council can utilise to protect its infrastructure assets from damage, or unintended consequences of activities undertaken on or close to those assets.
- 26. The following issues have been identified as being manageable through the establishment of relevant By-laws:
 - To control activities allowed on or close to flood protection assets and control works
 - To protect natural landforms within a scheme (natural high ground)
 - To restrict new builds within a certain distance from a stopbank
- 27. The following projects were not identified as an immediate priority. Some of these are dependent on other projects being completed first and the others will need to be reviewed at the next Annual Plan review (2026/2027).

Table 2: Other projects

Other projects		Comments
1.	Flood Plain Management Plans	This will follow and be informed by the flood forecasting and trigger levels work.

2.	Gap analysis of unprotection flood risk areas	This will follow and be informed by the Flood Plain Management Plans.
3.	Public Use of Rivers Plan	This will need to be reviewed at the next annual plan review.
4.	Investigation into permanent mouth openings	This will need to be reviewed at the next annual plan review.
5.	Provide risk and hazard information for LIM reports	This is an operational activity that will be managed by the Policy Planning team, as per their legislative obligations.
6.	Resource Consent Planning relating to Flood Management	This is an operational activity that will be managed by the Consents team once the Kotahi Plan is complete.

28. It is recommended that HBRC appoint an external auditor to give assurance that the recommendations are given effect through the deliverables of the projects being undertaken.
29. It is recommended that all recommendations will be reported on quarterly to show progress, starting April 2025.

Strategic fit

30. This work directly contributes to the achievement of Regional Council's infrastructure and services focus area, specifically *sustainable and climate-resilient services and infrastructure*.

Financial and resource implications

31. The funding for these outcomes will need to be budgeted through the 2025 – 2026 Annual Plan process.
32. The following table (Table 3) is the best-estimated costs and resourcing requirements for these projects. Please note resources would need to be committed to initiate projects, and to work with the various partners and stakeholders to detail full project costs and resourcing requirements.

Table 3: Overview of priority projects estimated costs and resourcing requirements

Programme projects and activities		Resourcing requirements	Key project costs	Estimated costs
1	Extreme Weather Hub	<ul style="list-style-type: none"> Web Producer Comms Team Lead Digital Team Lead Graphic Designer ICT team 	<ul style="list-style-type: none"> Contractor for website widget customisation Web producer x1 FTE 	\$160,000
2	Flood Forecasting System	<ul style="list-style-type: none"> Principal engineer Flood modeller Junior Engineer External consultant 	<ul style="list-style-type: none"> Consultant New hardware 	\$275,000
3	Trigger Levels (interim and pilot)	<ul style="list-style-type: none"> Principal engineer Flood modeller Junior Engineer External consultants Project Manager HBCDEM 	<ul style="list-style-type: none"> Project Manager External engineering consultant Mana whenua, community and stakeholder engagement 	\$400,000

4	Hazard Portal Upgrade Business Case	<ul style="list-style-type: none"> ICT HBCDEM Policy Planning Flood modeler Comms Team Lead 	<ul style="list-style-type: none"> FTE (0.1) 	\$15,000
5	Engagement of Reimagining Flood Resilience	<ul style="list-style-type: none"> Manager Recovery External project manager External communications and engagement resource 	<ul style="list-style-type: none"> External project manager External engagement consultant Communication and engagement materials Community meetings (venue hire, etc.) 	\$700,000 (excluded from total as decision will be made under a separate paper. Included here for reference only)
6	By-laws	<ul style="list-style-type: none"> Policy Planning Asset Management 	<ul style="list-style-type: none"> Public Consultation Hearings 	\$50,000
7	Audit of HBIFR Implementation Programme (completed and underway projects)	<ul style="list-style-type: none"> External auditor HBIFR Implementation team 	<ul style="list-style-type: none"> External auditor 	\$100,000 in first year, then \$70,000 annually
			Estimated total costs	\$1,000,000

Decision-making considerations

33. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
- 33.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 33.2. The use of the special consultative procedure is not prescribed by legislation.
 - 33.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 33.4. The persons affected by this decision are ratepayers and the community.

Attachments:

Att1 HBIFR Programme Timeline

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Implementation of recommendations from the flood reviews* staff report.
2. Agrees that the decision to include in the draft 2025/26 annual plan is 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. The significant decision will be made through the Annual Plan process.

3. Agrees to direct the Chief Executive (CE) to direct staff to proceed with the recommended priority projects as listed in Table 3 and below:
 - 3.1. Extreme Weather Hub
 - 3.2. Flood Forecasting System
 - 3.3. Trigger Levels (Interim and Pilot)
 - 3.4. Introduction of by-laws to protect flood infrastructure
4. Agrees to direct the CE to direct staff to undertake a business case to determine work required to improve the functionality and futureproofing of the Hazard Portal.
5. Agrees that the decision on proceeding with Engagement on Reimagining Flood Resilience will be made under a separate paper.
6. Agrees to review the two dependent projects that are linked to the Trigger Level project at the next annual plan (2026/2027) review:
 - 6.1. Flood Plain Management Plans
 - 6.2. Gap analysis of unprotection flood risk areas
7. Agrees to direct the CE to direct staff to pause the following two projects until these can be reviewed again at the next annual plan (2026/2027) review:
 - 7.1. Public Use of Rivers Plan
 - 7.2. Investigation into permanent mouth openings.
8. Agrees to direct CE to direct staff to continue with the following two operational activities. Please note there are no identified funding requirements for these activities at this time:
 - 8.1. Provide risk and hazard information for LIM reports
 - 8.2. Resource Consent Planning relating to Flood Management.
9. Agrees to direct the CE to appoint an external auditor to undertake an annual audit of the HBIFR Implementation Programme of work to provide assurance that recommendations are being met.
10. Agrees to quarterly reporting on HBIFR Programme priority projects only, starting in FYQ4 April 2025.

Authored by:

Julie-Anne McLean
Programme Manager Regulatory
Implementation

Louise McPhail
Manager Recovery

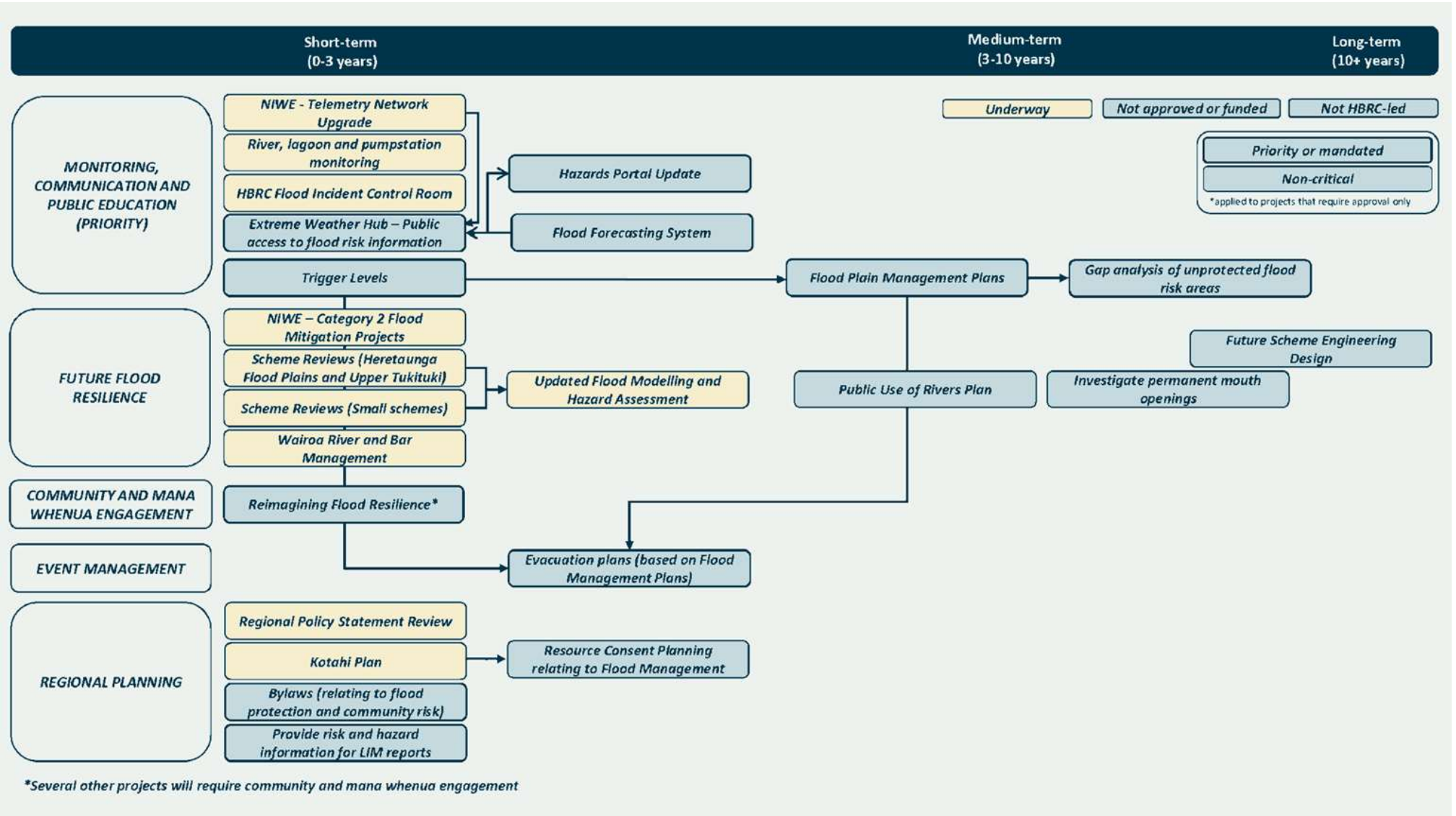
Chris Dolley
Group Manager Asset Management

Approved by:

Nic Peet
Chief Executive

Attachment/s

1 [↓](#) HBIFR Programme Timeline



Subject: Reimagining Flood Resilience

Reason for report

1. This item presents the *Reimagining flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes* report (**attached**) which outlines recommendations for a project structure and options for engagement with the Hawke's Bay community on future flood resilience.

Staff recommendations

2. Staff recommend that the Council considers the report on *Reimagining flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes* and agrees to fund the next phase of the project allowing for the establishment of the project governance framework and the next stages of engagement design with our partners.

Background /Discussion

3. On 13 and 14 February 2023, Cyclone Gabrielle delivered an extraordinary amount of rainfall to the Hawke's Bay region, generating the largest flood flows on record for many of the region's rivers and severe flooding.
4. In late July 2023, an independent review was commissioned by HBRC to investigate the circumstances and contributing factors that led to flooding during Cyclone Gabrielle. The Hawke's Bay Independent Flood Review (HBIFR) presented their report, containing 47 recommendations, to HBRC Councillors on 24 July 2024.
5. This project, *Reimagining flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes* (the Reimagining Project) was established in direct response to the recommendations of the HBIFR, and the scheme reviews and capital works programmes that have been initiated post Cyclone Gabrielle.
6. The Reimagining Project is intended to take a long-term view, to determine what flood resilience in Hawke's Bay might look like in generations to come.
7. The Reimagining Project is currently intended to be actioned through four phases, with the attached report focused on Phase 1: Project Design.
8. The intention is that outcomes from this project will be available to inform the next iteration of HBRC's Long-term Plan, due to be consulted on in early 2027.
9. The original intent for the report was to present the outcome of in-depth, co-design discussions with project partners, with a particular focus on confirming an approach to establishing the project and designing Phase 2: Engagement and Option Assessment.
10. However, the capacity of project partners at this time has meant that this was not achievable.
11. While it was an option to delay the report and project establishment to create more space for co-design, HBRC has been clear that there is a need to make progress. Outcomes flowing from this project are required to drive long term flood resilience for people and communities.
12. The Reimagining Project has been identified as a pilot initiative for the Mātauranga Framework which has been developed by HBRC over a 12-month period and is now in its working draft phase.
13. The Mātauranga Framework is a practical tool designed to guide how the HBRC appropriately engages with and incorporates Mātauranga Māori in its work. It validates the holistic approach to Te Taiao inherent in Mātauranga Māori and reflects the worldview of mana whenua partners.

By creating space for Mātauranga Māori in design and decision-making processes, the framework aims to achieve improved, sustainable, and culturally-inclusive outcomes.

14. The attached report presents options for project structure and potential methods for engagement through Phase 2. The broad context of discussions that have been held with project partners and other key stakeholders to date is presented, and is reflected through a range of core engagement questions and project principles relating to engagement and option development. The report provides a series of recommendations for foundational project elements and suggested next steps. To avoid any doubt, it does not reflect a co-designed approach as originally intended.
15. In summary, the report recommends:
 - 15.1 that the focus of the Reimagining Project is on the Upper Tukituki and Heretaunga Plains Flood Control and Drainage Schemes.
 - 15.2 that HBRC's project partners in the Reimagining Project are:
 - o Mana Ahuriri
 - o Tamatea Pōkai Whenua
 - o Ngāti Kahungunu Iwi Incorporated
 - o Central Hawke's Bay District Council
 - o Hastings District Council
 - o Napier City Council
 - o Hawke's Bay Civil Defence and Emergency Management
 - 15.3 six draft core engagement questions to test with communities in Phase 2.
 - 15.4 draft principles relating to the engagement approach, to guide engagement activities and the "how" of working with individuals and communities in Phase 2.
 - 15.5 draft principles relating to the options that will be presented to HBRC councillors for decision making at the conclusion of the project.
 - 15.6 that, with these draft foundations in place, HBRC should proceed to establishing an effective project structure with project partners.
 - 15.7 that, following the establishment of the project structure, HBRC should work with partners to revisit a co-design approach and confirm project foundations and engagement approaches.
16. The report also sets out a recommended action plan first 6 months of 2025 to drive the commencement of engagement under Phase 2 of the Reimagining Project.

Strategic fit

17. This project directly contributes to the achievement of Regional Council's infrastructure and services focus area, specifically *sustainable and climate-resilient services and infrastructure*.
18. This project is also a direct response to the recommendations from the Hawke's Bay Independent Flood Review.

Climate change considerations

19. The Reimagining Project is intended to take a long-term view, to determine what flood resilience in Hawke's Bay might look like in generations to come.
20. Any future options for flood resilience in the region must take into account the impact of climate change and mitigate against its effects on the economic, social and cultural wellbeing of the Hawke's Bay community wherever possible.

Financial and resource implications

21. There will be an increase in the financial requirements over and above existing budgets and therefore an extra budget will need to be included in the next Annual Plan (2025/26), as outlined in **Table 1** below which provides high level estimates of costs.

Table 1: Resource Estimate for Phase 2

Financial Year	Anticipated activity	Potential costs
Financial Year 2024 (1 July 2024 – 30 June 2025)	Phase 1: <ul style="list-style-type: none"> • Co-design • Project establishment Early Phase 2: <ul style="list-style-type: none"> • Early engagement • Procurement • Technical foundational work • Software / tool acquisition 	\$150k <i>(shared across both Schemes)</i>
Financial Year 2025 (1 July 2025 – 30 June 2026)	Phase 2: <ul style="list-style-type: none"> • Core engagement • Complementary engagement activities • Critical technical advice and inputs • Optioneering • Development of recommendations to HBRC 	\$700k <i>(Approximately allocated \$150k to the Upper Tukituki and \$550k to the Heretaunga Schemes to reflect relative scale and complexity)</i>
Financial Year 2026 (1 July 2026 – 30 June 2027)	Phase 3: <ul style="list-style-type: none"> • Preparation of consultation material and analysis for Long Term Plan • Long Term Plan consultation and decision-making 	\$300k <i>(shared across both Schemes)</i>

Decision-making considerations

22. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
- 22.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 22.2. The use of the special consultative procedure is not prescribed by legislation.
 - 22.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 22.4. The persons affected by this decision are the wider Hawke's bay Community and rate payers.
 - 22.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Attachments Information

Att1 Reimagining flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Reimagining flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes Report*.
2. Agrees that the decision to include in the draft 2025/26 annual plan is 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. The significant decision will be made through the Annual Plan process.
3. Agrees to include \$700,000 in the draft (2025/26) Annual Plan due to go out for consultation in April, for phase two of the implementation of the *Reimagining flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes project*.
4. Direct the Chief Executive to direct staff to proceed to establishing an effective project structure with project partners, similar to the recommended project governance structure outlined in Figure 1: Project Structure Option 1.

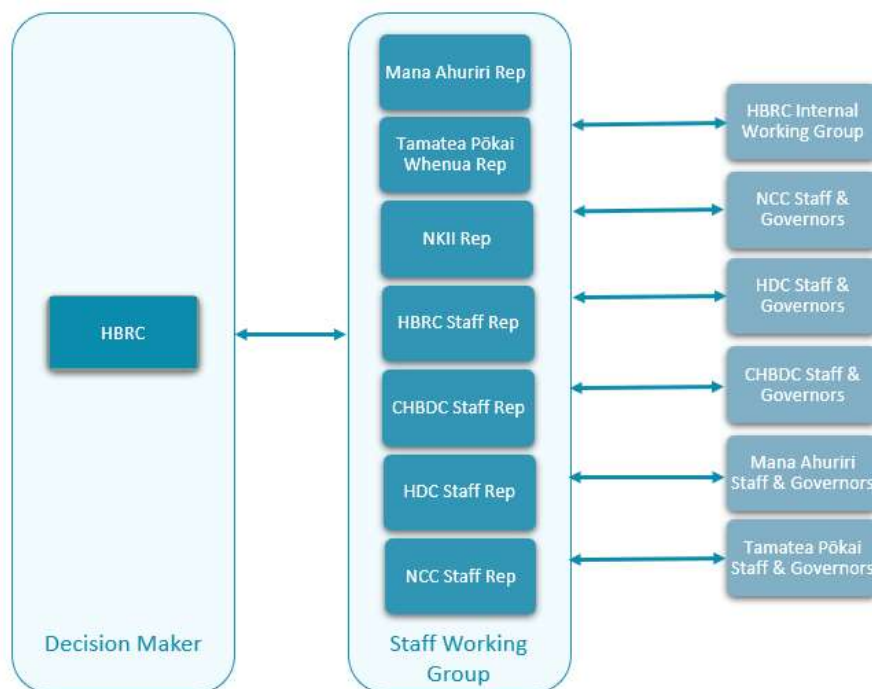


Figure 1: Project Structure Option 1

5. Agree that following the establishment of the project structure, HBRC staff should work with partners to revisit a co-design approach and confirm project foundations and engagement approaches.

Authored by:

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Project Lead - Traverse Environmental

Louise McPhail
Manager Recovery

Approved by:

Chris Dolley
Group Manager Asset Management

Attachment/s

- 1** Reimagining Flood Resilience for the Upper Tukituki and Heretaunga Plains flood schemes

Under Separate Cover
Available online only

Subject: HB CDEM Group Funding request

Reason for report

1. In the last ten years there have been several emergency events within the Hawke's Bay region, significantly impacting people, community, and the region, and tragically the loss of lives.
2. Following the tragic events of Cyclone Gabrielle an Independent Review into the HBCDEM response was conducted and a significant number of recommendations were made.
3. This report seeks to gain approval from HBRC for a potential over-spend of the HBCDEM FY 24/25 operational budget, directly and solely in support of HBCDEM Transformation Strategy objectives.
4. In addition, this report aims to provide an early warning to HBRC of an additional increase to the HBCDEM FY 25/26 and FY 26/27 operational budgets, again solely in support of HBCDEM Transformation Strategy objectives. Confirmation of this will following CEG and Joint Committee meetings in January / February 2025.

Staff Recommendations

5. Recommendation: **Approve** the ability for the HBCDEM Group to over-spend its FY 24/25 operational budget by up to \$260K in support of HBCDEM Transformation Strategy objectives for FY 24/25.
6. Recommendation: **Note** that the HBCDEM Transformation Strategy describes activities in FY 25/26 requiring an additional budget of approximately \$550K-\$650K which HBRC, the CEG and the Joint Committee will work to refine.
7. Recommendation: **Note** that the HBCDEM Transformation Strategy describes activities in FY 26/27 requiring an additional budget of approximately \$150K-\$250K which HBRC, the CEG and the Joint Committee will work to refine.

Background

8. In receiving the Independent Review into the HBCDEM response to Cyclone Gabrielle, the HBCDEM Joint Committee – consisting of the Hawke's Bay region's Mayors, Regional Chair and Post-Settlement Governance Entities and Iwi Leaders, committed to making transformational system change – adopting all of the recommendations unanimously.
9. As a result, a Draft HBCDEM Transformation Strategy has been produced, outlining the proposed approach to be taken to operationalise the findings contained within the Independent Review. It seeks to provide the overarching strategic approach, and monitoring and accountability framework for the Joint Committee and the community to understand the transformational change being proposed to HBCDEM. This strategy is aimed at driving a transformation that strengthens community resilience and fosters a generational shift toward excellence in emergency management.
10. Engagement on the HBCDEM Transformation Strategy is occurring with the Coordinating Executives Group (CEG), Joint Committee, HBRC, HDC, NCC, CHBDC, WDC briefed, and feedback gained. In addition, mana whenua engagement has begun. There has been broad support to date for the DRAFT HBCDEM Transformation Strategy, with no major challenges encountered so far; the aim being to incorporate all feedback and submit the HBCDEM Transformation Strategy for Joint Committee approval on 27 January 2025.

11. The HBCDEM Transformation Strategy will be supported by seven HBCDEM Transformation Plans. The seven HBCDEM Transformation Plans contain activities, tasks and initiatives that require resourcing potentially outside the scope, capability and capacity of the HBCDEM FY 24/25 operational budget and beyond for the next three years.
12. In the short term it is suggested that the most efficient way of dealing with the potential additional costs in the HBCDEM Group FY 24/25 operational budget is for HBRC, as the administering authority, to approve the potential overrun.
13. Staff anticipate an increase in cost of \$260K to support of HBCDEM Transformation Strategy objectives for FY 24/25, comprising of the following activities, tasks and initiatives. They are across the HBCDEM network not purely for the Group Office.
 - 13.1. Individual Training Support – 80% of the potential overrun
 - 13.2. Team and culture development – essential following the Regional Organisational Design outcomes and recruitment initiatives that will occur in FY 24/25
 - 13.3. Collective Exercise development to be conducted in the second half of 2025
 - 13.4. Design support for HBCDEM Strategy and associated collateral
 - 13.5. Communication support in the development of a HBCDEM Transformation Communication Plan
14. It should be noted that the HBCDEM Group has potential underspends from four previously approved new HBCDEM roles (these are in the HBRC LTP budget). These roles are funded for FY 24/25 but have not been recruited. They are unlikely to be recruited until April 2025 at the earliest. Should these roles remain unrecruited, as planned, then up to \$240K of the potential overrun of the HBCDEM Group FY 24/25 operational budget could be covered.
15. It should be noted that HBCDEM Individual Training represents a major investment by Hawke's Bay councils and is a key pillar of the HBCDEM Transformation Strategy. Currently the system employs an entirely volunteer model. Across the region, the HBCDEM system involves 335 volunteers, of whom only 149 are trained. To respond to a major event, the region would require 4 x EOC and 1 X GECC with 36 per shift of four shifts (920 staff). The HBCDEM system possesses 37% of that workforce.
16. A further \$550K - \$650K in support of HBCDEM Transformation Strategy objectives for FY 25/26 will be refined in January / February 2025. A discussion will be needed at this time as to how those costs are best apportioned across the members of HBCDEM. The proposed costs comprise of the following activities, tasks and initiatives. These are across the entire HBCDEM network.
 - 16.1. Ongoing team and culture development, essential following the Regional Organisational Design outcomes and recruitment initiatives in FY 24/25
 - 16.2. Individual Training Support for 2026
 - 16.3. Collective Exercise development for 2025
 - 16.4. Additional collective exercise costs for 2025
 - 16.5. Assurance support for 2025
 - 16.6. IT and/or GIS Services. Likely licencing fees but to date this initiative has only been scoped in outline
 - 16.7. Consultancy Services. The development of a Group Plan and Hazard Plan. Both these products are either out of date or missing, but they are legally required and work to develop these would have appeared in the HBCDEM Group FY 25/26 operational budget regardless of the Transformation Strategy.

17. The \$150K - \$250K in support of HBCDEM Transformation Strategy objectives for FY 26/27 comprises of the following activities, tasks and initiatives:
 - 17.1. Individual Training Support for 2027
18. In order for the Joint Committee to approve the HBCDEM Transformation Strategy on 27 January 2025 it must have a corresponding budget to advance its Commitment, Vision and Focus Areas.

Strategic Fit

19. N/A

Significance and Engagement Policy Assessment

20. Council makes decisions in an Administrative Law context, guided by specific legislative provisions in the Local Government Act 2002 (LGA) and other legislation. Within this legal framework, Council has a degree of discretion in terms of how it approaches its decision-making, which is also informed by administrative decision-making principles and the nature of the decisions.
21. Under section 76AA of the LGA, Council is required to have a Significance and Engagement Policy (S&E Policy). This S&E Policy sets out the Council's approach to determining the significance of matters on which it makes decisions and provides guidance as to the approach taken to complying with the requirements of the LGA (including whether the Council will engage with/consult its communities and those affected by a decision
22. The assessment concludes that the decision is of medium significance, however, council staff are of the opinion that no consultation should be undertaken because:
 - 22.1. It is considered to be in the interest of HBRC and the wider region to deliver the necessary works to improve Emergency Management across our community and organisation using lessons learnt from Cyclone Gabrielle.
 - 22.2. Whilst no formal consultation will be undertaken, the HBCDEM Transformation Strategy will have a process of engagement with Community and mana whenua.
 - 22.3. Emergency Management is not a new activity for HBRC

Financial and Resource Implications

23. Potential overrun in the HBCDEM Group FY 24/25 operational budget of \$260K. Potentially significantly offset by under-spends in new, approved, un-filled, HBCDEM roles for FY 24/25.

Decision-making considerations

24. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
 - 24.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 24.2. The use of the special consultative procedure is not prescribed by legislation.
 - 24.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 24.4. The persons affected by this decision are HBCDEM Group, members of the Joint Committee and those communities and ratepayers they represent..
 - 24.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *HB CDEM Group Funding request*.
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 have an interest in the decision.
3. **Approve** the ability for the HBCDEM Group to overrun its FY 24/25 operational budget by up to \$260K in support of HBCDEM Transformation Strategy objectives for FY 24/25.
4. **Note** that the HBCDEM Transformation Strategy describes activities in FY 25/26 requiring an additional budget of approximately \$550K-\$650K which HBRC, the CEG and the Joint Committee will work to refine.
5. **Note** that the HBCDEM Transformation Strategy describes activities in FY 26/27 requiring an additional budget of approximately \$150K-\$250K which HBRC, the CEG and the Joint Committee will work to refine.

Authored by:

Matt Boggs
Director HB CDEM Transformation

Doug Tate
CHBDC Chief Executive

Shane Briggs
HB CDEM Acting Group Manager / Controller

Approved by:

Nic Peet
Chief Executive

Attachment/s

There are no attachments for this report.

Subject: Revenue and Financing Policy adjustments – preferred rating models for consultation

Reason for report

1. In its *Three-Year Plan 2024-2027*, the Council signalled its intention to revisit aspects of its *Revenue and Financing Policy (R&F Policy)*.
2. Following a series of open workshops on this follow-up review, this report asks Council to adopt its preferred rating models and remission adjustments for consultation. Consultation will occur concurrently with the 2025-26 Annual Plan in April 2025.

Staff recommendations

3. Staff recommend that Council agrees to not proceed with changes to the following topics:
 - 3.1. A cap on Utilities Rolls
 - 3.2. A differential on the general rate for lifestyle properties
 - 3.3. Makara Flood Scheme.
4. Staff recommend that Council adopts its preferred rating models for consultation on:
 - 4.1. Upper Tukituki Flood Control Scheme (UTTFCS)
 - 4.2. Passenger Transport.
5. Staff recommend that Council adopts the following proposed changes to the *Rates Remissions and Postponement Policies* for consultation:
 - 5.1. Remove the *Significant Impact Remission resulting from changes to the Rating Policy*
 - 5.2. Remove the *Postponement of Sustainable Homes Voluntary Targeted Rate*
 - 5.3. Adjust the wording on *Hardship Remission resulting from changes to the Rating Policy*.

Background

6. During deliberations on the *Three-Year Plan 2024-27*, Council made a number of resolutions to further review and/or investigate changes to the *R&F Policy* that affect rates for specific groups of ratepayers.
7. The topics identified were:
 - 7.1. A cap on the Utilities Rolls
 - 7.2. A differential on the general rate for lifestyle/residential properties
 - 7.3. Public Transport
 - 7.4. Upper Tukituki Flood Control Scheme (UTTFCS) and Makara scheme.
8. Staff note that changes to the *Rates Remission and Postponement Policy* are also necessary.

Discussion

A cap on the Utilities Rolls

9. Ratepayers on utilities rolls include our local councils, power, and telecommunications companies, KiwiRail and other network infrastructure providers. Much of infrastructure owned by these ratepayers is either underground or overhead and is not on land they own, therefore has no land value but a high capital value. During consultation on the *Three-Year Plan 2024-*

2027, Hastings District Council (HDC) submitted that we should consider a cap on utilities rolls to reduce the rating impact. Depending on where the cap is set, HDC and Napier City Council would be the likely beneficiaries and the balance would need to be collected by increasing rates from other ratepayers.

10. Legal advice is that general rates and UAGC is general, and it applies to all ratable units. Staff could not find any examples of other councils who set a cap for this purpose in revenue and financing policies, and staff consider applying a cap amount would be arbitrary. Therefore, it is recommended not to pursue a cap for utility rolls.

A differential on the general rate for lifestyle properties

11. At the first workshop on the follow-up review, Council clarified that its intention had been to investigate a differential for non-urban properties under 4 hectares typically lifestyle.
12. As per HBRC's *R&F Policy*, the general rate is used when the whole region benefits from an activity. Therefore, it is recommended that all ratepayers are charged on the same basis for the activities in the general rate and no differential is applied on the general rate.

Passenger Transport preferred rating model

13. During consultation on the *Three-Year Plan 2024-2027 (3YP)* there was feedback from submitters who were being charged the passenger transport rate for the first time and they felt they were being charged too much. To address this Council is proposing to change the *R&F Policy* to:
 - 13.1. remove 5 valuation rolls from the targeted rate footprint, and make the direct charge based on a 50%+ urbanisation threshold.
 - 13.2. introduce a 10% indirect on CV to all ratepayers with access to Total Mobility; this encompasses all of CHB, Hastings, and Napier ratepayers.
14. A corresponding reduction to 90% direct charge on adjusted footprint.
 - 14.1. 17.5% of the 90% rated to commercial/industrial on CV value.
 - 14.2. 72.5% of the 90% rated to the remaining footprint as a SUIP charge.
15. The introduction of a small indirect rate recognises that Total Mobility services is used by eligible people living in Napier, Hastings, and Central Hawke's Bay.
16. The introduction of a fixed charge per SUIP (previously on capital value) will reduce the range paid by ratepayers for access to the same services (buses and total mobility).

Scheme reviews (UTTFCS and Makara)

17. During the substantive *R&F Policy* review, Council made several changes to the 27 flood, drainage and river maintenance schemes it administers for greater consistency between similar schemes, simplified rating differentials and to spread the costs fairly.
18. The implications of these changes (as well as increased budgets) came under the spotlight during consultation on the *Three-Year Plan 2024-27*. During deliberations, Council agreed to look again at 2 of the 4 flood schemes with the most changes, being Makara and Upper Tukituki.
19. The Makara flood scheme targeted rate was changed from:
 - 19.1. area to capital value rating
 - 19.2. 90/10% to 70/30% targeted/general rate
 - 19.3. the number of differentials was reduced from six (A-F) to three (A-C).
20. Despite the numerous changes little feedback was received. Therefore, it is recommended that no change is made to the current rating for the *Makara* scheme.
21. The UTTFCS targeted rate was changed from:

- 21.1. land to capital value
- 21.2. 83/18% to 70/30% targeted/general rate
- 21.3. the number of differentials was reduced from 12 (A-F, U1-U4, E-F Hastings) to high, medium, low.
- 22. The culmination of these changes (and the budget increases through the Three Year Plan) lead to large increases for ratepayers with higher CVs in the medium banding, in particular.
- 23. To address this, the Council is proposing to change the policy settings of the UTTFCS to:
 - 23.1. introduce a 10% indirect charge on CV to all CHB ratepayers and those Hastings ratepayers within the direct UTTFCS rating footprint
 - 23.2. make a corresponding reduction to 90% direct charge on CV to all ratepayers in the existing footprint
 - 23.3. maintain existing banding (high, medium, low) with proportion changes.

Proportion Split		
	Current	Proposed
Low CHB	2	25.0
Low HDC	1	25.0
Medium CHB	85	85.0
Medium HDC	10	85.0
High CHB	225	225.0
	323.0	445.0

- 24. The introduction of the indirect charge recognises that the whole CHB district, plus those parts of Hastings within the scheme, benefit. The scheme improves resilience through protecting utilities and roading as well as private property. It ensures access within and through the district to essential services such as healthcare and supermarkets and protects productive land uses on which the economy depends.
- 25. The proposal to increase the UTTFCS rate for properties in the low rate area will reduce rates for those in the medium and high areas who told us their UTTFCS rates are too high.

Rates remission and postponement policies

- 26. As a result of the follow-up review of the *R&F Policy*, minor improvements have been made to our existing *Rates Remission and Postponement Policy*. It is proposed to consult concurrently with the Annual Plan on the following changes:
 - 26.1. Remove the *Significant Impact Remission resulting from changes to the Rating Policy* as this was consulted as a single year remission.
 - 26.2. Remove the *Postponement of Sustainable Homes Voluntary Targeted Rate* as Sustainable Homes programme concluded 30 June 2024, and the sustainable homes accounts are currently being amalgamated into the primary rate accounts removing the need for this postponement policy.
 - 26.3. Adjust wording on the *Hardship Remission resulting from changes to the Rating Policy* to future-proof the policy. A learning from the substantive review highlighted the need for regular policy reviews to prevent sudden significant rate changes. It is intended to review one third of the R&F Policy every three years so that every three Long Term Plan cycles or nine years the whole policy is reviewed.

4. Hardship Remission resulting from changes to the Rating Policy

Objective

To assist ratepayers experiencing extreme financial hardship due to changes to the rating system to achieve a more equitable distribution of rates. This is only for the first year of implementation following a Revenue & Finance Policy review, to aid ratepayers with budgeting.

Significance and Engagement Policy Assessment

27. Staff have assessed the changes proposed to our *R&F Policy* including the *Rates Remission and Postponement Policy* against the Council's Significance and Engagement Policy and have concluded that they are significant and warrant consultation.

Decision-making considerations

28. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
 - 28.1. The decision does not significantly alter the service provision or affect a strategic asset, but it is inconsistent with an existing policy or plan.
 - 28.2. The use of s82 consultation is prescribed by legislation.
 - 28.3. The decision is significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 28.4. The persons affected by this decision are a large number of ratepayers within Hawke's Bay.
 - 28.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council cannot exercise its discretion and decide without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Revenue and Financing Policy adjustments – preferred rating models for consultation* staff report.
2. Adopts the following preferred rating models for public consultation undertaken concurrently with the 2025-26 Annual Plan:
 - 2.1. *UTTFCs*
 - 2.1.1. 10% indirect charge on CV to all CHB ratepayers and those Hastings ratepayers within the direct UTTFCs rating footprint.
 - 2.1.2. 90% direct charge on CV to all ratepayers in the existing footprint.
 - 2.1.3. Maintain existing banding with recommended proportion changes.
 - 2.2. *Passenger Transport*
 - 2.2.1. 10% indirect on CV to all ratepayers with access to Total Mobility. This encompasses all of CHB, Hastings, and Napier ratepayers.
 - 2.2.2. 90% direct charge on adjusted footprint.
 - 2.2.2.1. 17.5% of the 90% rated to commercial/industrial on CV value.
 - 2.2.2.2. 72.5% of the 90% rated to the remaining footprint as a SUIP charge.

3. Agrees to not pursue a change on the following topics raised during deliberations from the *Three-Year Plan 2024-2027*:
 - 3.1. A cap on the Utilities Rolls
 - 3.2. A differential on the general rate for lifestyle/residential properties
 - 3.3. Upper Makara scheme review.
4. Adopts the following changes to Rates Remissions and Postponement Policies:
 - 4.1. Remove the *Significant Impact Remission resulting from changes to the Rating Policy*.
 - 4.2. Remove the *Postponement of Sustainable Homes Voluntary Targeted Rate*.
 - 4.3. Adjust wording on the *Hardship Remission resulting from changes to the Rating Policy*.

Authored by:

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Desiree Cull
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Sarah Bell
Team Leader Strategy and Performance

Approved by:

Chris Comber
Chief Financial Officer

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL

Wednesday 18 December 2024

Item 11

Subject: Flood Resilience Financial Considerations

That Hawkes's Bay Regional Council excludes the public from this section of the meeting, being Agenda Item 11 *Flood Resilience Financial Considerations* 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 are:

General subject of the item to be considered	Reason for passing this resolution	Grounds under section 48(1) for the passing of the resolution
Flood Resilience Financial Considerations	s7(2)(g) Excluding the public is necessary to prevent disclosure of information that is legally privileged. s7(2)(i) Excluding the public is necessary to enable the local authority holding the information to carry out, 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.

Authored by:

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Group Manager Corporate Services

Chris Dolley
Group Manager Asset Management

Approved by:

Nic Peet
Chief Executive