

Meeting of the Hawke's Bay Regional Council

Date: 31 May 2023
Time: 1.30pm
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

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1.	Welcome/Karakia/Apologies/Notices	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Regional Council Meeting held on 26 April 2023	
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16.	Committee membership changes (late item to come)	
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9.	HBRC Cyclone Gabrielle response & recovery financials update	31
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12.	Strategic projects report to 30 April 2023	43
13.	Significant organisational activities through June 2023	51
14.	Discussion of minor items not on the Agenda	
Decision Items (Public Excluded)		
15.	Appointment of independent HBRIC directors	57

Subject: Call for minor items not on the Agenda**Reason for Report**

1. This item provides the means for councillors to raise minor matters relating to the general business of the meeting 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

3. That Council accepts the following *Minor items not on the Agenda* for discussion as Item 14.

Topic	Raised by

Leeanne Hooper
Governance Team Leader

Desiree Cull
Strategy & Governance Manager

Subject: Report and recommendations from the Māori Committee

Reason for Report

1. This item provides a summary of discussions at the 3 May 2023 Māori Committee meeting along with recommendations for Council's consideration and provides the opportunity for the Māori Committee Co-chairs to add additional context as they wish.

Discussion

2. The Māori Committee meeting was shortened to accommodate those wishing to attend the tangi for Pat Magill.

Agenda items

3. The **Nomination of Māori Committee representatives to Council's Committees** item provided invited the Committee to appoint representatives to the Climate Action Joint Committee and the Cyclone Recovery Committee.
4. The regular **Take Ripoata ā Takiwā – Taiwhenua Representatives' updates** item normally provides the Committee with local information from each Taiwhenua however, due to time constraints was not discussed on 3 May.
5. The **Cyclone Gabrielle – response, recovery and reviews** item provided the Committee with an update on Cyclone Gabrielle's impacts and the HBRC response, including:
 - 5.1. Size and scale of the natural disaster – National State of Emergency, rainfall well beyond forecast, and 5.3km stopbank breaches
 - 5.2. Flooding extent in most affected areas - shown on maps
 - 5.3. Loss of lifelines – power, telecommunications and roading
 - 5.4. Restoration of 113 rain and river level monitoring sites across the region
 - 5.5. Regional coordination of waste disposal – silt, wood, animal carcasses, posts and wire
 - 5.6. 160 people and 17 self-contained pods working up rivers to clear and repair rivers, streams, and drains
6. A workshop was requested, about HBRC's flood control and drainage schemes and how they operate to prepare for community engagement being undertaken as part of the review of HBRC flood and drainage asset performance during the Cyclone.

Decision Making Process

7. 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:
 - 7.1. Given the items were specifically considered by the Māori Committee on 3 May 2023, Council can exercise its discretion and make decisions without consulting directly with the community in accordance with the following recommendations made by the Māori Committee.

Recommendations

The Māori Committee recommends that Hawke's Bay Regional Council:

1. Receives and notes the *Report and recommendations from the Māori Committee*.
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.

Nomination of Māori Committee representatives to Council's committees

3. Confirms the appointments of representatives of the Māori Committee, being:
 - 3.1. Roger Maaka and Paul Kelly as members of the Climate Action Joint Committee, and Marei Apatu as alternate.
 - 3.2. Katarina Kawana and Peter Eden as members of the Cyclone Recovery Committee.

Authored by:

Peter Martin
Senior Governance Advisor

Approved by:

Leeanne Hooper
Team Leader Governance

Attachment/s

There are no attachments for this report.

Subject: Report and recommendations from the Risk and Audit Sub-committee

Reason for Report

1. The following matters were considered by the Risk and Audit Sub-committee (RAS) on 10 May 2022 and are now presented for the Council's information alongside any additional commentary the Sub-committee Chair wishes to offer.

Agenda items

2. The **Confirmation of the Risk & Audit Sub-committee Terms of Reference** item considered the Terms of Reference adopted by Council on 16 November 2022, and discussions covered:
 - 2.1. reporting lines for the sub-committee should be direct to Council
 - 2.2. the advice of the Auditor General is that Risk and Audit committees should be chaired by an independent person
 - 2.3. meetings should be quarterly to feed into audit processes, twice a year is not sufficient
 - 2.4. the purpose of RAS is to cover financial and non-financial risks
 - 2.5. it is timely to carry out a review of the Terms of Reference for RAS in order to have a new ToR resolved by Council on 28 June and in effect at the beginning of the 2023-24 financial year.
3. The **2022-2023 Enterprise Internal Audit Plan update and proposed 2023-2024 plan** item presented an updated 2022-2024 Audit Universe updating the status of internal audits on the 2022-23 plan and identifying proposed reviews and audits for inclusion on the 2023-24 plan. Additional detail (type of review, scope commencement date, etc) is attached as requested by the sub-committee. Through discussions, the sub-committee agreed that the Health and Safety Audit intended to have been carried out in the 2022-23 financial year will now be completed by October 2023.
4. The **Treasury Compliance Report for the period 1 January - 31 March 2023** item reported on compliance monitoring of HBRC Treasury activity and the performance of Council's investment portfolio.
5. The **Organisational Change Consolidation and Prioritisation Internal Audit findings** item presented the draft internal audit report and advised that a completed internal audit report with actions approved by the Executive Leadership Team will be presented to the next RAS.
6. The **Audit Plan for the 2022-2023 Annual Report** presented by Ernst Young noted that the audit of the Annual Report has commenced and that it is expected the Annual Report audit will be completed in time for HBRC to meet the 31 October statutory deadline.
7. The six-monthly **Enterprise Risk Report** item considered in a Public Excluded session presented HBRC's key residual risks as of April 2023 and highlighted:
 - 7.1. There are nine high rated residual risks – an increase of eight risks since the August 2022 report. This heightened risk profile was largely attributed to the direct impact Cyclone Gabrielle has had on HBRC since 14 February 2023. The Chair of the RAS requested that an additional risk of public safety be considered and how this is embedded within our framework.
 - 7.2. Staff are proactively managing the cyclone-related high risks by integrating risk impacts into Cyclone Gabrielle key response and recovery decisions. Consequently, at least five of the newly-reported high risks will reduce to medium over the next quarter.

- 7.3. The RAS noted the elevated Legal Compliance risk and requested a remediation plan to reduce this risk be presented at the next RAS meeting.
8. The RAS queried the scope and performance of the risk policy and framework and requested a workshop, both internally to improve understanding, but engagement with an external local government risk expert to ensure our risks are fit for purpose and Council has an opportunity for top-down risk understanding. The workshop will work through the current risk policy and framework to identify potential areas for improvement.
9. The **Internal Assurance corrective actions update** item, considered in a Public Excluded session, noted that in general, progress is being made by the business to close out actions from previous internal audits and that further work is to be carried out to close down long-standing actions.
10. The **Privacy event** item considered in a Public Excluded session advised of a potential privacy issue that occurred during the Cyclone Gabrielle and noted that, to date, the investigation into the issue has not identified any actual information breach. Under advice from HBRC's Legal Counsel, notification of the potential breach was sent to the Privacy Commissioner on 19 April 2023, and HBRC Legal Counsel has updated the Commission with remediation steps identified, in progress and completed. The Commission verbally advised it was satisfied with the remediation plan presented by Legal Counsel.

Decision Making Process

11. 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:
 - 11.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 11.2. The use of the special consultative procedure is not prescribed by legislation.
 - 11.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 11.4. Councils may appoint the committees, subcommittees, and other subordinate decision-making bodies that they consider appropriate, including joint committees (LGA sch.7 cl. 30(1)(a)).
 - 11.5. The items were specifically considered by the Risk and Audit Sub-committee on 10 May 2023.
 - 11.6. Given the provisions above, the Council can exercise its discretion and make these decisions without consulting with the community or others having an interest in the decisions.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and notes the *Report from the Risk and Audit Sub-committee* staff report.
2. Requests that staff carry out a review of the Terms of Reference for the Audit and Risk Sub-committee in accordance with:
 - 2.1. advice from the Office of the Auditor General, including that the Chair should be independent
 - 2.2. the Sub-committee reporting directly to Council
 - 2.3. the purpose of RAS which is to cover financial and non-financial risks
 - 2.4. presenting a proposed Terms of Reference for Council adoption on 28 June 2023.

3. Receives and accepts the additional information provided by staff to support the **proposed 2023-2024 plan** and confirms that the *2023-2024 Audit and Assurance Plan* includes:
 - 3.1. Data Analytics Internal Audit
 - 3.2. An independent review of HBRC Flood Protection and Drainage Schemes' performance during Cyclone Gabrielle
 - 3.3. A review of the HB CDEM Group Cyclone Gabrielle response – lessons learnt
 - 3.4. Heretaunga Plains Flood Control Scheme review
 - 3.5. Cyclone Gabrielle flood report
 - 3.6. HBRC internal review – timeline of events
 - 3.7. Telemetry Resilience review
 - 3.8. Hydrometric review.

Authored by:

Olivia Giraud-Burrell
Quality & Assurance Advisor

Leeanne Hooper
Team Leader Governance

Helen Marsden
Risk & Corporate Compliance Manager

Andrew Siddles
Chief Information Officer

Approved by:

Susie Young
Group Manager Corporate Services

Attachment/s

- 1 [!\[\]\(039cd6b2e7148ba5690aa619b922c426_img.jpg\)](#) HBRC's Assurance Universe as at 1 May 2023

Assurance Universe as at 23 May 2023

Risk No	Risk Title	Residual Risk Assessment	2022-23	2023-24	Assurance Category	Who	Scope	Timeline of Review	Report Due Date
1A	Strategic – Decision	High							
1B	Strategic – Implementation	High	Organisational Change Consolidation & Prioritisation		HBRC Internal Auditor	Crowe	1.1 Opportunities to strengthen decision making to ensure organisational change effectively drives the creation of value while ensuring the organisation is protected from undue risk, e.g. impact on people, compliance, etc, which is sometimes referred to as 'risk in change'. 1.2 The audit did not cover the strategic decision-making process on each individual organisational change initiative and project management process as that was out of scope.	1 month	March 2023 - Draft received
2	Financial	Medium	Audit NZ – External Financial Audit	Audit NZ – External Financial Audit	External Auditor	Earnest & Young	Obtain reasonable assurance of detecting misstatements that we believe could be, individually or in aggregate, material to the financial statements.	1.5 months	End of October 2023
3	Regulatory (RMA) HB Regional Policy & Compliance	High							
4	ARCHIVED Strategic Partnerships								
5	Information Not Fit for Purpose	Medium							
6	Core ICT Services	Medium							
7	Legal compliance	High							
8	Business Interruption HBRC	High		Review 4 - HBRC Internal Review – Timeline of Events		HBRC Internal Staff	Factual account/timeline of events prior to and post 14th February in relation to: 8.1 What information was received and by whom leading into the 14/2/2023. 8.2 What information was shared with whom and how on the night of 14/2/2023. 8.3 What instructions were received and given on the night of 14/2/2023.	1 month	April 2023
9	People Capability/Capacity	High							
10	Fraud	Medium	Data Analytics	Data Analytics	HBRC Internal Auditor	Crowe	Data Analytics exercise over payroll and payables master and transactional data to identify potentially suspicious relationships, trends and transactions for the year.	1 month	Late July 2023
11	H&S & Wellbeing and Public Safety	High	Health and Safety Review		Unknown TBC		Unknown TBC	1-2 months	October/November 2023
12	Assets/Infrastructure	High		Review 1 - Government lead Enquiry/Coronial Enquiry	Section 17a	Independent external – appointed by Government	End to End review of Civil Defence including all supporting functions (lifelines, TA's) to event. This could be a nationwide review or localised and will focus on the Civil Defence	1-2 months	Unknown
				Review 2 - CDEM Joint Committee – lessons learnt		CDEM team lead	Focused operational review of CDEM team response – operational response and what happened with objective to learn and improve controls and systems	1-2 months	May 2023 plus
				Review 3 - HBRC Council - Independent Review on HBRC Stop Banks and Flood Protection Schemes		Unknown TBC	To examine and report on: 12.1 the causes for the breaches of the stop banks on the Tutaekuri and Ngaruroro rivers, and the performance of the flood control schemes for the Esk and during Cyclone Gabrielle, 12.2 the operation of the river and stream level monitoring, communication and alert systems and protocols for potentially affected communities (including within the Esk Valley and Wairoa townships) during Cyclone Gabrielle, and 12.3 recommendations for more resilient future longer term flood protection (control and drainage) infrastructure and associated land use within affected catchments	6 months	Phase 1 May 2023 Phase 2 September 2023
				Review 5 - Heretaunga Plains Flood Control Scheme Review		External consultant and peer reviewed supported by staff	12.4 Review of the event and response of the schemes 12.5 Review of the Scheme Infrastructure to identify options and improvements including costs to our scheme assets to improve performance for over design events	12-18 months	September 2024
				Review 5a - Cyclone Gabrielle Flood Report		Staff supported by sector staff/consultants	Document the extent and impact of the flood event. This is a Level of Service Measure (LOSM)	6 months	September 2023
13	Third parties/Contractors	Medium							

Assurance Universe as at 23 May 2023

Risk No	Risk Title	Residual Risk Assessment	2022-23	2023-24	Assurance Category	Who	Scope	Timeline of Review	Report Due Date
14	Regional Environmental Asset Protection and Resilience	High		Review 6 - Telemetry Resilience Review				3 months	August 2023
	Miscellaneous	N/A	ISO 9001:2015 Review	ISO 9001:2015 Revalidation	External Auditor	Telarc	Annual Review of the ISO 9001:2015 accreditation.	Earliest November 2023	November 2023

Subject: Report and recommendations from the Clifton to Tangoio Coastal Hazards Strategy Joint Committee

Reason for Report

1. The following matters were considered by the Clifton to Tangoio Coastal Hazards Strategy Joint Committee (Joint Committee) on 12 May 2022 and are now presented for the Council's consideration alongside any additional commentary the Joint Committee Chair wishes to offer.

Agenda items

2. The administrative items considered by the Joint Committee included acceptance of the Terms of Reference as amended with changes recommended by the Technical Advisory Group, and the Joint Committee resolved:
 - 2.1. The Clifton to Tangoio Coastal Hazards Strategy Joint Committee confirms this Terms of Reference (attached) for adoption to the three Partner Councils.
3. The Joint Committee also confirmed its members for the new triennium, and the elected deputy chairs Cr Hayley Browne from Napier City Council and Cr Alwyn Corban from Hastings District Council.
4. The **Timing for Strategy notification** item discussed the timeframe for notifying the proposed Clifton to Tangoio Coastal Hazards Strategy in August 2023. This timeframe was designed to enable HBRC to incorporate the outcomes of the strategy notification process into its 2024 Long Term Plan.
5. Following Cyclone Gabrielle, the February and April 2023 Joint Committee meetings were cancelled and capacity within Partner Councils has been severely constrained. As a result, an August 2023 notification for the Strategy cannot be achieved.
6. Taking into account a range of factors discussed in the paper, three new process/timing options for Strategy notification were presented and assessed:
 - 6.1. Option 1: Long Term Plan Alignment (April 2024)
 - 6.2. Option 2: Standalone Consultation (August 2024)
 - 6.3. Option 3: Annual Plan Alignment (March 2025)
7. The paper recommended Option 2, and this was endorsed by the Joint Committee.
8. Further discussion resulted in a recommendation that HBRC consider incorporating a funding provision for the Clifton to Tangoio Coastal Hazards Strategy into its upcoming Long Term Plan.
9. The primary reason for this recommendation was a concern that the delayed Strategy notification process would mean that outcomes could not be incorporated directly into HBRC's LTP, further delaying Strategy implementation.
10. The full report is provided as **Attachment 2** for reference.
11. The following additional items were considered in the same Joint Committee meeting:
 - 11.1. **Overview of the Clifton to Tangoio Coastal Hazards Strategy** which provided context background to the Strategy development process, and discussion on current workstreams.
 - 11.2. **Project Manager's update** which provided a status update on the Strategy from a project management perspective, noting critical risks around timeframes in particular given that

the August 2023 target for notification would no longer be met.

- 11.3. **Communication and engagement update** which summarised engagement activity since late 2022 and that a new communications and engagement plan was in development
- 11.4. **Current coastal projects update** which provided status updates on key coastal projects that Joint Committee are tracking.

Decision Making Process

- 12. 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:
 - 12.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 12.2. The use of the special consultative procedure is not prescribed by legislation.
 - 12.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 12.4. The items were specifically considered by the Clifton to Tangoio Coastal Hazards Strategy Joint Committee on 12 May 2023.
 - 12.5. Given the provisions above, the Council can exercise its discretion and make these decisions without consulting with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

- 1. Receives and notes the *Report and recommendations from the Clifton to Tangoio Coastal Hazards Strategy Joint Committee* staff report.
- 2. Adopts the amended Terms of Reference (attached) for the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.
- 3. Accepts the recommendations of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee that Hawke's Bay Regional Council:
 - 3.1. Delays notification of the Clifton to Tangoio Coastal Hazards Strategy for consultation to August/ September 2024.
 - 3.2. Considers incorporating a funding provision for the Clifton to Tangoio Coastal Hazards Strategy into its 2024-2034 Long Term Plan.

Authored by:

Simon Bendall
Coastal Hazards Strategy Project Manager

Monique Thomsen
Executive Assistant

Approved by:

Chris Dolley
Group Manager Asset Management

Attachment/s

- 1 [📄](#) 2023 Clifton to Tangoio Coastal Hazards Strategy Joint Committee ToR for adoption
- 2 [📄](#) Timing for strategy notification 12 May 2023 agenda item

Terms of Reference for the Clifton to Tangoio Coastal Hazards Strategy Joint Committee

As adopted by resolution of:

Hastings District Council, ...

Napier City Council, ...

Hawke's Bay Regional Council, 31 May 2023

1. Definitions

For the purpose of these Terms of Reference:

- 1.1 **Act** means the Local Government Act 2002
- 1.2 **Administering Authority** means Hawke's Bay Regional Council
- 1.3 **Coastal Hazards Strategy** means the Coastal Hazards Strategy for the Hawke Bay coast between Clifton and Tangoio¹
- 1.4 **Council member** means an elected representative appointed by a Partner Council
- 1.5 **Hazards** means natural hazards with the potential to affect the coast, coastal communities and infrastructure over the next 100 years, including, but not limited to, coastal erosion, storm surge, flooding or inundation of land from the sea, and tsunamis; and includes any change in these hazards as a result of sea level rise
- 1.6 **Joint Committee** means the group known as the Clifton to Tangoio Coastal Hazards Strategy Joint Committee set up to recommend both draft and final strategies to each Partner Council.
- 1.7 **Member** in relation to the Joint Committee means each Council Member and each Tangata Whenua Member.
- 1.8 **Partner Council** means one of the following local authorities: Hastings District Council, Napier City Council and Hawke's Bay Regional Council
- 1.9 **Tangata Whenua Appointer** means:
 - 1.9.1 The trustees of the Maungaharuru-Tangitū Trust, on behalf of the Maungaharuru-Tangitū Hapū
 - 1.9.2 Mana Ahuriri Incorporated, on behalf of Mana Ahuriri Hapū
 - 1.9.3 Heretaunga Tamatea Settlement Trust, on behalf of the hapū of Heretaunga and Tamatea
- 1.10 **Tangata Whenua member** means a member of the Joint Committee appointed by a Tangata Whenua Appointer.

2. Name and status of Joint Committee

- 2.1 The Joint Committee shall be known as the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.
- 2.2 The Joint Committee is a joint committee under clause 30(1)(b) of Schedule 7 of the Act.

¹ The Coastal Hazards Strategy is further defined in Appendix 1 to these Terms of Reference.

3. Partner Council Members

- 3.1 Each Partner Council shall appoint three Council members and one alternate to the Joint Committee.
- 3.2 If not appointed directly as Council members, the Mayors of Hastings District Council and Napier City Council and the Chairperson of Hawke's Bay Regional Council are ex officio Council members.
- 3.3 Under clause 30(9) Schedule 7 of the Act, the power to discharge any Council member on the Joint Committee and appoint his or her replacement shall be exercisable only by the Partner Council that appointed the member.

4. Tangata Whenua members

- 4.1 Each Tangata Whenua Appointer may appoint one member to sit on the Joint Committee.
- 4.2 Each Tangata Whenua Appointer must make any appointment and notify all Tangata Whenua Appointers and Partner Councils in writing of the appointment.
- 4.3 The Tangata Whenua members so appointed shall be entitled to vote.
- 4.4 Under clause 30(9) Schedule 7 of the Act, the power to discharge any Tangata Whenua member on the Joint Committee and appoint his or her replacement shall be exercisable only by the Tangata Whenua Appointer that appointed the member.

5. Purpose of Terms of Reference

- 5.1 The purpose of these Terms of Reference is to:
 - 5.1.1 Define the responsibilities of the Joint Committee as delegated by the Partner Councils under the Act.
 - 5.1.2 Provide for the administrative arrangements of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee as detailed in Appendix 2.

6. Delegated authority

The Joint Committee has the responsibility delegated by the Partner Councils for:

- 7.1 Guiding and providing oversight for the key components of the coastal hazards strategy including:
 - 7.1.1 The identification of coastal hazards extents and risks as informed by technical assessments
 - 7.1.2 A framework for making decisions about how to respond to those risks
 - 7.1.3 A model for determining how those responses shall be funded; and on a plan for implementing those responses when confirmed
- 7.2 Considering and recommending a draft strategy to the Hawke's Bay Regional Council for public notification and consultation
- 7.3 Advocating for and/or advancing the objectives of the Strategy by submitting on and participating in processes, including but not limited to:
 - 7.5.1 Council long term plans
 - 7.5.2 Council annual plans
 - 7.5.3 District and regional plan and policy changes
 - 7.5.4 Reserve management plans

- 7.5.5 Asset management plans
- 7.5.6 Notified resource consent applications
- 7.5.7 Central Government policy and legislation
- 7.6 Investigating and securing additional sources of funding to support strategy implementation.
- 7. Powers not delegated

The following powers are not delegated to the Joint Committee:

 - 8.1 Any power that cannot be delegated in accordance with clause 32 Schedule 7 of the Local Government Act 2002
 - 8.2 The determination of funding for undertaking investigations, studies and/or projects to assess options for implementing the Clifton to Tangoio Coastal Hazards Strategy.
- 8. Remuneration
 - 9.1 Each Partner Council shall be responsible for remunerating its representatives on the Joint Committee and for the costs of those persons' participation in the Joint Committee.
 - 9.2 The Administering Authority shall be responsible for remunerating the Tangata Whenua members.
- 10. Meetings
 - 10.1 The Hawke's Bay Regional Council standing orders will be used to conduct Joint Committee meetings as if the Joint Committee were a local authority and the principal administrative officer (Chief Executive) of the Hawke's Bay Regional Council or his or her nominated representative were its principal administrative officer.
 - 10.2 The Joint Committee shall hold all meetings at such frequency, times and place(s) as agreed for the performance of the functions, duties and powers delegated under this Terms of Reference.
 - 10.3 Notice of meetings will be given as far in advance as possible to all Joint Committee members, and in accordance with the provisions of the Local Government Official Information and Meetings Act.
 - 10.4 Members, or their confirmed alternates, will attend all Joint Committee meetings.
 - 10.4 The quorum shall be 6 Members, provided that at least one Partner Council member is present from each Partner Council.
- 11. Voting
 - 11.1 In accordance with clause 32(4) Schedule 7 of Act, at meetings of the Joint Committee each Council member has full authority to vote and make decisions within the delegations of the Terms of Reference on behalf of the Partner Council without further recourse to the Partner Council.
 - 11.2 Where voting is required, each member has one vote.
 - 11.4 Best endeavours will be made to achieve decisions on a consensus basis.
 - 11.5 The Chairperson at any meeting has a deliberative vote and, in the case of equality of votes, may use a casting vote.
- 12. Chairperson and Deputy Chairperson
 - 12.1 The Chairperson of the Joint Committee will be one of the Hawke's Bay Regional Council members as elected and appointed by Hawke's Bay Regional Council.

12.2 At the first meeting of the Joint Committee the members shall elect up to two Deputy Chairpersons.

12.2 The mandate of the Chairperson and Deputy Chairperson ends if that person, through resignation or otherwise, ceases to be a member of the Joint Committee.

13. Reporting

13.1 All reports to the Committee shall be presented via the Technical Advisory Group².

13.2 Following each meeting of the Joint Committee, the Project Manager shall prepare a brief summary report of the business of the meeting and circulate that report, for information, to each member. Such reports will be in addition to any formal minutes prepared by the Administering Authority, which will be circulated to Joint Committee representatives.

13.3 The Technical Advisory Group shall ensure that the summary report required by 13.2 is also provided to each Partner Council for inclusion in the Agenda for the next available Council meeting. A Technical Advisory Group Member shall attend the relevant Council meeting to speak to the summary report if requested and respond to any questions.

14. Good faith

14.1 In the event of any circumstances arising that were unforeseen by the Partner Councils, the Tangata Whenua Appointers, or their respective representatives at the time of adopting this Terms of Reference, the Partner Councils and the Tangata Whenua Appointers and their respective representatives hereby record their intention that they will negotiate in good faith to add to or vary this Terms of Reference so to resolve the impact of those circumstances in the best interests of the Partner Councils and the Tangata Whenua Appointers collectively.

15. Variations to the Terms of Reference

15.1 Any member may propose a variation, deletion or addition to the Terms of Reference by putting the wording of the proposed variation, deletion or addition to a meeting of the Joint Committee.

15.2 Amendments to the Terms of Reference may only be made with the approval of all Members.

16. Recommended for Adoption

16.1 The Clifton to Tangoio Coastal Hazards Strategy Joint Committee, made up of the following members, confirms this Terms of Reference for adoption to the three Partner Councils.

Maungaharuru-Tangitū Trust (MTT) represented by Ms Tania Hopmans

Hastings District Council represented by councillors Alwyn Corban, Ann Redstone and Malcolm Dixon, and councillor Tania Kerr as alternate

Mana Ahuriri Trust represented by Evelyn Ratima

Napier City Council represented by councillors Nigel Simpson, Hayley Browne and Keith Price and councillor Annette Brosnan as alternate

Heretaunga Tamatea Settlement Trust represented by Gilvrey Mohi

Hawke's Bay Regional Council represented by councillors Jerf van Beek, Xan Harding and Charles Lambert, and Sophie Siers as alternate

² A description of the Technical Advisory Group and its role is included as Appendix 2 to these Terms of Reference.

Appendix 1 – Project Background

1. Project Goal

- 1.1 A Clifton to Tangoio Coastal Hazards Strategy is being developed in cooperation with the Hastings District Council (HDC), the Hawke's Bay Regional Council (HBRC), the Napier City Council (NCC), and Maungaharuru-Tangitū Trust (MTT), Mana Ahuriri Trust and Heretaunga Tamatea Settlement Trust representing Mana Whenua. This strategy is being developed to provide a framework for assessing coastal hazards risks and options for the management of those risks for the 105 years from 2015 to 2120.
- 1.2 The long term vision for the strategy is that coastal communities, businesses and critical infrastructure from Tangoio to Clifton are resilient to the effects of coastal hazards.

2. Project Assumptions

The Coastal Hazards Strategy will be based on and influenced by:

- 2.1 The long term needs of the Hawke's Bay community
- 2.2 Existing policies and plans for the management of the coast embedded in regional and district council plans and strategies
- 2.3 Predictions for the impact of climate change
- 2.4 The National Coastal Policy Statement.

3. Project Scope

The Coastal Hazards Strategy is primarily a framework for determining options for the long term management of the coast between Clifton and Tangoio. This includes:

- 3.1 Taking into account sea level rise and the increased storminess predicted to occur as a result of climate change, an assessment of the risks posed by the natural hazards of coastal erosion, coastal inundation and tsunami.
- 3.2 The development of a framework to guide decision making processes that will result in a range of planned responses to these risks.
- 3.3 The development of a funding model to guide the share of costs, and mechanisms to cover those costs, of the identified responses.
- 3.4 The development of an implementation plan to direct the implementation of the identified responses.
- 3.5 Stakeholder involvement and participation.
- 3.6 Protocols for expert advice and peer review.
- 3.7 An action plan of ongoing activity assigned to various Members.

4. The Strategy will:

- 4.1 Describe a broad vision for the coast in 2120
- 4.2 Describe the possible effects of coastal hazards and sea level rise, and propose responses to those risks under a Dynamic Adaptive Policy Pathways (DAPP) framework.
- 4.3 Set out proposed funding principles based on the requirements of the Local Government Act 2002 and a proposed funding model for Strategy implementation that gives effect to those principles.

- 4.4 Propose policies to guide any intervention to mitigate the impact of coastal processes and hazards through the following regulatory and non-regulatory instruments:
 - 4.1.1 Regional Policy Statement
 - 4.1.2 District Plans
 - 4.1.3 Council long-term plans
 - 4.1.4 Infrastructure Development Planning (including both policy and social infrastructure networks).
- 4.5 Describe how the Strategy will be implemented and a monitoring and review process.

Appendix 2 - Administering Authority and Servicing

- 1 The administering authority for the Clifton to Tangoio Coastal Hazards Strategy Joint Committee is Hawke's Bay Regional Council.
- 2 The administrative and related services referred to in clause 16.1 of the conduct of the Joint Committee under clause 30 Schedule 7 of the Local Government Act 2002 apply.
- 3 Until otherwise agreed, Hawke's Bay Regional Council will cover the full administrative costs of servicing the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.
- 4 A technical advisory group (TAG) will service the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.
- 5 The TAG will provide for the management of the project mainly through a Project Manager. TAG will be chaired by the Project Manager, and will comprise senior staff representatives from each of the participating councils and other parties as TAG deems appropriate from time to time. TAG will rely significantly on input from coastal consultants and experts.
- 6 The Project Manager and appropriate members of the TAG shall work with stakeholders. Stakeholders may also present to or discuss issues directly with the Joint Committee.
- 7 Functions of the TAG include:
 - 7.1 Providing technical oversight for the Strategy.
 - 7.2 Coordinating agency inputs particularly in the context of the forward work programmes of the respective councils.
 - 7.3 Ensuring Council inputs are integrated.



Clifton to Tangoio Coastal Hazards Strategy Joint Committee

12 May 2023

Subject: Timing for strategy notification

Reason for Report

1. This paper presents options for the Joint Committee to consider and then recommend its preferred option to the Hawke's Bay Regional Council for the timeframe and process to finalise the Clifton to Tangoio Coastal Hazards Strategy.

Background

2. As previously reported to the Joint Committee (in the last triennium), the Strategy has been tracking towards an August 2023 public notification process.
3. This timeframe was based on the following factors:
 - 3.1. Expectations of the community and Community Assessment Panels, who made recommendations over five years ago as outlined in their 2018 report.
 - 3.2. The subsequent work of the Technical Advisory Group (TAG) and Joint Committee to:
 - 3.2.1. Confirm responsibility for Strategy implementation between the Partner Councils; and
 - 3.2.2. Develop the implementation details for the Panel's recommendations, including concept designs, refined costings, adaptation thresholds, and other work.
 - 3.3. The development of a funding model for Strategy implementation.
4. TAG has previously presented the following process and programme to compile a final Strategy for notification (Table 1) to the Joint Committee and HBRC.

Table 1: Proposed Strategy Development Approach – February to October 2023

Step	Process	Proposed Timing
Content Development		
1	Strategy content for each section workshopped with the Joint Committee in the first instance	Feb ->
2	MTT, MAI, HTST, NCC & HDC can request dedicated workshops on specific content at any stage. Presumption that Joint Committee participation is otherwise sufficient	Feb ->
3	Final workshop on content for each section held with HBRC	Feb ->

Step	Process	Proposed Timing
Strategy Adoption		
4	Content compiled into final draft Strategy document by TAG	May
5	HBRC hold preliminary workshop on full Strategy document	May
6	Endorsement for Strategy sought from Joint Committee, then NCC & HDC	June/July
7	HBRC adopt final Strategy document for notification	August
8	HBRC hold hearings	Sept.
9	HBRC adopt final Strategy	October

5. The timeframe outlined in Table 1 was designed to enable HBRC to incorporate the outcomes of the Strategy notification process into its 2024 Long Term Plan (LTP). This is a key process step, as it is required to introduce Strategy implementation as a significant new activity for HBRC and to secure funding for commencing consenting and construction works under the Strategy.
6. The most significant remaining piece of work to complete in 2023 is the funding model for Strategy implementation. TAG has engaged external expertise to assist with the process, which requires significant input from Council's financial teams and workshop time with the Joint Committee and HBRC councillors.
7. Following Cyclone Gabrielle, the February and April Joint Committee meetings were cancelled and capacity within Partner Councils has been severely constrained. As a result, an August 2023 notification for the Strategy cannot be achieved.
8. This paper seeks guidance from the Joint Committee on a revised timeframe for Strategy notification.

Discussion

9. With the August 2023 target not able to be achieved, TAG has sought to develop process/timing options for moving the Strategy forward into a public consultation process.
10. In determining options, the key considerations were:
 - 10.1. That coastal communities continue to face ongoing (and in some cases urgent) coastal hazard risks and issues.
 - 10.2. That the Strategy has already taken longer than anticipated to reach this point.
 - 10.3. That a balance is required between the need to progress the Strategy (with its long term focus) and the urgent and critical work faced by Cyclone-affected communities, Tangata Whenua and the Partner Councils.
 - 10.4. The resource demands associated with the key remaining workstream (i.e. developing the Strategy implementation funding model) and the capacity of Council (councillors and staff).
 - 10.5. The complex and unique factors associated with the upcoming 2024 LTP, which will include highly uncertain cyclone recovery costs.
 - 10.6. Alignment with other consultation processes being undertaken by Councils over this period, including LTP and Annual plan consultation.
11. With these factors in mind, TAG has identified three process/timing options for Strategy notification:
 - 11.1. **Option 1: Long Term Plan Alignment (April 2024)**
 - 11.2. **Option 2: Standalone Consultation (August 2024)**
 - 11.3. **Option 3: Annual Plan Alignment (March 2025)**

12. Each option is described and assessed following.

Option 1: Long Term Plan alignment

13. **Process:** Strategy notification with HBRC's next LTP.
14. **When:** Consultation in March/April 2024. Strategy implementation funding and transfer of assets and to come into effect from 1 July 2024.
15. **Benefits:** Least delay of all options. Allows funding model to be included in 2024 LTP.
16. **Disadvantages:** Will be very challenging to complete funding model development over this time period given limited capacity in councils. May not be the right timing to be consulting on a long term coastal-focused Strategy given more urgent focus on cyclone recovery. Tying the Strategy consultation to an LTP process creates a complex consultation process with a lot of information being put to the community over a short time period and risks either dominating the consultation at the expense of other topics or getting lost amongst other topics. Particularly challenging in this instance given cyclone recovery implications.
17. **Key Risks:** Limited engagement from community. High risk that Council does not have capacity to prepare funding model in time.

Option 2: Standalone Consultation

18. **Process:** Standalone Strategy notification + HBRC LTP amendment.
19. **When:** Consultation in August/September 2024. Strategy implementation funding and transfer of assets and to come into effect from 1 July 2025.
20. **Benefits:** Maintains Strategy consultation as a standalone process, which has been the Joint Committee's preference. Moderate delay. Provides additional time for development of funding model for Strategy implementation. Orderly process step towards strategy implementation which gives Partner Councils certainty and ability to build the asset transfer into the coming year's annual plan development.
21. **Disadvantages:** Additional consultation process on top of other council activity comes at cost in terms staff and councillor time and communication costs e.g. printing material, costs for targeted mail outs and creates consultive burden for community. Will occur too late for funding model to be included in 2024 LTP, requiring an audited LTP amendment to occur as part of Strategy consultation.
22. **Risks:** Delay in implementing Strategy creates additional pressures for at-risk communities.

Option 3: Annual Plan Alignment

23. **Process:** Notification with HBRC's 2025 Annual Plan + HBRC LTP amendment.
24. **When:** Consultation in March/April 2025. Strategy implementation funding to come into effect from 1 July 2025, transfer of assets to take effect 1 July 2026.
25. **Benefits:** Creates additional space for the Council and communities to recover from Cyclone Gabrielle. Saves costs by doing a concurrent consultation with Annual Plan (assuming councils will be consulting on their Annual Plan).
26. **Disadvantages:** Longest delay of all options. Will occur too late for funding model to be included in 2024 LTP, requiring an audited LTP amendment to occur as part of Strategy consultation. Creates uncertainty for partner councils when developing their annual plans as outcome of consultation unknown.
27. **Risks:** Delay in implementing Strategy creates additional pressures for at-risk communities. Risks losing momentum on Strategy development.

Recommended Option

28. TAG is acutely aware that coastal hazards issues are ongoing and will not wait for a Strategy to be put in place. Recent community meetings in Te Awanga and Westshore attended by members of TAG have highlighted the level of concern within communities about these risks. In this context, delaying the Strategy notification process is concerning, as it further delays Strategy implementation.
29. It is TAG's view that Option 1, while offering the least delay, also presents the highest risks that constrained capacity will prevent a comprehensive funding model from being developed and/or that the community consultation process will not be effective. On that basis, TAG recommends **Option 2**, as it offers the best balance of advantages and disadvantages and lowest risks.

Next Steps

30. The Joint Committee has previously directed the development of an Interim Response Plan to set out how any urgent coastal hazards issues (current or emerging) are monitored and effectively managed in the interim period before the Strategy is confirmed. This work is now more urgent and needs to cover a longer period of time. TAG is actively working on this Plan.
31. Once a process / timing option is confirmed, the following key next steps are recommended:
 - 31.1. An updated work programme is developed by TAG to set out how the revised timeframes will be met, to be presented to the next Joint Committee meeting.
 - 31.2. Affected communities and interested parties are advised of the revised timeframes, as part of an updated communications and engagement plan
 - 31.3. TAG reports to the Joint Committee on current, urgent coastal hazards issues within the Strategy area and how these will be monitored and managed in the interim period, e.g. Interim Response Plan.

Significance and Engagement Policy Assessment

32. The decision facing the Joint Committee now, to agree and recommend its preferred timing for strategy notification, has been considered against Hawke's Bay Regional Council's *Significance and Engagement Policy*, and staff consider that because the decision is consistent with the purpose of the Joint Committee it can be made without seeking feedback from interested or affected parties. Further, staff consider the three options do not vary significantly from each other and consultation on consultation would create further delay, primarily impacting interested or affected parties.

Decision Making Process

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 decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 33.3. The persons affected by this decision are all residents and ratepayers in the Clifton to Tangoio area and wider Hawke's Bay region.
 - 33.4. 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, the Joint Committee can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee:

1. Receives and considers the *Timing for Strategy Notification* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Recommends that Hawke's Bay Regional Council notifies the Clifton to Tangoio Coastal Hazards Strategy for consultation in August/September 2024 (option 2 in the decision paper).

Authored by:

Simon Bendall
Coastal Hazards Strategy Project
Manager

Desiree Cull
Strategy & Governance Manager

Approved by:

Chris Dolley
Group Manager Asset Management

Attachment/s

There are no attachments for this report.

Subject: Affixing of Common Seal**Reason for Report**

1. The Common Seal of the Council has been affixed to the following documents and signed by the Chair or Deputy Chair and Chief Executive or a Group Manager.

		Seal No.	Date
1.1	Staff Warrants		
	1.1.1 S. Jorgensen	4545	16 May 2023
	K. Halbert	4546	16 May 2023
	<i>(Delegations under Resource Management Act 1991 (Sections 34A(1) and 38(1); Maritime Transport Act 1994 (Section 33G(a); Building Act 2004 (Section 317B); Biosecurity Act 1993 (Sections 103 and 105); Civil Defence Emergency Management Act 2002 (s.86-92) and Local Government Act 2002 (Section 177))</i>		

2. The Common Seal is used twice during a Leasehold Land Sale, once on the Sale and Purchase Agreement and once on the Land Transfer document. More often than not, there is a delay between the second issue (Land Transfer document) of the Common Seal per property. This delay could result in the second issue of the Seal not appearing until the following month.
3. As a result of sales, the current numbers of Leasehold properties owned by Council are:
 - 3.1. No cross-lease properties were sold, with 63 remaining on Council's books.
 - 3.2. No single leasehold properties were sold, with 75 remaining on Council's books.

Decision Making Process

4. Council is required to make every decision in accordance with the provisions of Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within these sections of the Act in relation to this item and have concluded the following:
 - 4.1. Sections 97 and 88 of the Act do not apply
 - 4.2. Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others due to the nature and significance of the issue to be considered and decided
 - 4.3. That the decision to apply the Common Seal reflects previous policy or other decisions of Council which (where applicable) will have been subject to the Act's required decision-making process.

Recommendations

That Hawke's Bay Regional Council:

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. Confirms the action to affix the Common Seal.

Authored by:

Diane Wisely
Executive Assistant

Vanessa Fauth
Finance Manager

Approved by:

Bill Bayfield
Interim Chief Executive

Attachment/s

There are no attachments for this report.

Subject: HBRC Cyclone Gabrielle response & recovery financials update

Reason for Report

1. This item provides Council with an outline of:
 - 1.1. Costs incurred to date by Hawke's Bay Regional Council, with insight on areas of material spend and how these are funded, and
 - 1.2. Risks and issues arising from these activities.

Background

2. Costs of Cyclone Gabrielle including the Civil Defence Response are the responsibility of HBRC to manage and administer.
3. Each year HBRC receives \$2.9m as a targeted rate applied specifically for the purposes of Emergency Management. Prior to the cyclone the Emergency Management Reserve was \$800k overdrawn. This was already due to be discussed and a proposal to address developed.
4. As at 19 May 2023, HBRC has incurred over \$47.5m in costs associated with the CDEM response, HBRC's own response and the subsequent recovery work.
5. Reimbursement of eligible costs incurred will occur through Government. The Government, in accordance with Section 33 of the Guide to the National CDEM Plan will fund eligible welfare, other response and recovery-related costs incurred by a local authority:
 - 5.1. Eligible welfare (response) costs will be 100 per cent funded by the Government. E.g., caring for directly affected people (accommodating, transporting, feeding, and clothing people as a result of an emergency).
 - 5.2. Eligible other response costs will be 60 per cent funded by the Government (above the local authority's threshold) and 40 per cent funded by the local authority. E.g., precautions or preventive actions to reduce immediate danger to human life, where those precautions or actions were begun during the response period or immediately before the emergency.
 - 5.3. Eligible recovery costs will be 60 per cent funded by the Government (above the local authority's threshold) and 40 per cent funded by the local authority. E.g., Essential infrastructure recovery repairs.
6. Infrastructure costs are claimable via two avenues being:
 - 6.1. NEMA response (60%) – as per above, and
 - 6.2. Insurance cover.
7. Insurance cover exists for infrastructure, material damage and business interruption and Forestry to a total sum insured value of \$358m.
8. A draft breakdown of costs and how these are likely to be funded is included in attachment 1. Please note this is a work in progress as we get more information from Government and other agencies and progress our NEMA and insurance claims.

Analysis of Spend (as at 19 May 2023)

Interim Commitments Remaining	HBRC	CDEM	Total
Intrim PO Trackers		\$ 1,251,791	\$ 1,251,791
Other Commitments		\$ 1,402,240	\$ 1,402,240
T1 Commitments Outstanding			
Requisitions	\$ 756,827	\$ 52,175	\$ 809,002
Purchase Orders	\$ 16,072,708	\$ 276,191	\$ 16,348,899
Purchase Cards	\$ 922	\$ 14	\$ 936
T1 Actual Expenditure			
External Costs	\$ 14,787,542	\$ 7,071,435	\$ 21,858,977
Subtotal	\$ 31,617,999	\$ 10,053,846	\$ 41,671,844
T1 Internal Costs			
Internal Time	\$ 2,929,317	\$ 1,357,218	\$ 4,286,534
Staff Hours	40,864	18,316	59,180
Average Hourly Rate	\$ 72	\$ 74	\$ 72
Grand Total	\$ 34,547,315	\$ 11,411,063	\$ 45,958,379

CDEM Costs

9. Officers believe costs incurred for CDEM have now mostly been accounted for by way of purchase order and actual spend and don't believe any further material costs are likely to be incurred outside of the \$10.75m estimated total spend.
10. The Finance team are in the process of applying for reimbursement of Welfare costs from NEMA. Two applications for reimbursement have been submitted (total \$2.5m). NEMA have approved 41% of these costs within those claims to date.
11. The major issues HBRC are having with reimbursement pertain to key themes of set up and record keeping. When costs were being incurred in the initial phases of our response, no consideration of the subsequent NEMA claims process was a focus, (despite being aware of the rules) therefore significant retrospective work and challenge has been occurring specifically in the below areas.

Generators

- 11.1. The GECC has incurred significant costs acquiring generators from across NZ. From the outset of the Cyclone Gabrielle response, providing power through generators was a top priority. How these generators were allocated and the record keeping associated with the movement of these generators was, with hindsight, poorly disciplined. In some instances generators were allocated to entities who should not have received them through GECC, e.g. Miracle Water and Lineage Logistics.
- 11.2. In addition, for example over \$140k has been paid to a supplier for a 500kva generator delivered to a critical distribution company that staff now claim was never used.
- 11.3. NEMA has declined costs incurred by the GECC setting up generators for rest homes and pharmacies. Potentially, with hindsight, the GECC should not have provided these services, but the GECC staff making the decisions at this time were focused on the welfare and medical needs of the citizens of Hawke's Bay rather than who was subsequently going to be paying these costs.

- 11.4. It is not possible with the records kept, that HBRC can say with certainty where every generator was allocated and for what period. We are attempting to recover costs that the GECC incurred on behalf of commercial entities where this can be clearly established.

Distribution Centre and Bridge Pa Aerodrome Costs

- 11.5. The GECC has incurred significant costs setting up and running these facilities. Due to the widespread scale of the devastation caused by Cyclone Gabrielle, it was not possible to meet the welfare needs of the isolated/remote communities without these facilities. Section 33 eligibility criteria needs to be applied with this in mind, including the security and traffic management costs incurred.

Helicopter costs

- 11.6. During the declared emergency period FENZ coordinated flights from Bridge Pa and the Distribution Centre. A number of flights instructed through NEMA during the event are subsequently being declined for reimbursement. E.g MSD. These entities are, in turn, arguing back with HBRC that the GECC should be paying. As an example, the MSD flew staff on numerous flights to visit their clients. We have attempted the process of recovering these costs from the MSD and as a result we have been met by significant resistance.
- 11.7. NEMA have rejected a standby cost claim for a contracted helicopter company. Standby costs are critical in order to be able to ensure a swift response to life critical situations. This situation has now involved lawyers for the Commercial helicopter operator.
- 11.8. FENZ and NEMA used Cyclone Gabrielle to trial a new approach to managing flights, which has demonstrated shortcomings in the methodology especially when it comes to reconciling the amounts charged to tasks undertaken. HBRC are finding it extremely difficult to reconcile the costs incurred to the tasks undertaken. HBRC believe the cost of helicopters commissioned by FENZ should be met by NEMA less any costs we are able to recover from commercial entities. This is being discussed at senior levels with NEMA.
12. In addition to the above, we are aware of further legal advice that has been sought by a large supplier who believes that work undertaken by their specific company in assisting with Cyclone Gabrielle should be reimbursed by GECC or NEMA, despite this technically not been part of Section 33 costs.
13. **Any shortfall of non-reimbursement will be carried as an operational cost to our rate payers. Shortfalls will be funded by loan funding.**

Infrastructure repairs

14. Early on in our response, to enable rapid response to infrastructure on Day 1, HBRC deployed all current staff and machinery from the Works Group to respond immediately to restore stop banks and ensure our drainage pump stations resumed operations, albeit on generator and manual man-power operations.
15. NEMA advised HBRC that Works Group costs are not claimable Under Section 33 of the Civil Defence reimbursement framework given Works Group is an internal Council cost. Council costs are outside the eligibility criteria under section 33. This is resulting in \$3m, to date, that is not claimable through the Cyclone. This could be raised in insurance purposes however no proactive actions have been taken to address as yet.
16. To date, as per below, \$27,365k has been spent on infrastructure repairs across an array of our assets.

	Actual Expenses	Internal Time	Commitments	Total
CDEM Response	7,074,682	510,616	2,171,018	9,756,316
CDEM Recovery	36,247	4,680	3,353	44,279
HBRC Response	7,921,157	3,410,641	1,978,330	13,310,128
General expenses	683,023	2,761,395	704,732	4,149,151
Claim support	0	19,020	10,000	29,020
Waste management	748,471	71,484	10,000	829,955
Infrastructure emergency repairs	6,134,474	502,495	1,214,828	7,851,797
Stop banks	1,885,632	133,248	446,654	2,465,534
Pump stations	2,433,110	184,763	209,884	2,827,757
Drains and culverts	781,531	96,119	361,319	1,238,969
Rivers	678,145	48,255	119,377	845,776
Parks and trails	202,830	28,319	23,334	254,484
Dams	143,685	11,792	0	155,477
Forestry	9,540	0	54,260	63,800
Other emergency repairs	355,188	56,248	38,770	450,206
Monitoring equipment	107,216	25,011	33,561	165,789
Pole nursery	235,789	31,237	3,544	270,569
Harbourmaster	12,183	0	1,665	13,848
HBRC Recovery	7,312,503	275,234	16,749,489	24,337,225
General expenses	0	108,458	0	108,458
Waste management	606,904	29,012	4,079,028	4,714,944
Infrastructure rebuild	6,705,599	137,764	12,670,461	19,513,824
Stop banks	6,682,836	99,427	12,670,461	19,452,724
Pump stations	2,256	3,852	0	6,108
Parks and trails	20,508	7,557	0	28,064
General	0	26,928	0	26,928
HBRC Disaster recovery fund admin	25,000	86,784	5,000	116,784
Grand Totals	22,369,589	4,287,954	20,907,189	47,564,732

Insurance

17. Currently we have claims in progress under our Material Damage & Business Interruption Policy, Infrastructure Policy and Commercial Fleet Policy.
18. Material Damage & Business Interruption (MDBI) is currently made up of damage to our Pump Stations, Plant Equipment (including hired equipment) and Hydrology monitoring assets. We estimate the total claim amount to be in excess of \$10m. We have received a progress payment of \$250k to date against this policy.
19. The Pump Station assets and extra response costs we may have in relation to our Flood Critical Assets are able to be fully claimed under this MDBI policy and anything over and above our sum insured amount here are also covered by NEMA up to 60%. Ascertaining the exact cover is difficult at this point, however, we are provisioning for a small shortfall here in particular around the extra costs incurred to keep our pump stations working.

Infrastructure Policy

20. We have begun the insurance claim for this policy and have been focusing on the high value items as a priority. We are in the process of compiling the detailed information regarding our Stopbank repairs and have received a progress payment of \$4m in recognition of \$10m of damage to these assets to date. We are expecting the total costs to exceed policy limits and similar to paragraph 18. The costs over and above for Flood critical assets are covered 60% by NEMA. We are provisioning for a shortfall currently of \$11m which was included in our budget bids through the Recovery Agency.
21. We are not expecting a claim against our Forestry assets at this time based on initial assessments.

INFRASTRUCTURE	MATERIAL DAMAGE & BUSINESS INTERRUPTION	FORESTRY
Total Sum Insured Value = \$284m	Total Sum Insured Value = \$61m	Total Sum Insured Value = \$12.8m
Key assets <ul style="list-style-type: none"> • Stopbanks \$87m • Drains \$51m • Akmon Groynes \$74m • Pipelines \$11m • Tree Plantings \$21m 	Key assets in this policy as follows: <ul style="list-style-type: none"> • Pump stations \$17m • Hydro assets \$8m • Dalton St Office \$20m • Guppy Rd Depot \$4.5m • Waipatiki Farm Park \$2m • Regional Parks \$2m 	Key Forestry Assets <ul style="list-style-type: none"> • Lake Tutira Forest \$5.2m • Tangoio Reserve \$5.7m [Crown part owned]
Group - MW LASS	Group - HB Councils	HBRC Policy
Programme Group limit \$300m Limit of Liability \$100m	Primary Group Limit \$600m (annual aggregate)	\$12.8m covered
Principal Sub-limit \$65m (HBRC's loss limit)	Principal Sub-limit \$20m (HBRC's loss limit)	Windstorm cover may only be to max cover of \$3.5m. Trying to get clarity on this from insurer. TBC
40% insured on total limit only		
Excess \$1.5m (40% payable only)	Excess \$10k	Windstorm excess \$250k

Borrowing Undertaken

22. Since the Cyclone we have undertaken borrowing of \$35m.
23. Prior to the Cyclone we had been forecasting borrowing of approximately \$20m until June 2023.
24. We have borrowed this \$35m in four separate loans with \$25m on short term finance (180 days) while we assess future debt forecasts and what funding is available to come back in.
25. We envisage short-term borrowing to be repaid by NEMA and insurance payments.
26. We are currently looking at our maximum debt capacity calculations with PwC in anticipation of required debt profiling to support our Long Term Plan including HBRC capacity for any co-funding requirements by central government.

Decision-making Process

27. 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 the Hawke's Bay Regional Council receives and notes the *HBRC Cyclone Gabrielle response & recovery financials update* staff report.

Authored by:

Jess Bennett
Senior Manager - Finance Recovery

Chelsea Spencer
Senior Group Accountant

Chris Comber
Chief Financial Officer

Approved by:

Susie Young
Group Manager Corporate Services

Attachment/s

- 1 [Download](#) Cyclone Gabrielle Cost and Funding Summary 24 May 2023

Hawke's Bay Regional Council

Summary of Cyclone Gabrielle Costs and Funding

Summary of Cyclone Gabrielle Costs and Funding										Target Sources					
Area of Activity	Estimated Total Spend				Actual Expenses	Spend to Date		Total Spent / Committed	Reserves / Existing	Funding Sources Identified (Latest Estimate / Actual)				Total Identified	Funding Received
	2022/23	2023/24	Future Years	Total Estimate		Internal Time	Committed			NEMA	Insurance	Other Government	Other		
CDEM Response															
CDEM Emergency Response	10,750,000	-	-	10,750,000	7,110,929	515,296	2,174,370	9,800,595	-	5,000,000	-	-	-	5,000,000	578,296
HBRC Response															
HBRC Emergency Response	3,000,000	-	-	3,000,000	683,023	2,780,415	714,732	4,178,170	-	-	-	-	-	-	-
Initial Waste Management	1,000,000	-	-	1,000,000	748,471	71,484	10,000	829,955	-	-	-	829,955	-	829,955	-
Infrastructure Emergency Repairs	10,000,000	-	-	10,000,000	6,134,474	502,495	1,214,828	7,851,797	-	6,000,000	4,000,000	-	-	10,000,000	-
Other Emergency Repairs	500,000	-	-	500,000	355,188	56,248	38,770	450,206	-	-	-	-	-	-	-
Disaster Relief Fund Admin	300,000	-	-	300,000	25,000	86,784	5,000	116,784	-	-	-	-	-	-	-
HBRC Recovery															
General Recovery Costs	-	-	-	-	-	108,458	-	108,458	-	-	-	-	-	-	-
Waste Management	15,000,000	50,000,000	66,000,000	131,000,000	606,904	29,012	4,079,028	4,714,944	-	-	-	40,000,000	-	40,000,000	-
Infrastructure Rebuild	20,000,000	83,370,000	-	103,370,000	6,705,599	137,764	12,670,461	19,513,824	2,000,000	45,000,000	22,000,000	-	-	69,000,000	4,250,000
Support for Landowners	-	60,500,000	-	60,500,000	-	-	-	-	-	-	-	-	-	-	-
Build Back Better	-	198,000,000	297,000,000	495,000,000	-	-	-	-	-	-	-	-	-	-	-
Tangata Whenua Engagement	-	1,100,000	-	1,100,000	-	-	-	-	-	-	-	-	-	-	-
Recovery Support	-	5,940,000	-	5,940,000	-	-	-	-	-	-	-	-	-	-	-
Other Cyclone Related Initiatives	-	23,342,400	38,313,000	61,655,400	-	-	-	-	3,450,000	-	-	250,000	-	3,700,000	-
Regional Recovery Agency															
HBRRRA Mangement & Admin	300,000	1,200,000	-	1,500,000	-	-	-	-	-	-	-	1,500,000	-	1,500,000	1,500,000
Total HBRC Cyclone Related	60,850,000	423,452,400	401,313,000	885,615,400	22,369,588	4,287,956	20,907,189	47,564,733	5,450,000	56,000,000	26,000,000	42,579,955	-	130,029,955	6,328,296
NB: Funding Managed by HBRC															
HBRRRA Mgmt & Admin												1,500,000			1,500,000
Local Authorities Waste												70,600,000			56,480,000
Commercial Waste												62,600,000			-

Subject: Report from the Regional Transport Committee

Reason for Report

1. The following matters were considered by the Regional Transport Committee (RTC) on 12 May 2023 and are now presented for Council's consideration alongside any additional commentary that the Chair of the meeting, Councillor Jerf van Beek, wishes to offer.

Agenda items

2. The Committee heard a deputation from HB Airport, seeking another road access point (roundabout) at the northern end of the airport. The Committee supported the proposal which will be included in the Regional Land Transport Plan (RLTP) process.
3. The **Regional Transport Committee Terms of Reference (ToR) and member appointments** item was of an administrative nature, and provided the means for the Committee to confirm its membership.
4. The **NZTA Regional Relations Director's update** item provided an update on roading repairs and construction being undertaken in the wake of Cyclone Gabrielle and highlighted:
 - 4.1. Cyclone repairs are being carried out by an alliance of specific contractors to expedite work
 - 4.2. A draft SH5 Speed Reduction Impact Study (by Ernst & Young) is being considered by Waka Kotahi at present and will be released soon.
5. The **Regional Transport Programme May 2023 update** item is a regular feature which updates the committee on the various workstreams being undertaken by the Technical Advisory Group (TAG) including speed management and Transport Emissions Reduction planning.
6. The **Regional Land Transport Plan (RLTP) investment and delivery update** item allowed Committee members to consider and set the strategic direction and guidelines for the upcoming review of the RLTP and agree that:
 - 6.1. A new KPI that *there is a functioning roading network* is added to the Investment Logic Map (ILM) for the RLTP, and aiming for resilience to have a 60% weighting.
 - 6.2. If the Hastings MyWay bus service trial is viewed as successful, then the Napier MyWay could be included in the RLTP with TAG incorporating specifics for Napier beforehand instead of having a trial.
7. The **Regional Road Safety update** item provided an update on the implementation of RoadSafe Hawke's Bay's (RSHB) new strategic direction and 'by the community, for the community, within the community' approach to delivering road safety education and interventions including a full rebrand encompassing a new visual identity, a new brand message, tone of voice, and creative approach.
8. The **Public Transport update** item provided statistics and other details of public transport services in HB that have been affected by Cyclone Gabrielle.
9. The **Cyclone Gabrielle recovery update from KiwiRail** item allowed KiwiRail to provide a comprehensive overview of where Cyclone Gabrielle has damaged the rail network and what their rebuilding plans are. As well, the Committee took the opportunity to remind KiwiRail that it continues to advocate for the full reinstatement of the Napier to Gisborne rail line.

10. The **Verbal updates by Advisory Representatives** commentary largely related to commending Waka Kotahi and associated entities on the quick response to the roading damage caused by Cyclone Gabrielle.

Decision Making Process

11. 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 *Report from the Regional Transport Committee*.

Authored by:

Bryce Cullen
Transport Strategy & Policy Analyst

Leeanne Hooper
Team Leader Governance

Approved by:

Katrina Brunton
Group Manager Policy & Regulation

Attachment/s

There are no attachments for this report.

Subject: Report from the Regional Planning Committee

Reason for Report

1. This item provides a summary of discussions at the 17 May 2023 Regional Planning Committee (RPC) meeting and the opportunity for the Co-Chair to add additional context as they wish.

Agenda items for decision

2. The **RPC tangata whenua representation on Council's committees** item invited the RPC to nominate PSGE appointed members as members of the HBRC Cyclone Recovery (up to 2) and Corporate and Strategic (1) committees and the Climate Action Joint Committee (up to 2 plus 1 alternate) established by the five Hawke's Bay councils. This item was withdrawn
3. The **Fresh water Management Units** item sought the Committee's recommendation to the Regional Council that the six described Fresh Water Management Units be adopted however consideration of the item and associated decisions was deferred to the next scheduled RPC meeting.

Agenda items for information

4. The following agenda items were provided to the RPC for information only as summarised following.
5. The **Cyclone Gabrielle – Response, Recovery and Reviews** item presented work being undertaken in the aftermath of Cyclone Gabrielle. It was agreed that a letter will be sent to NEMA regarding the inadequate MetService rain forecasting prior to the cyclone under the signatures of the RPC Co-chairs.
6. The **May 2023 Policy Projects update** item presented an outline of projects involving reviews and/or changes under the Resource Management Act 1991 to the Hawke's Bay Resource Management Plan.
7. The **Kotahi Plan verbal update** item noted that work on this project had been paused due to the impacts of the Cyclone Gabrielle response and recovery on the community and on staff resourcing.
8. The **May 2023 Statutory Advocacy update** item presented updates on statutory advocacy projects Council is currently engaged in. This included national legislative and policy proposals, the Central Hawke's Bay District Plan review and other resource management proposals.

Decision Making Process

9. 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 that, given the items were specifically considered by the Regional Planning Committee on 17 May 2023, and this report is for information only, Council can exercise its discretion and make decisions without consulting directly with the community or others having an interest in those decisions.

Recommendations

That Hawke's Bay Regional Council receives and notes the *Report and recommendations from the Regional Planning Committee*.

Authored by:

Leeanne Hooper
Team Leader Governance

Jack Smith-Ballingall
Manager, Central & Internal Relationships

Approved by:

Pieri Munro
Te Pou Whakarae

Attachment/s

There are no attachments for this report.

Subject: Strategic projects report to 30 April 2023**Reason for Report**




1. This agenda item presents the Project Management Office's (PMO) *Strategic projects report for April 2023* for information.
2. HBRC's key strategic projects are tracked by the Project Management Office (PMO) and reported monthly throughout their lifecycle. These projects were selected because of their significance in terms of investment, risks, benefits, and interdependencies.

Points of Interest




3. Three new strategic projects have been added by the HBRC's Executive Leadership Team for monthly PMO tracking:
 - 3.1. HBRC Recovery Programme
 - 3.2. Recovery Claims – Insurance
 - 3.3. Recovery Claims – NEMA
4. Clifton to Tangoio Coastal Hazards Strategy has been moved to quarterly reporting due to the recommendation from the Joint Committee not to consult in 2023. Next report due June 2023.










Key

*Risk status is inherent (e.g. prior to mitigations and controls implemented) vs residual.

Performance Indicators (RAG):  = Off Track,  = At Risk,  = On Track




Status Change over last 6 months: how the status has tracked between September 2022 and March 2023.

Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months
1. HBRC Recovery Programme (Monthly reporting)				New strategic project
Project summary: The Recovery Programme coordinates and tracks recovery planning and community communication and engagement activities across HBRC. This connects and aligns this work under the Hawke's Bay Regional Recovery framework. Under this framework HBRC will be the lead agency for the Environmental Resilience pou, the supporting agency for the Primary Sector pou, and will input into relevant workstreams under the other pou that will make up the Regional Recovery Plans.				
1.1 HBRC Recovery Team was formed on 27 March 2023. Recovery workstream leads and supporting teams were identified and linked into the framework set by the HB Regional Recovery Agency (HBRRA). All councils were asked to develop first editions of Locality Plans and an HBRC Environmental Resilience Plan by 28 April 2023.				
1.2 These plans will inform the development of a region-wide recovery plan. Recovery initiatives were identified and cost estimates provided to HBRRA for funding application to central government and to quantify the cost of recovery priorities in the region.				
1.3 The first edition of the Environmental Resilience Plan was completed and submitted to HBRRA within the given deadline, of 28 April 2023. A supporting financial bids spreadsheet was also submitted to HBRRA on 14 April 2023.				
1.4 Recovery budget allocation still being determined.				
1.5 Risks are around lack of clarity, transparency and consistent guidance from HBRRA. Tight timeline to produce plan not allowing sufficient scoping of recovery initiatives and potentially funding needs were missed.				

Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months							
5. Kotahi Plan (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M	
				Sch							
				Risk							
				Bud							
Project summary: Developing a combined resource management plan for the Hawke’s Bay region. It will refresh how we manage the use and protection our natural and physical resources looking at all aspects of the environment. This includes land and freshwater, air, the coastal and marine area, climate change, biodiversity, urban form and development, natural hazards and risks, energy, transport, and infrastructure. Kotahi will combine and update the existing Regional Policy Statement, the Regional Resource Management Plan, and the Regional Coastal Environment Plan into one, while also giving effect to the new policies, planning and technical standards from central government.											
5.1 We are currently focusing efforts on the recovery which is necessary post Cyclone Gabrielle. As such the work which was programmed for Kotahi (the review of the Regional Policy Statement, Regional Resource Management Plan, Regional Coastal Environment Plan, including the freshwater policy development), has by and large been paused while staff resources have been re-prioritised to initial emergency response and now to the next phase of recovery.											
5.2 We acknowledge that there is still much to be done in this policy development space, but are cognisant of the needs of both mana whenua and the community who have been severely impacted by the cyclone and recognise the importance of allowing time for everyone to focus on the pressing matters of rebuilding, recovering and supporting whanau and community.											
Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months							
6. Land for Life (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M	
				Sch							
				Risk							
				Bud							
Project summary: A pilot on up to five farms with loans offered to landowners to plant trees on marginal land that can earn a return and enhance regenerative farming practices. Run in collaboration with The Nature Conservancy and the Ministry for Primary Industries to accelerate erosion control work and extend the programme to more farms.											
6.1 The repositioning efforts, farmer availability and consultancy capacity have delayed the project by several months. This is regarded as a positive so as to align with recovery efforts.											
6.2 Financial modelling, business case development and scale-up planning continue.											
6.3 The project is working with the catchment management team to overcome farmer engagement challenges, which are now progressing.											
6.4 Despite repositing and delays, the project is running under budget with surplus funds being available to support repositioning of the project and scale up efforts under guidance from the project's Steering Group, and MPI efforts to scale up pole nursery capacity and consider planting requirements.											
6.5 We continue to partner with organisations involved in developing lower cost methods for planting natives.											
6.6 The risks are farmer engagement around farm plans, and financial models that are the critical tasks since they inform Business Case development. Also the capacity within the HBRC, The Nature Conservatory and MPI to complete the Business Case before the end of June.											
Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months							
7. Regional Water Security Programme (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M	
				Sch							
				Risk							
				Bud							
Project summary: Investigating water supply options aiming to ensure Hawke’s Bay has long-term, climate-resilient, and secure supplies of freshwater for all. This supports the Kotahi Plan and includes:											
☐ exploring above ground, medium-scale water storage options in the Ngaruroro catchment for and on behalf of the community											
☐ setting up a Managed Aquifer Recharge (MAR) trial in Central Hawke’s Bay to determine whether MAR is a viable water storage option and can contribute to water security in the area											
We will also work with water users to drive more efficient and effective use to complement water storage following the completion of a comprehensive 40-year Regional Water Assessment.											
7.1 CHB Managed Aquifer Recharge (MAR): Review of draft consent conditions is underway. Technical review including proposed amendments is now complete. Input from mana whenua will be sought to ensure the cultural partnership is reflected appropriately in the consents to support and enduring relationship.											



Consent decision (potentially end of May) will be public, and communications are being prepared in advance in conjunction with key partners and stakeholders. Implementation/construction planning is progressing in parallel to consent process now we have the confidence a consent will be secured. The project continues to be exposed to the inflationary pressures, and budgets will need to be closely managed during the final design and construction phase.

- 7.2 *Heretaunga Water Storage*: Technical investigations on the alternate dam alignment at the preferred dam site are in the final stages with a draft report to be issued at the end of May/beginning of June. This will be technically peer reviewed before a recommendation paper is brought to Council in August/September for decisions on whether to commit to a full feasibility study or not. Funding will need to be secured to commit this project to a full feasibility study. A submission was made through the Regional Council resilience plan and will be prepared in more detail in September if the Council decision is to progress the development work to a feasibility phase. The terrestrial ecologist will be revisiting the site post-cyclone to provide initial observations as an addendum to their prefeasibility findings and assessment. Flow monitoring is being reinstated at the site having been swept away during the cyclone.
- 7.3 *Regional Water Assessment*: Revisions of the final Regional Water Assessment report have been completed post-cyclone and this report will be presented to Council in June when it will be released as a public report. An easy-to-read summary will also be released. A Water Demand Assessment report has been significantly delayed. Pressure is being applied to get this report completed by the end of the June 2023 and aims to provide a series of recommendations for potential water demand interventions. Separate funding has been allocated to progress recommendations that maybe prioritised.
- 7.4 Timelines have slipped due to a number of factors. All three projects continue to progress with the Regional Water Assessment and CHB MAR both achieving important milestones, and the conclusion of a significant body of technical work for Heretaunga Water Security due mid-year.

Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months						
8. Farm Environmental Management Plans (FEMP) (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M
				Sch						
				Risk						
				Bud						










Project summary: These aim to address environmental outcomes and actions to improve environmental performance on properties over 4 hectares initially within the Tukituki region in three-yearly submission cycles.




- 8.1 Auditing has begun, with 20 properties having a desktop assessment carried out. Feedback was provided to landowners after field assessments from November.
- 8.2 Legal advice supported HBRC approach to auditing and mandatory requirement for properties to undertake a FEMP audit.
- 8.3 We are awaiting final national regulations, due in May, for national farm plans, and Orders-in-Council to determine the next steps and timeframes for Tukituki, and regionwide roll out of freshwater farm plans.
- 8.4 Properties without a FEMP have been identified and are the main risk. This sits with the Compliance Team to follow up.

Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months						
9. Transport Choices (Monthly reporting)					F/M					
				Sch						
				Risk						
				Bud						

Project summary: HBRC secured funding of \$1.39 million from central government to upgrade eight bus stops in the region and create two new stops. The funding is part of a Transport Choices package included in the Government's Climate Emergency Response Fund (CERF) led by Waka Kotahi NZ Transport Agency.

- 9.1 The project is moving into the design with communications & engagement, and monitoring & evaluation plan ready for sign off by Waka Kotahi. The plans are largely templated for delivery assurance purposes.
- 9.2 Despite delays due to the impact of Cyclone Gabrielle, Waka Kotahi has allocated additional time to the schedule of work.
- 9.3 Once we have a costing for design implementation, a claim will be made for the funds once completed.
- 9.4 As the project is only just moving into the design phase, the budget is on track.
- 9.5 Risks are delays due to unavailable internal and external resources. This is not currently an issue, but presents a risk to the development of the project, as there is a strict timeline for completion.

Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months						
10. Revenue & Financing Policy/ Rates Review (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M
				Sch						
				Risk						
				Bud						
Project summary: First principles review of our Revenue and Financing Policy, and full review of our rating system. The aim is to improve transparency for who pays what, ensure legal compliance, simplify the Policy and provide more flexibility in applying the Policy. Consultation is planned to take place towards the end of 2023 prior to the next Long-Term Plan when the amounts rated for many Council services will likely change.										
10.1 Work has progressed on preparing for stage two workshops with Council.										
10.2 Project is tracking in line with revised timeline.										
10.3 Main risk is staff availability given other workloads. Employing additional staff to manage excel modelling.										
Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months						
11. Emissions Reduction Plan (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M
				Sch						
				Risk						
				Bud						
Project summary: HBRC secured funding of \$1.39 million from central government to upgrade eight bus stops in the region and create two new stops. The funding is part of a Transport Choices package included in the Government’s Climate Emergency Response Fund (CERF) led by Waka Kotahi NZ Transport Agency.										
11.1 Members of the practitioner group met with Climate Change Commission (CCC) staff in April to give feedback on CCC advice to government on next national emissions reduction plan.										
11.2 One practitioner’s group meeting was held to discuss progress on regional plan and deferred chapters.										
11.3 Paper was prepared for first Joint Committee for Climate Action meeting (22 May) updating on progress and outlining initial proposed emissions reduction actions.										
11.4 On track for presentation to Joint Committee at end of July with reduced scope. Plan is to develop deferred chapters (planning & infrastructure, building & construction, transport, agriculture, and forestry) is required.										
11.5 The reduced scope plan is now much more council-led than led by practitioner group so will require more community engagement once complete and we have not been able to achieve genuine mana whenua engagement in the workshops hosted pre-cyclone.										
Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months						
12. Enterprise Asset Management (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M
				Sch						
				Risk						
				Bud						
Project summary: Aims to embed an Asset Management Information System that integrates into and expands on the Enterprise Resource System (ERP) that was introduced during the Finance Upgrade Systems & Efficiency (FUSE) project. The goal is to improve efficiency, allowing us to confidently identify assets (both spatially and uniquely within a register), manage and maintain our current infrastructure through whole-of-life, and assess risk to determine when changes or additions are required.										
12.1 Project is behind original timelines due to the cyclone. The project plan is being rephased to respond to priority recovery and rebuild work as staff are returning from response focus. This will bring the project back on track and a focus on driving delivery.										
12.2 Asset Register build in sandpit (T1 pre-production) for priority assets (based on recovery strategy). This work is progressing well with a move to production proposed for May.										
12.3 An interim Work Package Generator has been designed and deployed to support Cyclone Gabrielle rebuild work. The requirements used to develop this solution will be reused to create and potentially fast track the final TechOne solution.										
12.4 Key risks are that two of the wider project team are leaving HBRC, creating some risk to change activity and solution delivery. The impact puts some pressure on key members within the team in the short-term.										
12.5 Other risks include the Asset Register data population slowing due to resource working on cyclone response activity. GIS and the Asset Management Register spreadsheet reveal disparity in numbers of assets reported between the two databases. Data synching is required to confirm data integrity with the master (T1 Asset Register).										

Project/Programme Title	Schedule	Risk*	Budget	Status change over last 6 months							
13. Synergy (Monthly reporting)					Sep	Oct	Nov	Dec	Jan	F/M	
				Sch							
				Risk							
				Bud							
Project summary: The enhancement of already implemented TechnologyOne modules to ensure a stable foundation for the future stages of the TechnologyOne ERP deployment at HBRC.											
13.1 Much of our resources were tied up in recovery work during April with some freeing up late April.											
13.2 Timelines and budgets are being revised due to resourcing impacts post-cyclone.											
13.3 Focus has been on reviewing a more modern OCR tool, review of Nav data tools, completing the payroll requirements.											
13.4 Risks remain around project resourcing as a key issue. There is a lack of dedicated project team members, high demand for resource support to complete project tasks, and regional recovery and BAU priorities making availability of Finance and ICT staff to support the project low.											

Key Strategic Projects – quarterly reporting	
Title	Summary
Ahuriri Regional Park	Working alongside Napier City Council and Mana Ahuriri Trust to redevelop the Lagoon Farm site into a Regional Park to address water quality issues in the Ahuriri Estuary, as well as enhance biodiversity, and cultural and recreational benefits for the community.
Clifton to Tangoio Coastal Hazards Strategy	Working in collaboration with coastal communities and local entities for more than eight years to develop the Clifton to Tangoio Coastal Hazards Strategy 2120. We now need to confirm which council or councils will take charge and lead this work, and we are undertaking consultation, proposing that HBRC should take charge of coastal hazard adaptation between Clifton and Tangoio, as recommended by an independent Funding Review. This would give the Regional Council the mandate to finalise the Strategy. This includes consulting the community on the full implications of implementation, such as the timing and detailed costs of physical works, and who pays for what through the Long-Term Plan 2024-2034 process.
TANK Plan Change (Policy)	<p>Proposed TANK Plan Change (PPC9) will add new rules to the Regional Resource Management Plan to manage water quality and quantity for the Tūtaekurī, Ahuriri, Ngaruroro and Karamū (TANK) catchments.</p> <p>TANK Plan Change (Implementation): TANK Sub-catchments Community Engagement - An external communications project, intended to inform rural landowners about the Proposed Plan Change 9 (PPC9) framework and to promote catchment group formation. It is a precursor to the overall PPC9 Implementation, the latter contingent on a decision awaited from Hearings Commissioners and any subsequent appeals.</p>

Key Strategic Projects - pipeline		
Title	Group	Estimated Start
Regional Water Efficiency Programme ('Future Water Use')	Asset Management (Water Security)	TBC
Biosecurity Information System	Integrated Catchment Management	TBC
Clive River Dredging 2030	Asset Management (Regional Assets)	TBC
On Demand Public Transport (Napier trial)	Policy & Regulation (Transport)	TBC
Urban Catchment Plans (Te Karamū & Ahuriri)	Asset Management (Regional Assets)	TBC

Decision-making Process

5. 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 *Strategic projects report to 30 April 2023*.

Authored by:

Sarah Bell
Acting Strategy & Governance Manager

Jason Doyle
Project Manager Policy & Planning

Approved by:

Desiree Cull
Executive Officer to CE

Attachment/s

There are no attachments for this report.

Subject: Significant organisational activities through June 2023**Reason for Report**

1. The following commentary is for Councillors' information to highlight significant areas of Council activity, particularly in response to Cyclone Gabrielle. Resources are directed toward various initiatives which reflect the Council's evolving agenda, and it is important that Council is consistently informed of progress in areas that have created or may create a high external profile.

Significant activities by group

Asset Management Group		
Project /Activity description	Significant upcoming milestone(s)	Team or Section
Napier urban waterways	1. All activities associated with the new resource consent compliance are on track.	Regional Assets
Clive River dredging	2. Decision item on the 31 May 2023 Regional Council Agenda as recommended by the Cyclone Recovery Committee.	Regional Projects
Wairoa	3. Asset inspections – final technical inspections have been completed by AMG. 4. Scheme reviews being carried out on Opoho and Ohuia schemes. 5. The new pump has arrived for the Ohuia Pump Station. 6. The Opoutama Stream woody debris is being mulched. 7. Plans are underway to clear the beach in Mahia.	Operations
Central Hawke's Bay	8. Makara – dewatering Dam #4 complete. Cyclone response de-siltation and track repair underway. 9. Cyclone stopbank and fencing repairs continuing. 10. Annual maintenance programme in progress.	Operations
Napier Meeanee NCC MOU	11. Reengaged with NCC with support from Morrison Low to develop the detailed business case.	GM
Gravel extraction	12. Industry meeting held on 21 April 2023. 13. Tangata Whenua Operational Groups inaugural meetings held on 12 May (Tukituki, Tūtaekurī, Ngaruroro). 14. Allocations for sustainable gravel extraction for the 2023-2024 FY will be finalised in May 2023.	Operations
Napier Meeanee Scheme Review	15. The completed review has been delivered by Stantec. 16. This is being reviewed and accepted.	Regional Assets
Hastings Karamu Scheme Review	17. A project plan has been created to deliver the scheme review. 18. Work has started on verifying assets and asset sizing prior to modelling, with staff ground truthing culverts and drainage channels. 19. Post Cyclone Gabrielle, this review will be rolled into the HTPFC scheme review.	Regional Assets

Asset Management Group		
Project /Activity description	Significant upcoming milestone(s)	Team or Section
Cyclone Gabrielle Response	<p>20. <i>Rapid Rebuild</i> of stopbanks continues to progress at pace. 18 breaches have been permanently repaired and all other breach sites in execution/construction phase (with exception of new breaches discussed below). All breaches on the Tūtaekurī and Ngaruroro Rivers are expected to be completed by mid June.</p> <p>21. A number of additional breaches have been identified in Central Hawkes Bay. 3 PODs are actively progressing repairs in a prioritised manner. Several of these repairs are on hold while additional technical assessments are completed.</p> <p>22. River and Waterway Assets inspections have been carried out. Further inspections have been identified and will be undertaken in the coming weeks.</p> <p>23. All of the inspections have been analysed and prioritised. A tool has been created to produce packages that can be incorporated into Works Authority or Tech One.</p> <p>24. Work is underway to scope and develop the packages and add costing to each of the packages developed.</p> <p>25. Pumpstations have been repaired to be able to undertake most of their functionality, as of pre-Gabrielle.</p> <p>26. A review of the pumpstations is underway. The outcome of this review will inform future development around the pumpstations.</p> <p>27. The drain silt excavation programme is underway as part of the recovery.</p> <p>28. Asset Management Maintenance Contract 2023-24 drafted for pricing.</p>	Regional Assets/ Operations
Regional Parks	<p>29. Waitangi and Pākōwhai open to the public.</p> <p>Waitangi Improvements</p> <p>30. No action since 14 February. Work put on hold and stakeholders informed. Awaiting direction on Business as Usual (BAU) project.</p> <p>Pekapeka: Partially Open</p> <p>31. Main carpark open to the public, however major damage to boardwalks.</p> <p>Tūtira: Closed</p> <p>32. Significant damage to fences and tracks plus siltation.</p> <p>Hawea Historic Park</p> <p>33. No action since 14 February. A planting plan has been developed and endorsed by the Committee. This will be implemented between June and July this year.</p>	Regional Projects/ Operations
Cycle Networks	<p>34. 70% of the Hawke's Bay Trails Great Ride network is open, still damaged but able to be used, repairs continuing.</p> <p>35. Completed the 'Managing Great Rides (MGR) Extreme Events application to MBIE. This is to cover damage for short term repairs i.e. 70% open sections only - \$294k applied for and verbally agreed, which includes some resilience work.</p> <p>36. 30% network still closed – significant stopbank damage, slips or bridges destroyed (4x Tūtaekurī) and repair will need coordination with TAs, NZTA and KiwiRail. These are Medium/Long term phases of repair. Stage 2 will look at Waitangi up to Fernhill/Taradale on respective sides. Stage 3. Puketapu Loop. Will do separate costings and applications for these due to complexities and time lines.</p>	Regional Assets

Integrated Catchment Management Group		
Project /Activity description	Significant upcoming milestone(s)	Team or Section
Hill Country Erosion Fund (HCEF)	37. The public announcement of the 2023/27 HCE Fund 38. MPI have agreed to a variation to the existing contract for a \$250k redirection of funding to support the LiDAR of Hill Country across the region. 39. Drone Training for Catchment Delivery Staff is underway. 40. The last report from HCEF's current contract is due 30 June 2023. 41. Recruiting to backfill the HCE Project Support role.	Catchment Management
Soil Conservation Nursery	42. Harvest commenced on the 8 May and will continue this month. 43. Installation of Harris block water pump. Awaiting power to be supplied to Pakowhai Pump. 44. Debris continues to be removed, with 75% currently completed. 45. Drawings completed for 3 bay pole-shed and submitted for consent by Wiff Builders. 46. Our Nursery Flood Recovery Project is now 90% completed.	Catchment Management
Rural Impact Assessment Survey	47. An online survey was sent out via HBRC and Rural Advisory Group members and was open for responses between Wednesday 12 April 2023 and Friday 28 April 2023. There were 430 respondents, representing more than 500 properties, split between Sheep (31%), Beef (28%) and Lifestyle Blocks (22%). 48. Initial analysis of results from the survey are being presented to HBRC Cyclone Recovery Committee on Wednesday 24 May 2023. Following presentation to Cyclone Recovery Committee survey results and analysis will be shared with sector partners contributing to Cyclone Recovery Activities.	Rural Recovery
Post-cyclone rural recovery workshops	49. HBRC teams are working collaboratively with Rural Advisory Group partners to develop and deliver a series of 5 workshops in parts of Hawke's Bay. Annual Dairy Liaison meetings have been repurposed to joint Sheep, Beef and Dairy meetings in Tutira, Patoka and Makaretu (CHB), and Sheep & Beef workshops in Porangahau and Elsthorpe. It is proposed to align with Wairoa Community Trust to develop/deliver technical style workshops in the Wairoa District.	Rural Recovery
Erosion Control Scheme	50. Catchment advisors (CAs) continue to take stock of ECS projects, contacting landowners with outstanding works due to be completed by 30 June. Sensitivity is exercised, knowing that many landowners will be under cyclone-related stress. As expected, many projects will not be completed as planned due to competing demands on farm. In addition, materials and labour shortages are having an impact on work programmes. We are still hopeful that some significant projects, including repair works, can be approved and completed in the current financial year. 51. For projects that cannot be completed, CAs will work with landowners to determine whether their project can be carried over into the new financial year, or whether their Erosion Control Plan (ECP) should be reviewed in light of repairs to existing works and priorities. 52. Hapara Takatu (the riparian 'Shovel-Ready' programme) was due to have been completed on 31 March. MfE are offering their share of the project underspend (~\$150K) as a contribution to repair works. 53. The poplar and willow pole harvest is underway, albeit with very low yields due to nursery damage. Demand for poles is well in excess of supply with CAs having to ration and prioritise allocation. We are also looking for resource outside the region.	Catchment Management

Integrated Catchment Management Group		
Project /Activity description	Significant upcoming milestone(s)	Team or Section
Hydrology and WQ	<p>54. External reviews are close to completion for the Telemetry system and network design. Extra measures are being put into place to increase site resilience across the network. Telemetry system is 100% operational at the moment. 18 Hydrology sites visited in the Wairoa region once the bridge opened to continue resilience measures.</p> <p>55. Water Quality & Ecology team has increased its sampling from 3 monthly to monthly in an effort to accurately define changes in streams and rivers.</p>	Environmental Information
Post-Cyclone Science	<p>56. The Science team have been working with both the HBRC Recovery team and central government to identify science needs and potential sources of funding.</p> <p>57. An Air Quality trailer from NIWA arrived 23 May to measure Air Quality from dust and burning as part of the Severe Weather funding from MBIE.</p> <p>58. Scientists from the University of Otago, Victoria, and Waikato and GNS Science were in Hawke's Bay at the beginning of May looking at sediment deposition and behaviour in lakes Tūtira and Waikopiro.</p>	Environmental Science
Biosecurity	<p>59. Recruitment for Biosecurity Advisor role and a new Senior Biosecurity Advisor role underway.</p> <p>60. A Controlled Area Notice work to allow river gravel movement in a section of the Tukituki/the entirety of the Waipawa River's natural diversion post-cyclone. Notice reissued publicly, reexamined legally, and date of closure extended. The Controlled Area was also extended a further 2 km downstream.</p> <p>61. Alligator weed, an exclusion pest in the RPMP was found in Lake Whatumā. We are responding using advocacy, media releases, seeking expert advice from other regional councils and physical control of terrestrial infestations. A delimiting survey was completed immediately around Lake Whatumā and the Mangatarata stream. More delimiting to occur with staff from other Regional Councils and continued physical control of terrestrial infestations on the lake's eastern edge. All stakeholders have been informed of the incursion, and more work will be conducted with those stakeholders in the coming months.</p> <p>62. Wairoa staff assisting Asset Management where required.</p> <p>63. There have been sightings of Indian Ring Necked Parakeets in Havelock North and Taradale. The first sightings of these birds were in 2016 in Havelock North, and DoC Napier made an attempt to manage that population at that time. Indian Ring Necked Parakeets are not a pest to managed under our Regional Pest Management Plan but are well known to predate upon crops and also threaten native birds by competing for food and nesting sites. MPI previously paid the total cost of control of these birds wherever they occurred in NZ but now HBRC must pay 50 per cent. HBRC will engage a specialist contractor to determine the extent of the population, we will consider implementation of a control plan with that contractor after the surveillance is complete and costs and viability of eradication is understood.</p>	Biosecurity
Biodiversity and Priority Ecosystems	<p>64. As staff return to BAU, all completed and planned projects within the priority ecosystem and protection and enhancement programmes are being assessed for damage and feasibility of repair from the impacts of the cyclone.</p>	Biodiversity

Policy and Regulation Group		
Project /Activity description	Significant upcoming milestone(s)	Team or Section
Plan Change 9 (TANK plan) appeals	<p>65. HBRC submitted a memo to the Environment Court on 23 January suggesting grouping of appeal points/topics. Parties initially had until 17 February 2023 to file their comments in response. As a consequence of Cyclone Gabrielle, affected parties were given an extension to 10 March to respond.</p> <p>66. Three memoranda have been filed by parties in response seeking an alternative topic allocation to that proposed by HBRC. Subsequently an amended topic allocation and order was circulated on 4 April. The Environment Court is yet to confirm if it is satisfied with the amended topic allocation proposal.</p>	Policy
Plan Change 7 (Outstanding waterbodies) appeals	<p>67. Four appeals were lodged with the Environment Court and parties asked the Environment Court to set a hearing date in mid-2023 for those matters where agreements could not be achieved.</p> <p>68. A revised evidence exchange timetable has been agreed with Hearings now scheduled on or after 20 November 2023.</p>	Policy
Napier-Hastings Future Development Strategy (FDS)	<p>69. HBRC, HDC and NCC adopted the Terms of Reference as proposed and agreed to appoint the Napier-Hastings Future Development Strategy Joint Committee and appointed their respective members.</p> <p>70. First meeting of the new Joint Committee is scheduled for 27 April. Further meetings are currently scheduled for 3 August, 26 October and 12 December 2023. The FDS work programme is currently being re-evaluated in light of disruptions caused by Cyclone Gabrielle.</p>	Policy
Ngaruroro River Water Conservation Order (WCO) High Court appeal	<p>71. High Court appeal hearing had been scheduled to commence on 8 May 2023, but has recently been cancelled pending clarification from one of the parties about their status and interests in proceedings. New High Court hearing date is yet to be confirmed.</p>	Policy

Decision Making Process

- 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 the Hawke's Bay Regional Council receives and notes the *Significant organisational activities through June 2023* staff report.

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Attachment/s

There are no attachments for this report.

31 May 2023

Subject: Appointment of independent HBRIC directors

That Hawke's Bay Regional Council excludes the public from this section of the meeting, being Agenda Item 15 *Appointment of independent HBRIC directors* 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
Appointment of independent HBRIC directors	s7(2)(a) 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 protect the privacy of natural persons.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

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