

Minutes of a meeting of the Corporate and Strategic Committee

Date: 14 June 2023

Time: 11.30am

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

Present: Cr N Kirton – Chair
Cr X Harding – Deputy Chair
P Eden – Māori Committee representative
Cr W Foley (*online*)
Cr T Hokianga
Cr J Mackintosh
Cr H Ormsby
Cr D Roadley (*online*)
K Ropiha – RPC representative
Cr S Siers
Cr J van Beek (*online*)
Cr M Williams

In Attendance: B Bayfield – Interim Chief Executive
S Young – Group Manager Corporate Services
K Brunton – Group Manager Policy & Regulation
I Maxwell – Group Manager Integrated Catchment Management
C Comber – Chief Financial Officer
L Hooper – Team Leader Governance
D Cull – Executive Officer to CE
S Bell – Acting Strategy & Governance Manager
A Allan – Senior Business Partner
T Skerman – HBRIC Commercial Manager
D Druzianic – HBRIC Chairman

1. Welcome/Karakia /Apologies

The Chair welcomed everyone and the meeting was opened with a karakia.

CS7/23 Resolution

That the apologies for absence from Councillor Charles Lambert be accepted.

Ormsby/Hokianga
CARRIED

2. Conflict of interest declarations

Peter Eden declared an interest in item 14 as a member of Māori Tourism.

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Corporate and Strategic Committee meeting held on 5 April 2023

CS8/23 Resolution

Minutes of the Corporate and Strategic Committee meeting held on Wednesday, 5 April 2023, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

Siers/Hokianga
CARRIED

4. Call for minor items not on the Agenda

There were no matters raised.

5. 2023-2024 Annual Plan engagement

Desiree Cull introduced the item, which was taken as read.

- Query use of flood protection provided to 1 in 500 year event as is increasingly incorrect with Climate Change impacts.

Councillor Jerf van Beek joined the meeting online at 11.45am

CS9/23 Resolutions

That the Corporate and Strategic Committee:

1. Receives and considers the *2023-2024 Annual Plan engagement* staff report.
2. Decides to exercise its delegated powers to make a decision that will have the same effect as the Regional Council could itself have exercised or performed and that the decision deserves urgency and the decision is carried unanimously.
3. Adopts the *Annual Plan 2023-2024 – Supporting the region’s recovery* for community engagement.
4. Delegates authority to the Group Manager Corporate Services to make any required minor amendments or edits to the document prior to publication and the start of engagement.
5. Agrees to the public engagement and feedback period being 16 June to 2 July 2023.

Harding/Ormsby
CARRIED

6. Annual Compliance, Monitoring, and Enforcement Report 2021-2022

Katrina Brunton introduced the item, which was taken as read. Discussions covered:

- Despite resourcing impacts of Covid the team met all targets

- Highlights include: 92% of water takes were compliant, virtually all dairy farms and all consented feedlots were compliant with resource consent conditions
- Compliance team working with NCC in relation to wastewater as currently still operating under RMA s330 emergency provisions, to get the treatment plant repaired and operating and NCC has provided an action plan.
- Nearing 6 month cut-off where people are no longer able to operate under RMA emergency provision, so reporting will go through the Cyclone Recovery Committee.
- Cultural impact assessments are a part of resource consent applications. Compliance team becomes involved in the cultural impact assessments of pollution incidents for the Environment Court to consider during sentencing.

CS10/23 **Resolutions**

That the Corporate and Strategic Committee:

1. Receives and considers the *Annual Compliance, Monitoring, and Enforcement Report 2021-2022*.
2. Recommends that Hawke's Bay Regional Council:
 - 2.1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without consulting the community or persons with an interest in the decision.
 - 2.2. Adopts the *Annual Compliance, Monitoring, and Enforcement Report 2021-2022* for publication.

**Siers/Ormsby
CARRIED**

7. Policy for the treatment of enforcement revenue

Katrina Brunton introduced the item, which was taken as read.

- Environment Court often strongly suggests that fines levied should be spent in the area that the offence impacted so proposal is to establish an operational reserve fund to direct the money to appropriate projects rather than falling to the bottom line.
- Specific reserves are for specific purposes, and this would be the same.
- Suggested decision-making up to a certain amount remains with CE and/or GM Policy & Regulation, and over that amount being referred to Council for decision.

CS11/23 **Resolutions**

That the Corporate and Strategic Committee:

1. Receives and considers the *Policy for the treatment of Enforcement Revenue* 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 the establishment of a financial reserve for the purpose of receiving funds set aside from the enforcement operating work programme for future funding of environmental protection and restoration activities.
4. Recommends that Hawke's Bay Regional Council adopts the *Policy for the treatment of Enforcement Revenue* as amended as agreed by the Committee today as follows.
 - 4.1 expenditure in excess of \$100,000 will be referred to Council for decision
 - 4.2 in the event of a surplus, the amount of any specific fines or prosecution receipts to

be applied to particular affected areas will be identified and recorded.

Mackintosh/Williams
CARRIED

8. Investment Strategy Review phase 2 approach

Susie Young introduced the item, which represents the next step in the Investment Strategy Review process, and Scott Hamilton who spoke to the item. The item was taken as read.

- Letter of expectation is an important aspect of managing risk
- Statement of Investment policy and outcomes (SIPO) will be built as a later step
- Strategic purpose of growing council's investment returns is to lower reliance on rates to fund activities
- Seeking agreement today to objectives to be included in a draft HBRIC Letter of Expectation as in the paper and any additions.
- Assists with 'smoothing' revenue on Council's balance sheet and if reserves set up appropriately smooths out returns when one investment has a bad year
- Values of the investment need to align to the values of HBRC – particularly with capital for recovery, as a trust and confidence element without compromising the role for HBRIC (e.g. won't invest in anything that would be detrimental to Council's work).

CS12/23 **Resolutions**

That the Corporate and Strategic Committee:

1. Receives and considers the *Investment Strategy review phase 2 approach* staff report.
2. Recommends that Hawke's Bay Regional Council:
 - 2.1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community.
 - 2.2. Supports recommendations that:
 - 2.2.1. HBRIC has a broader role in managing all investments on behalf of the Group
 - 2.2.2. HBRIC Board considers appropriate staffing to enable success
 - 2.2.3. Investigate opportunities to better utilise or manage strategic assets that can be put forward to the next Long Term Plan.

Mackintosh/Williams
CARRIED

The meeting adjourned at 1.15pm and reconvened at 1.35pm with councillors Jerf van Beek and Will Foley having left the meeting

9. HBRIC Ltd Quarterly update

Dan Druzianic, HBRIC Chair, presented the update supported by Tom Skerman, HBRIC Commercial Manager, and Jess Bennett, Treasury & Investments Accountant. Highlights included:

- Longer term impacts of Cyclone Gabrielle on Napier Port business e.g. due to damaged freight infrastructure (rail lines and roads) and crop losses and damage
- Cyclone recovery presenting opportunities for FoodEast and HBRIC currently advertising for additional FoodEast directors with skills/expertise in food innovation industry/activities
- HBRIC investment strategy review is combined with Council's

CS13/23	<p>Resolution</p> <p>That the Corporate and Strategic Committee receives and considers the <i>HBRIC Ltd quarterly update</i>.</p> <p style="text-align: right;">Harding/Mackintosh CARRIED</p>
14.	<p>Hawke's Bay Tourism update</p> <p>George Hickton, HB Tourism Chairman, Hamish Saxton, HB Tourism CE, Karl Wixon and Hamish Prins, HB Tourism Assoc Chair, presented an update on HB Tourism activities, particularly in recovery from Cyclone Gabrielle.</p>
CS14/23	<p>Resolution</p> <p>That the Corporate and Strategic Committee receives and notes the <i>HB Tourism update</i>.</p> <p style="text-align: right;">Harding/Hokianga CARRIED</p>
10.	<p>Financial summary for the period to 31 March 2023</p> <p>Susie Young introduced the item, which was taken as read, and Chris Comber.</p> <ul style="list-style-type: none"> • Disruptions from the cyclone and staff vacancies underlie the under spend of the Māori Partnerships budgets. • When carry forwards are brought to Council, discussions about whether/where budgets may be redirected will be had.
CS15/23	<p>Resolution</p> <p>That the Corporate and Strategic Committee receives and notes the <i>Financial summary for the period to 31 March 2023</i>.</p> <p style="text-align: right;">Williams/Harding CARRIED</p>
11.	<p>Organisational Performance report for the period 1 January – 31 March 2023</p> <p>Sarah Bell introduced the item, which was taken as read.</p>
CS16/23	<p>Resolution</p> <p>That Hawke's Bay Regional Council receives and notes the <i>Organisational Performance report for the period 1 January – 31 March 2023</i>.</p> <p style="text-align: right;">Hokianga/Siers CARRIED</p>
12.	<p>HBRC Cyclone Gabrielle impacts recognition and disclosure update</p> <p>The item was taken as read.</p>
CS17/23	<p>Resolution</p> <p>That the Corporate and Strategic Committee receives and notes the <i>HBRC Cyclone Gabrielle impacts recognition and disclosure update</i>.</p> <p style="text-align: right;">Harding/Williams CARRIED</p>
13.	<p>Hawke's Bay Regional Economic Development Agency - 1-year update</p> <p>The item was taken as read.</p>

CS18/23

Resolution

That the Corporate and Strategic Committee receives and notes the *Hawke's Bay Regional Economic Development Agency - 1-year update*.

**Ormsby/Williams
CARRIED**

15. Discussion of minor items not on the Agenda

There were no matters raised.

16. Port of Napier 2022-2023 Half Year results

Withdrawn

17. HBRIC independent director remuneration

Resolution

That the Corporate and Strategic Committee excludes the public from this section of the meeting, being Agenda Item 17 HBRIC independent director remuneration, 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
HBRIC independent director remuneration	s7(2)(i) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

CS19/23

**Ormsby/Siers
CARRIED**

The meeting went into public excluded session at 2.52pm and out of public excluded session at 3.00pm

Thompson Hokianga led the group in offering a karakia to close the meeting.

Closure:

There being no further business the Chair declared the meeting closed at 3.01pm on Wednesday, 14 June 2023.

Signed as a true and correct record.

Date: by Corporate & Strategic Committee resolution 20 September 2023 **Chair:** Neil Kirton