

Unconfirmed

Minutes of a meeting of the Corporate and Strategic Committee

Date:	21 February 2024
Time:	1.30pm
Venue:	Council Chamber Hawke's Bay Regional Council 159 Dalton Street NAPIER
Present:	Cr X Harding – Chair Cr J Mackintosh – Deputy Chair Cr W Foley Cr T Hokianga Cr N Kirton Cr C Lambert Cr S Siers Cr M Williams
In Attendance:	N Peet –Chief Executive S Young – Group Manager Corporate Services K Brunton – Group Manager Policy & Regulation C Comber – Chief Financial Officer L Hooper – Team Leader Governance C Dolley – Group Manager Asset Management D Cull – Manager Strategy & Governance M Allan – Transport Manager J Bennett – Senior Manager Finance Recovery S Bell – Team Leader Strategy & Performance D Druzianic – HBRIC Chairman T Skerman – HBRIC Commercial Manager

1. Welcome/Karakia /Housekeeping /Apologies

The Chair welcomed everyone and Councillor Lambert led the group in offering a karakia to open the meeting.

Resolution

CS1/24 That the apologies for absence from Councillors Di Roadley, Jerf van Beek and Hinewai Ormsby be accepted.

Siers/Foley
CARRIED

2. Conflict of interest declarations

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Corporate and Strategic Committee meeting held on 6 December 2023

CS2/24 Resolution

Minutes of the Corporate and Strategic Committee meeting held on Wednesday, 6 December 2023, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record as amended.

Harding/Foley
CARRIED

4. HBRC response to Ombudsman Open for Business report recommendations

Nic Peet introduced the item, noting that a lot of the things the Ombudsman recommended are already done by HBRC, and the item was taken as read. Discussions covered:

- In relation to the Revenue and Financing Policy Review – if workshops were held in public through the process, they would have considered high level principles but not detailed information that could identify individuals or impact individual properties. Workshops may provide a good opportunity to bring the community along the journey with the Council.
- Staff have not recommended livestreaming or recording workshops because of the additional costs, however this is something that can be re-examined by a review at the end of 2024 to assess whether what's changed has been effective and whether further change is needed.
- The distinction between formal meetings and workshops will be maintained with HBRC workshops not being decision-making meetings for the purposes of the Local Government Act and used only as a means of sharing information or working through complex issues as part of working towards a decision.
- At a public forum members of the public will be able to speak to any topic within the terms of reference of the Council or committee (within the parameters set by the Standing Orders) however it may be that, for some meetings, the Chair specifies that speakers are only to speak in relation to any decision items on that particular meeting's agenda.

CS3/24 Resolutions

That the Corporate and Strategic Committee:

1. Receives and notes the *HBRC response to the Ombudsman's Open for Business report recommendations*.
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 or persons likely to have an interest in the decision.

- 2.2. Agrees that the changes to meeting and workshop processes proposed by the Executive Leadership Team are adequate to address concerns raised by the Ombudsman.
- 2.3. Agrees that all workshops are to be open to the public unless they are covered by one of the specific LGOIMA provisions as determined prior to scheduling.
- 2.4. Agrees to the introduction of public forums for:
 - 2.4.1. Regional Council meetings
 - 2.4.2. Corporate & Strategic Committee meetings
 - 2.4.3. Environment & Integrated Catchments Committee meetings
 - 2.4.4. Regional Transport Committee meetings.
- 2.5. Agrees that the changes to meeting and workshop processes are to be implemented once any necessary amendments have been made to HBRC's Standing Orders, including Appendix 10: HBRC Workshop Guidelines.
- 2.6. Agrees to carry out a review at the end of 2024, to ensure the changes to meeting and workshop processes have achieved the objectives for greater transparency and public participation with no significant unintended consequences.

Williams/Mackintosh
CARRIED

5. **Tranzit School Bus Services**

Katrina Brunton introduced the item and Mark Allan, HBRC's Transport Manager, and briefly explained the rationale for seeking the funding. Discussions covered:

- Tranzit is contracted to the Ministry of Education to run school bus services – but not for out-of-zone students. The targeted routes (8) are where there is known demand for the service but the service is not commercially viable despite the fares (\$2.10-\$3.00 per trip) being paid by students currently being higher than public bus fares.
- The funding would be paid from the targeted public transport rate.
- If the Tranzit service ceases, the GoBus public transport system does not have capacity to carry the additional students.
- HBRC is in the process of setting the 10-year Regional Land Transport Plan which contains the budget for this service after 2024, built into the Public Transport funding. In this way the 8 routes being discussed today will be built into the public transport network from 2025.
- The funding proposed would subsidise Tranzit to continue the service through Term 2.

CS4/24 **Resolutions**

That the Corporate and Strategic Committee:

1. Receives and considers the *Tranzit School Bus Services* 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 consulting with the community.
 - 2.2. Agrees to fund the shortfall of \$24,500 for the 2023-24 financial year from the targeted public transport rate revenue.

- 2.3 Notes that this decision does not commit to funding beyond the current financial year and any funding beyond that will be considered through the 2024-27 Long Term Plan.

Kirton/Williams
Against: Lambert
CARRIED

6. 2024-27 Long Term Plan project update

Nic Peet introduced the item, which puts the process of LTP development up to now onto the public record, including the financial challenges facing the local government sector and this Council. Questions and discussions with Susie Young covered:

- Significant headwinds facing Council include \$44M commitment to the Crown for funding category 2 flood mitigation, focus on recovery from Cyclone Gabrielle, cost pressures from inflation and lower investment returns, and the previous Council decision for 0 rates increase in 2020 instead of the forecast 7.3% (Covid-19) paid for by borrowing which now has to start to be paid back.
- Before consultation there are 2 or 3 remaining workshops prior to the Extraordinary Council meeting on 10 April to adopt the supporting documents and consultation document for public consultation 15 April – 15 May 2024.
- Investment returns supplement HBRC's income by \$12M annually, or 25% of annual income. Through changes to the Investment Strategy and the more active management of Council's investments to achieve better returns.
- The agenda item articulates the consequences of divestment of Council's investments in response to questions raised about why Council doesn't sell off its investments now. Guidance from councillors to date has not been for Council to divest itself of its investments.
- Final decisions on what the LTP includes, and doesn't include, will not be made until after public consultation and submissions have been considered – 26 June 2024.

CS5/24 Resolution

That the Corporate and Strategic Committee receives and notes the *2024-27 Long Term Plan project update* report.

Williams/Siers
CARRIED

7. Financial report for the period 1 October - 31 December 2023

Chris Comber introduced to the item, which was taken as read. Queries and discussions covered:

- Re-formatted report focuses on the financial position of Council rather than the Groups of Activities budgets included in the Organisational Performance report
- Revenue & Expenditure significantly impacted by unbudgeted sediment and debris activities, which is also more lumpy than expected.
- Correct error in para 9 rates collection is actually slightly above budget at 102%.
- Financing costs are fairly low as the result of borrowing from LGFA, however are higher than budgeted in the last LTP because of the very low (1%) interest rates at that time.
- Welfare claims through NEMA have been concluded and paid, however insurance and NEMA infrastructure claims are taking longer than anticipated as more administration involved.

CS6/24 Resolution

That the Corporate and Strategic Committee receives and notes the *Financial report for the period 1 October - 31 December 2023*.

Siers/Harding
CARRIED

9. HBRIC Ltd quarterly update

Dan Druzianic introduced the item, which was taken as read, and provided a brief overview of HBRIC finances which are now in Stellar for councillors and on the HBRC website for the public. Queries and discussions covered:

- Managed funds up by 3.29% and Napier Port operations recovering after Cyclone Gabrielle.
- Response to the managed funds RFP has been positive and HBRIC will provide an update on the implementation of the new investment strategy and SIPO at the next committee meeting.
- Asset divestment could affect the letter of expectation in terms of expected returns from HBRIC if there's a smaller asset base.

CS7/24 **Resolution**

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

**Foley/Kirton
CARRIED**

8. Organisational Performance report for the period 1 October – 31 December 2023

Nic Peet introduced the item, which reflects an organisation still heavily invested in recovery. Sarah Bell noted the reintroduction of Levels of Service on an exceptions basis and the improved financial reporting on Groups of Activities. Queries and discussions covered:

- Correction – paragraph 13 corporate overheads incorporated into the Group of Activities financials.
- Comms team, through an external provider, intends to carry out a Ratepayer Sentiment survey in August of this year after not having capacity to run the annual survey in 2023 due to Cyclone Gabrielle. The intent now is to run the survey every 6 months.
- Thought is being given to how the new Asset Management *Programme Management Office* activities will be reported.

CS8/24 **Resolution**

That the Corporate and Strategic Committee receives and notes the *Organisational Performance report for the period 1 October – 31 December 2023*.

**Foley/Mackintosh
CARRIED**

Councillor Martin Williams led the group in offering a karakia to close the meeting.

Closure:

There being no further business the Chair declared the meeting closed at 3.28pm on Wednesday, 21 February 2024.

Signed as a true and correct record.

Date:

Chair: