

Meeting of the Hawke's Bay Regional Council

Date: 27 March 2024
Time: 1.30pm
Venue: Council Chamber
 Hawke's Bay Regional Council
 159 Dalton Street
 NAPIER

Agenda

Item	Title	Page
1.	Welcome/Karakia/Apologies/Notices	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Extraordinary Hawke's Bay Regional Council meeting held on 13 March 2024	
4.	Call for minor items not on the Agenda	3
Decision Items		
5.	Report and recommendations from the Risk and Audit Committee	5
6.	Recommendations from the Corporate & Strategic Committee	15
7.	Regional Planning Committee tangata whenua appointments	19
8.	Recommendations from the Environment & Integrated Catchments Committee	21
9.	HBRC Standing Orders - 2024 proposed amendments	23
10.	Annual Freshwater Science Charges 2023-24	27
11.	Hawke's Bay Regional Investment Company	31
12.	Affixing of Common Seal	35
Information or Performance Monitoring		
13.	Restoring our environment	37
14.	Discussion of minor items not on the Agenda	
Decision Items (Public Excluded)		
15.	Confirmation of Public Excluded Minutes of the meeting held on 13 March 2024	39

Hawke's Bay Regional Council

27 March 2024

Item 4

Subject: Call for minor items not on the Agenda

Reason for Report

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

Recommendations

That Hawke's Bay Regional Council accepts the following *minor items not on the agenda* for discussion as item 14.

Topic	Raised by

Subject: Report and recommendations from the Risk and Audit Committee

Reason for report

1. The following matters were considered by the Risk and Audit Committee (RAC) on 15 February 2024 and the recommendations to Council are now presented for the Council's consideration and resolution.

Agenda items for Council decision

2. The **Risk Management Policy** item presented an updated version of the policy amended in line with feedback provided at the October 2023 Risk and Audit Committee meeting for the Committee's consideration ahead of the Regional Council's approval being sought for implementation and use by staff. Key points of discussion covered:
 - 2.1. the lines of accountability are contained in the processes underlying the policy
 - 2.2. the policy is the 'what' and the dashboard is the 'how' we are executing the policy
 - 2.3. several edits were identified and have been made prior to the policy being provided to Council for approval today.
3. The Risk and Audit Committee resolved to receive and consider the *Risk Management Policy* staff report, and the updated Policy for Council's approval is Attachment 1.

Information items

4. The **Risk Maturity Refresh** item presented an update on work to embed the new risk management framework. Highlights from the report and presentation by David Nalder, External Risk Consultant, and discussions on the day included:
 - 4.1. The new framework provides a way to focus on the uncertainties (risks) that are most important to manage in order for Council to achieve its goals and deliver on its purpose and mandate. This approach was deliberately designed to consciously think about all those things that could impact on HBRC and prevent us from delivering on our promises to the community and environment.
 - 4.2. Extensive engagement across the organisation has agreed on concepts, developed dashboards and established accountability (to ELT owner and Risk Lead {manager}) for each of the uncertainties (risks).
 - 4.3. From workshops, 26 areas of uncertainty (risks) and 209 specific causes/contributing factors were identified. One-page management plans have been developed for each risk and staff are now working to identify and document the critical controls.
 - 4.4. Day-to-day management of risks is operational and the responsibility of the Chief Executive and ELT, while the role of governors (RAC and Council) in risk management is one of governance oversight and monitoring of whether there is an effective risk management framework, processes and controls in place.
 - 4.5. There is no way to manage risk/uncertainty down to zero for everything so the risk information is added into the decision-making process to enable Council to make good trade-off decisions within the resources available, e.g. flood protection choices about prioritising work within funds available knowing that there may still be a gap between what Council can do and what the public expects.

- 4.6. Only 4 of the 12 councillors (+ Stephanie) (33%) responded to the January *Risk Sentiment Survey* so very difficult to form a realistic view of *Council's* confidence/concern ratings because such a small number skews the results. The intent is to undertake the survey with councillors on a regular basis to align with RAC meetings.
- 4.7. The RAC is initially getting much more detailed information as the new framework is fully embedded; in future the RAC will monitor *the effective and enduring approach to identify, assess, manage and report on risk/uncertainty and that it's working effectively* by reviewing the one-page management plans and dashboards.
- 4.8. The HBRC risk profile is about managing risks to the organisation and contributes to risk and hazard management across the region, which there's a 1-page management plan for.
5. The **External Audit Report - Control Findings for the year ended 30 June 2023** item was presented by Ahmed Sofi of Ernst and Young and the report is attached. Discussions on the day noted:
 - 5.1. Six of the eight control findings have been closed.
 - 5.2. One medium-risk control finding relates to the reconciliation of Sustainable Homes loans – an ongoing issue that management is aware of. Due to finance system limitations, HBRC is currently unable to extract a report that details the *total community loans balance* in the financial statements, so staff have manually calculated an estimate using various data which, due to the level of estimation involved and the significance of the community loans balance, risks inaccuracies not being picked up.
 - 5.3. The remaining 7 control findings were rated as low risk, needing some improvement, and management is comfortable that processes are underway to resolve them.
 - 5.4. In a year of significant impacts on HBRC's transactional and financial position the report is seen as a positive result for HBRC.
6. The Risk and Audit Committee resolved:
 - 6.1. Receives and considers the *External Audit Report - Control Findings for the year ended 30 June 2023* from Ernst and Young and the staff paper.
 - 6.2. Agrees that the actions to be taken to address findings are adequate in the circumstances explained.
7. The **Audit Plan for the 2023-2024 Annual Report** item presented the proposed timeframes for Ernst and Young's (EY) auditing and it was noted:
 - 7.1. The statutory deadline for the adoption of the HBRC Annual Report is 31 October 2024.
 - 7.2. Auditors EY are planning an interim visit in the two weeks beginning 8 April and intend to begin the Year End audit in the week commencing 23 September 2024.
 - 7.3. Staff and EY are confident of meeting the 31 October 2024 adoption deadline.
 - 7.4. The committee resolved to receive the EY report.
8. The **External Audit Report - ISO 9001-2015 certification** item provided RAC with the report on an external audit of the organisation's ISO accredited quality management system (Attachment 3). Discussions covered:
 - 8.1. The teams of the Council that are ISO accredited include Compliance, Consents, Environmental Science, Environmental Information, Harbourmaster, and Works Group.
 - 8.2. A request was made for a one-page diagram (road map) showing what operational quality management or audit systems apply to which groups/teams of the organisation, e.g. Finance is subject to EY Audit.
 - 8.3. All activities assessed during the audit were observed to be appropriately controlled, with sufficient evidence examined to demonstrate the effectiveness processes sampled.

9. The Risk and Audit Committee resolved:
 - 9.1. Receives and considers the *External Audit Report - ISO 9001-2015 Annual Review*.
 - 9.2. Confirms that the actions to be taken to address the findings are adequate in the circumstances explained.
10. The **Treasury Compliance Report for the period 30 September - 31 December 2023** item and discussions covered:
 - 10.1. Counter-party exposure non-compliances were as a result of managing central government funding that was received in bulk and was spread across multiple providers however given amounts of central government funding this sometimes breached our upper limits. Staff suggest this measure is removed as a reporting metric for the time being while Council is receiving central government funding.
 - 10.2. The HBRC credit rating process is under way with RFP decision on the provider to be made later this week. Once the provider is in place – hopefully by June – with an assigned rating Council should get access to get a lower cost of funds.
 - 10.3. The Risk and Audit Committee received and noted the *Treasury Compliance Report for the period 30 September - 31 December 2023*.
11. The **Internal Audit Report - Data Analytics** item presented the report (Attachment 4) on the audit, undertaken every year mainly as a means of identifying mitigations against fraud and/or potential conflicts and as a way to provide assurance that there is good oversight process control over spending. Discussions noted:
 - 11.1. That during a year where nearly \$200 million of extra payments were put through Council's G/L as a result of the cyclone, this is a very good result.
 - 11.2. Work needs to be done on the data provided for the audit, to insure that all of the relevant data is provided, e.g. all the relevant approval fields to prevent the audit picking up items that are not actually unauthorised
 - 11.3. There were no unusual findings or issues identified in this audit.
12. The Risk and Audit Committee resolved:
 - 12.1. Receives and considers the *Internal Audit Report - Data Analytics*
 - 12.2. Confirms that the actions taken to address findings are adequate in the circumstances explained.
13. The **Internal Assurance Dashboards** item, which was taken as read by the Committee, provided an update on progress achieving management actions from previous audits and the status of internal audits and reviews under way. The Assurance Universe (Attachment 5) is aligned to the Risk framework and is a snapshot of what is currently on the work plan. Discussions covered:
 - 13.1. Budget has been allocated for developing and implementing best practice succession planning, however the focus of the P&C Team has necessarily been shifted to recruitment with current high staff turnover.
 - 13.2. The view was expressed, that there are gaps in Council's s17a reviews as a means of looking at other ways of achieving outcomes, more efficiently and/or cost effectively.
14. The Risk and Audit Committee resolved:
 - 14.1. Receives and notes the *Internal Assurance Dashboards update* staff report.
 - 14.2. Confirms that the *Internal Assurance Corrective actions update* report has provided adequate information on the status of the Internal Assurance Corrective Actions.

Decision-making process

15. 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:
 - 15.1. The decisions do not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 15.2. The items were specifically considered by the Risk and Audit Committee on 15 February 2024.
 - 15.3. The persons affected by this decision are staff and governors of HBRC.
 - 15.4. Given the nature and significance of the issues to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make these decisions without consulting directly with the community.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Report and recommendations from the Risk and Audit 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.

Risk Management Policy

3. Approves the Risk Management Policy (CD0023) as attached, which includes amendments agreed by the Risk and Audit Committee on 15 February 2024, for implementation and use by HBRC staff.

Authored by:

Leeanne Hooper
Team Leader Governance

Approved by:

Susie Young
Group Manager Corporate Services

Attachments

- | | | |
|---|---|----------------------|
| 1 | CD0023 Risk Management Policy | |
| 2 | Ernst and Young Control Findings Report for the year ended 30 June 2023 | Under Separate Cover |
| 3 | Telarc December 2023 QMS Assessment Report | Under Separate Cover |
| 4 | Crowe October 2023 Internal Audit Data Analytics Report | Under Separate Cover |
| 5 | March 2024 Assurance Universe | Under Separate Cover |



Policy

Title:	Risk Management Policy
Policy number:	CD0023

Team policy owned by:	Risk and Assurance	Version number:	1
Document owner:	Helen Marsden	Date policy last reviewed and published:	Click or tap here to enter text.
Document approver:	Susie Young	Next review due:	Click or tap here to enter text.

Purpose

HBRC’s vision is a healthy environment and a resilient and a prosperous community. This vision is supported by a strong set of values that include partnership and collaboration, accountability, transparency, and excellence.

A sound risk aware culture where all staff take ownership of risks and make risk intelligent decisions is an essential component for HBRC’s to deliver on its vision, values, and strategic objectives effectively and efficiently, as detailed in HBRC’s Strategic Plan. Therefore, this policy sets out design standards, accountabilities, and assurance requirements for establishing and maintaining HBRC risk management system (framework and practices).

ELT support a culture of risk ownership by all staff and re-enforce the need for risk intelligent decisions that are guided by Council’s risk appetite and commitments to the Community.

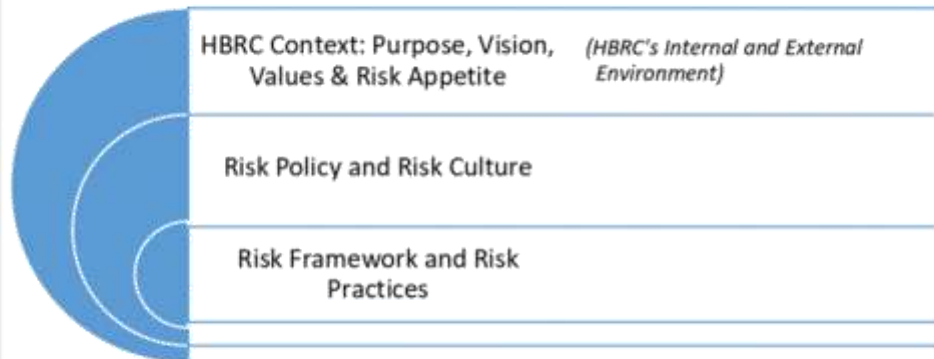
HBRC’s ELT commit to embedding these risk management practices throughout Council and ensuring good line of sight.

Specifically, the purpose of the risk management policy is to provide guidance with regards to the management of risk to:

- Support the achievement of objectives with effective prioritisation of resources
- Cultivate a culture that where everyone is responsible for managing risks
- Protect staff, council owned assets, regional resources and stakeholder interests in a sustainable way
- Ensure financial stability, and
- Provide oversight and assurance to Council and to the Executive Leadership Team (ELT) that HBRC’s that risks are well managed



In addition, this policy mandates the use of a single risk management framework throughout HBRC and therefore this policy should be read in conjunction with HBRC's risk management framework.



Target audience

This policy applies to all HBRC staff, contractors, elected members and sub-committee appointees.

Policy details

1. Policy objective

1.1. HBRC's objectives for this policy are to

- Ensure HBRC effectively and efficiently executes on its:
 - purpose, vision, values (as state in the previous section), and
 - strategy and service levels.
- Ensure all staff are aware of their risk management obligations to identify, escalate and manage risks.
- Ensure staff with risk specific tasks are aware of those specific requirements.
- Frame the high-level mandatory risk practices including minimum levels of risk reporting (frequency), mandatory risk data, and storage of risk information.
- Ensure risk management principles and practices are embedded into the everyday decisions and activities undertaken by staff.

2. Related documents (e.g., Legislation, Policies, SOPs, etc)

- 1.1. Risk Management Framework
- 1.2. ISO 31000:2018 Risk Management Standard
- 1.3. All of Government (AoG) Risk Maturity Model
- 1.4. HBRC's Strategic Plan

3. Key definitions/abbreviations

- **All of Government (AoG) Risk Maturity Model** – benchmark risk maturity model that is promoted by Local Government New Zealand (LGNZ).
- **Cause** – underlying reason why the risk event occurs
- **Consequence** – impact of an event on objectives



- **Control** – a process that either reduces, the likelihood, or the consequence of a risk event
- **Enterprise Risk Management (ERM)** – the process of planning, organising, leading, and controlling the activities of an organisation in order to either minimise the effects, or seize opportunities, from uncertainty that impacts an organisation's objectives.
- **Event** – when there is a change to circumstances that triggers a risk response
- **Incident** – is a negative event that is tied to an operational risk
- **Likelihood** – chance or probability of a risk event happening
- **Mitigation** – specific measures taken to minimise or eliminate unacceptable risks
- **Risk** – the effect of uncertainty on objectives that maybe either positive or negative

4. Principles

- 4.1. To implement a single RMS where risk management principles and practices can be consistently applied at every level of HBRC. So that, all risks are managed within Council's risk appetite and that the ELT has good oversight of risks and can in turn provide positive assurance to Council that risks are being proactively managed.

This risk management policy has been designed to align to best practices and is benchmarked on the principles outlined in ISO 3100:2018 Risk Management – Guidelines, and the structure of the LGNZ endorsed AoG risk maturity model.

HBRC's risk management policy and framework has been tailored to right-size the risk system so that it is proportionate to HBRC's size and mandate. 'Tailoring' refers to risk system components such as frequency of reporting and number of risk resources it does not change fundamental risk principles and practices.

5. Risk Vision

- 5.1. All HBRC staff take responsibility for owning HBRC's risks with consistent and transparent risk intelligent decision making.

6. Risk Management Roles and Responsibilities

6.1. Council

- Sets HBRC's risk appetite.
- Defines the parameters of HBRC's RMS and risk maturity by approving the risk management policy.
- Promotes a culture of proactive risk management.
- Delegates to the Risk and Audit Committee oversight, monitoring and challenge of HBRC's RMS and risk reporting.

6.2. Risk and Audit Committee (RAC)

- From staff receive and review regular HBRC's enterprise risk report and risk survey results.
- Considers any resource requests from staff that are for prioritising and allocating resources to mitigate material risks identified.
- Oversees the effectiveness of HBRC's RMS and ensure there is an emphasis on continuous improvement and risk maturity.
- From staff receive, review and recommend to Council that it adopts any changes or customisation of the risk management policy.
- Ensures a culture exists that encourages transparency and open discussions on potential risks and emerging issues.



- Receives updates on high priority incidents and audit findings

6.3. Executive Leadership Team (ELT)

- From the Risk and Corporate Compliance Manager receive, review and ratify regular enterprise risk reports and risk survey results.
- From the Risk and Corporate Compliance Manager receive the corrective actions status update report prior to reporting to the RAC.
- Monitor the effectiveness of HBRC's RMS to validate the focus on continuous improvement. Including, ensuring the system remains relevant by undertaking a formal annual review of both the risk management policy and framework against HBRC's strategy, objectives and culture and benchmarked to the latest best practice risk maturity model.
- Lead risk management across HBRC by endorsing the risk management policy and framework of HBRC's RMS including ensuring staff proactively identify incidents and non-conformances in line with requirements of HBRC's key management systems
- Ensure adequate resource is allocated to risk management.
- Assign clear risk management roles, responsibilities, and accountabilities at an appropriate level across HBRC.
- Lead a culture that encourages transparency and open discussions on potential risks and emerging issues across all HBRC functions.
- Ensure there is a comprehensive understanding of risk management by all staff and stakeholders through promoting and communicating HBRC's RMS purpose, vision and values.
- Ensure key business decisions formally consider risks to HBRC.
- Each Group Manager must ensure adequate Group risks insights are provided to the Risk and Corporate Compliance Manager to enable enterprise risk aggregation.
- Each Group Manager must ensure any risks identified between reporting cycles that are of material significance are escalated as per the risk management framework. Any resulting risk corrective actions must be tracked and monitored until closed.
- Provides strategic direction during an incident.
- Communicates with key external stakeholders to manage the organisations reputation during an incident.

6.4. Risk and Corporate Compliance Manager

- Assist ELT so that they meet their risk management obligations as detailed in this policy.
- Support the ELT to drive a culture of risk ownership and risk intelligent decision making.
- Maintain the RMS including updating both the risk management policy and framework to ensure continuous improvement and benchmarking of these documents to the latest risk maturity best practice.
- Present the enterprise risk dashboard regularly to the ELT.
- Ensure the enterprise risk dashboard reflects ELT's sentiment and concern survey results and present to RAC.
- Develop education material and train staff on risk management concepts and practices, including training on both the risk management policy and framework.
- Oversee the embedding of risk management processes and practices across the business to ensure consistency of application.
- Oversee compliance with both the risk management policy and framework.
- Coordinate the delivery of the annual internal audit plan and track the progress of all agreed risk corrective actions resulting from the individual audits.
- Track all other outstanding control corrective actions reported to the RAC.
- Collaborate with other risk based functional management system owners, such as Health and Safety, Quality Management, Asset Management, Environmental and Information Security



to ensure that the underpinning risk management system is structured in a way that supports integration.

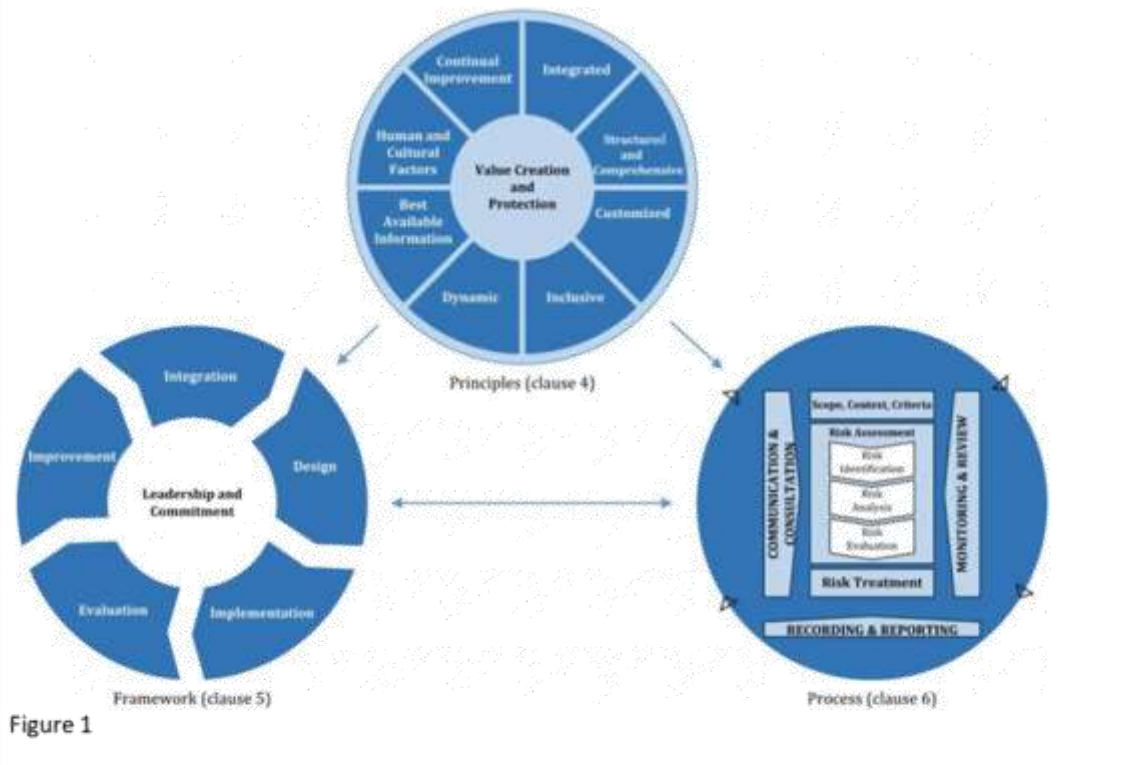
- Report to the RAC all incidents or near-misses with a priority rating assessed as 'high'

6.5. All Staff

- Must take ownership of risks by considering and identifying risks in their day-to-day activities and decision making.
- Must ensure risk corrective actions or risk mitigations are completed within agreed timeframes.
- Must ensure risk controls are repeatable and operate as designed.
- Must escalate any risk incident or near miss in accordance with any specified regulations or HBRC management system. Or, in the absence of specified regulations or management system criteria using the default risk escalation criteria as outlined in the risk management framework.
- As required, must actively participate in any risk identification or risk assessment workshops.

7. High-Level Risk Practices

7.1. The design of HBRC's RMS is in principle based on the risk management standard produced by the internal organisation for standardisation (ISO 31000:2018), see figure 1. ISO 31000:2018 provides the ability to tailor risk processes, so they are right sized for HBRC. In addition, the ISO model allows for better alignment to Council's other structured functional management systems such as Quality Management Systems (ISO 90001). It should be noted that some risk processes outlined in the risk management framework are structure from the AoG risk maturity model. However, these processes are complimentary to ISO 31000:2018.





8. Internal Audit and Review

8.1. From time to time the RMS may be subject to an internal audit review. The aim of any review will to; benchmark the design of the RMS against best practice risk maturity models, check operational compliance with both the risk management policy and framework, and identify broader opportunities for improvement.

9. Breach of policy – consequences of non-compliance

9.1. Serious or repeated breaches of non-compliance by staff may result in disciplinary action as guided by the code of conduct. Or, in the case of a contractor action taken as determined by the underlying contract terms and conditions.

Summary of key document changes and version control

Version	Date	Key changes to be communicated to staff	Document owner	Approver
1.0	07/03/24	Full policy review and upload into the Controlled Document System. Endorsed by RAC at the meeting on 15 February 2024.	Risk & Corporate Compliance Manager	Group Manager Corporate Services

Subject: Recommendations from the Corporate & Strategic Committee

Reason for Report

1. The following matters were considered by the Corporate and Strategic Committee (C&S) meeting on 21 February 2024 and the recommendations agreed are now presented for Council's consideration alongside any additional commentary that the Committee Chair wishes to offer.

Agenda items for Council decision

2. The **HBRC response to Ombudsman Open for Business Report recommendations** decision item recommended a small number of changes to HBRC's current meeting processes to follow good practice for openness and transparency. Discussions covered:
 - 2.1. if workshops are held in public throughout a process, e.g. Revenue and Financing Policy Review, they will consider high-level principles but not detailed information that could identify individuals or impact individual properties and will provide an opportunity to bring the community along the journey with the Council.
 - 2.2. 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.
 - 2.3. 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 it is specified (by the Chair) that speakers are to only speak in relation to any decision items on that particular meeting's agenda.
3. The Corporate and Strategic Committee resolved the following recommendations that Council:
 - 3.1. Agrees that the changes to meeting and workshop processes proposed by the Executive Leadership Team are adequate to address concerns raised by the Ombudsman.
 - 3.2. 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.
 - 3.3. Agrees to the introduction of public forums for:
 - 3.3.1. Regional Council meetings
 - 3.3.2. Corporate & Strategic Committee meetings
 - 3.3.3. Environment & Integrated Catchments Committee meetings
 - 3.3.4. Regional Transport Committee
 - 3.4. 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.
 - 3.5. 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.

4. The **Tranzit School Bus Services** decision item sought a commitment to provide funding support to Tranzit Coachlines (Tranzit) for the provision of school bus services not currently funded by the Ministry of Education or Waka Kotahi (NZTA). Discussions covered:
 - 4.1. If Tranzit stopped the service, the GoBus public transport system does not have capacity to carry the additional 390 students.
 - 4.2. 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 which are currently higher than public bus fares.
5. The Corporate and Strategic committee resolved the following recommendations that Council:
 - 5.1. Agrees to fund the shortfall of \$24,500 for the 2023-24 financial year from the targeted public transport rate revenue.
 - 5.2. 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.

Decision-making process

6. 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:
 - 6.1. Given the items were specifically considered by the Corporate and Strategic Committee on 21 February 2024 the Council can exercise its discretion and make the relevant decisions without consulting directly with the community or others having an interest in those in accordance with the following recommendations.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Recommendations from the Corporate and Strategic 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.

HBRC response to Ombudsman Open for Business Report recommendations

3. Agrees that the changes to meeting and workshop processes proposed by the Executive Leadership Team are adequate to address concerns raised by the Ombudsman.
4. 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.
5. Agrees to the introduction of public forums for:
 - 5.1. Regional Council meetings
 - 5.2. Corporate & Strategic Committee meetings
 - 5.3. Environment & Integrated Catchments Committee meetings
 - 5.4. Regional Transport Committee
6. 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.
7. 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.

Tranzit School Bus Services

8. Agrees to fund the shortfall of \$24,500 for the 2023-24 financial year from the targeted public transport rate revenue.
9. 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.

Authored by:

Leeanne Hooper
Team Leader Governance

Approved by:

Desiree Cull
Strategy and Governance Manager

Attachment/s

There are no attachments for this report.

Subject: Regional Planning Committee tangata whenua appointments

Reason for Report

1. This item provides the means for Council to confirm the appointment of the Regional Planning Committee PSGE representative Deputy Co-chair and representatives to the Environment & Integrated Catchments and Corporate & Strategic committees.

Discussion

2. The PSGE representatives met on Tuesday, 20 February 2024 and, as one item of business for the hui, elected a new deputy Co-chairperson and appointed representatives to the Council's Corporate and Strategic and Environment and Integrated Catchments committees.

Decision-making process

3. 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:
 - 3.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 3.2. Council is required to (LGA sch.7 cl.19(1)) hold the meetings that are necessary for the good government of its region.
 - 3.3. Council may appoint (LGA sch.7 cl. 30(1)(a)) the committees, subcommittees, and other subordinate decision-making bodies that it considers appropriate.
 - 3.4. Given the provisions above, Council can exercise its discretion and make these decisions without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Regional Planning Committee tangata whenua appointments* 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. Confirms the appointment of Tania Eden as the Regional Planning Committee Deputy Co-Chair.
4. Confirms the appointment of Laura-Margaret Kele (also known as Laura Kamau) as the Regional Planning Committee representative on the Corporate and Strategic Committee.
5. Confirms the appointment of Michelle McIlroy as the Regional Planning Committee representative on the Environment and Integrated Catchments Committee.

Authored by:

Allison Doak
Governance Advisor

Approved by:

Te Wairama Munro
Interim Te Pou Whakarae

Attachment/s There are no attachments for this report.

Subject: Recommendations from the Environment & Integrated Catchments Committee

Reason for report

1. The following matter was considered by the Environment & Integrated Catchments Committee meeting on 20 March 2024 and the recommendations to Council are now presented for the Council's consideration alongside any additional commentary the Committee Chair wishes to offer.

Council decisions

2. The *Dangerous dams, Earthquake-prone dams and Flood-prone dams policy review* item presented the updated policy on dangerous dams, earthquake-prone dams and flood-prone dams to align with requirements under the *Building (Dam Safety) Regulations 2022* which are due to come into effect in May 2024. This policy sets out what Council will do if they are notified of a dangerous, earthquake-prone or flood-prone dam in Hawke's Bay.
3. The 2022 regulations have introduced height and volume thresholds for classifiable dams and a dam owner is only impacted by the regulations if a dam meets these thresholds. The regulations then require owners of all classifiable dams to know whether their dam is dangerous, earthquake-prone or flood-prone and to take the necessary steps, in a timely manner, to comply with the *Building Act 2004* and the regulations.
4. Responsibilities of recognised engineers, who will certify dams, and regional authorities are also set out within the regulations, to ensure that the potential risks of dam incidents and failures are reduced (such as loss of life, damage to property, and damage to the natural environment).
5. Due to the new regulations coming into effect on 13 May 2024, Council is required to seek public feedback as part of consultation on the updated *Policy on dangerous dams, earthquake-prone dams and flood-prone dams* which is intended to be read alongside the new regulations.
6. The Environment and Integrated Catchments Committee resolved the following recommendation that the Regional Council:
 - 6.1. Adopts the *Policy on dangerous dams, earthquake-prone dams and flood-prone dams 2024* as proposed, for consultation from 28 March to 28 April.

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. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 7.2. The use of the special consultative procedure is prescribed by legislation. The Council must consult directly with the community or others having an interest in the decision.
 - 7.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 7.4. The item was specifically considered by the Environment & Integrated Catchments Committee on 20 March 2024.

Recommendation

The Hawke's Bay Regional Council:

1. Receives and notes the *Recommendations from the Environment & Integrated Catchments Committee*.
2. Recommends that Hawke's Bay Regional Council:
 - 2.1. Agrees that the decision to be made is not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make this decision without consulting directly with the community or others having an interest in the decision.
 - 2.2. Adopts the *Policy on dangerous dams, earthquake-prone dams and flood-prone dams 2024* as proposed, for consultation from 28 March to 28 April.

Authored by:

Saul Gudsell
Policy Planner

Leeanne Hooper
Team Leader Governance

Approved by:

Katrina Brunton
Group Manager Policy & Regulation

Attachment/s

- | | | |
|---|--|----------------------|
| 1 | Proposed policy on dangerous dams, earthquake-prone dams and flood-prone dams 2024 | Under Separate Cover |
| 2 | Statement of proposal - Proposed policy on dangerous dams | Under Separate Cover |

Subject: HBRC Standing Orders - 2024 proposed amendments

Reason for report

1. This agenda item provides the means for the Council to consider amendments to Standing Orders to reflect recent decisions in response to the Ombudsman's *Open for Business* report and legislative changes.

Officers' recommendations

2. Council officers recommend that the Council approves the proposed changes to Standing Orders as detailed using tracked changes in the attachment.

Executive Summary

3. The Council's Standing Orders provide a framework to support the efficient running of Council and committee meetings for decision-making. In addition, the Standing Orders provide appendices which contain guidance on meeting-related matters including:
 - 3.1. HBRC workshop guidelines
 - 3.2. HBRC petition guidelines (proposed to be added)
 - 3.3. Grounds to exclude the public and sample resolution to exclude the public
 - 3.4. Webcasting protocols.
4. The changes to Standing Orders being proposed today are intended to embed the recent changes to HBRC's meeting processes to follow good practice for openness and transparency as well as incorporate recent legislative changes.

Background

5. Schedule 7, Part 1, section 27(1) of the LGA requires that all councils adopt Standing Orders for the conduct of its meetings and those of its committees. The current Standing Orders were adopted by Council at its augural meeting on 16 November 2022.

Proposed changes

6. In early 2023, the Severe Weather Emergency Recovery Legislation Act 2023 (SWERLA) amended the Local Government Act (LGA) to allow members attending by audio-visual means to be counted as part of the quorum. More recently, the Local Government Electoral Legislation Act, passed in October 2023, changed the definition of quorum to include those participating by audio-visual means effective from 1 October 2025, and extended the SWERLA provision until 30 September 2025.
7. This specific change makes it clear that anyone joining a meeting by audio visual means is to be counted toward the quorum. The proposed amendments to the Standing Orders, if approved, will make permanent the temporary quorum arrangement put in place by SWERLA.
8. Public Forums are provided for in the Standing Orders currently, however some changes are proposed to enable this Council's specific requirements to be clearly understood.
9. In appendices 1 and 2 to the Standing Orders, the grounds to exclude the public and sample resolution to exclude the public have been updated in response to the Ombudsman's *Open for Business* report recommendations including:

- 9.1. plain language wording of reasons to be used for the resolution
 - 9.2. how the public interest has been considered and the actual harm being prevented (or interest being protected) has been added to the resolution
 - 9.3. a resolution to allow subject matter experts/advisors to remain (if relevant) will include their specific knowledge and why that is relevant to the matter being discussed
 - 9.4. a resolution stating whether the paper can be released to the public in due course and when that would be, e.g. either on a date or at the achievement of a particular milestone, has been added.
10. The changes to Appendix 10: *HBRC workshop guidelines* are proposed to bring the guideline in line with the recent changes to HBRC's meeting processes to improve openness and transparency by opening workshops to the public unless there is a legitimate LGOIMA reason to exclude them.
 11. It is proposed to add an appendix (11) to include *HBRC guidelines for petitions*. The need for this arose recently when requested of the Governance Team by a potential petitioner.

Considerations for Council

12. Section 27(3) of the LGA specifies that a vote of not less than 75% of the members present is required to adopt a new set of Standing Orders or amend them.
13. All elected and appointed members of the Council's committees must abide by Standing Orders.

Decision-making process

14. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act. Staff have assessed the requirements in relation to this item and have concluded that:
 - 14.1. Council is required, in accordance with the LGA, to adopt and maintain a set of Standing Orders.
 - 14.2. Council can exercise its discretion and make this decision without consulting directly with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Amendment of Standing Orders* staff report.
2. Adopts the 2024 Standing Orders as proposed, including the specific amendments of:
 - 2.1. Definitions of Quorum and Workshop
 - 2.2. SO 12.8 Member's status: quorum
 - 2.3. SO 12.9 Member's status: voting
 - 2.4. SO 14.1 Public Forum time limits
 - 2.5. SO 18.1 Decisions by majority vote
 - 2.6. SO 18.5 Calling for a division
 - 2.7. Appendix 1: Reasons to exclude the public
 - 2.8. Appendix 2: Sample resolution to exclude the public
 - 2.9. Appendix 10: HBRC workshop guidelines
 - 2.10. Appendix 11: HBRC guidelines for petitions.

Authored by:

**Allison Doak
Governance Advisor**

**Peter Martin
Senior Governance Advisor**

**Leeanne Hooper
Team Leader Governance**

Approved by:

**Desiree Cull
Strategy and Governance Manager**

Attachment/s

- | | | |
|----------|---|-----------------------------|
| 1 | 2024 proposed amended HBRC Standing Orders | Under Separate Cover |
| 2 | 2024 HBRC Workshop Guidelines updated | Under Separate Cover |

Subject: Annual Freshwater Science Charges 2023-24

Reason for Report

1. This report seeks a decision from Council on the approach to take for the Annual Freshwater Science Charges for the 2023-2024 financial year, given the ongoing impacts of Cyclone Gabrielle on resource consent holders and on the science and monitoring activities that HBRC performs.

Officers' recommendations

2. Council officers recommend that Council:
 - 2.1. Approves a 15% remission to be applied to the 2023-24 annual freshwater science charges for discharge to land/water consents, representing the change in focus of water quality science and monitoring activity during the current financial year following Cyclone Gabrielle (option 2 as detailed following).
 - 2.2. Approves an 80% remission of the 2023-24 low flow monitoring fee for this financial year, on the basis there have been few incidents of low flows so far this year, and therefore limited expenditure incurred for this activity.
3. Based on these decisions, officers will prepare invoices for consent holders to be issued during the month of May, with a due date of 20 June 2024.

Executive Summary

4. The Annual Freshwater Science Charges are levied against water take and discharge resource consent holders, for a proportion of the science research, investigation and monitoring of water quantity and quality in the region. The total budgeted expenditure for this activity was \$7.8m, with \$2.7m being funded from fees and charges and the balance from general funds.
5. The work programme for water quality science has had some diversion to cyclone impact science and monitoring. It is important to note that the environmental information team have continued with the State of the Environment workloads.
6. As some of the water quality science work programme has changed since Cyclone Gabrielle occurred, it is proposed to reduce the Annual Freshwater Science charges again for this financial year, to reflect the wider public benefit of this activity.
7. The annual fees were set as part of the Annual Plan 2023-2024. An allowance was made in the Annual Plan for potential remission of fees for consent holders that had experienced significant financial hardship following the cyclone. It is this allowance that is proposed to be used in part to discount the freshwater science charges for water quality to discharge consent holders. Freshwater science charges for water quantity are proposed to remain as set in the Annual Plan.
8. This paper proposes two options for the fees approach:
 - 8.1. Option 1: Proceed with annual freshwater science charges and water measuring device administration fees as per the *Annual Plan 2023-2024 Fees & Charges* schedule, with no automatic fee remission.OR
 - 8.2. Option 2: Reduce the annual freshwater science charges to all discharge consent holders by 15% (representing a change in the benefits of the water quality activity for the financial year due to post-cyclone support – using a portion of the allowance made in the Annual Plan for fee remissions post-cyclone) and reduce the low flows monitoring annual fee by 80% to reflect the lower cost of activity this financial year.

Background /Discussion

9. The Annual Freshwater Science Charges for 2023-2024 were set based on the Annual Plan. The charges are levied against water take and discharge resource consent holders for 35% of the total costs of science research, investigation and monitoring of water quantity and quality in the region, as determined in the Revenue and Finance Policy.
10. Broadly speaking, the proportion of costs of water quantity activities are recovered from water take consent holders, and the water quality activities from discharge to land/water consent holders.
11. The original programme of scientific research, investigations and monitoring for water quality has been interrupted by post-cyclone requirements, with the focus broadening from State of the Environment type of programmes to also include disaster impact investigations. As such the purpose of water quality science has taken on a wider public benefit from February 2023.
12. Water quantity related activities are continuing as planned, and no changes are proposed in relation to water take consent charges, other than the option for consent holders impacted by the cyclone to apply for fee remissions. This happened last year and was calculated in the preparation of the Annual Plan 2023-2024 budget.
13. There have been reduced incidents of low flows in the rivers to date this year, and therefore there has been limited expenditure incurred to monitor these occurrences.
14. The water science related consent charges are fixed under Section 36 of the Resource Management Act. Discretionary fee reductions are permitted under section 36AAB(1), however, the forfeit revenue (above the level of remissions included in the budget) would need to be offset by reduced expenditure on water science activities and/or funded via general funds. HBRC has received external funding from Central Government (MBIE) to fund the focus on post-cyclone support and, as a result, the reduction in the quality charges will accurately reflect costs incurred in performing the activity. Water quantity activities remain unaffected.
15. The invoices for the water science related charges are usually sent in March, to cover the period of the current financial year (1 July to 30 June). Due to the timing of the R+F changes and LTP planning, invoice preparations have been delayed. Once direction has been received from Council on any changes to the fees that will be charged, council officers will run the billing process for invoices to be issued by the end of May, with a payment due date on 20 June 2024.

Options assessment

16. Two options for changes to this year's Annual Freshwater Science charges are proposed for Council's consideration and, consequently, the total impact on income for the financial year. The proposed remissions will accurately reflect the intent of our current revenue and financing policy to cover only relevant costs related to water quality consents.
17. The estimate of the forfeit revenue from each option is shown in table 1. The assumption made for the quantum of fees remitted for effected consent holders is based on 25-30% of water take consents, which is derived from a high-level analysis of the flood map overlaid with the sites of current resource consents.

Table 1 – Estimated forfeit revenue from fee changes.

Option		Estimate of forfeit revenue
1	Annual Charges issued as scheduled, no fee remission	\$0
2	Annual Charges issued as scheduled for water take consents but reduced by 15% for discharge consents and by 80% for low flows monitoring fees and accept fee remissions by exception from consent holders who are experiencing ongoing financial hardship due to the cyclone.	\$180,000 - \$190,000 +\$77,400 for low flows monitoring

Option 1: Annual Charge as scheduled, no fee remissions

18. All eligible consent holders are invoiced in line with the *Annual Plan 2023-2024 Fees and Charges* schedule, with no fee remissions considered. This option acknowledges the financial pressure HBRC is experiencing, though does not address any financial relief to the Region's affected consent holders.

Option 2: Annual Charge reduced by 15% for discharge consent holders and 80% for low flows monitoring, and remit fees by exception

19. All eligible water take consent holders are invoiced in line with the annual plan fees and charges schedule.
20. All discharge consent holders are invoiced in line with the annual plan fees and charges but with a 15% fee reduction applied.
21. Low flows monitoring is invoiced at \$50 instead of \$250 as per the Annual Plan 2023-2024. This proposed reduction to the annual low flows monitoring charge would forfeit ~\$77,400 in revenue, though the income generated is still expected to fully recover the current forecast costs incurred for the programme this financial year.
22. In addition to this, consent holders would be advised that we will consider applications for a fees remission, in circumstances where they have experienced significant financial hardship due to damage caused by Cyclone Gabrielle (e.g.: they are physically unable to exercise their consent and therefore cannot generate revenue).
23. The advantage of this option is that significantly affected consent holders will receive financial relief, and the collection of fees and charges for water quality science is in line with the principles of user pays (e.g. water quality activities post-cyclone have been overtaken by the cyclone disaster impact assessments with a wider general public benefit, and it is therefore more appropriately funded through general funds than fees and charges).

Financial and resource implications

24. Hawke' Bay Regional Council is experiencing significant financial pressures as a result of Cyclone Gabrielle. Any decision to reduce income from fees and charges will add to this financial pressure.
25. Any agreed forfeit of fees and charges income from s.36 charges would be met first by reduced expenditure in the water science activities, and the balance from general funds. There is currently some underspend in these areas through staff vacancies and no low flow monitoring. We also made provision for some fee remissions in the Annual Plan 2023-2024.

Decision-making process

26. 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:
- 26.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
- 26.2. The use of the special consultative procedure is not prescribed by legislation.
- 26.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
- 26.4. The persons affected by this decision are those resource consent holders who pay freshwater science charges.
- 26.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting with the community or others with an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Annual Freshwater Science Charges 2023-24* 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. Agrees that all consent holders liable for Annual Freshwater Science Charges are invoiced in accordance with the *Annual Plan 2023-2024 Fees and Charges* schedule.

OR

4. Approves the amendment of the Annual Freshwater Science Charges approach for the 2023-2024 financial year, to:
 - 4.1. reduce the annual freshwater science charges to all discharge consent holders by 15%, representing a change in water quality business-as-usual activity.
 - 4.2. reduce the Low Flows Monitoring annual fee for the 2023-2024 financial year to \$50 plus GST.
 - 4.3. accept requests for annual freshwater science charges remission from consent holders experiencing ongoing financial hardship due to Cyclone Gabrielle.

Authored by:

Amy Allan
Senior Business Partner

Anna Madarasz-Smith
Manager Science

James Park
Management Accountant

Chris Comber
Chief Financial Officer

Iain Maxwell
Group Manager Integrated Catchment Management

Approved by:

Susie Young
Group Manager Corporate Services

Attachment/s

There are no attachments for this report.

Subject: Hawke's Bay Regional Investment Company

Reason for report

1. This item:
 - 1.1. Updates Council on HBRIC's progress on the Group's Managed Funds Request for Proposal process.
 - 1.2. Initiates Council's HBRIC Ltd chairperson succession process.
 - 1.3. Presents HBRIC's draft 2024-25 Statement of Intent (Sol) for council's review and comment.

HBRC Group Managed Fund's RFP update

2. Councillors will recall that as a part of its recent Investment Strategy review a series of steps were completed late last year:
 - 2.1. On 9 November 2023, HBRC issued a new Statement of Expectations to HBRIC confirming HBRIC's new mandate as Group investment manager.
 - 2.2. On 13 December 2023 HBRC approved a new Statement of Investment Policies and Objectives in respect of the Group's managed funds portfolio to position the portfolio less conservatively and target higher long-term income and growth objectives, as set out in the Statement of Expectations.
 - 2.3. On 21 December 2023, following a review and shortlisting process, HBRIC issued a Request for Proposal to six New Zealand based fund managers based on the revised SIPO.
3. On 16 February 2024 all candidates submitted comprehensive proposals. At its meeting on 26 February the HBRIC board resolved that all candidates should be invited to present to a sub-committee, with these interviews taking place on 11 and 12 March. The sub-committee is scheduled to meet on 25 March to review and confirm its recommendation to the HBRIC board.
4. The panel was highly encouraged by the quality of the presentations and the opportunities that will emerge from the ability to manage the investment portfolio from a Group perspective. Whoever the HBRIC board recommends, it is certain that the Group will benefit from the ability to bring in significant additional strategic investment expertise to support the delivery of the Group's long-term investment asset objectives.

HBRIC Chair Succession

5. HBRIC's current Chairperson's final term will conclude on or about the time of the next triennium elections in 2025. Appendix 1 of Council's Policy on the Appointment and Remuneration of Directors (April 2022) sets out the following guidance for the HBRIC chairperson's succession. Specifically:
 - 5.1. The Council Appointments Committee shall work through succession planning for the Chairperson of HBRIC Ltd using the following process.
 - 5.1.1. Ensure that planning starts at least one year before planned retirement.
 - 5.1.2. Discuss with current chairperson their views on the date of their retirement and who would be a good successor.
 - 5.1.3. Compose a list of required skillsets for the position following discussion (as appropriate) with the chairperson and individual board members and ascertain whether there is any obvious leader amongst the existing board.

- 5.1.4. Agree a timeframe of the new appointment, allowing a bedding-in time of at least one year if the newly-proposed chairperson is new to the Board.
 - 5.1.5. Interview/discussions with the preferred candidate to ascertain their availability for the chairperson role.
6. Preliminary discussions will not guarantee appointment but give an indication that, all things being equal, they will be the next chairperson.
 7. The policy goes on to outline the general skillsets required and the rationale and benefits of an orderly succession process. Council's stated preference is for the chairperson to be an independent director. As the appointment of the HBRIC chairperson is a decision of Council (having considered the CAC's recommendation), it is suggested that the appointment be confirmed *prior to* the confirmation/appointment of Councilor directors in the next triennium so that the newly appointed HBRIC chairperson can represent HBRIC through that process.
 8. Accordingly, it is recommended that the chairperson of Council's 2022-25 Council Appointments Committee reconvene that committee, confirm its panel, and progress this task in accordance with Councils' Policy on the Appointment and Remuneration of Directors.

HBRIC Ltd 2024-25 Draft Statement of Intent

9. A draft Statement of Intent (Sol) for the 2024-25 financial year is provided for Council's review and feedback. Because of the recent changes to HBRIC's mandate set out in Council's Statement of Expectations, the Sol has been comprehensively re-drafted. The current 23-24 Sol can be found here: <https://www.hbrc.govt.nz/hawkes-bay/economic-development/hbrc/>.
10. Section 64 of the Local Government Act 2002 requires HBRC to adopt a Sol for HBRIC. This has to be with Council on or before 1 March to allow for feedback prior to Council's final adoption by 30 June 2024. In accordance with our usual practice, a copy was delivered to the HBRC CE within the 1 March deadline.
11. The purpose of a Sol is to
 - 11.1. state publicly the activities and intentions of HBRIC for the year and the objectives to which those activities will contribute
 - 11.2. provide an opportunity for shareholders to influence the direction of the organisation, and
 - 11.3. provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.
12. The HBRIC board must consider any comments on the draft Sol made by Council on or before 1 May, after which a final completed statement of intent will be delivered to Council before 1 July 2024.

Strategic Fit

13. These matters touch on issues that are material to the delivery of Council's investment strategy. In the case of the Sol, the annual drafting and review is a statutory requirement.

Significance and Engagement Policy assessment

14. Low significance. These matters relate to HBRIC's ongoing delivery of services under Council's Statement of Expectations and compliance with statutory timeframes.

Climate Change considerations

15. The Managed Funds RFP process has specifically highlighted climate change considerations as a key component of responsible investing, and included climate risk, sustainability and responsible investing is the evaluation criteria.

Considerations of tangata whenua

16. The Sol records being a respected partner to current and future co-investors, including tangata whenua, as being one of its main objectives.

Decision-making process

17. 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:
 - 17.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 17.2. The use of the special consultative procedure is not prescribed by legislation.
 - 17.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 17.4. There are no persons directly affected by this decision.
 - 17.5. Given the nature and significance of the issues to be considered and decided, Council can exercise its discretion and make a decision without consulting with the community or others having an interest in the decision.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Hawke's Bay Regional Investment Company* 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 consulting with the community or others likely to have an interest in the decision.
3. Instructs the current Council Appointments Committee to initiate and complete the HBRIC Ltd Chair succession process in accordance with Council's policy on the appointment and remuneration of directors.
4. Provides feedback on the draft 24-25 HBRIC Ltd Statement of Intent in accordance with requirements of the Local Government Act (2002).

Authored by:

Tom Skerman
HBRIC Commercial Manager

Approved by:

Susie Young
Group Manager Corporate Services

Attachment/s

- 1 Draft HBRIC Statement of Intent 2024-2025 Under Separate Cover

Hawke's Bay Regional Council

27 March 2024

Item 12

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 H. Anantharangan <i>(Delegations under Resource Management Act 1991 (Sections 34A(1) and 38(1)); Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Civil Defence Emergency Management Act 2002 (s.86-92) and Local Government Act 2002 (Section 177))</i>	4593	12 March 2024
	1.1.2 S. Zeilstra <i>(Delegations under the Civil Defence Emergency Management Act 2002 (s.86-92 inclusive) and Local Government Act 2002 (section 177))</i>	4593	23 February 2023

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 freeholded, with 61 remaining on Council's books
 - 3.2 1 single leasehold property was freeholded, 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:

Nic Peet
Chief Executive

Attachment/s

There are no attachments for this report.

Subject: Restoring our environment

Reason for Report

1. This report introduces the *Restoring our environment – our recovery journey* report, which provides a summary and record of the work carried out by HBRC during the first year of the region's recovery from Cyclone Gabrielle. The report outlines how this event impacted our region and HBRC's work programmes and is also a reconciliation of funding received.
2. This report concludes the work of HBRC's Recovery Team as the responsibilities are being transferred over to operational teams to manage, to allow the Recovery Team staff to return to their usual roles.

Executive Summary

3. *Restoring our environment* is a summary of all the work carried out by Hawke's Bay Regional Council during the recovery phase (March 2023-March 2024). It outlines what we know so far about the impacts of Cyclone Gabrielle on the region's communities and environment, provides a record of the short to medium-term work carried out by HBRC during the Recovery phase, and reconciles what funding we received versus what we originally asked for.
4. The report follows on from the *Environmental Resilience Plan* that was created at the beginning of the recovery phase, as requested by the Regional Recovery Agency (RRA). Originally a second edition of the Environmental Resilience Plan was also required, however, because councils are developing Long Term Plans that outline medium recovery work (most of which is determined by the Crown cost-share agreement), it meant there was no longer a need for a second edition.
5. *Restoring our environment* has been approved by the Executive Leadership Team and is being shared with Council for information only. It will be published on the HBRC website following the Regional Council meeting on 27 March 2024.

Decision-making process

6. 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 *Restoring our environment* staff report.

Authored by:

Julie-Anne McLean
Recovery Programme Manager

Approved by:

Louise McPhail
HBRC Recovery Manager

Attachment/s

- 1 Restoring our environment - Our recovery journey Under Separate Cover

Hawke's Bay Regional Council

27 March 2024

Item 15

Subject: Confirmation of Public Excluded Minutes

That Hawke's Bay Regional Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 15 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
Funding Category 2 Flood Mitigation	<p>Disclosing the modelling done for comparative purposes could impact on property values in scheme areas. A range of funding scenarios have been modelled for comparative purposes in order to agree a preferred funding model for consultation. Maps of the scheme areas will be provided to show the defined scheme footprints and it will be possible to identify individual houses on those maps.</p> <p>Rating decisions are subject to strong public interest, in particular the landowners/property owners most likely to be affected by the decisions. However, these may also be the individuals with the most to lose by disclosing modelling done for comparative purposes. Scheme ratepayers and the wider community will have an opportunity to provide feedback on the proposed funding scenarios during the public consultation process.</p>	s7(2)(e) To protect against material loss by members of the public

Authored by:

Leeanne Hooper
Team Leader Governance

Approved by:

Desiree Cull
Strategy and Governance Manager