HAWKE'S BAY REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Regional Council Workshop

Date: 21 May 2025

Time: 12.00pm

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

Agenda

Hawke's Bay Regional Council

Council - Workshop

21 May 2025

Subject: Council's Risk Profile and sentiment survey

Reason for report

1. This report provides an update to councillors on HBRC's approach to risk management so that there is a common understanding of the basis and rationale behind the approach adopted, and what this means for the Council.

2. This builds on work over the last 18 months to reset and improve HBRC's risk management approach and the nature of risk reporting to the Council's Risk and Assurance Committee.

3. The purpose of this update is to ensure all councillors have a good appreciation of the concepts and logic that underpin how risk management works across HBRC, and in particular understand the ask of them in completing a quarterly Sentiment Survey to assist with risk reporting.

Executive summary

4. Risk is merely the 'effect of uncertainty on our objectives'.

5. Effective risk management therefore requires an effective, enduring and systematic approach to identify and address major areas of uncertainty related to the purpose, priorities and activities of HBRC.

6. In effect good risk management is good decision-making, taking a balanced view of how we are currently placed (risk profile) with what we can live with or need to do something about (risk appetite).

7. In effort therefore, good risk management supports good planning, resource allocation and decision-making.

Background

8. **Attachment 1** provides an overview of the key aspects of HBRC's risk management approach.

9. This risk approach forms the basis for regular monthly reporting to the Executive Leadership Team and quarterly reporting to the Risk and Audit Committee.

10. In April 2025, the Risk and Audit Committee endorsed an update to the Risk Management Policy that sets out the expectations for all staff and elected members of HBRC, together with guidance as to how these expectations can be met through the risk management approach.

11. The basis for rating (scoring) HBRC's strategic risks has been to undertake regular risk Sentiment Surveys. These surveys enable the collective perspectives of the Executive Leadership Team and councillors to be considered in order to arrive at a shared confidence/concern rating for each of the area of strategic risk identified.

12. While there has been a good response rate to these Sentiment Surveys from the ELT, the response rate from councillors has been inconsistent, with some questions raised by councillors related to this.

13. This update is intended to provide an understanding of the core aspects of HBRC's risk management approach, the ask of councillors and how the resulting risk profile is used.

Discussion

14. The key concepts that underpin this approach to risk include:

14.1. Redefining 'risk' in terms of the major areas of '**uncertainty**' related to our purpose, priorities and operations as a University

14.2. Considering both the upside '**opportunities**' that these areas of uncertainty/risk presents to us, as well as the downside '**threats**'

14.3. Using a simple one-page **dashboard** one-page visualize the **risk profile** of HBRC, expressed in terms of our vision and purpose, what 'success' looks like , the Groups of Activities that defined the work we do, together with the major areas of 'uncertainty/risk' that we need to understand and manage well to be successful

14.4. Simplified **accountabilities** – an Executive Team lead (tier 2) and a Business Owner (tier 3) responsible to ensuring these are relevant and reflect a whole-of-HBRC perspective

14.5. For each area of uncertainty/risk to have a **one page management plan** that provides transparency as to what this risk is, why it matters, what contributes to this, how it is managed, monitored and assured

14.6. Risk ratings determined on the basis of regular **Sentiment Survey's** to reflect the level of **confidence or concern** you have that these areas of risk/uncertainty are being managed effectively

14.7. The results are intended to draw out any **decisions and actions** required to address any residual threats or capture future opportunities.

Next steps

15. Subsequent to this workshop, it is intended that all councillors are asked to complete a short 10-minute electronic survey each quarter.

16. These results will enable a better understanding of where there are matters requiring management focus and governance reporting and discussion.

Authored by:

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Acting Risk Manager

Approved by:

Susie Young
Group Manager Corporate Services

## Attachment/s

1⇩   Risk update

HBRC Dashboard and supporting one page management plans

HBRC dashboard

A simple one-page visual representation of HBRC's risk profile.

Each statements on this dashboard therefor is intended to represents the major things that matter for HBRC – i.e clarity of purpose/vision, what success looks like, the major groups of activities HBRC delivers and the key areas of risk (expressed as uncertainty) related to this.

Regular Sentiment Surveys provides a way to represent the collective views of the Executive Leadership Team and Councillors, so as to enable a focus on areas of collective concern, or areas where there are differences of views across management and governance.
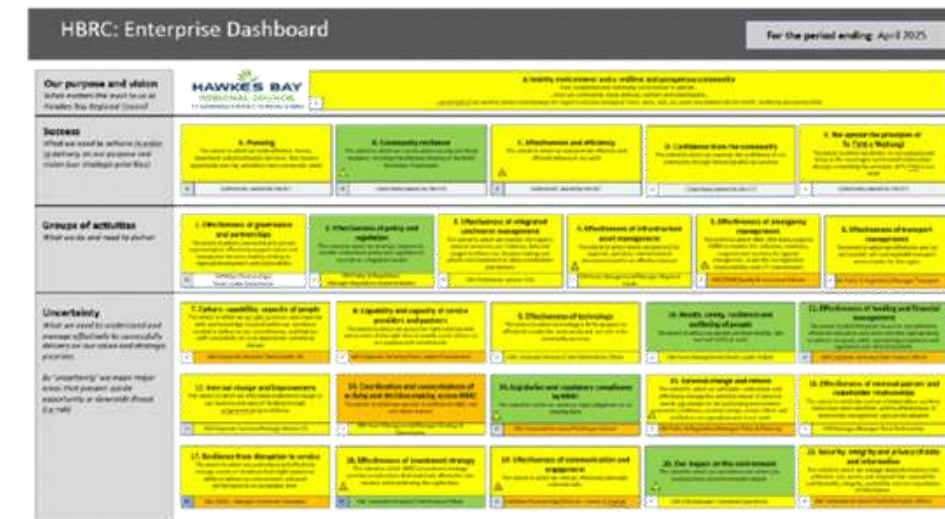
One Page Management Plans

Each statement on the dashboard is supported by a one page management plan that provides transparency as to:

- What the central area of **focus** is (success or uncertainty)

- Why this matters (the **consequences** to HBRC expressed in terms of **opportunity** or **threat**)

- What contributes to this (things that might **cause** this risk to eventuate)

- How this is **managed** (through management practices and **control**)

- How this is **monitored** (and reflecting within regular management reporting)

- Based on the above, what might need to be done differently (**decisions** required / **action** to be taken)
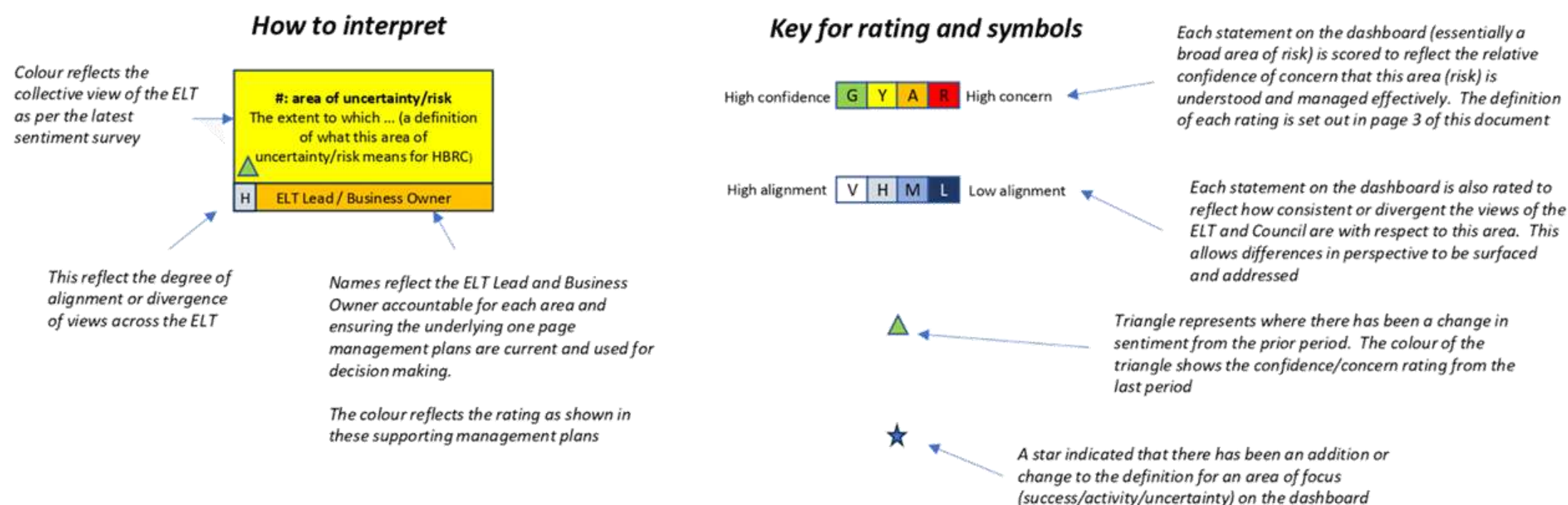

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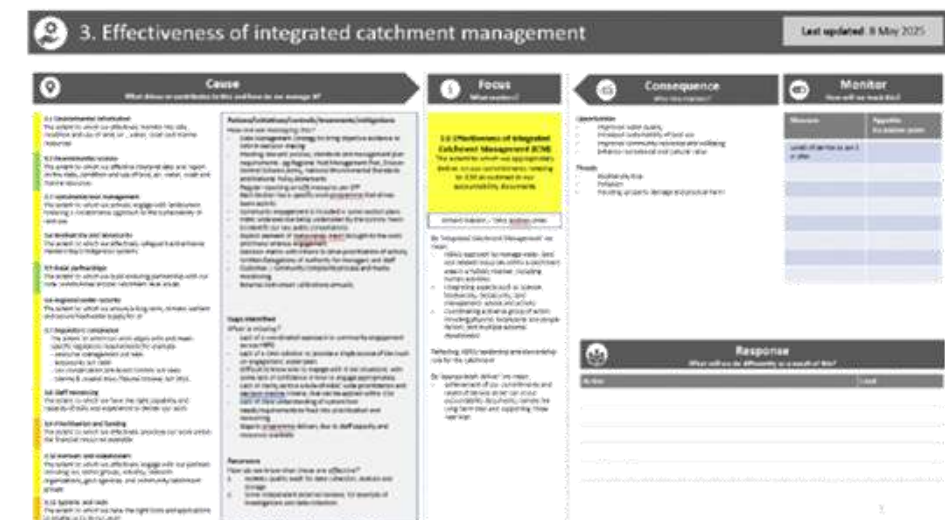
HBRC Enterprise Dashboard

How the HBRC Enterprise Dashboard Works

This dashboard in effect presents the *Strategic Risk Profile for HBRC*.

Rather than traditional risk reports, that provide a list of 'things that could go wrong', this dashboard provides a broad overview of 'the things that matter the most' for HBRC, and expresses risk in terms of:

- *Our purpose and vision:* what we are here to achieve

- *Success:* what success looks like for us that broadly indicates we are delivering on our purpose and vision

- *Groups of activities:* the work we do

- *Uncertainty:* the major areas of risk (i.e the effect of uncertainty on our objectives) that we need to understand and manage effectively to be successful. Note, these areas of uncertainty may present both upside opportunity or downside risk, depending on how effectively this is anticipated and managed
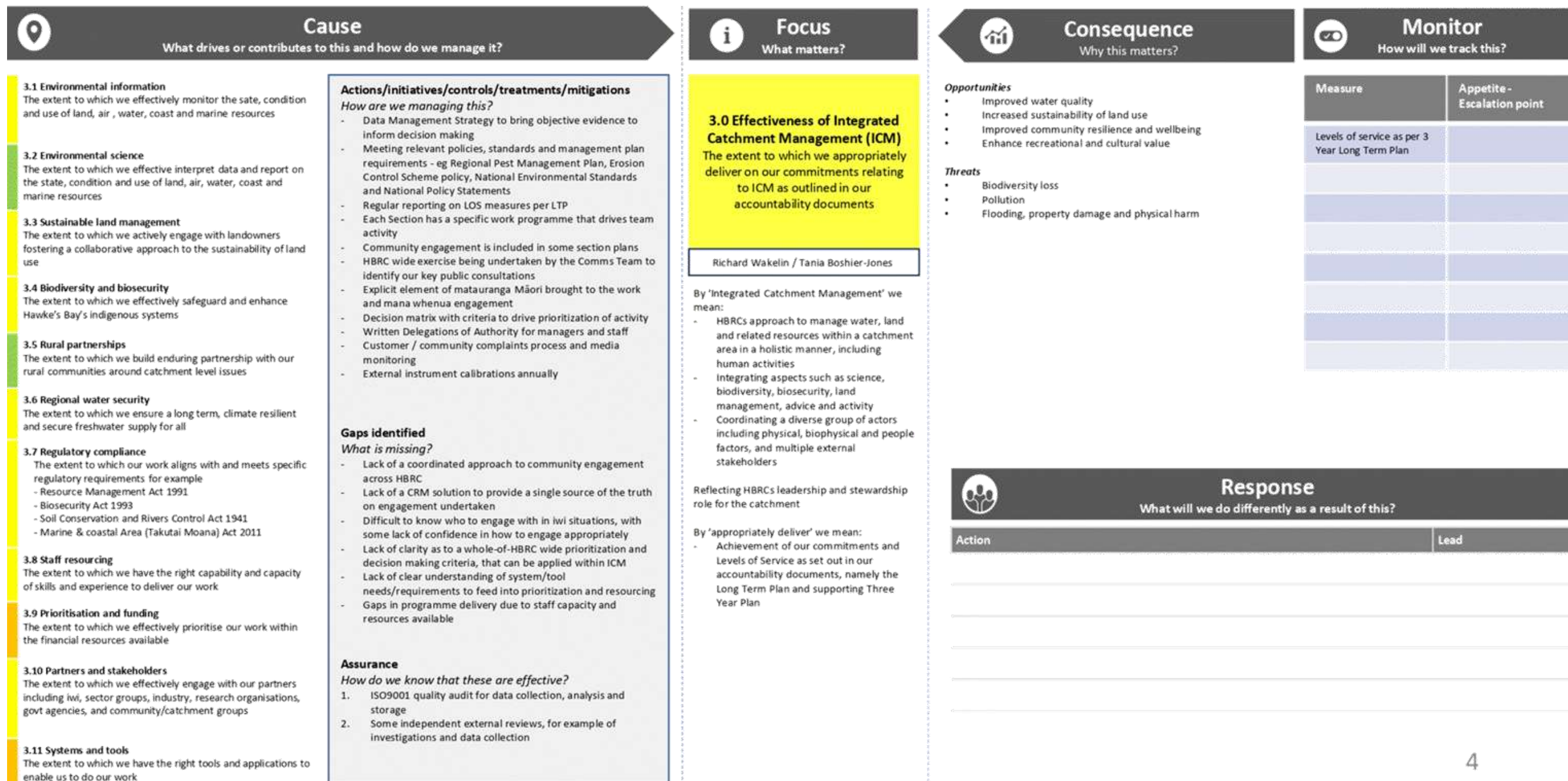
How to interpret

Colour reflects the collective view of the ELT as per the latest sentiment survey

#: area of uncertainty/risk
The extent to which ... (a definition of what this area of uncertainty/risk means for HBRC)

△

| H | ELT Lead / Business Owner |

This reflect the degree of alignment or divergence of views across the ELT

Names reflect the ELT Lead and Business Owner accountable for each area and ensuring the underlying one page management plans are current and used for decision making.

The colour reflects the rating as shown in these supporting management plans

Key for rating and symbols

High confidence | G | Y | A | R | High concern

High alignment | V | H | M | L | Low alignment

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Each statement on the dashboard (essentially a broad area of risk) is scored to reflect the relative confidence of concern that this area (risk) is understood and managed effectively. The definition of each rating is set out in page 3 of this document

Each statement on the dashboard is also rated to reflect how consistent or divergent the views of the ELT and Council are with respect to this area. This allows differences in perspective to be surfaced and addressed

Triangle represents where there has been a change in sentiment from the prior period. The colour of the triangle shows the confidence/concern rating from the last period

A star indicated that there has been an addition or change to the definition for an area of focus (success/activity/uncertainty) on the dashboard

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HBRC: Enterprise Dashboard

For the period ending: April 2025

Our purpose and vision *What matters the most to us as Hawkes Bay Regional Council*	**HAWKE'S BAY REGIONAL COUNCIL** TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI	**A healthy environment and a resilient and prosperous community** *Trust, confidence and continuing social license to operate...* *...from our community, mana whenua, partners and stakeholders...* *...as a result of our work to protect and manage the region's precious taonga of rivers, lakes, soils, air, coast and biodiversity for health, wellbeing and connectivity*

Success
What we need to achieve in order to delivery on our purpose and vision (our strategic priorities)

A. Planning The extent to which we make effective choices, investment and prioritization decisions, that balance opportunity and risk, and which meet community needs	**B. Community resilience** The extent to which we ensure water security and flood resilience, including the effective delivery of the NIWE Resilience Programme	**C. Effectiveness and efficiency** The extent to which we demonstrate effective and efficient delivery of our work	**D. Confidence from the community** The extent to which we maintain the confidence of our community through delivering what we promise	**E. We uphold the principles of Te Tiriti o Waitangi** The extent to which we deliver on our purpose and bring to life meaningful and trusted relationships through embedding the principles of Te Tiriti in our work
H — Collectively owned by the ELT	H — Collectively owned by the ELT	H — Collectively owned by the ELT	V — Collectively owned by the ELT	V — Collectively owned by the ELT

Groups of activities
What we do and need to deliver

1. Effectiveness of governance and partnerships The extent to which community and partner representation effectively support robust and transparent decision-making relating to regional development and sustainability	**2. Effectiveness of policy and regulation** The extent to which we develop, implement, monitor and enforce policy and regulation in our role as a Regional Council	**3. Effectiveness of integrated catchment management** The extent to which we monitor the region's natural resources, use evidence, data and insight to inform our decision making and actions and implement at place coordination and delivery	**4. Effectiveness of infrastructure asset management** The extent to which assets are planned for, acquired, operated, maintained and decommissioned in an effective manner	**5. Effectiveness of emergency management** The extent to which HBRC effectively supports CDEM to enables the reduction, readiness, response and recovery to regional emergencies, as per the our legislative responsibilities and LTP commitments	**6. Effectiveness of transport management** The extent to which we effectively plan for and provide safe and equitable transport across modes for the region
H — GM Māori Partnerships/ Team Leader Governance	V — GM Policy & Regulation/ Manager Regulatory Implementation	V — GM ICM/Senior Advisor ICM	V — GM Asset Management/Manager Regional Assets	V — GM CDEM/Quality & Assurance Advisor	H — GM Policy & Regulation/Manager Transport

Uncertainty
What we need to understand and manage effectively to successfully delivery on our vision and strategic priorities

By 'uncertainty' we mean major areas that present upside opportunity or downside threat (i.e risk)

7. Culture, capability, capacity of people The extent to which we are able to secure and retain the skills and knowledge required within our workforce needed to deliver on our commitments, and that our staff consistently act in an appropriate and ethical manner	**8. Capability and capacity of service providers and partners** The extent to which we access the right external skills and services at the right time to enable use to deliver on our purpose and commitments	**9. Effectiveness of technology** The extent to which technology is fit for purpose to effectively enable the work we do and our role in the community we serve	**10. Health, safety, resilience and wellbeing of people** The extent to which our people are kept healthy, safe and well while at work	**11. Effectiveness of funding and financial management** The extent to which financial resources are optimized, efficiently allocated, used and controlled appropriately to achieve our goals, while maintaining compliance with regulations and ethical standards.
V — GM Corporate Services/Team Leader HR	V — GM Corporate Services/Team Leader Procurement	V — GM Corporate Services/Chief Information Officer	V — GM Asset Management/Team Leader HS&W	H — GM Corporate Services/Chief Finance Officer
12. Internal change and improvement The extent to which we effectively implement change to our business and ways of working through programme/project delivery	**13. Coordination and connectedness of activity and decision making across HBRC** The extent to which we operate in a whole-of-HBRC and non siloed manner	**14. Legislative and regulatory compliance by HBRC** The extent to which we meet our legal obligations on an ongoing basis	**15. External change and reform** The extent to which we anticipate, understand, and effectively manage the potential impact of external events (eg changes in the authorizing environment economic conditions, societal change, sector reform and similar) on our operations and in our work	**16. Effectiveness of external partner and stakeholder relationships** The extent to which key partners/stakeholders and their needs have been identified, and the effectiveness of relationship management approaches adopted.
H — GM Corporate Services/Strategic Advisor CS	V — GM Asset Management/Manager Strategy & Governance	H — GM Corporate Services/Chief Legal Advisor	V — GM Policy & Regulation/Manager Policy & Planning	V — ICM Manager/Manager Rural Partnerships
17. Resilience from disruption to service The extent to which we understand and effectively manage events or situations that might impact our ability to deliver our core services and asset performance to an acceptable level.	**18. Effectiveness of investment strategy** The extent to which HBRC's investment strategy provides a cash return that materially offsets the rate burden, while protecting the capital base	**19. Effectiveness of communication and engagement** The extent to which we interact effectively internally and externally.	**20. Our impact on the environment** The extent to which our operations and actions (or inaction) have an environmental impact.	**21. Security, integrity and privacy of data and information** The extent to which we manage data/information from collection, use, access, and disposal that ensured the confidentiality, integrity, availability and non-repudiation of information.
M — GM CDEM / Manager Corporate Operation	M — GM Corporate Services/Chief Finance Officer	H — GM Māori Partnerships/Director Comms & Engmnt	V — GM ICM/Manager Corporate Operations	V — GM Corporate Services/Chief Information Officer

3. Effectiveness of integrated catchment management

Last updated: 8 May 2025

Cause
What drives or contributes to this and how do we manage it?

3.1 Environmental information
The extent to which we effectively monitor the sate, condition and use of land, air, water, coast and marine resources

3.2 Environmental science
The extent to which we effective interpret data and report on the state, condition and use of land, air, water, coast and marine resources

3.3 Sustainable land management
The extent to which we actively engage with landowners fostering a collaborative approach to the sustainability of land use

3.4 Biodiversity and biosecurity
The extent to which we effectively safeguard and enhance Hawke's Bay's indigenous systems

3.5 Rural partnerships
The extent to which we build enduring partnership with our rural communities around catchment level issues

3.6 Regional water security
The extent to which we ensure a long term, climate resilient and secure freshwater supply for all

3.7 Regulatory compliance
The extent to which our work aligns with and meets specific regulatory requirements for example
- Resource Management Act 1991
- Biosecurity Act 1993
- Soil Conservation and Rivers Control Act 1941
- Marine & coastal Area (Takutai Moana) Act 2011

3.8 Staff resourcing
The extent to which we have the right capability and capacity of skills and experience to deliver our work

3.9 Prioritisation and funding
The extent to which we effectively prioritise our work within the financial resources available

3.10 Partners and stakeholders
The extent to which we effectively engage with our partners including iwi, sector groups, industry, research organisations, govt agencies, and community/catchment groups

3.11 Systems and tools
The extent to which we have the right tools and applications to enable us to do our work

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Actions/initiatives/controls/treatments/mitigations
How are we managing this?
- Data Management Strategy to bring objective evidence to inform decision making
- Meeting relevant policies, standards and management plan requirements - eg Regional Pest Management Plan, Erosion Control Scheme policy, National Environmental Standards and National Policy Statements
- Regular reporting on LOS measures per LTP
- Each Section has a specific work programme that drives team activity
- Community engagement is included in some section plans
- HBRC wide exercise being undertaken by the Comms Team to identify our key public consultations
- Explicit element of matauranga Māori brought to the work and mana whenua engagement
- Decision matrix with criteria to drive prioritization of activity
- Written Delegations of Authority for managers and staff
- Customer / community complaints process and media monitoring
- External instrument calibrations annually

Gaps identified
What is missing?
- Lack of a coordinated approach to community engagement across HBRC
- Lack of a CRM solution to provide a single source of the truth on engagement undertaken
- Difficult to know who to engage with in iwi situations, with some lack of confidence in how to engage appropriately
- Lack of clarity as to a whole-of-HBRC wide prioritization and decision making criteria, that can be applied within ICM
- Lack of clear understanding of system/tool needs/requirements to feed into prioritization and resourcing
- Gaps in programme delivery due to staff capacity and resources available

Assurance
How do we know that these are effective?
1. ISO9001 quality audit for data collection, analysis and storage
2. Some independent external reviews, for example of investigations and data collection

Focus
What matters?

3.0 Effectiveness of Integrated Catchment Management (ICM)
The extent to which we appropriately deliver on our commitments relating to ICM as outlined in our accountability documents

Richard Wakelin / Tania Boshier-Jones

By 'Integrated Catchment Management' we mean:
- HBRCs approach to manage water, land and related resources within a catchment area in a holistic manner, including human activities
- Integrating aspects such as science, biodiversity, biosecurity, land management, advice and activity
- Coordinating a diverse group of actors including physical, biophysical and people factors, and multiple external stakeholders

Reflecting HBRCs leadership and stewardship role for the catchment

By 'appropriately deliver' we mean:
- Achievement of our commitments and Levels of Service as set out in our accountability documents, namely the Long Term Plan and supporting Three Year Plan

Consequence
Why this matters?

Opportunities
- Improved water quality
- Increased sustainability of land use
- Improved community resilience and wellbeing
- Enhance recreational and cultural value

Threats
- Biodiversity loss
- Pollution
- Flooding, property damage and physical harm

Monitor
How will we track this?

Measure	Appetite - Escalation point
Levels of service as per 3 Year Long Term Plan	

Response
What will we do differently as a result of this?

Action	Lead

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Defining risk in terms of relative confidence or concern

Rating	What this means in terms of risk	...or in terms of uncertainty	... and in terms of opportunity	Risk appetite
Red	**Extreme risk** Very significant potential impact on HBRC's operations, people, rightsholders and wider stakeholder trust and confidence. Current management practices (controls/mitigations) insufficient to reduce potential exposure to an acceptable level	**Extreme volatility** Very uncertain or changeable environment, that presents major downside (threats) or upside (opportunities). Insufficient or ineffective mechanisms to monitor or respond appropriately to the threats or opportunities that may present themselves	**Extreme opportunity** Very significant areas of opportunity or potential for positive change. Current plans, initiative or projects do not fully capture these opportunities and significant gaps exist between what we want to achieve and what we are currently doing to achieve this	*Outside* of 'risk appetite' so action required to manage this to a level that we are comfortable to live with
	Fundamental concerns, cannot live with this, intervention required as a matter of priority			
Amber	**High risk** Relatively high level of exposure or impact to HBRC. Some controls or mitigations in place however these may not be sufficient to reduce exposure to an acceptable level	**High volatility** Quite a changeable environment with respect to areas of major priority or commitment to your organisation. A lower level of ability to respond quickly than is desirable	**High opportunity** A relatively high level of opportunity or potential to do things differently. Some initiatives in place but may not be sufficient to deliver on our commitments or achieve our strategic priorities	
	Significant concerns, uncomfortable to live with this and we need to do something different			
Yellow	**Moderate risk** A reasonable level of risk faced by HBRC but with a level that your are able to respond to. Some controls in place, but could do more or uncertain as to the effectiveness of these controls in practice. May cause some pain or disruption, potentially could mitigate further, but broadly in line with risk appetite	**Moderate volatility** Some level of uncertainty or variability faced. Reasonable mechanisms to identify and respond to threats or opportunities, should they present themselves	**Moderate opportunity** A reasonable level of opportunity to do things better, more consistently and effectively. Some controls in place, but scope to strengthen, enhance and improve these. Reasonable opportunity to increase the level of assurance that what we expect to occur is in place and working effectively	*Within* our 'risk appetite', i.e we think we are doing enough at this stage and can live with any residual uncertainty (risk)
	Some concerns, can live with this currently but would like to do more			
Green	**Low risk** Relatively low level of exposure, but not necessarily no risk. Confidence that effective management practices and controls in place	**Low volatility** Highly stable or predictable, little impact on your mandate, commitments or priorities. Effective mechanisms identify and respond to change	**Low opportunity** Major areas of opportunity have been captured. Little areas of major improvement or potential for positive change. Effective initiatives in place to deliver on commitments	
	Reasonably well placed, comfortable to live with this			

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Sentiment Survey

- A simple Microsoft Forms based electronic survey

- Takes around 10 minutes to complete

- Asks for a confidence or concern rating for each of the 27 statements on the HBRC Dashboard (strategic risk profile)

- Enables an understanding of the collective views of the Executive Leadership Team and Councillors

- Provide a more reliable basis of risk rating than a single individual's view of inherent and residual risk, based on an arbitrary likelihood and consequence scoring

- Enables are of shared confidence/concern to be determined, together with where there is a significant divergence of perspectives

- Important to draw out what is behind divergent viewpoints and address this

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