



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

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# FUTURE NAPIER COMMITTEE

## Open Agenda

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Meeting Date: Thursday 25 March 2021

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Time: Following the Sustainable Napier Committee

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Venue: Council Chambers  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier

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Committee Members Mayor Wise, Deputy Mayor Brosnan (In the Chair), Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor and Wright

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Officer Responsible Director City Strategy

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Administration Governance Team

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**Next Future Napier Committee Meeting**  
**Thursday 6 May 2021**

# ORDER OF BUSINESS

## Apologies

Nil

## Conflicts of interest

## Public forum

Nil

## Announcements by the Mayor

## Announcements by the Chairperson including notification of minor matters not on the agenda

*Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13*

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.

## Announcements by the management

## Confirmation of minutes

That the Minutes of the Future Napier Committee meeting held on Thursday, 11 February 2021 be taken as a true and accurate record of the meeting. ....51

## Agenda items

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2	Liability Management Policy Review .....	26
3	Resource Consent Activity Update.....	34
4	P120 Parking Review .....	43

## Minor matters not on the agenda – discussion (if any)

Public excluded .....49

# AGENDA ITEMS

## 1. POLICY - DANGEROUS, AFFECTED AND INSANITARY BUILDINGS

Type of Report:	Legal
Legal Reference:	Building Act 2004
Document ID:	1258340
Reporting Officer/s & Unit:	Malcolm Smith, Manager Building Consents

### 1.1 Purpose of Report

This report informs Council of legislatively driven amendments to Council's Dangerous, Earthquake-Prone and Insanitary Buildings Policy and seeks Council's approval to adopt the amended policy and to extend the review period for the policy from annually to once every 5 years.

#### Officer's Recommendation

The Future Napier Committee:

- a. Adopt the amended Dangerous, Affected and Insanitary Buildings Policy.
- b. Approve the review period extension of the Dangerous, Affected and Insanitary Buildings Policy from annually to 5 years.
- c. That a **DECISION OF COUNCIL** is required urgently to ensure that the Dangerous, Affected and Insanitary Buildings Policy remains legislatively correct. This will require the following resolution to be passed before the decision of Council is taken: That, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on the recommendation.

### 1.2 Background Summary

The Building (Earthquake-prone Buildings) Amendment Act 2016 required Council to amend its Dangerous, Earthquake-Prone and Insanitary Buildings Policy by removing references to earthquake-prone buildings. Council's policy was amended accordingly on 5 June 2018 however; in an administrative oversight, the need for Council to formally approve and adopt the amended policy as a decision of council was overlooked.

Section 132(4) of the Building Act 2004 allows for the review of this policy to be at intervals of not more than 5 years. Given the legislative nature of this policy 5 years is a more appropriate review period rather than annually with any legislative amendments still being able to be made as and when necessary.

### 1.3 Issues

Other than the requirement for formally adopting the policy, there are no issues for Council to consider.

#### 1.4 Significance and Engagement

The Building (Earthquake-prone Buildings) Amendment Act 2016 does not require the special consultative procedure to be used, as the amendments do not materially affect the policy as it applies to dangerous and insanitary buildings.

#### 1.5 Implications

##### Financial

N/A

##### Social & Policy

N/A

##### Risk

N/A

#### 1.6 Options

The options available to Council are as follows:

- a. Adopt the amended Dangerous, Affected and Insanitary Buildings Policy.
- b. Approve the review period extension of the Dangerous, Affected and Insanitary Buildings Policy from annually to 5 years.
- c. To request officers to consider amendments to the Dangerous, Affected and Insanitary Buildings Policy to be brought back to a future meeting

#### 1.7 Development of Preferred Option

To adopt the amended Dangerous, Affected and Insanitary Buildings Policy with the extension to the policy review period.

#### 1.8 Attachments

- A Policy - Dangerous, Affected and Insanitary Buildings [↓](#)
- B 2013 Policy on Dangerous, Earthquake-Prone and Insanitary Buildings [↓](#)



## Napier City Council

### Policy Dangerous, Affected and Insanitary Buildings

#### 1 Introduction

This policy is to meet the requirements of sections 131, 132 and 132A of the Building Act 2004 (the Act) for territorial authorities to adopt a policy on dangerous, affected and insanitary buildings. This is a review of existing policy under Schedule 1AA of the Building (Earthquake-prone Buildings) Amendment Act 2016.

These and other provisions relating to dangerous, affected and insanitary buildings are contained in the following sections of the Building Act 2004.

- Section 121 defines meaning of dangerous building.
- Section 121A defines the meaning of affected building.
- Section 123 defines meaning of insanitary building.
- Section 123A defines the application of this subpart to parts of buildings
- Section 124 describes powers of territorial authorities in respect of dangerous, affected or insanitary buildings.
- Sections 125–130 describe procedures to be applied in the exercise of those powers.
- Section 131 provides that a territorial authority must adopt policy on dangerous and insanitary buildings.
- Section 132 describes procedures in relation to the adoption and review of policies on dangerous and insanitary buildings.
- Section 132A states policy must take into account affected buildings.

These sections of the Act are reproduced in Appendix A for convenience of reference, but the full provisions of the Act should be referred to on matters of law.

Throughout this policy “Council” refers to the Napier City Council.

In this policy “Private Residential” means private dwellings classed as category SH under the Building Act 2004 but excludes those buildings classed under category SR<sup>1</sup>.

Footnotes are provided to explain Council’s reasons for certain aspects of policy and further expand on the provisions of the policy.

<sup>1</sup> SH means Single Detached Dwelling  
SR means Multi-Unit Dwellings, Flats or Apartments



## 2 Policy Approach for Dangerous Buildings

### 2.1 Policy Statement

Once buildings that are dangerous come to the attention of Council it will act promptly to ensure they are made safe.

Dangerous Buildings may come about due to a change of use (for example a commercial building used for residential purposes, unauthorised alterations being made, from a fire, from a natural disaster or as a result of its use by an occupant). Once buildings that are dangerous come to the attention of Council, Council has a statutory responsibility to act promptly to ensure the safety of persons or property. Napier City Council will use the process set out in the Building Act 2004 in dealing with dangerous buildings.

### 2.2 Identification of Dangerous Buildings

In order to identify dangerous buildings Council will respond to and investigate all building complaints or notification from internal sources or third parties. However Council may not respond to anonymous complaints. Where those investigations reveal that the building is in a dangerous state the owner and occupier of the building will be informed and required to reduce or remove the danger. Council will seek advice from the Fire and Emergency New Zealand on making an assessment of a dangerous building where appropriate, for example on a complex building.

Council will assess dangerous buildings against the provisions of section 121(1) of the Building Act 2004 (see Appendix A).

### 2.3 Taking Action on Dangerous Buildings

Where the danger is assessed as immediate, Council may undertake any of those measures outlined in section 129 of the Act to remove the danger. Due to the urgent nature of the risk that dangerous buildings pose to users, Council will in the first instance act to ensure no person uses or occupies the building until such work is undertaken to reduce or remove the danger. Council will seek cost recovery for work carried out under this section.

Where the danger is assessed as not being immediate, in accordance with sections 124 and 125 of the Act Council may:

- Advise and liaise with the owner(s) of the building(s);
- Request a written report on the building from the Fire and Emergency New Zealand;
- If the building is found to be dangerous attach a written notice to the building requiring remedial work to be carried out within a time stated in the notice being not less than 10 days, to reduce or remove the danger. Copies of the notice will be provided to the building owner, the occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a heritage building;
- Consider enforcement action under the Act if the requirements of the notice are not met with a reasonable period of time as well as any other non-compliance matters.

All owners have a right to object to Council for a review of its decision or the Ministry of Business, Innovation & Employment (MBIE) for a determination under Section 177 (3) of the Act (see Appendix A).

**Dangerous, Affected and Insanitary Buildings Policy**  
**Adopted by Council 8 October 2013**  
 Reviewed and Amended 5 June 2018 in accordance with the  
 Building (Earthquake-prone Buildings) Amendment Act 2016

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### 3 Policy Approach for Affected Buildings

#### 3.1 Policy Statement

Once buildings that are dangerous come to the attention of Council it will act promptly to ensure they are made safe.

Any buildings adjacent to, adjoining, or nearby to a dangerous building or dam shall be assessed to determine if they are affected by the dangerous building or dam in question.

Once any buildings are deemed to be affected, Council has a statutory responsibility to act promptly to ensure the safety of persons or property. Napier City Council will use the process set out in the Building Act 2004 in dealing with affected buildings.

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**Adopted by Council 8 October 2013**  
Reviewed and Amended 5 June 2018 in accordance with the  
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## 4 Policy Approach for Insanitary Buildings

### 4.1 Policy Statement

Once buildings that are insanitary come to the attention of Council it will act promptly to ensure they are made safe.

Buildings may become insanitary due to a number of reasons, such as following a natural disaster, as a result of poor maintenance, or misuse by an occupant. Once buildings that contain insanitary conditions come to the attention of Council, Council will follow the process laid down in the Building Act 2004 in dealing with insanitary conditions.

### 4.2 Identification of Insanitary Buildings

In order to identify insanitary buildings, Council will respond to and investigate all building complaints or notification from internal sources or third parties. However Council may not respond to anonymous complaints. In situations where natural disasters have occurred Council will institute an active approach to assessing the sanitary state of affected buildings.

Where any investigations reveal that a building is in an insanitary state the owner and occupier of the building will be informed and the owner required to address those conditions contributing to the insanitary state.

### 4.3 Taking action on Insanitary Buildings

Where immediate action is required to prevent the building from remaining insanitary, Council will undertake those measures in section 129 of the Act to fix the insanitary conditions. Due to the urgent nature of the risk that insanitary buildings pose to users, Council will in the first instance act to ensure no person uses or occupies the building or permits the another person to use or occupy the building until such work is undertaken to fix the insanitary conditions.

Where immediate action is not required Council may:

- Advise and liaise with the owner(s) of the building(s);
- If the building is found to be insanitary attach a written notice to the building requiring remedial work to be carried out within a time stated in the notice being not less than 10 days, to reduce or remove the conditions contributing to the insanitary state. Copies of the notice will be provided to the building owner, the occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a heritage building;
- Consider enforcement action under the Act if the requirements of the notice are not met with reasonable period of time as well as any other non-compliance matters.

All owners have a right to object to Council for a review of its decision or the Ministry of Business, Innovation & Employment (MBIE) for a determination under Section 177(3) of the Act (see Appendix 1).

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## Appendix A

### Extracts from the Building Act 2004 and related Regulations

#### 121 Meaning of dangerous building

- (1) A building is dangerous for the purposes of this Act if,
- (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause—
    - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
    - (ii) damage to other property; or
  - (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely.
- (2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority—
- (a) may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and
  - (b) if the advice is sought, must have due regard to the advice

#### 121A Meaning of affected building

A building is an affected building for the purposes of the Act if it is adjacent to, adjoining, or nearby—

- (a) a dangerous building as defined in section 121; or
- (b) a dangerous dam within the meaning of section 153.

#### 123 Meaning of insanitary building

A building is insanitary for the purposes of this Act if the building—

- (a) is offensive or likely to be injurious to health because —
  - (i) of how it is situated or constructed; or
  - (ii) it is in a state of disrepair; or
- (a) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- (b) does not have a supply of potable water that is adequate for its intended use; or
- (c) does not have sanitary facilities that are adequate for its intended use.

#### 123A Application of this subpart to parts of buildings

- (1) If a territorial authority is satisfied that only part of a building is dangerous (within the meaning of section 121) or insanitary (within the meaning of section 123) —
- (a) the territorial authority may exercise any of its powers or perform any of its functions under this subpart in respect of that part of the building rather than the whole building; and
  - (b) for the purpose of paragraph (a), this subpart applies with any necessary modifications.
- (2) To the extent that a power or function of a territorial authority under this subpart relates to affected buildings, -
- (a) the territorial authority may exercise the power or perform the function in respect of all or part of an affected building; and
  - (b) for the purpose of paragraph (a), this subpart applies with any necessary modifications.

#### Dangerous, Affected and Insanitary Buildings Policy Adopted by Council 8 October 2013

Reviewed and Amended 5 June 2018 in accordance with the Building (Earthquake-prone Buildings) Amendment Act 2016

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**Powers of territorial authorities in respect of dangerous, affected, or insanitary buildings****124 Dangerous, affected, or insanitary buildings: powers of territorial authority**

- (1) This section applies if a territorial authority is satisfied that a building in its district is a dangerous, affected or insanitary building.
- (2) In a case to which this section applies, the territorial may do any or all of the following:
  - (a) put up a hoarding or fence to prevent people from approaching the building nearer than is safe;
  - (b) attach in a prominent place on, or adjacent to the building, a notice that warns people not to approach the building;
  - (c) except in the case of an affected building, issue a notice that complies with section 125(1) requiring work to be carried out on the building to:
    - (i) reduce or remove the danger; or
    - (ii) prevent the building from remaining insanitary.
  - (d) issue a notice that complies with section 125(1A) restricting entry to the building for particular purposes or restricting entry to particular persons or groups of persons.

**125 Requirements for notice requiring building work or restricting entry**

- (1) A notice given under section 124(2)(c) must—
  - (a) be in writing; and
  - (b) be fixed to the building in question; and
  - (c) be given in the form of a copy to the persons listed in subsection (2); and
  - (d) state the time within which the building work must be carried out, which must not be less than a period of 10 days after the notice is given or a period reasonably sufficient to obtain a building consent is one is required, which period is longer; and
  - (e) state whether the owner of the building must obtain a building consent in order to carry out the work required by the notice.
- (1A) A notice issued under section 124(2)(d);
  - (a) be in writing; and
  - (b) be fixed to the building in question; and
  - (c) be given in the form of a copy to the persons listed in subsection (2); and
  - (d) may be issued for a maximum period of 30 days; and
  - (e) may be reissued once only for a further period maximum period of 30 days.
- (2) A copy of the notice must be given to—
  - (a) the owner of the building; and
  - (b) an occupier of the building; and
  - (c) every person who has an interest in the land on which the building is situated under a mortgage or other encumbrance registered under the Land Transfer Act 1952; and
  - (d) every person claiming an interest in the land that is protected by a caveat lodged and in force under section 137 of the Land Transfer Act 1952; and
  - (e) every statutory authority that has exercised a statutory power to classify or register, for any purpose, the building or the land on which the building is situated; and
  - (f) Heritage New Zealand Pouhere Taonga, if the building is a heritage building.
- (3) However, the notice, if fixed on the building, is not invalid because a copy of it has not been given to any or all of the persons referred to in subsection (2).

**Dangerous, Affected and Insanitary Buildings Policy  
Adopted by Council 8 October 2013**

Reviewed and Amended 5 June 2018 in accordance with the  
Building (Earthquake-prone Buildings) Amendment Act 2016

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**126 Territorial authority may carry out work**

- (1) A territorial authority may apply to a District Court for an order authorising the territorial authority to carry out building work if any work required under a notice issued by the territorial authority under section 124(2)(c) is not completed, or not proceeding with reasonable speed, within—
  - (a) the time stated in the notice; or
  - (b) any further time that the territorial authority may allow.
- (2) Before the territorial authority applies to the District Court under subsection (1), the territorial authority must give the owner of the building not less than 10 days' written notice of its intention to do so.
- (3) If the territorial authority carries out building work under the authority of an order made under subsection (1) —
  - (a) the owner of the building is liable for the costs of the work; and
  - (b) the territorial authority may recover those costs from the owner; and
  - (c) the amount recoverable by the territorial authority becomes a charge on the land on which the work was carried out.

**127 Building work includes demolition of building**

Any work required or authorised to be done under section 124(2)(c) or section 126 may include the demolition of all or part of a building.

**128 Prohibition on using dangerous, affected, or insanitary building**

- (1) This section applies if a territorial authority has done any of the following:
  - (a) put up a hoarding or fence in relation to a building under section 124(2)(a);
  - (b) attached a notice warning people not to approach a building under section 124(2)(b);
  - (c) issued a notice restricting entry to a building under section 124(2)(d).
- (2) In any case to which this section applies, and except as permitted by section 124(2)(d), no person may:
  - (a) use or occupy the building; or
  - (b) permit another person to use or occupy the building.

**128A Offences in relation to dangerous, affected or insanitary buildings**

- (1) A person who fails to comply with a notice issued under section 124(2)(c) that is given to that person under section 125(2) -
  - (a) commits an offence; and
  - (b) is liable to a fine not exceeding \$200,000.
- (2) A person who fails to comply with section 128(2) -
  - (a) commits an offence; and
  - (b) is liable on conviction to a fine not exceeding \$200,000 and in the case of a continuing offence, to a further fine not exceeding \$20,000 for every day or part of a day during which the offence has continued.

**Dangerous, Affected and Insanitary Buildings Policy**  
**Adopted by Council 8 October 2013**

Reviewed and Amended 5 June 2018 in accordance with the  
 Building (Earthquake-prone Buildings) Amendment Act 2016

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**129 Measures to avoid immediate danger or to fix insanitary conditions**

- (1) This section applies if, because of the state of a building—
  - (a) immediate danger to the safety of people is likely in terms of section 121 or section 123; or
  - (b) immediate action is necessary to fix insanitary conditions.
- (2) The chief executive of a territorial authority may, by warrant issued under his or her signature, cause any action to be taken that is necessary in his or her judgement to—
  - (a) remove that danger; or
  - (b) fix those insanitary conditions.
- (3) If the territorial authority takes action under subsection (2)—
  - (a) the owner of the building is liable for the costs of the action; and
  - (b) the territorial authority may recover those costs from the owner; and
  - (c) the amount recoverable by the territorial authority becomes a charge on the land on which the building is situated.
- (4) The chief executive of the territorial authority and the territorial authority are not under any liability arising from the issue, in good faith, of a warrant under subsection (2).

**130 Territorial authority must apply to District Court for confirmation or warrant**

- (1) If the chief executive of a territorial authority issues a warrant under section 129(2), the territorial authority, on completion of the action stated in the warrant, must apply to a District Court for confirmation of the warrant.
- (2) On hearing the application, the District Court may—
  - (a) confirm the warrant without modification; or
  - (b) confirm the warrant subject to modification; or
  - (c) set the warrant aside.
- (3) Subsection (1) does not apply if—
  - (a) the owner of the building concerned notifies the territorial authority that—
    - (i) the owner does not dispute the entry into the owner's land; and
    - (ii) confirmation of the warrant by a District Court is not required; and
  - (b) the owner pays the costs referred to in section 129(3)(a).

**131 Territorial authority must adopt policy on dangerous and insanitary buildings—**

- (1) A territorial authority must, within 18 months after the commencement of this section, adopt a policy on dangerous and insanitary buildings within its district.
- (2) The policy must state—
  - (a) the approach that the territorial authority will take in performing its functions under this Part; and
  - (b) the territorial authority's priorities in performing those functions; and
  - (c) how the policy will apply to heritage buildings.

**132 Adoption and review of policy**

- (1) A policy under section 131 must be adopted in accordance with the special consultative procedure of section 83 of the Local Government Act 2002.
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) A territorial authority must, as soon as practicable after adopting or amending a policy, provide a copy of the policy to the chief executive.
- (4) A territorial authority must complete a review of a policy within 5 years after the policy is adopted and then at intervals of not more than 5 years.
- (5) A policy does not cease to have effect because it is due for review or being reviewed.

**Dangerous, Affected and Insanitary Buildings Policy  
Adopted by Council 8 October 2013**

Reviewed and Amended 5 June 2018 in accordance with the  
Building (Earthquake-prone Buildings) Amendment Act 2016

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**132A Policy must take into account affected buildings**

- (1) A policy under section 131 take into account affected buildings.
- (2) A territorial authority must amend an existing policy to take into account affected buildings at the latest within a reasonable period following the next review of its policy required under section 132(4).
- (3) In subsection (2), existing policy means a policy existing at the date of this section coming into force.

**177 Application for determination**

- (3) Subsection (1)(b) applies to any power of decision of a territorial authority in respect of, or under, all or any of the following:
  - (a) any waiver or modification of the building code under section 67:
  - (b) a certificate of acceptance under section 96:
  - (c) an exemption from building consent requirements under clause 2 of Schedule 1:
  - (d) an amendment to a compliance schedule under section 106, 107, or 109:
  - (e) a notice to fix:
  - (f) sections 112, 113, 115, and 116 (which relate to alterations to, or changes in the use of, a building) and 124 and 129 which relate to dangerous, affected, and insanitary buildings):
  - (fa) any power of decision of a territorial authority under subpart 6A of Part 2, other than a power of decision under section 133AS (territorial authority may carry out seismic work):
  - (g) a certificate for public use under section 363A:
  - (h) a certificate under section 224(f) of the Resource Management Act 1991.

**Dangerous, Affected and Insanitary Buildings Policy**  
**Adopted by Council 8 October 2013**

Reviewed and Amended 5 June 2018 in accordance with the  
 Building (Earthquake-prone Buildings) Amendment Act 2016

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## **Napier City Council Policy on Dangerous, Earthquake- Prone and Insanitary Buildings**



Adopted by Council 8 October 2013

## Napier City Council

### Policy

### Dangerous, Earthquake Prone and Insanitary Buildings

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#### 1 Introduction

This policy is to meet the requirements of sections 131 and 132 of the Building Act 2004 (the Act) for territorial authorities to adopt a policy on dangerous, earthquake-prone and insanitary buildings. This is a review of existing policy under Section 132 of the Act.

These and other provisions relating to dangerous, earthquake-prone and insanitary buildings are contained in the following sections of the Building Act 2004.

- Section 121 defines meaning of dangerous building.
- Section 122 defines earthquake-prone buildings; the associated regulations define a moderate earthquake to which section 122 refers.
- Section 123 defines meaning of insanitary building.
- Section 124 describes powers of territorial authorities in respect of dangerous, earthquake-prone and insanitary buildings.
- Sections 125-130 describe procedures to be applied in the exercise of those powers.
- Section 131 provides that a territorial authority must adopt policy on dangerous, earthquake-prone and insanitary buildings.
- Section 132 describes procedures in relation to the adoption and review of policies on dangerous, earthquake-prone and insanitary buildings.

These sections of the Act are reproduced in Appendix A for convenience of reference, but the full provisions of the Act should be referred to on matters of law.

Throughout this policy "Council" refers to the Napier City Council.

In this policy "Private Residential" means private dwellings classed as category SH under the Building Act 2004 but excludes those buildings classed under category SR<sup>1</sup>.

Footnotes are provided to explain Council's reasons for certain aspects of policy and further expand on the provisions of the policy.

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<sup>1</sup> SH means Single Detached Dwelling  
SR means Multi-Unit Dwellings, Flats or Apartments

## 2 Methods to be used in assessing earthquake-prone buildings

In assessing if a building is earthquake-prone, Council will accept the methods in the guideline document "The Assessment and Improvement of Performance of Buildings in Earthquakes", developed for the Department of Building and Housing by the New Zealand Society of Earthquake Engineering. Other methods and procedures are not, however, excluded<sup>2</sup>. In any event Council may require that a peer review of any assessment be made.

## 3 Identification of potential earthquake-prone buildings

Council has identified that due to building standards and practices in place prior to 1976, buildings consented prior to 1976 are potentially earthquake prone as defined in Section 122 of the Building Act 2004. As a result, every owner of a building of 2 or more storeys or single storey buildings with an eave height greater than 4 metres and are classified as a Place of Assembly<sup>3</sup> as defined by the City of Napier District Plan constructed prior to 1976, with the exception of **private single detached dwellings**, is required to submit a written assessment of the earthquake proneness of their building to the Napier City Council.

The assessment must be undertaken and certified by a Chartered Professional Engineer (Structural). The certification shall be in the form of PS4.

This assessment is to be completed within 36 months of written notification by Council that an assessment is required.

The cost of the assessment of the earthquake proneness of the building will be met in full by the building owner.

If an assessment report is not submitted within this 36 month period the building will be deemed to be earthquake prone and notice will be served under section 124 of the Building Act 2004. The notice will remain in place until such time as remedial work to bring the building up to the standards required by the Building Act 2004 is undertaken or that an assessment report has been received confirming that the building is not earthquake prone. The legal responsibilities of the property owner issued with a notice are set out in section 6 of this policy.

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<sup>2</sup> The definition of earthquake proneness includes reference to collapse. The detailed procedures of the NZSEE guidelines, on the other hand, have been written in terms of Ultimate Limit State (ULS), for reasons explained in the guidelines. There can be a marked difference between the attainment of an ULS and a state of collapse. Analysts may therefore prefer to use procedures that assess collapse directly rather than approximate that condition from an ULS. Depending on the detailed nature of such an assessment, Council may require a peer review to corroborate the assessment.

<sup>3</sup> Place of Assembly means Land and/or Buildings which are used in whole or in part for the assembly of persons for such purposes as deliberation, public and private worship, religious ceremonies, services, instruction, entertainment, education, recreation or similar purposes and includes any church, hall, public library, amusement arcade, clubroom, funeral directors chapel, any gymnasium, pavilion, indoor sports facility, community centre and marae buildings.

## **4 Consultation with owners of potential earthquake-prone buildings**

If no report is received or if the assessment report deems a building to be earthquake prone, the Council will confirm the status of the building as being an earthquake prone building for the purposes of section 122 of the Building Act 2004 and discuss with the owners the implications of the findings and provide advice to the owners on organisations that can assist with information on earthquake prone buildings.

## **5 Recording of earthquake proneness**

In the event that Council confirms that the building is earthquake-prone, a record to this effect will be placed on the property file, and any Land Information Memorandum or Project Information Memorandum requested for a project involving the building will note that the building has been assessed as being earthquake-prone<sup>4</sup>.

## **6 Notices**

In the event that the owner does not submit a written assessment as provided by section 3 of this policy or, if the assessment report provided by the building owner under section 3 of this policy confirms that the building is earthquake-prone, Council will issue a notice in accordance with the Act.

The notice will state that the building is to achieve strengthening to such a level as may be required by the Building Act or Building Code.

The time within which the work required by the notice is to be carried out is 10 years from the date of the notice.

Council will in general require that the owner obtain a building consent for work specified in the notice, though concessions on fees may be available for certain buildings.

## **7 Application of this policy to heritage buildings**

Heritage buildings will be assessed in the same way as other buildings. Council is very much aware of the value of heritage buildings to the City. As a result, Council may vary requirements for improving the performance of a heritage building where improvement would otherwise involve an unacceptable intervention in heritage fabric or unacceptable loss of heritage value. Matters to be considered include:

- more detailed assessments
- extent of the loss of heritage values
- acceptability of lower protection, including lower protection of other property

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<sup>4</sup> The New Zealand Society for Earthquake Engineering recommends that a plaque, stating that the building has been assessed for earthquake proneness and graded accordingly, should be fixed to the building. Council does not intend adopting this recommendation.

In determining appropriate action, including any variations, Council will consult with the Historic Places Trust, the Department of Conservation (as appropriate), expert heritage advisors<sup>5</sup>, and owners of immediately adjacent buildings<sup>6</sup>. This consultation will take place immediately following receipt of the assessment report identifying a building as earthquake prone.

## **8 Interaction of this policy with other provisions of the Act**

### **8.1 Alterations to buildings**

Section 112 of the Building Act, which relates to alterations to existing buildings, requires that the structure continues to comply with the provisions of the building code (applying to new buildings) to at least the same extent as before the alteration. This will continue to apply, except when the proposed alterations require a building consent and are deemed to be significant alterations, when additional requirements may apply<sup>7</sup>.

Alterations will be deemed to be significant if the costs of the alterations requiring building consent exceed 10% of the value of the building, taken as the "quotable value" excluding land. Where there are several alterations over a period of time, the percentages will be aggregated for each alteration and the aggregated percentages compared to the 10% threshold<sup>8</sup>.

When an alteration that is deemed to be significant is proposed to a building that has been assessed as earthquake-prone and for which a notice has been given, Council will require that the building be upgraded as required by the notice as a condition of consent for the alteration.

When an alteration that is deemed to be significant is proposed to a building that has not been assessed as earthquake-prone, Council will require that the building be assessed for earthquake proneness as a condition of consent for the alteration. Council may require that the assessment uses a detailed procedure (rather than an initial evaluation procedure) and that a peer review of the assessment be undertaken. If the building is assessed as earthquake-prone, Council will serve notice to this effect and require such work as is required to remove the danger as a condition of building consent.

### **8.2 Extension of life of building**

Where the provisions of section 116 of the Building Act apply, Council will apply the provisions of this policy that relate to alterations as if the extension of life were an alteration.

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<sup>5</sup> Conservation architects, archaeologists, specialist structural engineers, and others

<sup>6</sup> Who have a reasonable expectation that their property will be protected

<sup>7</sup> All alterations, not just those relating to the structure, are included, because alterations may extend the use of the building or the number of occupants. However, the intention is not to preclude minor alterations that might well improve the safety of the building in everyday use or aspects of public amenity. Note that repairs and maintenance using the same or similar materials generally do not require a building consent, so are not included in the costs of the alterations as defined here.

<sup>8</sup> Aggregation of percentages are used to avoid any necessity to calculate "present-day-value" of the costs of past alterations or of previous building valuations.

### **8.3 Subdivision**

Where the provisions of section 116A of the Building Act apply, Council will apply the provisions of this policy that relate to alterations as if the subdivision were an alteration.

Council notes that section 116A requires, among other matters, that the building comply as nearly as is reasonably practicable with every provision of the building code that relates to protection of other property. This may be more onerous in some respects than meeting the provisions of this policy on alterations.

### **8.4 Change of use of a building**

Council notes that section 115 requires, among other matters, that where a change of use is intended for a building, the building must comply with every provision of the building code that relates to structural performance. This will, in general, be more onerous than meeting the requirements of this policy on earthquake-prone buildings.

## **9 Policy Approach for Insanitary Buildings**

### **9.1 Policy Statement**

Once buildings that are insanitary come to the attention of Council it will act promptly to ensure they are made safe.

Buildings may become insanitary due to a number of reasons, such as following a natural disaster, as a result of poor maintenance, or misuse by an occupant. Once buildings that contain insanitary conditions come to the attention of Council, Council will follow the process laid down in the Building Act 2004 in dealing with insanitary conditions.

### **9.2 Identification of Insanitary Buildings**

In order to identify insanitary buildings, Council will respond to and investigate all building complaints or notification from internal sources or third parties. However Council may not respond to anonymous complaints. In situations where natural disasters have occurred Council will institute an active approach to assessing the sanitary state of affected buildings.

Where any investigations reveal that a building is in an insanitary state the owner and occupier of the building will be informed and the owner required to address those conditions contributing to the insanitary state.

### **9.3 Taking action on Insanitary Buildings**

Where immediate action is required to prevent the building from remaining insanitary, Council will undertake those measures in section 129 of the Act to fix the insanitary conditions. Due to the urgent nature of the risk that insanitary buildings pose to users, Council will in the first instance act to ensure no person uses or occupies the building or permits the another person to use or occupy the building until such work is undertaken to fix the insanitary conditions.

Where immediate action is not required Council may:

- Advise and liaise with the owner(s) of the building(s);
- If the building is found to be insanitary attach a written notice to the building requiring remedial work to be carried out within a time stated in the notice being not less than 10 days, to reduce or remove the conditions contributing to the

insanitary state. Copies of the notice will be provided to the building owner, the occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as the New Zealand Historic Places trust, if the building is a heritage building;

- Consider enforcement action under the Act if the requirements of the notice are not met with reasonable period of time as well as any other non compliance matters.

All owners have a right to object to Council for a review of its decision or the Department of Building and Housing for a determination under Section 177(3) of the Act (See Appendix 1).

## **10 Policy Approach for Dangerous Buildings**

### **10.1 Policy Statement**

Once buildings that are dangerous come to the attention of Council it will act promptly to ensure they are made safe.

Dangerous Buildings may come about due to a change of use (for example a commercial building used for residential purposes, unauthorized alterations being made, from a fire, from a natural disaster or as a result of its use by an occupant). Once buildings that are dangerous come to the attention of Council, Council has a statutory responsibility to act promptly to ensure the safety of persons or property. Napier City Council will use the process set out in the Building Act 2004 in dealing with dangerous buildings.

### **10.2 Identification of Dangerous Buildings**

In order to identify dangerous buildings Council will respond to and investigate all building complaints or notification from internal sources or third parties. However Council may not respond to anonymous complaints. Where those investigations reveal that the building is in a dangerous state the owner and occupier of the building will be informed and required to reduce or remove the danger. Council will seek advice from the New Zealand Fire Service on making an assessment of a dangerous building where appropriate, for example on a complex building or on a building that has suffered damage after an earthquake.

Council will assess dangerous buildings against the provisions of section 121(1) of the Building Act 2004 (see Appendix A).

### **10.3 Taking Action on Dangerous Buildings**

Where the danger is assessed as immediate, Council may undertake any of those measures outlined in section 129 of the Act to remove the danger. Due to the urgent nature of the risk that dangerous buildings pose to users, Council will in the first instance act to ensure no person uses or occupies the building until such work is undertaken to reduce or remove the danger. Council will seek cost recovery for work carried out under this section.

Where the danger is assessed as not being immediate, in accordance with sections 124 and 125 of the Act Council may:

- Advise and liaise with the owner(s) of the building(s);
- Request a written report on the building from the New Zealand Fire Service;



- If the building is found to be dangerous attach a written notice to the building requiring remedial work to be carried out within a time stated in the notice being not less than 10 days, to reduce or remove the danger. Copies of the notice will be provided to the building owner, the occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as the New Zealand Historic Places trust, if the building is a heritage building;
- Consider enforcement action under the Act if the requirements of the notice are not met with a reasonable period of time as well as any other non-compliance matters.

All owners have a right to object to Council for a review of its decision or the Department of Building and Housing for a determination under Section 177 (3) of the Act (see Appendix A).

## Appendix A

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### Earthquake-Prone Buildings

#### Extracts from the Building Act 2004 and related Regulations

##### 121 Meaning of dangerous building

- (1) A building is dangerous for the purposes of this Act if,
  - (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause—
    - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
    - (ii) damage to other property; or
  - (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building.
- (2) For the purpose of determining whether a building is dangerous in terms of subsection (1) (b), a territorial authority—
  - (a) may seek advice from members of the New Zealand Fire Service who have been notified to the territorial authority by the Fire Service National Commander as being competent to give advice; and
  - (b) if the advice is sought, must have due regard to the advice

##### 122 Meaning of an earthquake-prone building

- (1) A building is earthquake prone for the purposes of the Act if, having regard to its condition and the ground on which it is built, and because of its construction, the building—
  - (a) will have its ultimate capacity exceeded in a moderate earthquake (as defined in the regulations); and
  - (b) would be likely to collapse causing—
    - (i) injury or death to persons in the building or to persons on any other property; or
    - (ii) damage to any other property.
- (1) Subsection (1) does not apply to a building that is used wholly or mainly for residential purposes unless the building—
  - (a) comprises 2 or more storeys; and
  - (b) contains 3 or more household units.

The regulations referred to in s122 were promulgated in 2005/32 on 21 February 2005. Part 7 defines a moderate earthquake.

#### 7. Earthquake-prone buildings: moderate earthquake defined

For the purposes of section 122 (meaning of earthquake-prone building) of the Act, moderate earthquake means, in relation to a building, an earthquake that would generate shaking at the site of the building that is the same duration as, but is one-third as strong as, the earthquake shaking (determined by normal measures of acceleration, velocity, and displacement) that would be used for the design of a new building at that site.

##### 123 Meaning of insanitary building

- A building is insanitary for the purposes of this Act if the building—
- (a) is offensive or likely to be injurious to health because —
    - (i) of how it is situated or constructed; or
    - (ii) it is in a state of disrepair; or

- (b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or/does not have a supply of potable water that is adequate for its intended use; or
- (c) does not have sanitary facilities that are adequate for its intended use.

**Powers of territorial authorities in respect of dangerous, earthquake-prone, or insanitary buildings**

**124 Powers of territorial authorities in respect of dangerous, earthquake-prone, or insanitary buildings**

- (1) If a territorial authority is satisfied that a building is dangerous, earthquake-prone, or insanitary, the territorial authority may—
  - (a) put up a hoarding or fence to prevent people from approaching the building nearer than is safe;
  - (b) attach in a prominent place on, or adjacent to, the building a notice that warns people not to approach the building;
  - (c) give written notice requiring work to be carried out on the building, within a time stated in the notice (which must not be less than ten days) after the notice is given under section 125), to—
    - (i) reduce or remove the danger; or
    - (ii) prevent the building from remaining insanitary.
- (2) This section does not limit the powers of the territorial authority under this Part.
- (3) A person commits an offence if the person fails to comply with a notice given under subsection (1)(c).
- (4) A person who commits an offence under this section is liable to a fine not exceeding \$200,000.

**125 Requirements for notice given under section 124**

- (1) A notice given under section 124(1)(c) must—
  - (a) be fixed to the building concerned; and
  - (b) state whether the owner of the building must contain a building consent in order to carry out the work required by the notice.
- (2) A copy of the notice must be given to—
  - (a) the owner of the building; and
  - (b) an occupier of the building; and
  - (c) every person who has an interest in the land on which the building is situated under a mortgage or other encumbrance registered under the Land Transfer Act 1952; and
  - (d) every person claiming an interest in the land that is protected by a caveat lodged and in force under section 137 of the Land Transfer Act 1952; and
  - (e) any statutory authority, if the land or building has been classified; and
  - (f) the New Zealand Historic Places Trust, if the building is a heritage building.
- (3) However, the notice, if fixed on the building, is not invalid because a copy has not been given to any or all of the persons referred to in subsection (2).

**126 Territorial authority may carry out work**

- (1) A territorial authority may apply to a District Court for an order authorising the territorial authority to carry out building work if any work required under a notice given by the territorial authority under section 124(1)(c) is not completed, or not proceeding with reasonable speed, within—
  - (a) the time stated in the notice; or
  - (b) any further time that the territorial authority may allow.
- (2) Before the territorial authority applies to the District Court under subsection (1), the territorial authority must give the owner of the building not less than 10 days' written notice of its intention to do so.

- (3) If the territorial authority carries out building work under the authority of an order made under subsection (1) —
  - (a) the owner of the building is liable for the costs of the work; and
  - (b) the territorial authority may recover those costs from the owner; and
  - (c) the amount recoverable by the territorial authority becomes a charge on the land on which the work was carried out.

**127 Building work includes demolition of building**

Any work required or authorised to be done under section 124(1)(c) or section 126 may include the demolition of all or part of a building.

**128 Prohibition on using dangerous, earthquake-prone, or insanitary building**

- (1) If a territorial authority has put up a hoarding or fence in relation to a building or attached a notice warning people not to approach a building under section 124(1), no person may—
  - (a) use or occupy the building; or
  - (b) permit another person to use or occupy the building.
- (2) A person commits an offence if the person fails to comply with this section.
- (3) A person who commits an offence under this section is liable to a fine not exceeding \$200,000 and, in the case of a continuing offence, to a further fine not exceeding \$20,000 for every day or part of a day during which the offence has continued.

**129 Measures to avoid immediate danger or to fix insanitary conditions**

- (1) This Section applies if, because of the state of a building—
  - (a) immediate danger to the safety of people is likely in terms of Section 121 or Section 122 or Section 123; or
  - (b) immediate action is necessary to fix insanitary conditions.
- (2) The chief executive of a territorial authority may, by warrant issued under his or her signature, cause any action to be taken that is necessary in his or her judgement to—
  - (a) remove that danger; or
  - (b) fix those insanitary conditions.
- (3) If the territorial authority takes action under subsection (2)—
  - (a) the owner of the building is liable for the costs of the action; and
  - (b) the territorial authority may recover those costs from the owner; and
  - (c) the amount recoverable by the territorial authority becomes a charge on the land on which the building is situated.
- (4) The chief executive of the territorial authority and the territorial authority are not under any liability arising from the issue, in good faith, of a warrant under subsection (2).

**130 Territorial authority must apply to District Court for confirmation or warrant**

- (1) If the chief executive of a territorial authority issues a warrant under section 129(2), the territorial authority, on completion of the action stated in the warrant, must apply to a District Court for confirmation of the warrant.
- (2) On hearing the application, the District Court may—
  - (a) confirm the warrant without modification; or
  - (b) confirm the warrant subject to modification; or
  - (c) set the warrant aside.
- (3) Subsection (1) does not apply if—
  - (a) the owner of the building concerned notifies the territorial authority that—
    - (i) the owner does not dispute the entry into the owner's land; and
    - (ii) confirmation of the warrant by a District Court is not required; and
  - (b) the owner pays the costs referred to in section 129(3)(a).

**131 Territorial authority must adopt policy on dangerous, earthquake-prone, and insanitary buildings—**

- (1) A territorial authority must, within 18 months after the commencement of this Section, adopt a policy on dangerous, earthquake-prone, and insanitary buildings within its district.
- (2) The policy must state—
  - (a) the approach that the territorial authority will take in performing its functions under this Part; and
  - (b) the territorial authority's priorities in performing those functions; and
  - (c) how the policy will apply to heritage buildings.

**132 Adoption and review of policy**

- (1) A policy under section 131 must be adopted in accordance with the special consultative procedure of section 83 of the Local Government Act 2002.
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) A territorial authority must, as soon as practicable after adopting or amending a policy, provide a copy of the policy to the chief executive.
- (4) A territorial authority must complete a review of a policy within 5 years after the policy is adopted and then at interval of 5 years.
- (5) A policy does not cease to have effect because it is due for review or being reviewed.

## 2. LIABILITY MANAGEMENT POLICY REVIEW

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1297419
<i>Reporting Officer/s &amp; Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

### 2.1 Purpose of Report

The purpose of this report is to present proposed amendments to the Liabilities Management Policy to ensure that it is consistent with the Financial Statement from the Long Term Plan 2021-2031.

#### Officer's Recommendation

The Future Napier Committee:

- a. Adopt an increase in borrowing limits in liquidity to external debt from 110% to 230%.
- b. Adopt a change in the external debt maturity profile from a rule to a guideline.
- c. Adopt a change in the fixed rate maturity profile from a rule to a guideline.
- d. Note that a **DECISION OF COUNCIL** is required as this is a supporting document for the Long Term Plan and is required to be adopted prior to the Long Term Plan consultation document being adopted (it is anticipated this may occur on 8 April 2021).

### 2.2 Background Summary

The Liability Management Policy must be reviewed at least once every three years. The last review was conducted in May 2020 to ensure that provision was made for the Local Government Funding Agency.

The current review has been prompted by changes identified in the Financial Statement for the Long Term Plan 2021-2031.

### 2.3 Issues

The Liability Management Policy currently has a borrowing limit of liquidity (i.e. term debt plus committed bank facilities and liquid available financial investments) to external debt of 110%. Budgeting for the Long Term Plan has identified that Council may need to borrow in excess of that limit (174% for 2027/28). As such, it is proposed to increase the limit to 230% to provide a sufficient ceiling to borrow.

Given the historically low interest rate environment in New Zealand at present and to match borrowing with Council's funding requirements and capacity to repay, there is prudence in allowing some flexibility in the maturity and fixed rate debt profiles that are employed. It is proposed that these profiles are used as guides rather than rules.

Proposed changes have been highlighted in yellow within the attached proposed Liability Management Policy.

## 2.4 Significance and Engagement

Due to the specialised nature of the policy Council is not required to consult prior to adoption as per s.102(5)(a) of the Local Government Act 2002. Indirect community engagement will occur in the Long Term Plan 2021-2031 where public feedback will be sought on whether to commence certain projects – this will impact on the actual level of borrowing required (versus the allowable level).

All ratepayers are impacted by the proposed changes as potential borrowing limit would be increased, with greater flexibility built into the maturity and fixed rate profiles.

## 2.5 Implications

### Financial

Amending the policy will increase the amount that Council can borrow to meet budget projections in the Long Term Plan 2021-2031.

### Social & Policy

This report refers to the Liability Management Policy only. Social implications of the recommendations are indirect as the impact would be experienced through subsequent Long Term Plans and not the policy itself.

### Risk

If left unaddressed, Council will have insufficient capacity to borrow for planned projects, and may need to do so at less favourable terms. Further, the current structure puts priority on the maturity and fixed rate profiles rather than matching the lending structure against the purpose of the loan.

## 2.6 Options

The options available to Council are as follows:

- a. Accept the recommendations.
- b. Reject the recommendations.
- c. Adopt amended recommendations.

## 2.7 Development of Preferred Option

The preferred option was developed in line with financial projections from the Long Term Plan 2021-2031.

## 2.8 Attachments

- A Proposed Liability Management Policy [↓](#)



Liability Management Policy			
Approved by	Council		
Department	Finance		
Original Approval Date	30 June 2015	Review Approval Date	TBA
Next Review Deadline	30 June 2021	Document ID	TBA
Relevant Legislation	Section 104 of the Local Government Act 2002 (LGA).		
NCC Documents Referenced	Published in the Long Term Plan 2021-2031		

### Purpose

This policy is provided in accordance with Section 102 (1) of the Local Government Act 2002 (LGA), and must state the local authority is policies in respect of the management of both borrowing and other liabilities.

### Policy

Napier City Council (the Council) needs to source funds for capital development to ensure that the city continues to progress, and borrowing is an important part of that equation. It is critical to the prudent management of Council's finances that the level of debt is planned and carefully monitored. Council approves borrowing by resolution during the Annual Plan or the Long Term Plan (LTP) process. A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if the period of indebtedness is less than 91 days or the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding \$250,000.

Council raises borrowing for the following primary purposes:

- General debt to fund Council's balance sheet.
- Specific debt associated with 'one-off' projects and capital expenditure.
- To fund assets with inter-generational qualities.
- To assist Council in its day-to-day financing, through leases and hire purchases, of equipment purchases and replacement.

Council considers that borrowing is the more prudent way of funding major projects which will benefit several generations of residents.

### New Borrowings

Council is able to fund through a variety of mechanisms including internal borrowing, the issue of fixed and floating rate wholesale and retail loan stock, commercial paper, New Zealand Local Government Funding Agency and direct bank borrowing. Stock/paper may be issued to the wholesale market via banks and brokers, but issues into the retail market require additional Council



approval. Council has a general preference to firstly use available special funds for its borrowing requirements and thereafter utilise external funding sources.

Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

The authority to arrange new borrowings, or to refinance existing debt on more acceptable terms, is delegated to the Director Corporate Services, who has overall responsibility for all activities relating to implementation of approved policy, and for establishing appropriate structures, procedures and controls to support borrowing and risk management activity.

### **Borrowing Limits**

In managing borrowing, Council will adhere to the following limits in relation to external debt:

- Liquidity (term debt plus committed bank facilities and liquid available financial investments) to external debt must be at least **230%**
- Net external debt as a percentage of total income will not exceed 100%
- Net interest expense as a percentage of total income will not exceed 10%
- Net Interest as a percentage of rates income will not exceed 15%

Council adheres to the borrowing limit that is reached first and provides the lowest level of debt capacity.

Borrowing Limit Definitions:

- Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Annual rates income excludes regional levies.
- Net external debt is defined as total external debt less cash investments.
- Liquidity is defined as external term debt plus committed bank facilities plus liquid financial investments divided by current external debt.
- Total income is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net interest is defined as external interest expense less interest income.

### **Liquidity and Credit Risk Management**

Council's ability to readily attract cost-effective borrowing is largely driven by its ability to maintain a strong balance sheet as well as its ability to rate, and manage its image in the market, and its relationships with investors, the Local Government Funding Agency (LGFA), bankers and brokers.

Where practical, Council seeks a diversified pool of external borrowing and ensures that bank borrowings and incidental arrangements are sought from strongly rated New Zealand registered banks (minimum Standard & Poor's (S&P) long-term credit rating A+).

Council minimises its liquidity risk by:

- Matching expenditure closely to its revenue streams and managing cashflow timing differences through its liquid investment portfolio and/or committed bank facilities
- Maintaining its cash management and financial investments in liquid and negotiable instruments
- Avoiding concentration of debt maturity dates

To ensure funds are available when needed, Council maintains sufficient available operating cashflow, committed bank facilities, and/or liquid financial investments to meet its projected cashflow commitments through the liquidity ratio, and maintains a \$3 million liquidity buffer through cash deposits.

To minimise the risk of large concentrations of external debt maturing or being reissued in periods of illiquidity or where credit margins are high, Council ensures external debt maturities are spread over a band of periods.

When total external debt is \$30 million or greater, Council will use the following maturity profile where prudent:

Period	Minimum	Maximum
0-3 years	20%	60%
3-5 years	20%	60%
Over 5 years	0%	60%

This will also be subject to Council funding needs.

#### Internal Borrowing / Loans

Council has the option to use its day-to-day cashflow, financial investments and available special fund balances to internally fund capital expenditure as approved by Council resolution. Due to the interest rate margin between external investing and external borrowing, separating Council's investing and borrowing activities is not the most efficient use of its funds. Borrowing internally, utilising its own cash reserves, Council creates fiscal efficiencies by eliminating that margin.

Council manages debt on a net portfolio basis, and borrows externally only when it is commercially prudent to do so.

Interest on internally-funded loans is charged annually in arrears, on year end loan balances at the agreed three-year fixed interest rate. Except where a specific rate has been approved for particular circumstances, the three-year rate is set annually at the start of the financial year, based on the three-year swap rate plus the credit margin on three-year loan stock.

The credit margin is determined by either Council's actual three-year margin or with reference to the LGFA credit curve for a non-credit rated guaranteeing Council borrower.

#### Gross Debt and Gross Debt Limits

Gross debt includes all external and internal borrowing and gross interest includes interest calculated on external and internal borrowings.

As an additional measure Council has set borrowing limits relating to Gross Debt and the cost of servicing Gross Debt.

- Gross Debt as a percentage of total income will not exceed 150%
- Gross interest expense as a percentage of total income will not exceed 12%
- Gross Interest as a percentage of rates income will not exceed 20%

The use of the Gross measures is an additional discipline that will be monitored and reported on internally. To avoid confusion, only the measures relating to external debt will be reported on when Council prepares its audited financial statements.

#### **New Zealand Local Government Funding Agency (LGFA) Limited**

The Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA, for example borrower notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.
- Subscribe for shares and uncalled capital in the LGFA.

#### **Interest Rate Risk Management**

Council's borrowing gives rise to a direct exposure to wholesale interest rate movements. Given the long term nature of Council's assets, projects, inter-generational factors, and Council's intention to avoid an adverse impact on rates, Council prefers a percentage of fixed rate or hedged debt. Where possible, interest rate re-pricing risk is spread over a range of maturities.

Council reduces uncertainty due to interest rate movements by the active management of underlying interest rate exposures. Council's fixed rate debt, as a percentage of debt, should be between a minimum of 55% and a maximum of 100%. The percentages are calculated on the rolling 12-month projected external core debt level.

'External Debt' is the amount of total external core debt.

'Fixed Rate' is defined as an interest rate repricing date beyond 12 months on a continuous rolling basis.

'Floating Rate' is defined as an interest rate repricing date within 12 months.

Interest rate risk management objectives are reflected in the table below and outline the target fixed rate into time bands.

Period of actual and planned forecast external debt	Fixed Rate Maturity Profile <b>Target</b>	
	Minimum	Maximum
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	0%	60%

These **targets** do not apply when external core debt is less than \$15 million.

**Maintaining a maturity profile outside the above targets for greater than 90 days requires reporting to Council.**

### Interest Rate Strategy

Management implements interest rate risk management strategy through the use of the following approved instruments:

- Forward rate agreements
- Interest rate swaps
- Purchased interest rate swaptions
- Purchase of interest rate option products e.g. borrowers' caps, borrowers' swaptions
- Interest rate collar type option strategies (1:1 collars)

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

Credit exposure arising on interest rate instruments is restricted to \$20 million with any one approved counterparty.

### Security

Council generally does not offer assets other than a charge over rates or rates revenue as security for any loan or performance of any obligation under an incidental arrangement. In exceptional circumstances, with prior Council approval, security may be offered as a charge over one or more specific assets. Where relevant a register of charges is established and maintained at Council's principal office.

In all borrowing and related activities, Council complies with the relevant provisions of the Securities Act.

### Repayment

Council repays external borrowings from the loan redemption reserve allocated to that borrowing, from general funds, rates revenue, asset sale proceeds, or through raising redemption loans. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Repayment amounts on internal loans are set based on a table loan calculation over the life of the loan. Repayments are made annually at financial year end.

**Contingent Liabilities**

Council provides financial guarantees to community organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on an annual basis. The Council needs to be satisfied that any community organisation to which it provides a financial guarantee is capable of servicing the proposed borrowing from its income sources. The annual contingent loan liability must not exceed 7.5% of Council's non-targeted rate take for the year.

**Policy Review**

The review timeframe of this policy will be no longer than every three years.

**Document History**

Version	Reviewer	Change Detail	Date
2.0.0	Caroline Thompson	Updated and approved by Council with LTP	29 June 2018
3.0.0	Garry Hrustinsky		

### 3. RESOURCE CONSENT ACTIVITY UPDATE

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1278529
<i>Reporting Officer/s &amp; Unit:</i>	Luke Johnson, Team Leader Planning and Compliance

#### 3.1 Purpose of Report

This report provides an update on recent resource consenting activity. The report is provided for information purposes only, so that there is visibility of major projects and an opportunity for elected members to understand the process.

Applications are assessed by delegation through the Resource Management Act (RMA); it is not intended to have application outcome discussions as part of this paper.

This report only contains information which is lodged with Council and is publicly available

#### Officer's Recommendation

The Future Napier Committee:

- a. Note the resource consent activity update

#### 3.2 Background Summary

The following is an outline of recent activity regarding applications received by Council for consenting pursuant to the RMA.

Following on from the February update, an increase in resource consent applications submitted to Council has been experienced. 41 resource consent applications have been submitted in comparison to 27 received at the same time last year. The increase in resource consenting is very encouraging for Napier.

The table below outlines the current resource consenting activities in Napier and the status of these for information purposes. Whilst this is not an entire list of all applications currently being assessed or having been determined, they are significant or noteworthy applications of which details are being provided in this report.

**Summary Table**

Address	Proposal	Current Status	Update
480 Gloucester Street, Taradale	Establish Temporary Carpark and Ancillary Earthworks for Proposed Building Platform	Further information requested.	Further information provided below
107 Ford Road, Onekawa	Multi Use Commercial Development Stage 1 Courier Depot with Ancillary Office and EuroCity Marine, and Stage 2 Vehicle Showroom	Under assessment	Further information provided below

Address	Proposal	Current Status	Update
94 Munroe Street, Napier	Proposed Commercial Building (Office and Retailing) and Ancillary Signage	Under assessment	Further information provided below
195-197 Tennyson Street, Napier South	Proposed Car Dealership and Workshop	Under assessment	Further information provided below
9 Turner Place, Onekawa	Multi Unit Development and One Lot into Seventeen Lot Subdivision	Under assessment	Further information provided below
62 Raffles Street, Napier	S127 Proposed variation to reduce imposed Financial Contributions	Awaiting Applicant response	Previously reported to Future Napier Committee. No further update
16 and 38 Willowbank Avenue, Meeanee	Proposed lifestyle village	Application suspended	Previously reported to Future Napier Committee. No further update

#### **480 Gloucester Street, Taradale – Establish Temporary Carpark and Ancillary Earthworks for Proposed Building Platform**

This proposal forms the first stage of a larger development concept to expand the Pettigrew Green Arena (PGA). The initial enabling works (1,830m³) will provide a suitable building platform for the expansion of the arena and provision for temporary 242 car parking spaces. Access will be provided via 470 Gloucester Street across the boundary of the PGA site and neighbouring EIT site. The temporary car parking area will require the installation of 48 luminaires on 40 poles at 7.6m high. The applicant anticipates the car parking area being utilised for a period of between 18-24 months until the permanent car parking facility is constructed.

The proposed building platform will utilise the majority of the existing Dog Park Facility. Consequently, the applicant proposes the relocation of the dog park facility to an area further east in closer proximity to Murphy Road.

Additional information has been requested from the applicant in relation to;

- the detail within submitted proposal plans,
- earthworks requirements of the District Plan,
- the effects of the proposed temporary car park lighting,
- effects on the wider recreation reserve, and
- effects associated to the relocation of the dog park facility.



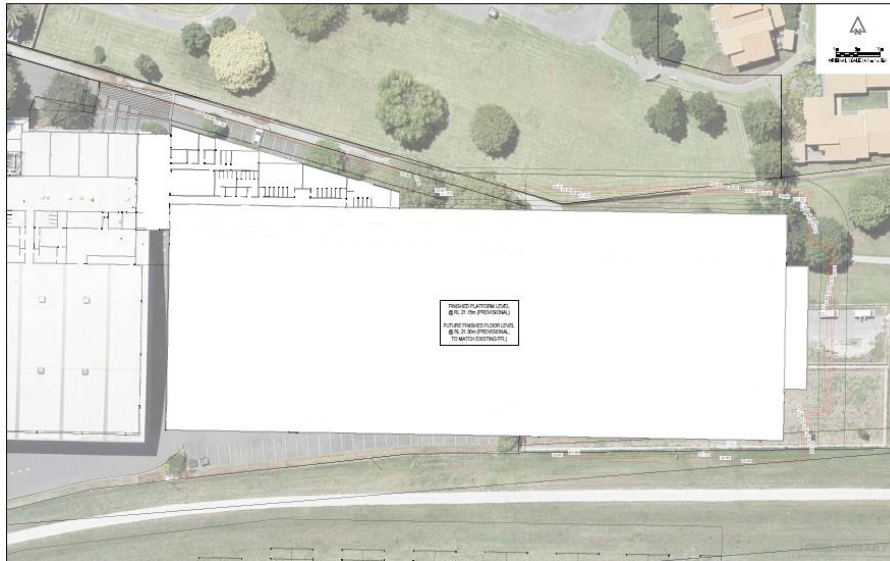


Figure 1. Proposed building platform location



Figure 2. Temporary car park

**107 Ford Road, Onekawa – Multi Use Commercial Development - Stage 1 Courier Depot with Ancillary Office and Euro City Marine, and Stage 2 - Vehicle Showroom**

This application proposes a staged development within the Large Format Retail Zone. Stage 1 proposes the construction and operation of a new 1,000m<sup>2</sup> courier depot with ancillary office space. There are also two office spaces within the rear portion of the structure which will accommodate existing commercial businesses displaced by this development. Stage 2 will see the construction and operation of a new motor vehicle showroom (MG Motors) adjacent to the existing EuroCity dealership.

Council has issued a request for further information under s92 of the Resource Management Act in relation to stormwater treatment, right of way easements and pedestrian and vehicle access.

Assessment of the proposal will continue upon receipt of the additional information.





Figure 3. Conceptual perspective of aramex depot

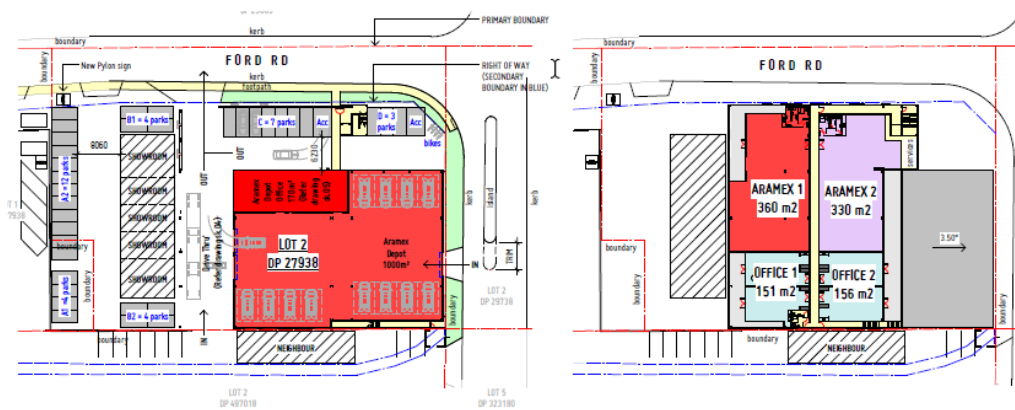


Figure 4. Floor plans (ground and first floors)

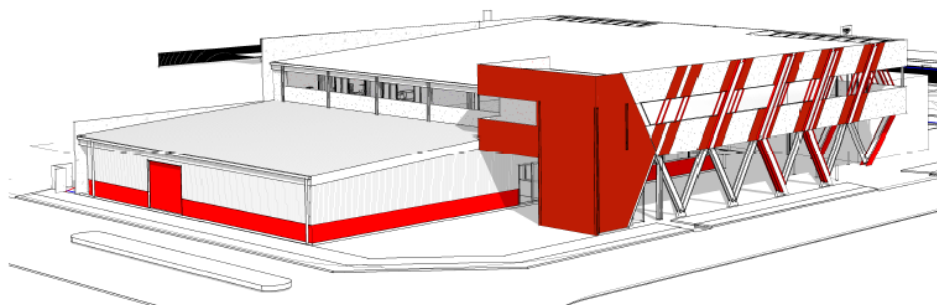


Figure 5. Perspective of Ford Road frontage

## 94 Munroe Street, Napier – Proposed Commercial Building (Office and Retailing) and Ancillary Signage

In summary, the development proposes the construction of a two level commercial building for retail and office activities, and ancillary car parking. The site is within the Fringe Commercial Zone and the proposed structure will occupy the site in its entirety. Ground floor will comprise two (2) tenancies and as will the first floor.

Parking is provided on site, albeit with a departure from the requirements of the District Plan. The applicant has provided a thorough traffic report in support of the application. This matter is currently being considered as part of the overall assessment.

A determination of the proposal is expected to be made in due course.



Figure 6. Perspective of Munroe Street Frontage

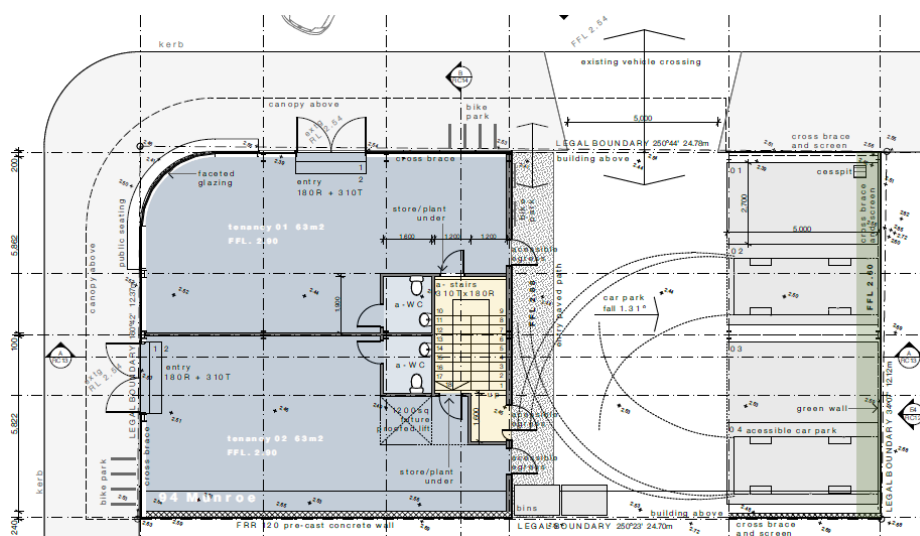


Figure 7. Ground floor plan

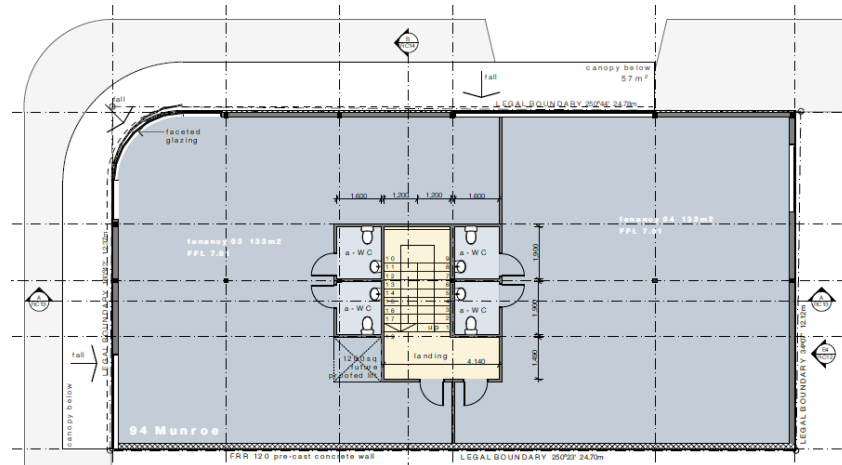


Figure 8. First floor plan

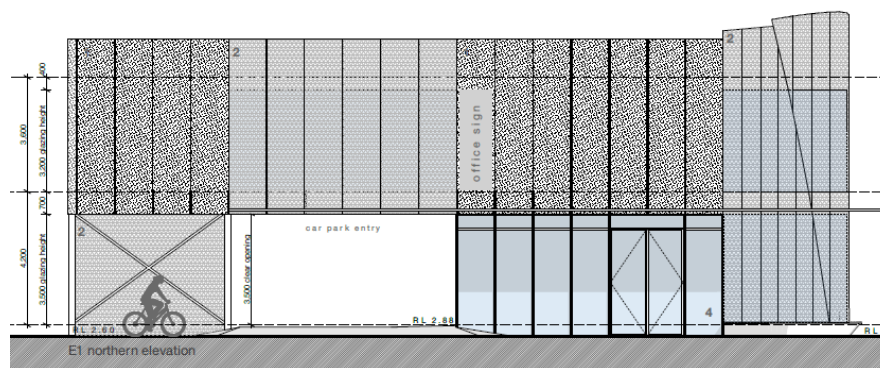


Figure 9. Northern Elevation

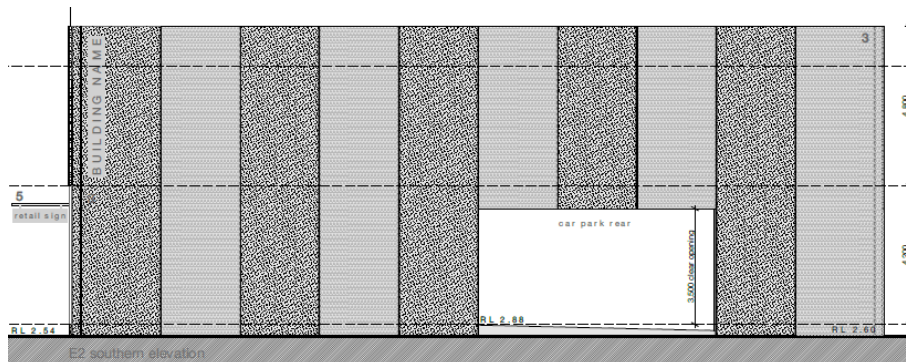


Figure 10. Southern Elevation

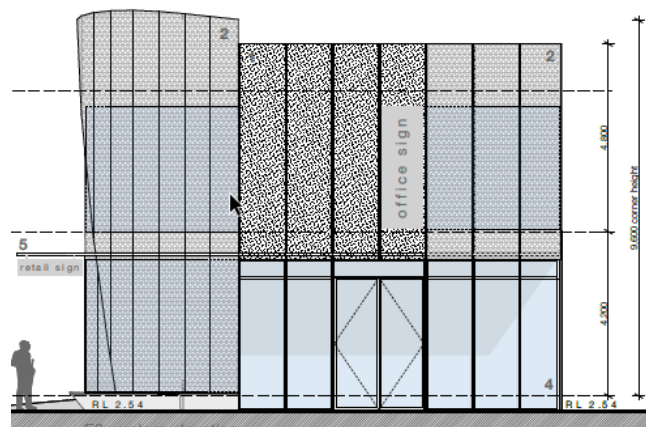


Figure 11. Western elevation

### 195-197 Tennyson Street, Napier South – Proposed Car Dealership and Workshop

This application proposes a car dealership and associated workshop in the Fringe Commercial Zone. Plans submitted with the application detail the re-use of the existing structure and upgrading of the yard area for displaying new vehicles. Five off street car parking spaces will be provided for exclusive use of customers.

Signage is proposed to be erected on the façade of the existing building in addition to a new pylon sign which is to be situated on the western side of the existing vehicle crossing.

The proposed operating hours are to be Monday to Friday 8:00am to 5:30pm and Saturday 9:00am to 4:00pm.

The application is currently under assessment and expected to be determined in due course.



Figure 12. Conceptual perspective of Tennyson Road frontage

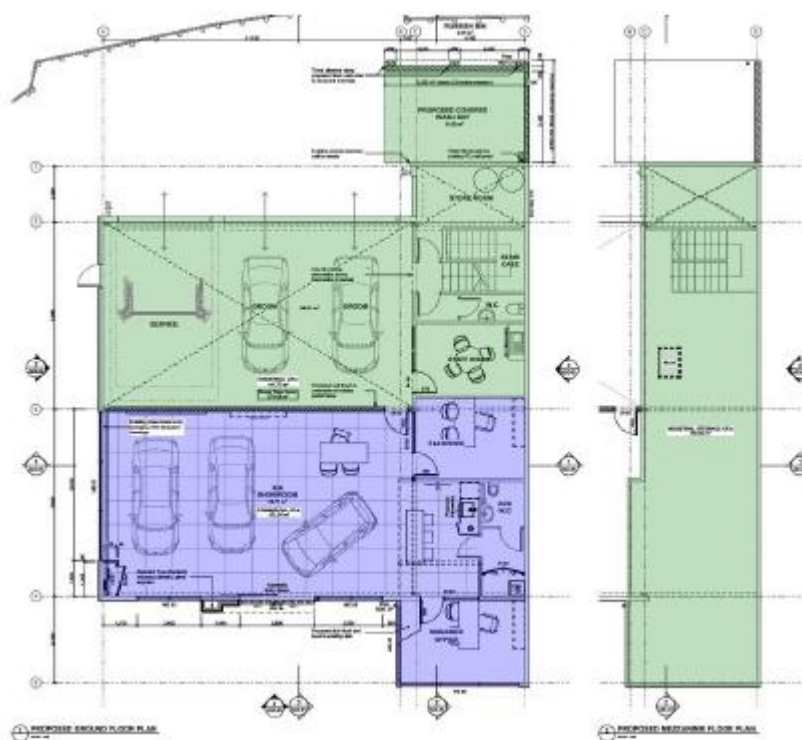


Figure 13. Proposed showroom floor plan



## 9 Turner Place, Onekawa – Multi Unit Development and One Lot into Seventeen Lot Subdivision

The proposed multi unit development (industrial units) involves the construction of two buildings containing a total of 16 units, which are then to be subdivided into 17 lots (inclusive of a common property lot for access/circulation/parking of vehicles). The subject site is within the Main Industrial Zone and has an area of 3,980m<sup>2</sup>.

The surrounding area is a well established and locates a range of industrial land uses. The orientation of the two proposed structures will allow for ample off street parking and vehicle manoeuvring. Access to the proposed development is via Turner Place and egress is onto Hamilton Place.

This application is currently under assessment.

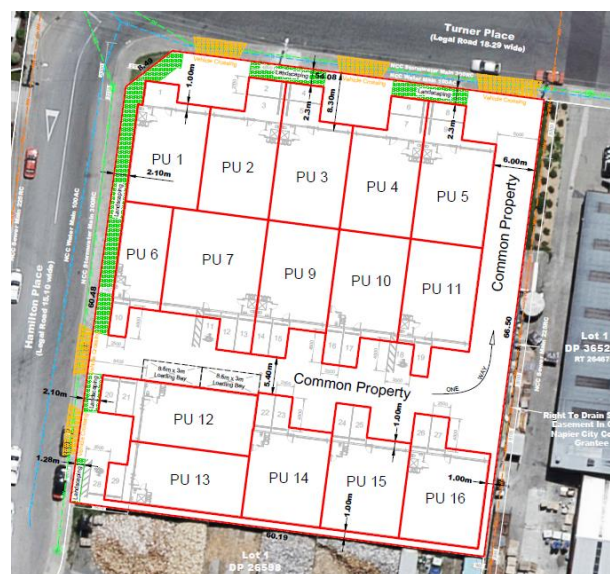


Figure 14. Proposed subdivision layout

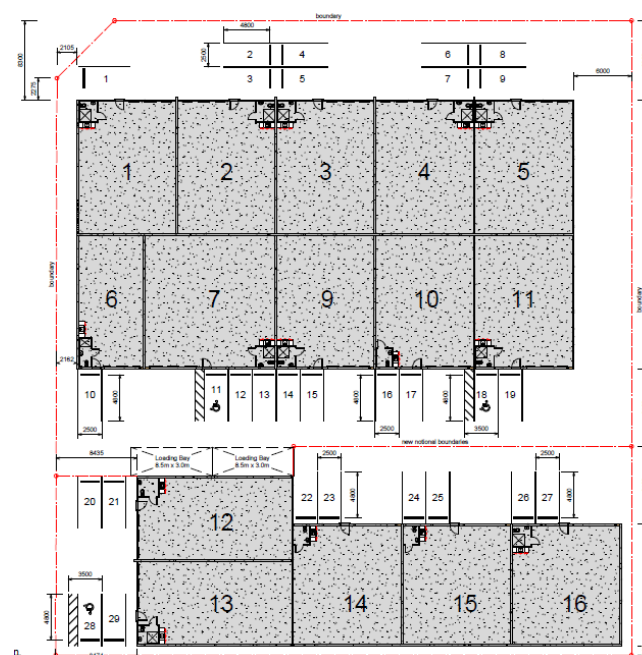


Figure 15. Proposed multi unit industrial development floor plan

### **3.3 Attachments**

Nil

## 4. P120 PARKING REVIEW

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1283694
<i>Reporting Officer/s &amp; Unit:</i>	Debbie Heal, Team Leader Parking Rachael Horton, Manager Regulatory Solutions

### 4.1 Purpose of Report

To seek Council approval to change paid parking P120 (2 hour) time limit restrictions to all day paid parking in areas where utilisation is low in order to provide more flexible parking options for workers and visitors.

#### Officer's Recommendation

The Future Napier Committee:

- a. Approve the paid parking P120 (2 hour) time limit restrictions be extended to paid all day parking in the following locations:
  - i. Browning Street (between Marine Parade and Hastings Street) – 21 car spaces
  - ii. Clive Square West (between Tennyson Street and Dickens Street) – 33 car spaces
  - iii. Station Street (lower Station Street from Munroe Street to first courtesy crossing) – 20 car spaces
  - iv. Dickens Street (north side of street between Clive Square East and West) – 22 car spaces
  - v. Hastings Street (between Station Street and Vautier Street) – 36 car spaces

### 4.2 Background Summary

In June 2019, Council adopted the Napier Parking Strategy, attached, which provides a framework for the city to address vehicle circulation primarily in the CBD and Taradale. The Strategy looks to find ways to manage the needs of regular commuters who work in the CBD in balance with the casual parkers who are in town for the day or short periods of time. The balancing of objectives will always involve an element of tension and a need to constantly trial and adapt as conditions change and the city grows.

To achieve these objectives we must continue to manage the parking in the CBD by applying a spatial structure that follows a radial pattern of:

- Predominantly 10-min parking centred on Emerson Street; moving outward to
- 120 minutes limited-time parking (suitable for shopping and business errands); to
- All-day paid but non-discounted parking; to
- All-day discounted and leased parking; to
- All day un-metered parking

These principles recognise that there must be a coherent overall pattern to the arrangement of parking centred on CBD, with a focus on short-stay parking in the retail area, transitioning outward to longer-stay commuter parking, and ultimately to free un-metered parking on the CBD periphery.

The initial placement of P120 time limit restrictions in 2019 supported the spatial structure set out in the strategy. Council officers regularly monitor usage of these areas and consider that there will be better utilisation if some of the underutilised P120 sections to all day paid parking are extended.

While CBD parking occupancy levels have decreased by 7% from 78% in December 2019 to 71% in December 2020, the waitlist for leased parking remains high at 116. Council officers believe that there is still a high number of regular commuters taking up inner city parking.

This view was supported by Napier City Business Inc (NCBI) during a meeting between Council and NCBI General Manager Pip Thompson in October last year. Both NCBI and council officers had identified that regular commuters, including business owners and retail staff, are shuffling between P120 parks located closest to the retail precinct, forcing casual visitors (shoppers and short-term visitors) to park further out. Providing more all day parking on the outer retail perimeter is likely to encourage commuters to park there and free up inner city parking for casual visitors.

All day paid parking provides for flexible mixed use parking; users can park for any length of time depending on their need. Less infringements are likely to be incurred by commuters who find themselves in breach of the P120 time restriction.

NCBI fully support the changes proposed in this report.

NCBI also consider that closer all day paid parking for commuters will assist with a sense of safety in the city, especially in the winter months when commuters are walking to cars parked in the outer city perimeter in the dark. Having parking closer in will mean shorter, safer transitions.

If Council approve the recommendations, council officers and NCBI will work together on a campaign to encourage commuters parking in the inner CBD to utilise the paid all day parking (or other parking options) provided as a result this council decision.

#### **4.3 Proposed amendments to existing paid parking**

It is proposed that the following P120 locations be extended to all day paid parking (see map below). The fee remain the same at \$1.00 per hour.

- i. Browning Street (between Marine Parade and Hastings Street) – 21 Car spaces**  
The rationale behind this section of Browning Street is that parking is under-utilised and there is limited retailer businesses operating in the area.
- ii. Clive Square West (between Tennyson Street and Dickens Street) – 33 Car spaces**



Clive Square West have limited businesses operating from one side of the street and the other side of the road is green space with Memorial Square and Clive Square gardens.

**iii. Station Street (lower Station Street from Munroe Street to the first courtesy road crossing) – 20 Car spaces**

The section of Station Street between Munroe Street to the first courtesy crossing outside the NCC Station Street Leased carpark has been identified as under-utilised and has limited retailer businesses.

**iv. Dickens Street (north side of street between Clive Square East and West – 22 carspaces**

A section of Dickens Street between Clive Square East and Clive Square West (edge of Clive Square gardens) where there are no retailer businesses operating and parking is under-utilised.

**v. Hastings Street (between Station Street and Vautier Street) – 36 car spaces**

This area under-utilised for parking and would benefit people attending Jury Service.



#### 4.4 Issues

The current issues we have within the Napier CBD are:

- Some areas of the P120 paid parking time restriction are underutilised;
- All day commuters are using the inner CBD P120 time limits for all day parking but are shuffling every two hours to avoid being infringed;
- Shoppers and other short-term visitors are finding it difficult to park close to the shopping precinct.
- People are wanting to park as close as practical to their destination or where they work

Extending the under-utilised areas of P120 paid parking to all day paid parking will provide closer parking options for commuters and more flexible parking options for a range of uses.

#### 4.5 Significance and Engagement

This decision does not trigger the Significance and Engagement Policy or other consultation requirements.

NCBI have provided input into this paper and support the recommendations to Council.

#### 4.6 Implications

##### Financial

There will be costs associated with installing new signage on the meters, i.e. ParkMate labels and new time limit signage. All costs are minor and can be met from existing operational budgets.

##### Social & Policy

This proposal aligns with Napier Parking Strategy.

##### Risk

The risk is that the changes may not work as desired. The aim with parking going forward is to be agile - to experiment and activate the city as much as possible utilising the objectives of the parking strategy. To mitigate this risk council officers will continue to monitor and understand the response to the changes and amend if necessary to optimise the parking resource.

#### 4.7 Options

The options available to Council are as follows:

1. Do nothing
2. Approve the changes being proposed
3. Amend and approve some of changes

#### 4.8 Development of Preferred Option

The preferred option is to approve the changes being proposed.

The overall aim of these changes is to allow more flexible paid parking options for visitors, shoppers and commuters within the CBD.

Officers will monitor the response to the changes and amend them as required through Council to meet the demands from our customers/commuters.

The feedback from the Napier City Business Inc is that they agree and fully support our proposal into allowing more flexible time limit and to reduce vehicle shuffling of the P120 time limits.

#### **4.9 Attachments**

A Napier Parking Strategy (*Under Separate Cover*) [⇒](#)

# PUBLIC EXCLUDED ITEMS

That the public be excluded from the following parts of the proceedings of this meeting, namely:

## AGENDA ITEMS

1. Housing Partnership Opportunity
2. Hawke's Bay Airport Limited - Reappointment of Director

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
1. Housing Partnership Opportunity	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Hawke's Bay Airport Limited - Reappointment of Director	7(2)(a) Protect the privacy of natural persons, including that of a deceased person	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the

		Local Government Official Information and Meetings Act 1987.
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# FUTURE NAPIER COMMITTEE

## Open Minutes

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Meeting Date: Thursday 11 February 2021

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Time: 12.15pm-12.45pm  
Following the Sustainable Napier Committee

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Venue Council Chambers  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier

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Present Mayor Wise, Deputy Mayor Brosnan (In the Chair), Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine and Wright

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In Attendance Chief Executive (Stephanie Rotarangi)  
Director Corporate Services (Adele Henderson)  
Director Community Services (Antoinette Campbell)  
Director Infrastructure Services (Jon Kingsford)  
Director City Services (Richard Munneke)  
Director City Strategy (Lance Titter)  
Manager Communications and Marketing (Craig Ogborn)  
Acting Pou Whakarae (Morehu Te Tomo)  
Economic Development Manager (Bill Roberts)  
HBLASS Programme Manager (Toni Goodlass)  
Guy Charteris (Giblin Group Limited) – Item 1

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Administration Governance Advisor (Carolyn Hunt)

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### Apologies

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Councillors Browne / Simpson

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That the apology from Councillor Taylor be accepted.

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Carried

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## Conflicts of interest

### Public forum

Nil

### Announcements by the Mayor

Nil

### Announcements by the Chairperson

Deputy Mayor Brosnan acknowledged and thanked elected members and staff for a successful commemoration of the 90 year anniversary of the 1931 earthquake held on 3 February 2021.

### Announcements by the management

The Director City Strategy, Mr Munneke updated the meeting on legislative changes on the Resource Management Amendment Act 2020. A brief overview of the changes to the Act were:

- Reduce the complexity of the Resource Management Act
- Increase certainty
- Restore public participation opportunities
- Improve Resource management Act 1991 processes.

The Resource Management Act was very complex law and would be phased in over three years.

## Confirmation of minutes

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Councillors Chrystal / Browne

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That the Minutes of the meeting held on 3 December 2020 were taken as a true and accurate record of the meeting.

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Carried

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# AGENDA ITEMS

## 1. REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION.

Type of Report:	Information
Legal Reference:	Local Government Act 2002
Document ID:	1278534
Reporting Officer/s & Unit:	Bill Roberts, Economic Development Manager Richard Munneke, Director City Strategy

### 1.1 Purpose of Report

The *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* report (**Attachment A**) summarises the findings and recommendations of a review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development.

### At the Meeting

Mr Charteris from the Giblin Group Limited displayed a powerpoint presentation (*Doc ID 1291852*) providing an overview of opportunities to improve regional coherence of economic development investments.

The key findings and recommendations noted were:

- No major gaps
- But current services are often sub-scale and not well coordinated
- Hawke's Bay Tourism Limited (HBTL) was an exception and were operating very effectively and efficiently.
- Business Hawke's Bay's (BHB) financially unsustainable
- There was a case for change – businesses felt they did not know who was leading and go for different services, than those on offer currently.
- Main recommendation - work with Treaty Partners and the wider community to develop a new non-tourism regional economic development entity. Opportunity to work with treaty partners through co-design better meet the needs of Māori development aspirations.
- Proposed form, functions and funding need to be determined.
- Matariki – governance, impact framework, and resourcing – the review was not about Matariki but some things around Matariki delivery could be improved.

It was noted that Business Hawke's Bay did not currently have Iwi representation on the Board, noting requests have been made to provide a representative. A new Board would aspire Councils, Iwi, Crown Partners and expert representation.

### Committee's recommendation

Mayor Wise / Councillor Crown

The Future Napier Committee:

- a. Receive the Giblin Group report titled Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region dated December 2020.
- b. Notes the report is for **information purposes only**. No decision relating to the recommendations set out in this report are required by Council/Committee.
- c. Consider the recommended options to form a new entity to lead (non-tourism) economic development activities. This new entity would focus on business development and support; innovation and industry development; skills building, attraction and retention initiatives; investment promotion and attraction; economic development strategy development; and strategy/action plan programme management.
- d. Support the second stage of the review process and a more detailed investigation of the recommendations set out in the Giblin Group report Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region dated December 2020. We note that the additional funding for the second stage is planned within the HBLASS (shared services cost centre)
- e. Support engagement with Treaty Partners and other regional stakeholders on the opportunity to create an enduring economic development delivery platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.
- f. Support the opportunity to embed a partnership with Māori in the new EDA model. The model would allow for discussions on the level of engagement with Māori business and, potentially, a joint resourcing approach with Hawke's Bay Māori/iwi/hāpu fora or organisations.
- g. Support the five Council's commitment to keeping the Hawke's Bay Business Hub open.

Carried

## 2. DRAFT DISTRICT PLAN

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1276250
<i>Reporting Officer/s &amp; Unit:</i>	Dean Moriarity, Team Leader Policy Planning

### 2.1 Purpose of Report

For Council to endorse the release of the (non-statutory) Draft District Plan for the purpose of engaging with the community on its content.

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### At the Meeting

The impact of proposed legislative changes to the Resource Management Amendment Act 2020 on 11 February 2020 on the process of notifying the draft District Plan have not been considered as part of this agenda item due to timing.

### Committee's recommendation

Councillors Brosnan / Price

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The Future Napier Committee endorsed that the report titled "Draft District Plan" be left to lie on the table for a future meeting with the reason being that officers would need to review the consequences of the legislative changes to the Resource Management Amendment Act 2020 released 11 February 2021.

Carried

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## 3. RESOURCE CONSENT ACTIVITY UPDATE

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<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1278528
<i>Reporting Officer/s &amp; Unit:</i>	Luke Johnson, Team Leader Planning and Compliance

### 3.1 Purpose of Report

This report provides an update on recent resource consenting activity. The report is provided for information purposes only, so that there is visibility of major projects and an opportunity for elected members to understand the process.

Applications are assessed by delegation through the Resource Management Act (RMA); it is not intended to have application outcome discussions as part of this paper.

This report only contains information, which is lodged with Council and is publicly available.

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### At the Meeting

### Committee's recommendation

Councillors Wright / Chrystal

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The Future Napier Committee:

- a. Note the resource consent activity update.

Carried

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## MINOR MATTERS

**Maori Ward Legislation** – It was noted that the Government would abolish a law that allowed local referendums to veto decisions by Councils to establish Māori wards.

This would be undertaken in time for the 2022 local body elections, and would mean decisions made by nine councils to establish Māori wards for that election could not be overturned by local voters.

Since 2002, when the law was changed allowing councils to establish Māori wards, 24 Councils had attempted to establish them but only two had been successful.

The new legislation would extend the deadline for Councils to consider Māori wards for the 2022 elections to 21 May 2021. Individual submissions could be made until 5.00pm on 11 February 2021. The final proposal had to be ready by September 2021. This would also be an opportunity to look at representation review.

The Acting Pou Whakarae, Morehu Te Tomo would be compiling a submission on behalf of Council based on the principal that Napier City Council supports the changes.

The Committee agreed to refer the issue of Māori Wards and Representation Review to a future meeting.

*The meeting closed with a Karakia at 12.40pm*

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Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....