



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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PROSPEROUS NAPIER COMMITTEE

Open Agenda

Meeting Date:	Thursday 3 February 2022
Time:	Following the Napier People and Places Committee
Venue:	Via Zoom (Audio Visual Link)

Livestreamed via Council's Facebook site

Committee Members	Chair: Councillor Taylor Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine and Wright
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Officer Responsible	Director Corporate Services
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Administration	Governance Team
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Next Prosperous Napier Committee Meeting
Thursday 17 March 2022

ORDER OF BUSINESS

Karakia

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 Prosperous Napier Committee meeting held on Thursday, 23 September 2021 be taken as a true and accurate record of the meeting. 18

Agenda items

- | | | |
|---|--|----|
| 1 | Taradale Bridge Club Sponsorship Signage Request | 3 |
| 2 | Investment and Debt Report | 10 |
| 3 | Report on Three Waters Reform Programme | 12 |

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

Public Excluded

Nil

AGENDA ITEMS

1. TARADALE BRIDGE CLUB SPONSORSHIP SIGNAGE REQUEST

Type of Report:	Procedural
Legal Reference:	Reserves Act 1977
Document ID:	1425774
Reporting Officer/s & Unit:	Jason Tickner, Team Leader Parks Reserves and Sportsgrounds

1.1 Purpose of Report

The purpose of this report is to seek a Council decision on the Taradale Bridge Club's proposal (Doc Id 1426570) for sponsorship/naming rights in perpetuity, on the outside of their proposed clubhouse building at Park Island in accordance with Clause 25 of the Draft lease agreement.

Officer's Recommendation

The Prosperous Napier Committee resolve to *either*:

- a. Approve the Taradale Bridge Club's proposal for external sponsorship/naming rights and associated signage from the Rodney Green Foundation on their proposed clubhouse building at Park Island.
- Or*
- b. Decline the Taradale Bridge Club's proposal for external sponsorship/naming rights and associated signage from the Rodney Green Foundation on their proposed clubhouse building at Park Island.
- c. That a **DECISION OF COUNCIL** is required urgently due to funding arrangements for the building project. 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 Taradale Bridge Club have been granted resource consent and Council approval to lease an area of land at Park Island (48 Clyde-Jeffery Drive adjacent to the Central Football offices) to establish a new clubhouse for the use by their club and other not-for-profit community groups.

To mitigate increased building costs, in addition to other funding raised, the club has sought naming/sponsorship rights funding for the exterior of their building. The club is very pleased to have the generous support of the Rodney Green Foundation for the sponsorship/naming rights. The sponsorship/naming rights agreement is for \$100,000 for sponsorship /naming rights in perpetuity. This funding is sufficient to ensure the financial viability of the project and without this funding the project will not proceed. Whilst Council have not provided any funds to this project they have made the land available at Park Island.

The proposed naming/sponsorship signage is shown below and is similar to that in place at the Hastings Sports Park:

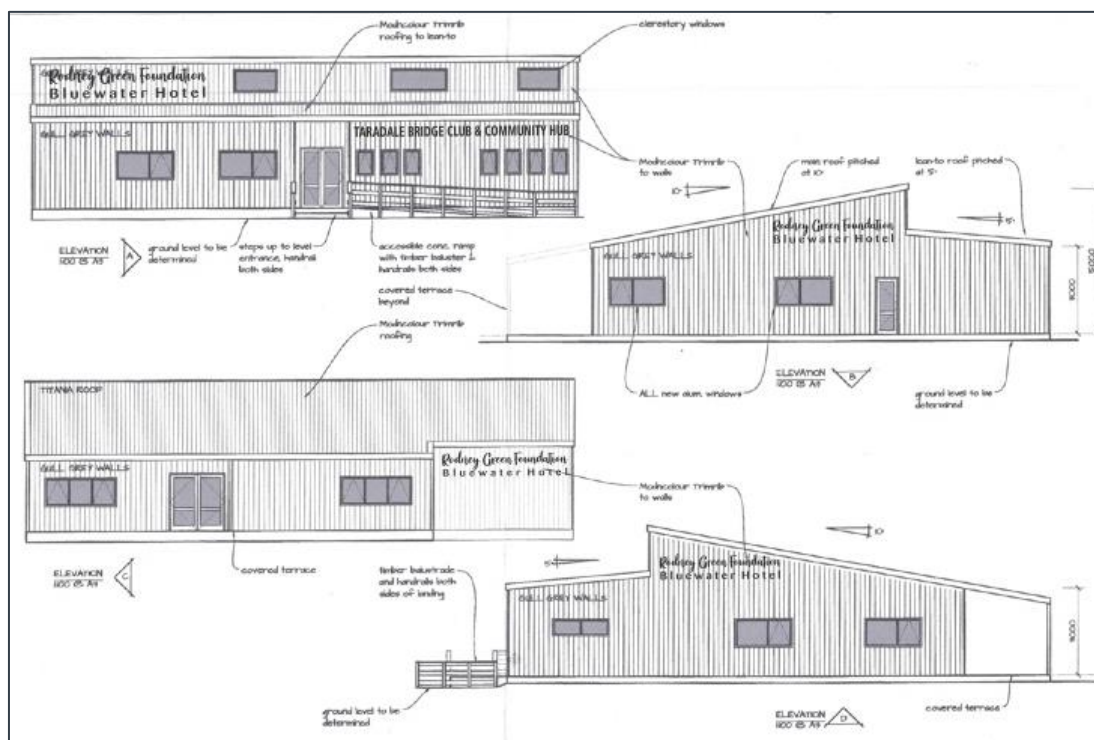


Figure 1 – Proposed Building Signage

1.3 Issues

Increasing cost of building materials and labour have almost doubled the cost to develop this building since the proposal was first brought to Council officers. If the proposed signage and associated funding is not approved, and the development has additional delays, this is likely to result in further cost increases and the project will not proceed.

1.4 Significance and Engagement

The Council lease has been reported to Council and a public submission period in accordance with the requirement of the Reserve Act 1977 has been completed. No further or specific engagement has been undertaken in regard to the signage proposal.

1.5 Implications

Financial

There are no financial implications to Council if the sponsorship/naming proposal is approved/not approved. However the Bridge Club have advised that if this proposal is not approved then their project is no longer financially viable and they will not be proceeding.

Social & Policy

Councils Standard Lease

Council's current draft clause for proposed Bridge Club lease restricts signage and advertising on lessees buildings, and requires that any signage is to be approved by Council. This draft clause is below:

25. The Lessee will not erect or display or allow to be erected or displayed any signs or advertising matter of any description on any part of the Land exterior to the Building provided that the Lessee may display its name and emblem on the Building in such a position and in such size, colour, shape and style which has the prior approval of the Council and subject always to any conditions or restrictions which may from time to time be imposed by the Council, including the provisions of the District Plan and the conditions of any Resource Consent.

Sponsorship/naming rights signage on club buildings can be approved however this would require Clause 25 of the draft lease to be amended. This can be done without further notification.

Rodney Green Foundation – The Bluewater Hotel funding in the Community

In respect to this specific sponsor, the Taradale Bridge Club have provided the following list of some of the clubs and community facilities that the Rodney Green Foundation sponsor:

Pettigrew Green Arena in Taradale (On NCC Reserve)	Sir Russell Pettigrew and Rodney Green have joint naming rights due to their substantial donations towards the construction of this great facility
Rodney Green Centennial Event Centre (On NCC Reserve)	The Centre was constructed in memory of Napier's first 100 years and the donation ensured the building's future viability.
Rodney Green Stand at McLean Park (On NCC Reserve)	
Sports Park Hastings	The Rodney Green Foundation is giving a substantial donation to the construction of the Central Districts Outdoor Cricket Wicket, the Central Districts Indoor Cricket Wicket and Boxing precinct.
Sports Park Hastings	The Rodney Green Foundation has donated \$2 million towards various ongoing projects within the park.
Taradale Primary School Swimming Pool	The Rodney Green Foundation has contributed a substantial donation to this refurbishment.

Napier District Plan

Although it is likely the signage will require resource consent under the Napier District Plan it is noted that the proposal is considered (by the report writer) to be consistent with the 'principle reason for the rule' in the Napier Operative District Plan – Chapter 58 under *Sports Park Zone Signage*, which states;

“The Council recognises that many sports clubs and sportsgrounds use signs as a means of creating revenue for the sports club or grounds operations. The rule does not allow signs to be obtrusively visible from surrounding areas thereby avoiding impacts on the amenity of the surrounding areas.”

However it should be noted that whether or not the proposal is “consistent” must be determined by the processing planner.

It is acknowledged that naming rights currently exist for other sports facilities at Park Island.

Risk

- a. Appropriateness of signage, consideration of sponsorship and potential commercial branding in reserves, and reputational risk to Council
- b. Risk to the club of Resource Consent for the signage proposal being declined (RMA 1991 process) if the signage is deemed inconsistent with Chapter 58.
- c. Risk to the clubs ability to fund and develop clubhouse if sponsorship signage declined by Council

1.6 Options

The Prosperous Napier Committee resolve to *either*:

- a. Approve the Taradale Bridge Club's proposal for external sponsorship naming rights signage on their proposed building at Park Island Sportsground.

Or

- b. Decline the Taradale Bridge Club's proposal for external sponsorship naming rights signage on their proposed building at Park Island Sportsground.

1.7 Development of Preferred Option

- a. If Council's decision is to approve the signage proposal, the draft lease agreement will need to be amended appropriately. The Taradale Bridge Club will then need to undertake any necessary Resource Consent process for the signage.

Or

- b. If Council's decision is to decline the signage proposal, the club will be informed and the project will not proceed.

1.8 Attachments

- 1 Taradale Bridge Club Building Naming Rights Proposal (Doc Id 1426570) [↓](#)



Taradale Bridge Club

Signage on the Exterior of the Proposed Bridge Club Building

Summary

The Taradale Bridge Club is building new clubrooms, that will be shared by a good number of other not-for-profit community groups, on Council Reserve Land at 48 Clyde Jeffery Drive. To mitigate the significantly rising costs of building under the current construction industry environment, the Club has required additional funding. Part of this funding has been negotiated via naming rights of the exterior of the new clubrooms. The Club is very pleased to have the generous support of the Rodney Green Foundation for the naming rights. The naming rights agreement is significant and literally allows financial viability of the proposed building for the Club and the other community groups utilising the new facility. We are cognisant of the District Plan Rules on Signs and are applying for formal approval of the signage.

Financial Arrangement for the Building of the Taradale Bridge Club and Community Hub Building

The construction costs for our building have risen horrifically – basically nearly doubled over the time from the business case written to the Council in November 2000 to present day. However, our Club has been successful in a number of funding applications, as well as donations from within its members, which can be summarised as:

Eastern and Central Community Trust	\$156,000
NZ Lotteries Commission	\$74,000
Club member contributions	\$60,500
Naming Rights Exterior	\$100,000

The Rodney Green Foundation is our sponsor for the Naming Rights on the exterior of the building. Without the Naming Rights for the exterior of the building, the project would have foundered. The budget for the build will be tight but manageable.

The Exterior Signage

The Rodney Green Foundation has been a generous sponsor of many community buildings, and indeed the Council, over a number of years. *Include a list of recent donations.*

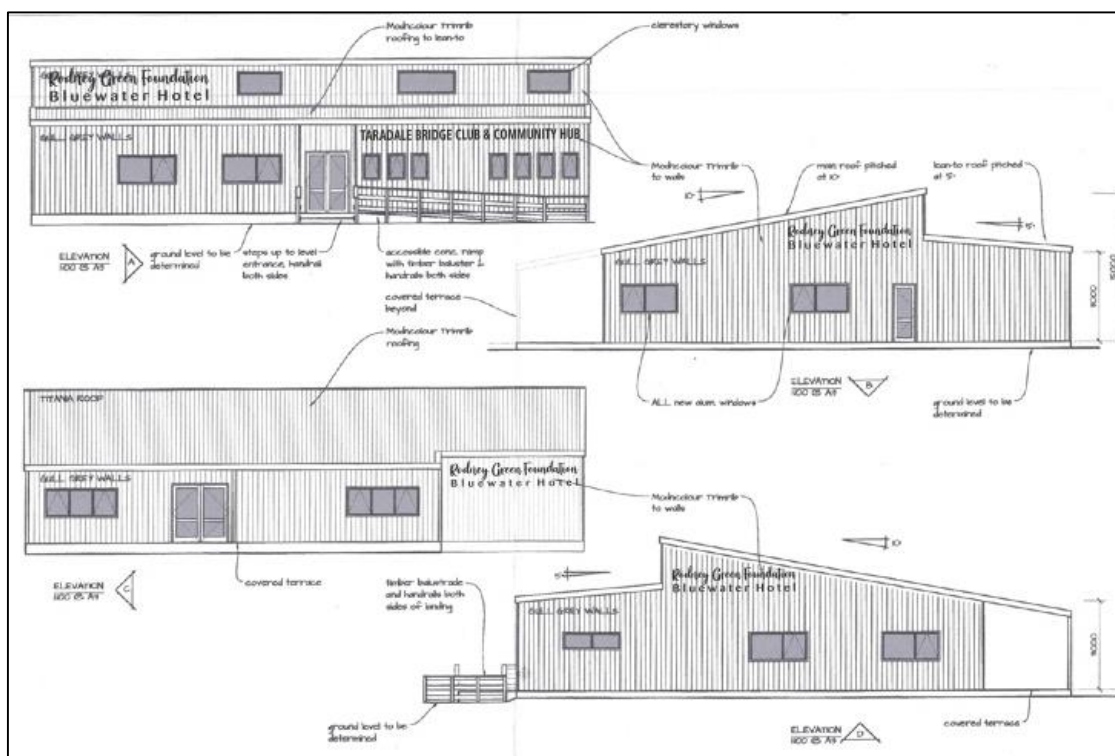
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Taradale Primary School Swimming Pool	The Rodney Green Foundation has contributed a substantial donation to this refurbishment.

The photo below was recently taken from the near roadside of the Freeway between Napier and Hastings. The Rodney Green Foundation is sponsoring Cricket/Boxing precinct building at the Sports Park as can be seen from the unobtrusive signage to the left of the EIT signage. The Foundation has also been a benevolent sponsor of individuals, and sporting teams.



The Hastings Sports Park.

The signage for the Bridge Club Building will be in the same format as the Sports Park and include at a separate area the name of the building – i.e. “Taradale Bridge Club & Community Hub”.



The Proposed Signage of the Bridge Club Building.

Summary

We formal request acceptance of the signage as detailed in this document.

2. INVESTMENT AND DEBT REPORT

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1402135
Reporting Officer/s & Unit:	Caroline Thomson, Chief Financial Officer

2.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 31 December 2021.

Officer's Recommendation

The Prosperous Napier Committee:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 31 December 2021.

2.2 Background Summary

The snapshot report on Napier City Council's Investment and Debt as at 31 December 2021 is shown at **Attachment 1**.

As at 31 December, Council held \$60.1m on term deposit at an average interest rate of 1.41%. The weighted average interest rate has slowly trended upwards from 0.99% in January 2021.

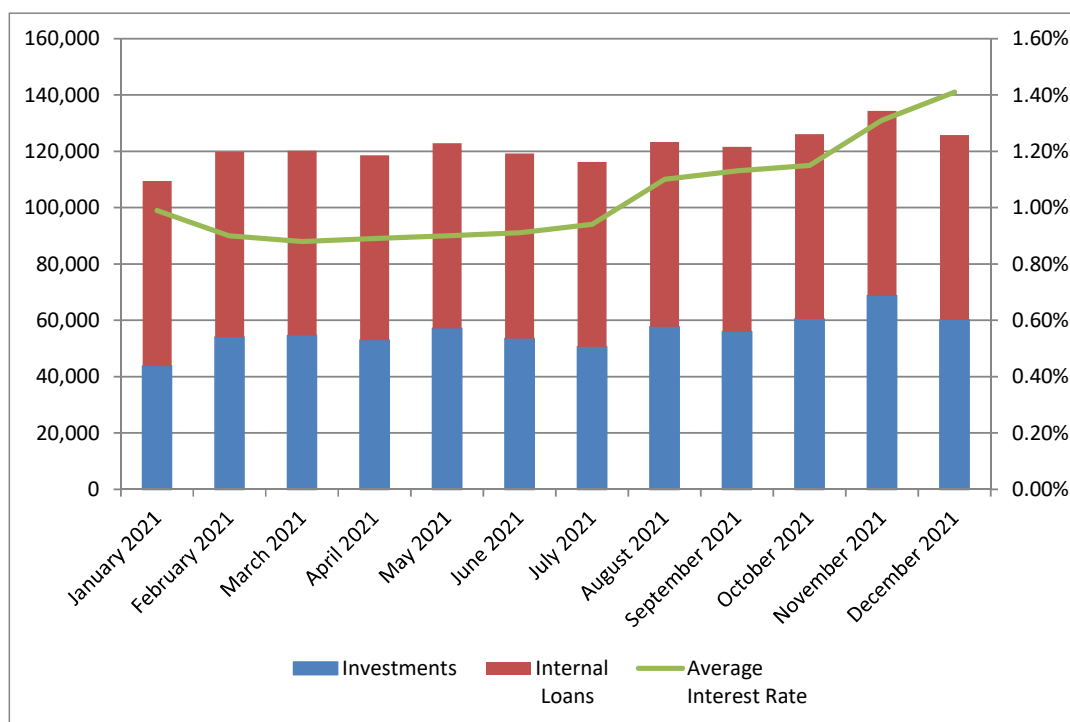
As at 31 December, Council's internal debt balance is \$65.6m.

2.3 Attachments

- 1 Investment and Debt report as at 31 December 2021 [↓](#)

Treasury Graphs for 12-Month Period January 2021 to December 21

Month-End	Investments	Internal Loans	Average Interest Rate
January 2021	43,790	65,642	0.99%
February 2021	54,085	65,642	0.90%
March 2021	54,540	65,642	0.88%
April 2021	52,969	65,642	0.89%
May 2021	57,190	65,642	0.90%
June 2021	53,549	65,642	0.91%
July 2021	50,602	65,642	0.94%
August 2021	57,720	65,642	1.10%
September 2021	55,937	65,642	1.13%
October 2021	60,440	65,642	1.15%
November 2021	68,695	65,642	1.31%
December 2021	60,160	65,642	1.41%
AVERAGE	55,806	65,642	1.04%



Note: The weighted average interest rate had declined since March 2020 till February 2021 due to declining interest rates and shorter-term term deposits that were established to cover expected cash flows. The interest rates were "historically low" due to negative market sentiment, the yield curve over 5 years was relatively flat, with the best rates value being found around the 9 month mark. This coincided with our funding/maturity needs. The increase in weighted average interest rate in October 2021 and November 2021 reflects the changes in the OCR.

3. REPORT ON THREE WATERS REFORM PROGRAMME

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1424057
Reporting Officer/s & Unit:	Rebecca Huckle, Three Waters Reform Programme Manager

3.1 Purpose of Report

To inform the Council on the progress of the Three Waters Reform Programme within Napier for the period October to December 2021.

Officer's Recommendation

The Prosperous Napier Committee:

- a. Endorse the report on the Three Waters Reform Programme

3.2 Background Summary

In July 2020, the Government launched the Three Waters Reform Programme - a three-year programme to reform local government three waters (sWater Supply, Wastewater and Stormwater) service delivery arrangements. The reform is an outcome of the Havelock North Enquiry and covers aspects of delivery and regulation of water services to communities. On 1 July 2021 a new regulator, Taumata Arowai, came into existence. This Crown Entity is now responsible for administering and enforcing a new regulatory system for drinking water. Water supply is the initial focus with wastewater and stormwater to follow.

The Government's intent is to reform local government's three waters services into four multi-regional entities, which will remain in public ownership, to improve access to safe water and to manage affordability issues around meeting required standards.

The Water Services Act removes of the reasonableness provisions of the Health Act, which places the emphasis on service providers to meet the Drinking Water Standards, with affordability issues no longer being a valid reason for not undertaking required work. In addition, the Act outlines powers of the regulator and mechanisms for enforcement.

Participation in the initial stage of the reform was voluntary, with local Councils given the opportunity to receive funding to deliver three waters projects. To this end, Napier signed a Memorandum of Understanding (MOU) with the government and has \$12.51 million to deliver projects that are additional to Council's current Annual Plan. A number of the projects agreed upon aim to streamline the delivery of 3W services and address some of the key issues identified in this Infrastructure Strategy around data management, processes and systems used for decision making.

The key principles of **Napier City Council's** programme are:

- Improved capacity and capability to accelerate infrastructure projects
- Preparation of the team and local industry for upcoming standards as part of reform process

- Improving safety and quality of drinking water by fast tracking delivery of low manganese water to reduce dirty water events and address fire-flow issues
- Improving community and Māori/iwi engagement
- Upgrades to the three waters asset management system and maintenance management transformation programme

A proportion of the programme covers the improvement of information capture and management for three waters, the upskilling of our in-house operations team to be better prepared for the proposed water reform implementation and the delivery of key fire flow, water conservation and water quality projects.

Council has a large programme of work ahead (\$405m over ten years) identified in the recently completed Three Waters Masterplans, leading to the need for additional resource required to scope projects ready for the project delivery team to deliver.

The goal for Council over this timeframe is to catch up on operational work that has not been prioritised in the past and to ensure that the assets, services, the data and the people are in the best state possible moving as the reform process progresses.

3.3 Issues

There are no issues associated with this report.

3.4 Significance and Engagement

This programme is engaging with mana whenua through the *Iwi engagement on Three Waters and Cultural Values Assessments* programme of work. This piece of work aims to extend the Council's capacity and capability for engaging with Māori, including development of a cultural values assessment.

Council consulted with residents during the 2020/2021 summer break around what the community saw as key issues. 3W concerns were highlighted by this consultation, noting that some of the projects in the reform programme going some way to addressing these concerns in combination with "business as usual" work.

3.5 Implications

Financial

Council has been given \$12.51m by the DIA to undertake a programme of work in addition to business as usual programmes. Detailed financial reporting on this spend is required quarterly to the Department of Internal Affairs (DIA) as part of the MOU including hours spent by staff on each activity.

The projects and associated spend are as follows:

The attached report (*Doc Id 1424060*) indicates current progress on the programme of work.

COUNCIL	PROJECT	VALUE
Napier	Capital Projects:	\$8.45m
Total - \$12.51m	<ul style="list-style-type: none"> • Alternative Water Supply – address dirty water issues • Water Safety Plan - delivery of improvement items • Fire Flow Network Upgrades to meet levels of service • Scoping Three Waters Master Plan Projects – additional resources to assist with the delivery of the current and reform capital plan • Te Awa Structure Plan – Three Waters - additional funding to develop water infrastructure in Te Awa 	

COUNCIL	PROJECT	VALUE
	<ul style="list-style-type: none"> • Pandora Industrial Waste – works associated with trade waste and understanding flow and composition • Review of private water supplies – provide upgraded supply for the Meeanee School hall 	
	Planning and Asset Management Projects: <ul style="list-style-type: none"> • Parks Water Bores Investigation and Implementation – assessment of bores and commence consenting process for water conservation • Essential Service Planning and Contributions Policy – ensure that three waters programmes are funded appropriately to develop the networks • Maintenance Management Practices - Develop maintenance management practices and workflows and integrate these into the Asset Management System • Delivery Improvement Review – systems and process development • Asset Management Systems & Data Collection • Three Water Models & Masterplans – peer review of models, additional calibration, and peer review of master plans 	\$3.16m
	Collaborative Projects: <ul style="list-style-type: none"> • Iwi engagement on Three Waters and Cultural Values Assessments – extending the capacity and capability for engaging with Māori, including development of a cultural values assessment • Regional Water Projects 	\$900k

Progress:

Significant progress has been made in the last quarter (Oct-Dec 2021)

All capital projects have progressed either to or past the tender stage with most now having contractors on site. Operational projects are also progressing. Key capital projects are more advanced than operational projects. Overall, there is no concern about the current pace of work in the programme.

Council is partnering with other Territorial Local Authorities (TLAs) in the region to work on the regional projects. One of these is complete: the DIA Request for Information project. Other regional projects are progressing at a slower rate than anticipated and they have indicated that they may be underspent by the year end. The regional programme manager is to confirm this by February.

The total budget is \$19.29m which includes \$12.5m from DIA combined with an additional \$6.78m co-funding from LTP budget on top. Included in this is the scope change for Low Manganese (including the addition of the new T8 bore) and the Kenny-Eriksen roundabout as well as the Fireflow project and the contingency for Water Safety Plan. To date the committed spend is \$12.072m (and includes \$1.5m committed to the Te Awa Structure Plan. \$7.21m is yet to be committed.

Highlights:

- **Water Quality Improvement:**

Drilling of the A2 bore has been completed and A3 drilling has reached 111m to date. Contracts have been signed for the associated containerised treatment plants and construction is underway. Planning for the new Taradale bore (T8) is underway.

- **Fireflow Network Upgrades:**

Work on site continues to progress at anticipated pace.

- **Parks Water Bores Investigation:**

Remediation of the Botanic Gardens water race and ponds has completed with a large drop in water loss achieved.

- **Asset Management Systems and Data Collection:**

The project manager has engaged with software firms and the project is now gathering pace including the investigation of viable new options for the asset management system.

- **Delivery Improvement Review:**

Work is underway for both Carbon Reduction and combined Environmental Maturity & Risk with Stantec and Tonkin & Taylor. Reports expected by March 2022. Council -wide engagement is taking place.

Social & Policy

There are no social and/or policy implications associated with this report.

Risk

There is currently one major risk to the programme:

- a) There is a risk that the programme of work will not be completed by the revised date of 30 June 2022 (Previously 31 March 2022). This is due to other competing priorities for key staff at the beginning of the programme such as the Long-Term Plan, the knock-on effects of the flooding event in November 2020 and constraints due to Covid 19 and its variants. There is also a risk that internal or external resources are not available to deliver parts of the programme when required, this is being mitigated by ensuring that suppliers are engaged ahead of time as well as initially structuring the programme to engage a variety of resources and not just those related to capital delivery.
- b) In order to mitigate these risks Officers are engaging with suppliers ahead of needing any physical assets and have them hold these for us until required if possible, where this is not possible we are working in an agile way to keep work going while awaiting delivery. We are also engaging with consultancies to ensure we can maintain levels of service in the form of staffing from them ahead of time. We have supplemented permanent staff where needed with contract staff in order to progress the projects where we know that other priorities will mean that permanent staff will be on other pieces of work.

3.6 Options

The options available to Council are as follows:

1. To endorse this report on Implementation of the Three Waters Reform Project

3.7 Development of Preferred Option

This report is for information purposes only.

3.8 Attachments

- 1 Three Waters Reform Progress (*Doc Id 1424060*)



3 Waters Reform Programme 2021 - January 2022

Total Budget: \$19.29m
Committed: \$12.071m
This Report: Mid January 22
Total Expenditure: \$9.352m
Total Upfront Payment: \$6.13m
Additional Payment \$1.5m

No.	Project	Description	Value	Committed to Date	Sponsor	Key Lead/ Project Manager	Progress	Financial	Stage					Progress Comments	Project Risks & Issues.
									Scoping	Procurement	Project Underway	Final Review/ Commissioning	Project Complete		
1	Water Quality Improvement Project	Low Manganese water (reduce water quality issues for the city thorough alternative supplies)	\$5.8m	\$4.351m	R Huckle	Beca Ltd								A2 bore drilling complete, A3 underway at 111m so far. Testing of A2 indicated low manganese and iron. Commissioning will proceed.T8 bore due to commence in the next 4-6 weeks. Tenders have been let, containerised treatment plants being produced as per Water Safety Plan Delivery reported below. Due to extended scope, cofunding has been provided from LTP budget. Programme on-track	Consenting - highest risk Timeliness Procurement of physical assets with Covid related shortages
2	Water Safety Plan Delivery of Improvement Items	Water Safety Plan Delivery of improvement items (provide network monitoring to manage quality and safety of the water supply and deliver other network improvements.	\$1m	\$1.32m	R Huckle / T Garrett	3W Team								Tender process has completed for the containerised treatment plants for new bores. Trility were the successful tenderers. Design and build has commenced. Committed spend contains a large amount of contingency which we are not anticipating spend. LTP budget will cover if this contingency is used.	Budget restriction Timing
3	Fire Flow Network Upgrades to meet Levels of Service	FW-2 (Address urgent fireflow issues across the network as identified from recent model and master plan project outcomes)	\$2.7m	\$2.372m	R Huckle / T Garrett	Ross M								Designs EA Approved, with Onehunga Rd 90% complete and awaiting commissioning. Franklin Road is 80% complete and awaiting connections to be added before commissioning, Le Quesne is 40% complete. Financials on track at this point.	Cost Overruns
4	Parks Water Bores Investigation and Implementation	Parks Water bores Investigation and implementation (Increase resilience and improve water conservation)	\$0.37m	\$0.416m	R Huckle	Mike A								Remediation works at Botanic gardens complete Anderson Park Bore drilling has been completed. Design complete for splashpad reticulation, workshop to follow. final report for decomissioned bores expected within the next 60 days.	Identification of unsecured bores requiring further action.
5	Review of Private Water Supplies	Review of Private Water Supplies (Provide upgraded supply for the Meane school and hall)	\$0.41	\$0.102m	R Huckle / T Garrett	3W team + Marcia								Delays due to proposed standards changes have been overcome. Consultant undertook modelling of options. The project has been tied in with the Awatoto Industrial water supply.	Time delays and cost implications of exposure drafts
6	Peer Review 3 Waters Models & Master plans	Peer review - 3 Water models & Master plans (Continue with the master planning process by undertaking peer reviews of models, additional calibration and peer review of master plans	\$0.35m	\$0.1m	R Huckle	3W team								Peer review of modelling went to tender with preference for all three waters to be reviewed by the same consultants. There was no appetite by consultants to review all three, PM now in discussion with those who have indicated they would be happy to do one or two.	Appetite by consultants to provide the reviews- due to lack of resource..
7	Scoping Three waters Master Plan projects	Engineering expertise to assist with the upfront work to deliver the \$449m of Three Waters capital works coining up in the 10 year plan	\$0.69m	489,717.00	R Huckle / T Garrett	3W team								Additional Resources engaged and underway with scoping and managing the water programme. Good progress being made.	
8	Te Awa Structure Plan and 3 Waters Infrastructure	Te Awa Structure Plan - 3 Waters (Enable growth and address affordability issues)	\$5.4m	\$5.372m	R Huckle	P&D								Project Back on track now with 3 contractors on site. Have transfered total to the project budget from this code to the project code.	Further delays to the project from scope changes
9	Pandora Industrial Wastewater Pipe	Back up project replacing the WW outfall chamber as this was already repaired. Updated project will be used to install flow meters on tradewaste customers.	\$0.28m	\$0.246m	R Huckle	Environ- mental Solns team								PM underway engaging with teams including design to find correct meters for the various configuration of flows from trade waste customers.	Capacity in the Environmental solutions team is now no longer an issue to to PM in 3 waters taking the lead
10	Asset Management Systems & Data Collection	Data Collection - EAM (Fully implement an upgraded enterprise asset management system for 3W team, undertake asset data condition assessments and upgrade information	\$5m	\$0.256m	R Huckle	AMIT/ 3W teams								The project manager has engaged with software firms and the project is now gathering pace including the investigation of viable new options for the asset management system.	Software companies not delivering on promised upgrades. Increase in costs
11	Delivery Improvement Review	Delivery improvement review (integrate Project Management Framework, contract management. , procurement, design, PMO etc. to improve our project management and delivery capability	\$0.3m	\$0.20	R Huckle	Eva Mae/ Various teams								Consultant engaged to assist with asset management improvements. Carbon reduction project for 3W is well underway with analysis being undertaken by consultant. Climate Change roadmap for 3W started with council-wide engagement taking place	Buy-in and support from Council staff due to capacity.
12	Maintenance Management Practices	Extend MMTP (Deliver Maintenance Management Transformation Programme faster and equip our internal service provider to be more competitive in preparation for the reform whilst improving asset data and operational processes	\$0.18m	\$0.082m	R Huckle	AMIT/ 3W teams								Stantec currently working on the P&IDs (Piping & Instrumentation Diagrams) for all pump stations. Anticipated to complete these by 30 March.	Availability of other teams to assist.
13	Waters Essential Services Plan and structure plans	Essential Services Plans and FC/DC Policy review (Ensure that 3W programmes are funded appropriate ly and that our FC/DC policy is upto- date and robust to enable capture of funds to develop the networks)	\$0.29m	\$0.178m	R Huckle / T Garrett	Develop- ment & Stds Team								FC Policy written and endorsed by Council. Tenders for Structure Planning consultants in progress	
14	Ivyi Engagement on 3 Waters & Cultural Values Assessment	Iwi Engagement on 3 Waters (Extending the capacity and capability for engaging with Maori and mana whenua, including development of a cultural values assessment	\$0.40m	\$0.31	R Huckle	Te Waka Rangapū /3W team, Env solns team								Scoping meetings have been held with mana whenua groups, and some have commenced hui for scoping individual pieces of work. Te Tai Whenua o te Whanganui a Orotū have been engaged and discussions are advanceded with Ngāti Pārau	Getting mana whenua aaround the table and delivering given capacity restraints.
15	Regional Projects	Regional Projects (a \$500,000 allowance has been made to work on Regional Projects. The local suppliers have worked together to develop a shared regional programme of work, valued at \$1.4m		\$205m	Toni Goodlass	R Huckle and external providers								Individually as below	There is a chance of an underspend based on current reporting from Regional Projects.
		Three Waters Reform Programme RFI		\$0.754m	AMIT Team	Various								Project largely completed, some remaining questions coming from DIA and WICS.	
		Regional Private Supplier Assessment		\$0.3m	Toni Goodlass	Various								RFP scoped and DIA involved in finalising scope. Calls to private suppliers underway	
		Regional Contest able Fund for private – scheme assistance and support.												scoping discussions underway	
		Regional Engineering code of practice												scoping discussions underway	
		Regional Audit of Asset Management/GIS systems												scoping discussions underway	
		Regional Cadet and Operators Scheme												scoping discussions underway	



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Te Kaunihera o Ahuriri

Napier Civic Building
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PROSPEROUS NAPIER COMMITTEE Open Minutes

Meeting Date: Thursday 23 September 2021

Time: 10.25am-11.36am
11.42am-11.48am (*Public Excluded*)

Venue Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook site

Present **Chair:** Councillor Crown
Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Chrystal, Crown, Mawson, McGrath, Price, Simpson and Tapine

In Attendance Chief Executive (Steph Rotarangi)
Director Community Services (Antoinette Campbell)
Director Corporate Services (Adele Henderson)
Pou Whakarae (Mōrehu Te Tomo) Manager
Water Strategy (Russell Bond)
Regional Programme Director (Toni Goodlass)
Chief Financial Officer (Caroline Thomson)
Acting Communications and Marketing Manager (Julia Atkinson)
Communications Manager (Jess Soutar Barron)
Team Leader Governance (Helen Barbier)

Administration Governance Advisors (Carolyn Hunt and Anna Eady)

Karakia

Apologies

Councillors Mawson / Simpson

That the apologies from Graeme Taylor, Councillor Browne and Councillor Wright be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

The Mayor announced that the competition for the prestigious title of “Penguin of the Year 2021” at the National Aquarium of New Zealand was open for voting from 23 September closing on 28 September 2021, with the winner being announced on 30 September 2021.

The three finalists for the “Penguin of the Year 2021” were Martin, Burny and Mo. People from around the world have participated in previous competitions voting for their favourite penguin. Voting can be done online at the National Aquarium website www.nationalaquarium.co.nz.

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Confirmation of minutes

Councillors Chrystal / Boag

That the Minutes of the meeting held on 12 August 2021 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HAWKES BAY LOCAL AUTHORITY SHARED SERVICES - COUNCIL CONTROLLED ORGANISATION EXEMPTION

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	1362088
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

1.1 Purpose of Report

To obtain a decision from the Council to continue to exempt the Hawke's Bay Local Authority Shared Services Limited (HBLASS) from the requirements imposed on Council Controlled Organisations (CCOs) under the Local Government Act 2002 (LGA).

At the Meeting

The Chief Financial Officer, Ms Thomson spoke to the report advising it was proposed that Council continues to exempt HBLASS from the requirements imposed on Council Controlled Organisations (CCOs) under the Local Government Act 2002 (LGA). All five Councils in the region had to approve the continuation of the exemption extension. Approval had been given by the Wairoa District Council with the remaining Councils addressing the issue this week.

Ms Thomson clarified that the reason for the exemption was due to the onerous administrative requirements to keep the HBLASS company operating. The amount of administration involved outweighed the benefits of having the company.

Originally HBLASS was a company and formed as a Council Controlled Organisation. However, three years ago a report to Council was made to exempt HBLASS from that status as joint and regional collaboration was being undertaken so there was no need to have a CCO. The company has been shelved in the meantime, however may still have a role in the future and would be a simple exercise to reactivate the CCO rather than closing it down.

Committee's recommendation

Councillors Mawson / Brosnan

That the Prosperous Napier Committee:

- Receive the report titled 'Hawke's Bay Local Authority Shared Services – Council Controlled Organisation Exemption'.
- Recommend that Council approves the exemption of Hawke's Bay Local Authority Shared Services (HBLASS) from the Council Controlled Organisation requirements (Local Government Act Section 7(3)).
- Note that all five Hawke's Bay Councils are required to resolve that the HBLASS Limited be exempted from being a Council Controlled Organisation (CCO).

- d. Note that each Council will actively support shared and common goal setting, decision-making, resourcing including financial contribution, staff and communication.

Carried

2. SUBMISSION TO GOVERNMENT ON THREE WATERS PROPOSAL

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1370484
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Russell Bond, Manager Water Strategy Caroline Thomson, Chief Financial Officer

2.1 Purpose of Report

To adopt Napier City Council's submission to Central Government on the proposed Three Waters Reform.

At the Meeting

The Director Corporate Services, Ms Henderson spoke to the report, which had been circulated as a Supplementary Agenda due to tight timeframes. Council had the opportunity to prepare a submission within an eight week period in response to Central Government's 3 Waters Reform in regard to regulating and managing the three waters (drinking water, wastewater and stormwater).

Hawke's Bay would be Entity C under the government's proposal which would be made up of 21 councils from above Gisborne, to Wellington and include the top of the South Island and the Chatham Islands. Council proposed that a better solution would be to have an entity made up of the local councils in Hawke's Bay.

The Chief Financial Officer, Ms Thomson also spoke to the report providing an overview of the underlying assumptions that had been used as the basis for the Central Government's proposal.

In response to questions from councillors it was clarified that:

- The new model has not yet been finalised by Central Government and the report was not seeking a decision.
- Council's submission is in response to Central Government's 3Waters Reform proposal and will await response to the submission due 30 September 2021.
- Council was asked to prepare its own submission on how it perceived the proposal. The submission reflects what Council feels are concerns and there are some consistencies for the region.
- This is significant in terms of Council's Significance and Engagement policy Council would be required to consult with the community unless there is a decision made from Government.

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- Iwi engagement for the proposed reform had been undertaken directly by Central Government.
 - To ensure that Council had initial thoughts and views from the community on the Government's proposal it ran a public questionnaire, through SIL Research, from 25 August to 10 September 2021. Submissions were received from 725 residents of Napier.
 - The Government model is calculated on population and land area and the Long Term Plan is based on asset and growth needs. The projected level of investment in the Government model is half of what is planned in Council's Long Term Plan.
 - The proposed go live date is July 2024 and if the Government proposal goes forward there are a number of arrangements that would need to be fleshed out.

The Chair suspended Standing Orders 21.6 to allow all Councillors the opportunity to speak to the Motion.

Committee's recommendation

Mayor Wise / Councillor Simpson

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- a. Note the key themes Council wishes to raise in the submission to Central Government regarding the Three Waters Reform are:
 - Concern with the assumptions that underpin the model used in the case for change;
 - A lack of local voice in representation and governance;
 - Uncertainty in the arrangements for funding/transfer of assets and responsibilities; and
 - Issues associated with iwi engagement.
 - b. Note there are concerns with key assumptions underlying the modelling for the proposed Entity C. Napier City Council's position is that the following needs to be reviewed:
 - The number of household properties in the model is incorrect and will have bearing on other assumptions
 - The proposed level of capital spend only being 50% of Napier's Long Term Plan (LTP) 2021-31 projected spend
 - The proposed renewals are 2.5 times lower than LTP;
 - The assumption that 70% of revenue for Three Waters is being derived from households (which is 62% for Napier) thus impacting average costs per household; and,
 - The Central Government model is five and a half times lower than the investment requirements of Napier (as provided to Central Government following their request for information (RFI) to design this reform).
 - c. Note the Letter to the Minister of Local Government dated 19 August 2021, indicating a strong preference to pursue a Hawke's Bay Three Waters entity, supported by the Mayors and Councils of Hawke's Bay.
 - d. Adopt the submission report to be provided in response to Central Government's Three Waters Reform proposal.
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- e. Note that Council cannot make a formal decision on a regional option for Three Waters service delivery without doing a LTP amendment and ensuring it meets section 130 of the Local Government Act 2002 (LGA).
- f. Note that Central Government intends to make further decisions about the Three Waters Reform after 30 September 2021.
- g. Delegate to the Chief Executive and the Three Waters Reform Working Group the power to make any minor changes required to the submission, and to send on behalf of Council by 30 September 2021.
- h. That a **DECISION OF COUNCIL** is required urgently so Council can submit its response to the Government's proposal by 30 September 2021. 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, the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, it is appropriate to make decisions on the recommendation.

Carried

**Council
Resolution**

Councillors Tapine / Simpson

That Council:

- a) Note the key themes Council wishes to raise in the submission to Central Government regarding the Three Waters Reform are:
 - Concern with the assumptions that underpin the model used in the case for change;
 - A lack of local voice in representation and governance;
 - Uncertainty in the arrangements for funding/transfer of assets and responsibilities; and
 - Issues associated with iwi engagement.
 - b) Note there are concerns with key assumptions underlying the modelling for the proposed Entity C. Napier City Council's position is that the following needs to be reviewed:
 - The number of household properties in the model is incorrect and will have bearing on other assumptions
 - The proposed level of capital spend only being 50% of Napier's Long Term Plan (LTP) 2021-31 projected spend
 - The proposed renewals are 2.5 times lower than LTP;
 - The assumption that 70% of revenue for Three Waters is being derived from households (which is 62% for Napier) thus impacting average costs per household; and,
 - The Central Government model is five and a half times lower than the investment requirements of Napier (as provided to Central Government following their request for information (RFI) to design this reform).
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- c) Note the Letter to the Minister of Local Government dated 19 August 2021, indicating a strong preference to pursue a Hawke's Bay Three Waters entity, supported by the Mayors and Councils of Hawke's Bay.
- d) Adopt the submission report to be provided in response to Central Government's Three Waters Reform proposal.
- e) Note that Council cannot make a formal decision on a regional option for Three Waters service delivery without doing a LTP amendment and ensuring it meets section 130 of the Local Government Act 2002 (LGA).
- f) Note that Central Government intends to make further decisions about the Three Waters Reform after 30 September 2021.
- g) Delegate to the Chief Executive and the Three Waters Reform Working Group the power to make any minor changes required to the submission, and to send on behalf of Council by 30 September 2021.

Carried

PUBLIC EXCLUDED ITEMS

Councillors Mawson / Simpson

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

1. Audit and Risk Committee - Extension of Committee member appointment

Carried

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. Audit and Risk Committee - Extension of Committee member appointment	<p>7(2)(a) Protect the privacy of natural persons, including that of a deceased person</p> <p>7(2)(f)(ii) Maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment</p>	<p>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:</p> <p>(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</p>

		Information and Meetings Act 1987.
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*The meeting adjourned at 11.36am and reconvened
at 11.42am in Public Excluded*

The meeting closed at 11.48am

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

Chairperson

Date of approval