



NAPIER
CITY COUNCIL

Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Agenda

Meeting Date: Thursday 14 March 2024

Time: 9.30am

Venue: Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook page

Council Members **Chair:** Mayor Wise

Members: Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Greig, Mawson, McGrath, Price, Simpson, Tareha and Taylor

Officer Responsible Chief Executive

Administrator Governance Team

Next Council Meeting
Thursday 18 April 2024

2022-2025 TERM OF REFERENCE - COUNCIL

<i>Chairperson</i>	<i>Her Worship Mayor Kirsten Wise</i>
<i>Deputy Chairperson</i>	<i>Deputy Mayor Annette Brosnan</i>
<i>Membership</i>	<i>All elected members</i>
<i>Quorum</i>	<i>7</i>
<i>Meeting frequency</i>	<i>At least 6 weekly and as required</i>
<i>Executive</i>	<i>Chief Executive</i>

Purpose

The Council is responsible for:

1. Providing leadership to and advocacy on behalf of the people of Napier.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

The Council is responsible for the following powers which cannot be delegated to committees, subcommittees, officers or any other subordinate decision-making body¹:

1. The power to make a rate
2. The power to make a bylaw
3. The power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
4. The power to adopt a long-term plan, annual plan, or annual report
5. The power to appoint a chief executive
6. The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement, including the 30-Year Infrastructure Strategy
7. The power to adopt a remuneration and employment policy.
8. The power to establish a joint committee with another local authority or other public body².
9. The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
10. The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
11. The power to make a final decision whether to adopt, amend, revoke, or replace a local Easter Sunday shop trading policy, or to continue a local Easter Sunday shop trading policy without amendment following a review.³

1 Schedule 7, clause 32. Local Government Act 2002.

2 Schedule 7, clause 30A

3 Shop Trading Hours Act 1990, section 5D.

Delegated Power to Act

The Council retains all decision making authority, and will consider recommendations of its committees prior to resolving a position.

Specific matters that will be considered directly by Council include without limitation unless by statute:

1. Direction and guidance in relation to all stages of the preparation of Long Term Plans and Annual Plans
2. Approval or amendment of the Council's Standing Orders⁴.
3. Approval or amendment the Code of Conduct for Elected Members⁵.
4. Appointment and discharging of committees, subcommittees, and any other subordinate decision-making bodies⁶.
5. Approval of any changes to the nature and delegations of any Committees.
6. Appointment and discharging of members of committees (as required and in line with legislation in relation to the role and powers of the Mayor) ⁷.
7. Approval of governance level strategies, plans and policies which advance council's vision and strategic goals.
8. Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer.
9. Reviewing of representation arrangements, at least six yearly⁸.
10. Approval of any changes to city boundaries under the Resource Management Act.
11. Appointment or removal of trustees, directors or office holders to Council's Council-Controlled Organisations (CCOs) and Council Organisations (COs) and to other external bodies.
12. Approval the Local Governance Statement as required under the Local Government Act 2002.
13. Approval of the Triennial Agreement as required under the Local Government Act 2002.
14. Allocation of the remuneration pool set by the Remuneration Authority for the remuneration of elected members.
15. To consider and decide tenders for the supply of goods and services, where tenders exceed the Chief Executive's delegated authority, or where projects are formally identified by Council to be of particular interest. In addition, in the case of the latter, milestone reporting to Council will commence prior to the procurement process.

4 Schedule 7, clause 27,

5 Schedule 7, clause 15,

6 Schedule 7, clause 30,

7 Schedule 7, clause 30,

8 Local Electoral Act 2001, section 19H.

ORDER OF BUSINESS

Karakia

Apologies

Councillor Mawson

Conflicts of interest

Public forum

Announcements by the Mayor 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 Draft Minutes of the Ordinary Meeting of Council held on Thursday, 1 February 2024 be confirmed as a true and accurate record of the meeting.228

Information items

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

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AGENDA ITEMS

1. HAWKE'S BAY AIRPORT LTD HALF YEAR REPORT TO SHAREHOLDERS TO 31 DECEMBER 2023

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1741173
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

1.1 Purpose of Report

To receive the half-year report to shareholders from Hawke’s Bay Airport Limited to 31 December 2023.

Officer’s Recommendation

That Council:

- a. **Receive** the Hawke’s Bay Airport Limited half year report to shareholders, to December 2023.

1.2 Background Summary

Section 66 of the Local Government Act 2002 requires that a Council-controlled organisation must report to Council each half year. However, Section 65 requires regular monitoring of performance of a Council Controlled Organisation.

The Hawke’s Bay Airport Limited is a Council-controlled organisation. It is a company incorporated under the Companies Act and is owned by the Crown, Hastings District Council and Napier City Council. Napier City Council has a 26% shareholding.

The Company produces separate annual accounts. No payments are made by Napier City Council to the Company and there is no financial provision included in Council budgets. The Napier City Council share in the Company is included in its annual financial statements as an investment, valued using the equity method of accounting.

In accordance with Part 5, Section 65 of the Local Government Act 2002, Napier City Council has a responsibility to regularly undertake performance monitoring of the Hawke’s Bay Airport Limited. The half-yearly report to shareholders to 31 December 2022 has been received from Hawke’s Bay Airport Limited for Council’s information.

1.3 Issues

No issues.

1.4 Significance and Engagement

N/A

1.5 Implications

Financial

Ms Wendie Harvey, Chair Hawke's Bay Airport Limited, will speak to the Hawke's Bay Airport Ltd half year report to shareholders, shown at **Attachment 1**.

Social & Policy

N/A

Risk

N/A

1.6 Attachments

- 1 HBAL Half Year Report to Shareholders (Doc Id 1741235) [↓](#)



Hawke's Bay Airport Ltd
P.O Box 721, Napier – 4140
Telephone (06) 834 0742
www.hawkesbay-airport.co.nz

To: Napier City Council – Jessica Ellerm
Hastings District Council – Bruce Allan
Treasury – Aaron Gillies; Ben Xu

From: Hawke's Bay Airport Limited

Date: 31 January 2024

Re: **REPORT TO SHAREHOLDERS**
Q2 (Quarter 2) FY2024 (1 October 2023 – 31 December 2023)

EXECUTIVE SUMMARY

Hawke's Bay Airport continued to perform strongly throughout the second quarter of FY2024, with the November result showing the business ahead of budget and SOI year to date (PAX Quarter to date 5,455 favourable to SOI).

This result reflects passenger throughput and attendance at regional events during the quarter, and the continued impact of travel associated with the region's recovery from Cyclone Gabrielle. This passenger growth is in fact "bucking the trend", with many other airports and Air New Zealand experiencing and forecasting a softening in passenger numbers.

EBITDA performance is back in line with SOI at 60%. This reflects the growth in passenger numbers improving aviation revenue, together with a focused effort on cost management, particularly in consultancy and maintenance costs.

As can be seen from the table below net profit after tax for the second quarter is ahead of budget. Statements of Financial Performance and Position for the quarter and year to date are attached in Appendix 1. These reports show strength in all key metrics over the quarter.

Financial Performance Headlines							
	For the quarter ended				Year to Date ended		
	Dec-23				Dec-23		
	Actual	Budget	Variance	Var %	Actual	Budget	Variance
Passenger Numbers	170,989	165,534	5,455	3%	331,842	329,231	2,611
Total Revenue	3,335,390	3,167,964	167,426	5%	6,521,064	6,297,320	223,745
Operating Expenses	1,326,615	1,257,216	(69,399)	-6%	2,720,803	2,611,198	(109,605)
EBITDA	2,008,775	1,910,748	98,027	5%	3,800,261	3,686,122	114,139
Net Profit after Tax	654,307	513,376	140,931	27%	1,140,864	938,591	202,273

Table 1: Financial Performance Headlines

Looking ahead into 2024, there is potential for further increases in loadings and passenger numbers as the Hawke's Bay region continues to rebuild following Cyclone Gabrielle, and tourists return to the region during the summer period. We are engaging with Air New Zealand and smaller aviation partners to review capacity and route development opportunities.

FINANCIAL PERFORMANCE

- Quarter 2 revenue was \$3.33m and 5% favourable to the SOI.
- Load factors remain consistent, noting an average of 85.9% for the quarter.
- EBITDA is also 5% above SOI at \$2m. As mentioned above strong control over expenses and consulting is delivering the improvement.
- Our Capex focus in November and December was the successful delivery of our apron overlay project delayed due to the destruction of the Higgin's asphalt plant during the cyclone. This project was delivered on budget and within a shorter time than anticipated. A tribute to Downer and everyone involved.

FUNDING

The overall value of Hawke's Bay Airport's facility with ASB Bank is \$28.5m, of which we have drawn down \$23M relating to the Sustainability Linked Loan. The \$5M revolving credit facility remains undrawn as at 31 December 2023.

At current levels of operation and cash flow, the business remains on track to fund future capital expenditure and business operations within existing debt facilities through FY24 and into FY25.

AIRPORT INFRASTRUCTURE

Following the completion of the apron overlay project our FY24 focus moves to the new fire station, the replacement of airfield power and lighting and some minor capital work on taxiways and the runway. A recent review by Aecom has confirmed that the condition of our airside infrastructure remains at acceptable levels.

Our new fire appliance is in production overseas and is due for delivery in quarter 1, FY25.

REGULATORY RISK

This quarter has seen Hawke's Bay Airport continue to address the regulatory risk to the business created as a result of the RMA regulation and National Environmental Standards – specifically as they relate to the wetland and biodiversity constraints recently imposed over the airport land. In their current form this regulation will challenge the development of any activity both airside and landside across airport land.

We are challenging this issue both from an ecological and legal perspective. At the time of reporting meetings have been held with Hawke's Bay Regional Council (HBRC), and it is hoped that an acceptable outcome can be achieved without the necessity of an Order in Council or changes to the NES-F regulations. We will keep Shareholders informed of this critical issue as matters progress.

CAPACITY AND NEW ROUTE DEVELOPMENT

Due to the softening of passenger numbers throughout New Zealand and servicing required to Air New Zealand's domestic jet fleet, many airports are experiencing reductions in schedules and flight frequency. Despite this downturn Air New Zealand has confirmed they will not reduce our schedules below those operating for 2023. We continue to push hard for more capacity to deal with the expected increase in passenger numbers that will be driven by the recovery work in Hawke's Bay post the cyclone.

The team continues to work on developing Hawke's Bay Airport's unserved markets to Dunedin, Queenstown, Nelson, New Plymouth, and Tauranga. Given the shortage of aircraft facing Air New Zealand linking these ports remains a longer-term goal.

Sunair has been operating successfully since commencing their new services in June and is hopeful of securing larger aircraft to operate on the Tauranga, Wairoa, Gisborne, and Hawke's Bay routes. Larger aircraft will be welcomed with the possibility of new routes being added.

SOLAR FARM PROJECT

The inland wetland issue mentioned previously is also impacting the solar farm. In conjunction with our partners Manawa arrangements are in hand to lease PAMU land adjacent to the airport to provide us with sufficient land (free of wetlands) for the 45 MW solar farm thereby avoiding regulatory obstacles to the project. Technical assessments have recommenced, which will enable us to progress our building consent with a target lodgement of an application in April 2024.

HEALTH, SAFETY AND SECURITY

We remain focussed on improving our health, safety and security reporting as we work to further develop and enhance our current Health, Safety and Wellbeing framework. This is showing benefits in enabling more detailed investigation and root cause analysis of incidents with a view to continuous improvement.

Bird strikes remain a constant threat for Management particularly during the summer months (hawks, geese, and swans) and active management under a Wildlife plan continues as a mitigation to this risk.

PEOPLE AND CULTURE

A detailed Human Resources audit will be undertaken in Quarter 3, FY2024. This is in response to team feedback received in the recently completed staff climate survey. Our primary focus will be on the development of a People strategy laying the foundations for an engaged and welcoming culture at the Airport.

LOOKING AHEAD

We continue to work on our revenue diversification strategy, with the key commercial focus for the balance of FY24 being the progression of the Solar Farm.

We remain committed to creating stakeholder value, while managing our risks. These goals are being shaped by a digital transformation strategy, ongoing work on climate change and resilience, and ensuring our people capabilities are developed through the implementation of a robust human resources strategy.



Rob Stratford
CEO
Hawke's Bay Airport Limited



Wendie Harvey
Chair
Hawke's Bay Airport Limited

APPENDIX 1: FINANCIAL POSITION & PERFORMANCE

HBAL BALANCE SHEET			
\$000's	Dec 23	Sep 23	Jun 23
Cash/ & Cash Equivalents	1,563	765	702
Receivables & Prepayments	1,632	1,863	2,158
Current Assets	3,194	2,628	2,860
Payables & Accruals	2,808	2,064	2,717
Current Liabilities	2,808	2,064	2,717
WORKING CAPITAL	386	564	143
Airport Infrastructure & Fixed Assets	66,388	65,601	65,495
Investment Property	16,020	16,182	16,182
Derivatives	162	450	385
Intercompany	(4)	(4)	(8)
Non Current Assets	82,566	82,230	82,055
Bank Financing	23,000	23,600	23,000
Other term Liabilities	6,811	6,416	6,994
Non Current Liabilities	29,811	30,016	29,994
NET ASSETS	53,142	52,777	52,204
Share Capital	13,789	13,789	13,789
Current Year Earnings	22,413	22,413	19,173
Retained Earnings	15,799	16,088	16,002
Reserves	1,141	487	3,241
EQUITY	53,142	52,777	52,204
Net Gearing Ratio	30.2%	30.6%	30.6%
Equity (>=40%)	64.4%	63.6%	63.6%
Return on Equity	2.1%	1.3%	0.8%

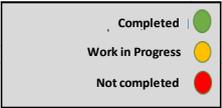
**Hawkes Bay Airport Ltd
Profit and Loss Report
Dec-23**

Quarter & Year to Date

	QTR Dec 23			LY QTR
	Actual	SOI	Variance	Actual
Passenger Numbers	170,989	165,534	3%	163,483
Revenue				
Aviation	2,153,318	2,004,645	148,673	2,014,374
Commercial	952,910	959,967	(7,057)	921,773
Property	122,240	95,102	27,139	108,896
Business Park	105,453	107,540	(2,087)	110,553
Other Revenue	1,468	710	758	1,474
Total Revenue	3,335,390	3,167,964	167,426	3,157,070
Operating Expenses				
Total Expenses	1,326,615	1,257,216	(69,399)	1,250,052
EBITDA	2,008,775	1,910,748	98,027	1,907,018
	60%	60%		60%
Depreciation	756,113	829,427	73,314	772,987
Interest Expense	338,974	336,609	(2,365)	338,179
Net Profit Before Tax	913,688	744,712	168,976	795,852
Tax	259,381	231,336	(28,045)	201,184
Net Profit After Tax	654,307	513,376	140,931	594,668
	20%	16%		19%

Year to Date			LY YTD	Variance	FY24 Full Year SOI
Actual	YTD SOI	Variance	Actual	Variance	
331,842	329,231	1%	316,617	5%	650,926
4,166,322	3,984,979	181,343	3,895,393	270,929	7,879,200
1,906,497	1,906,452	45	1,821,543	84,954	3,760,342
247,048	189,837	57,211	218,688	28,360	378,038
197,769	214,632	(16,863)	220,875	(23,106)	427,261
3,428	1,420	2,008	2,014	1,414	2,839
6,521,064	6,297,320	223,745	6,158,513	362,551	12,447,679
2,720,803	2,611,198	(109,605)	2,484,774	(236,029)	5,098,662
3,800,261	3,686,122	114,139	3,673,739	126,522	7,349,018
58%	59%		60%		
1,513,857	1,641,637	127,780	1,533,605	19,748	3,327,912
687,501	682,949	(4,553)	641,804	(45,697)	1,377,567
1,598,903	1,361,536	237,367	1,498,330	100,573	2,643,539
458,039	422,945	(35,093)	434,842	(23,197)	1,006,666
1,140,864	938,591	202,273	1,063,488	77,376	1,636,873
17%	15%				

Statement of Service Performance

Hawkes Bay Airport Limited		FY2024 Statement of Intent - Progress Report					
Year End Reporting	30-Jun-24						
Reporting Period	Q2 (1 Oct 23 - 31 Dec 23)						
Strategic Pou	Goal	ID	Objective	Key Performance Measure (KPM)	Target/Date	Progress to Date	
Operations	We ensure a safe, secure, and intuitive customer journey for all. We strive for excellence.	1a	Maintain legislative and regulatory compliance	Aerodrome Operating Certificate is renewed 30 September 2023 for a further five years.	30-Sep-23		
		1b		No significant audit findings by our aeronautical regulatory bodies (CAA, MPI, Customs).	Recurring		
		2	Continue to develop a "whole of airport" safety and security culture	Refresh the company's H&S Management framework in line with best practice to comply with our legislated PCBU requirements. This is supported by:			
		2a		Implementation of a digital H&S management platform (e.g. Safe 365)	Jan-24		
		2b		Upgrading our Contractor Management System.	Mar-24		
		2c		Developing and implementing a critical risk management framework.	Sep-23		
		2d		Implementing a quarterly Health and Safety forum for tenants allowing us to work constructively with other PCBUs on our site.	Dec 23		
		3a	Ensure our key infrastructure is fit for purpose and resilient.	Update asset management plan and register by Jan 2024.	Jan-24		
		3b		New Fire Station concept design submitted to the Board for approval.	Jan-24		
		4	Create an airport digital transformation strategy	Work with an external party to propose digital transformation strategy and goals (understanding what data we have, and what data we need to capture) to improve operations, customer experience and sustainability.	Jun-24		
Our People	We treat our people with respect, empower them with knowledge and allow them to flourish. A great place to work.	5a	Ensure our people are supported, encouraged to learn, and resilient.	Cultural awareness and Te Ao Maori training for all staff.	Dec-23		
		5b	Continue to be a great place to work.	Personal development and professional training plans are in place for all the Hawke's Bay Airport team, including a training plan for HBAL Ambassadors.	Jun-24		
		5c		Implement a human resources strategy that incorporates good succession, robust policies and wellness initiatives.	Jun-24		
Our Place	We safeguard the Airport environment by making wise and sustainable decisions for the future. We are guardians of the land.	6a	Reduce HBAL's greenhouse gas emissions and support the decarbonisation of aviation in NZ.	Retain Airport Carbon Accreditation Level 4+.	Jun-24		
		6b		Demonstrate leadership in regional and industry Sustainability forums.	Jun-24		
		6c		Partner with aviation industry to identify and plan for enabling infrastructure for supporting zero emission flights.	Jun-24		
		6d		Achieve single-use plastic-free within the terminal within 12 months.	Mar-24		
		7a	Adapt to the effects of climate change.	Gather site specific data on shallow groundwater levels.	Dec-23		
		7b		Voluntarily report XRB's (NZ External Reporting Board) climate related financial disclosures.	Jun-24		

Hawkes Bay Airport Limited		FY2024 Statement of Intent - Progress Report				
Year End Reporting	30-Jun-24					
Reporting Period	Q2 (1 Oct 23 - 31 Dec 23)					
						<div style="display: flex; justify-content: space-between;"> Completed ● </div> <div style="display: flex; justify-content: space-between;"> Work in Progress ● </div> <div style="display: flex; justify-content: space-between;"> Not completed ● </div>
Strategic Pou	Goal	ID	Objective	Key Performance Measure (KPM)	Target / Date	Progress to Date
Our Partnerships	We foster significant relationships with our customers, partners, and community. We reflect our region.	8a	Continue to strengthen our relationships through our stakeholder engagement strategy, regional partnerships, and community outreach.	Increase HBAL presence and contribution to local government planning and economic development forums. Establish a Community Engagement plan.	On-going Jun-24	Work in Progress
		8b	Enduring partnerships.	Establish an Engagement Plan with iwi and hapu. Continue to support community initiatives each year through sponsorship and grants.	Sept-23 Ongoing	Work in Progress
Prosperity	We maximise commercial returns, to provide value for our stakeholders and our region. A profitable, sustainable business.	9a	Advance aeronautical growth opportunities (passengers and freight) with airline partners, airports, regions, our shareholders, and regulators.	Commence at least two new point-to-point domestic services.	Dec-23	Not completed
		9b		Submit a high level business report to Waka Kotahi for the development of additional roading and access points to the Airport site for a proposed northern roundabout.	Jun-24	Work in Progress
		9c		Submit a business case on freight proposal to Japan.	Feb-24	Work in Progress
		10a	Double non-aeronautical revenue each year from 2025 until it represents 50% of the Airport's total revenue	Secure two anchor tenants for Ahuriri Aeropark.	Jun-24	Work in Progress
		10b		Invest in the infrastructure planning required to facilitate new non-aeronautical projects.	Jun-24	Work in Progress
		11	Progress Solar Farm project	Resource consent achieved in 2024	Jun-24	Work in Progress

2. HAWKE'S BAY AIRPORT LIMITED DRAFT STATEMENT OF INTENT 2024/25

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1741209
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

2.1 Purpose of Report

To present the Hawke's Bay Airport Limited Draft Statement of Intent for the 2024/25 year.

Officer's Recommendation

That Council:

- a. **Receive** the Hawke's Bay Airport Limited Draft Statement of Intent for the 2024/25 (Doc Id 1741570) year and provide comment and feedback from Napier City Council.

2.2 Background Summary

The Hawke's Bay Airport Limited (HBAL) is a Council Controlled Organisation (CCO). It is a company incorporated under the Companies Act and is owned by the Crown, Hastings District Council and Napier City Council (NCC). NCC has a 26% shareholding.

The Local Government Act 2002 requires Council Controlled Organisations (CCO) to submit a Statement of Intent to their shareholders for consideration.

The Draft Statement of Intent presented by HBAL satisfies all the requirements as set out in Schedule 8 of the Local Government Act, and clearly sets out the nature and scope of the HBAL activities and performance targets.

The Board Chair Wendie Harvey and Chief Financial Officer Rochaelle Ham will be at the meeting to present the Draft Statement of Intent and answer Councillors' questions

2.3 Issues

No issues.

2.4 Significance and Engagement

This matter does not trigger Council's Significance and Engagement Policy or other consultation requirements.

2.5 Implications

Financial

Ms Wendie Harvey, Chair Hawke's Bay Airport Limited, and Ms Rochelle Ham, Chief Financial Officer, will speak to the Hawke's Bay Airport Ltd Draft Statement of Intent, shown at **Attachment 1**.

Social & Policy

The Draft Statement of Intent is comprehensive and details its key objectives across their five strategic pou.

Risk

N/A

2.6 Options

The options available to Council are as follows:

- a. Receive the 2024/25 Draft HBAL Statement of Intent and provide any feedback as required.
- b. Council can also request directors of HBAL to consider changes to the Statement of Intent if it wishes. The directors of HBAL would then need to consider the request alongside the feedback from the other two shareholders.
- c. If HBAL decided that it did not wish to make the changes requested by Council as its shareholder, Council has recourse through Schedule 8 (5) of the Local Government Act. Council can by resolution, require the board to modify the statement of intent if Council deemed it necessary. However given NCC's minority shareholding in HBAL, it would need majority shareholder consensus to enforce this option

2.7 Development of Preferred Option

The preferred option is for the 2024/25 Revised Draft Statement of Intent to be received and any suggested changes passed on to the HBAL Board.

2.8 Attachments

- 1 HBAL Draft Statement of Intent 2024/25 (Doc Id 1741570) [↓](#)



STATEMENT OF INTENT

Hawke's Bay Airport Limited

FY24/25

30 June 2024

DRAFT

STATEMENT OF INTENT
2024/25

Prepared by
Hawke's Bay Airport Limited

Address
111 Main North Road
Napier 4110

Postal Address
PO Box 721
Napier 4140

Phone
06 834 0742

Web
www.hawkesbay-airport.co.nz

Date
30 June 2024

DRAFT

INTRODUCTION

He kupu whakataki

This Statement of Intent (“SOI”) is prepared by Management and the Board of Directors of Hawke’s Bay Airport Limited (“Hawke’s Bay Airport”) in accordance with Section 64(1) of the Local Government Act 2002.

Hawke’s Bay Airport is a council-controlled trading organisation (“CCTO”) for the purposes of the Local Government Act 2002. This SOI sets out the objectives, the nature and scope of the activities to be undertaken by Hawke’s Bay Airport, and the performance targets and other measures by which the performance of the company may be assessed in relation to its objectives.

Hawke’s Bay Airport’s achievements against the objectives outlined in last year’s SOI are referred to in this year’s annual report.

The SOI is a public and legally required document, reviewed and agreed annually with shareholders, and covers a three-year period. This SOI covers the period from 1 July 2024 to 30 June 2027.

OWNERSHIP AND GOVERNANCE

Rangatiratanga me te kāwanatanga

Hawke’s Bay Airport was incorporated in 2009. Governance sits with the Board of Directors, which is responsible for the strategic and overall direction of the business. Directors are appointed by the company’s shareholders: Napier City Council (26%), Hastings District Council (24%), and the Crown (50%).

Refer to Appendix A for board composition, an outline of the Hawke’s Bay Airport Board of Directors’ role and governance objectives.

NATURE AND SCOPE OF ACTIVITIES

Te Āhua me te Korahi o ngā kaupapa

Location

Hawke’s Bay Airport is situated approximately 10 minutes from Napier City’s central business district (CBD), 20 minutes from Hastings, and 30 minutes to Havelock North. The Hawke’s Bay region stretches from Wairoa in the north to Waipukurau in the south. With a growing population of 184,800 as at the last New Zealand Census (2023), Hawke’s Bay has 3.5% of New Zealand’s population.

Operations

Hawke’s Bay Airport is the third busiest airport in the North Island and plays an essential role in connecting the region’s people and produce with the wider national and

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international economies via scheduled passenger services. Hawke's Bay Airport's primary activity is the safe and efficient operation of the airport, facilitating direct flights to Auckland, Wellington, and Christchurch serviced by Air New Zealand, and other centres within New Zealand serviced by smaller second-tier airlines. This includes the provision of appropriate and sound aeronautical infrastructure and associated facilities. Hawke's Bay Airport is also required to ensure the operational resilience of the airport as a lifeline utility, under the Civil Defence Emergency Management Act 2002.

WHO WE ARE

Ko wai mātau

Hawke's Bay Airport is the gateway to Hawke's Bay, and we pride ourselves on supporting the community we serve. Our purpose is to connect people, businesses, and the region in meaningful ways. Through our public ownership and the role we play as a critical lifeline and transport asset, we are committed to ensuring the airport makes a positive impact for the region and its future growth.

We are aspirational, resilient, and operationally sound, positioning us well to achieve our growth objectives.

The commitment and determination of our team are key to achieving the goals set for Hawke's Bay Airport. By concentrating on establishing frameworks for performance and well-being, we aim to set our foundation in people, enabling our staff to excel and prosper no matter the environment.

WHAT WE DO

Ā mātau mahi

We are a safe, secure, and intuitive transport hub for everyone, with sustainability and resilience at the heart of everything we do.

Hawke's Bay Airport is home to two commercial airlines and numerous private aviators. Air New Zealand's direct flights to Auckland, Wellington and Christchurch offer great flexibility for those coming into and going out of the region. More recently, Sunair joined our airport community with daily flights to Wairoa, Gisborne and Tauranga. These flights have played an essential role in bridging connections across the East Coast in the aftermath of Cyclone Gabrielle, a contribution that will remain crucial as the region progresses through the ongoing recovery efforts in the years ahead.

Not so well-known are the general aviation community, who make a significant contribution to Hawke's Bay's economy and regional connectivity. They provide essential services such as helicopter operations, aircraft maintenance, private jet flights, and life-saving air ambulance missions across New Zealand and as far afield as the Pacific Islands.

The importance of resilient air transport infrastructure was never more obvious than

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during Cyclone Gabrielle in February 2023. Our capacity to continue operating in a natural disaster is central to our role as a regional asset and lifeline utility. As climate change impacts become more frequent, we are leveraging data and insights to enhance our operational capabilities which will be instrumental in defending our site.

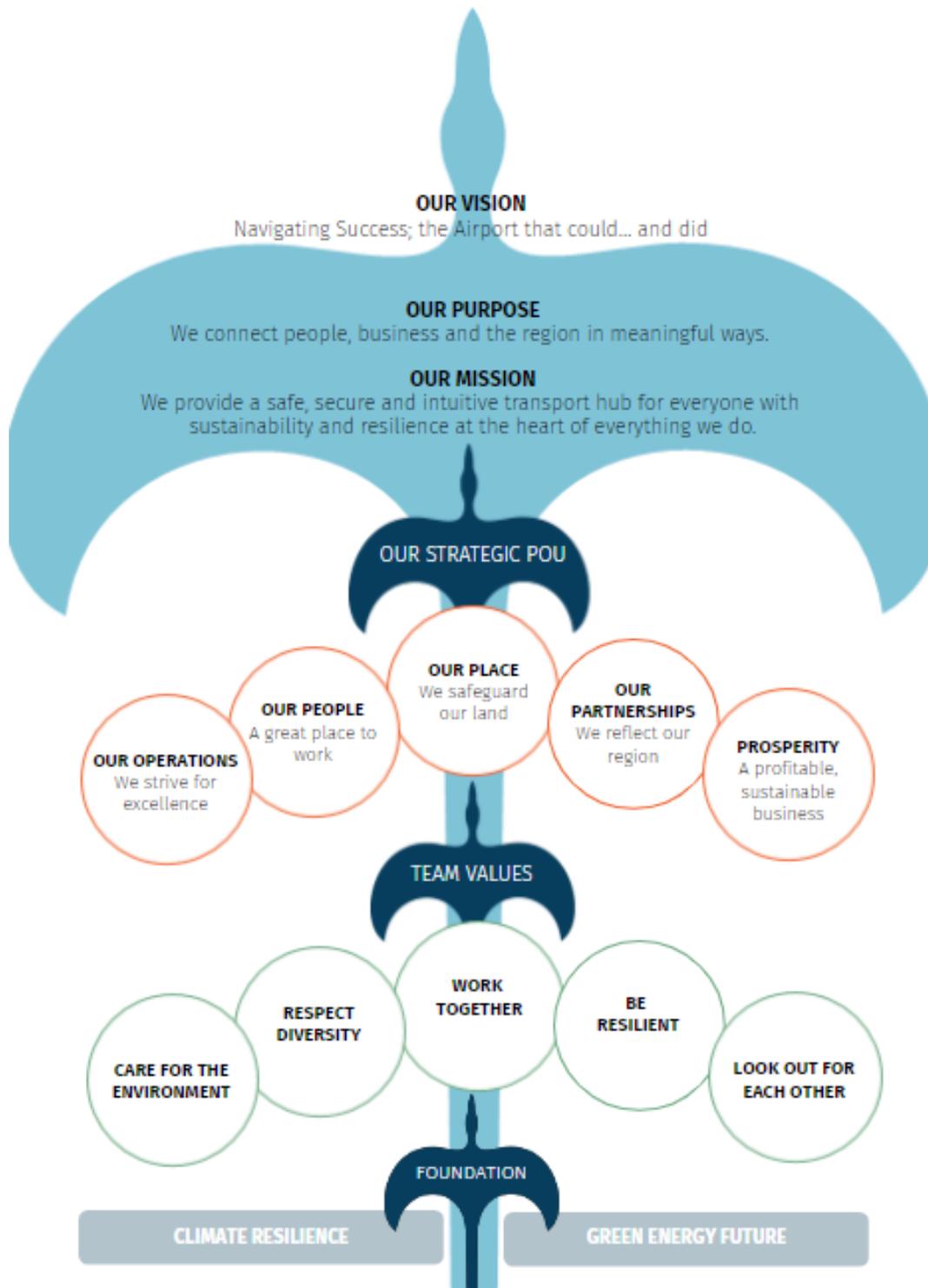
Having a positive impact for our community extends beyond aviation. Supporting Biodiversity Hawke's Bay, Big Brothers Big Sisters Hawke's Bay, and local events such as the Art Deco Festival Napier and the Hawke's Bay Marathon are our way to show the people of Hawke's Bay we are part of their community.

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OUR VALUES

Ō mātau uaratanga

Hawke’s Bay Airport’s values are the foundation for our success; the bedrock on which our strategic pillars, our mission, purpose, and vision are built.



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OUR CONNECTION TO THE LAND

Tō mātau hononga ki te whenua

Events past and present connect us to our whenua (land) and help to shape our future.

Hawke's Bay Airport is situated in an area of historical significance. The damage caused to Ahuriri in the 1931 Napier earthquake is etched in the history of Hawke's Bay. This earthquake raised the tidal lagoon known as Te Whanganui-ā-Orotū by 1.8m creating the land on which the airport now stands.

Sharing such stories, and the airport's history, is of special significance in 2024 as we mark 60 years since Hawke's Bay Airport was officially opened.

To celebrate this milestone with airport visitors two installations have been introduced in the terminal:

- A timeline of our aviation history from the 1931 earthquake to today, telling the incredible stories of an airport that rose from the post-earthquake darkness, to becoming Hawke's Bay's thriving regional airport today.
- A map of Te Whanganui-ā-Orotū depicting the area prior to the earthquake. In collaboration with Mana Ahuriri, this map is the first of its kind on public display, illustrating the significance of the whenua on which the airport now resides.

COMPANY VALUATION

Te uaratanga o te kamupene

The airport's assets and investment property have been revalued to fair value as at 30 June 2023. This resulted in an increase in Shareholders' Equity of \$1.1M. Board and Management believe this provides more relevant and reliable information to Shareholders about the business's financial position and performance.

As of 30 June 2023, Hawke's Bay Airport's land, land improvements, buildings and assets were valued at \$82.1M.

Hawke's Bay Airport's total land holding is 230ha and is comprised of leasehold land (in perpetuity from Napier City Council and Hastings District Council) and freehold land.

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FY2025 OUTLOOK

Te anganga o FY2025

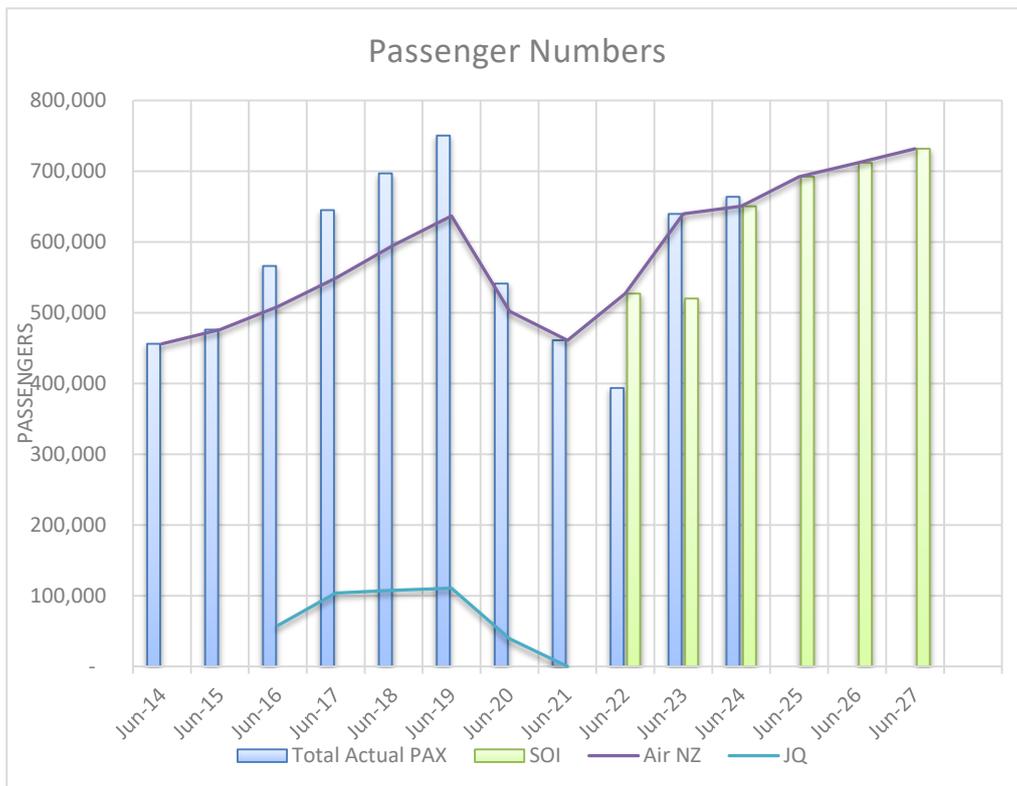
Hawke’s Bay Airport’s strategic importance extends beyond its role in air transport; it serves as an economic catalyst, stimulating growth, creating employment opportunities, fostering business activities, and is a key connection to markets beyond the region.

Future developments at Hawke’s Bay Airport are intended to ensure we continue to be resilient, vital, and fit for purpose in the years ahead.

This SOI sets out how we will deliver sustainable value to our community and shareholders.

Our financial forecasts are dependent on a wide range of factors, the most important of which is the community’s propensity to travel. This is because most of our revenue streams correlate directly with passenger numbers.

The graph below provides the forecast for passenger movements for the three-year period covered by this SOI. It assumes strong demand for travel to and from Hawke’s Bay Airport will continue.



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OUR STRATEGIC PRIORITIES Ngā Whakaarotau ā Rautaki

The global landscape for aviation is re-shaping the world we live in. We expect significant change in the years ahead driven by the electrification of aviation, modal shifts, technological advancements to improve customer experience and support operational efficiencies, as well as the imperative for resilience to climate change. With our eyes firmly on the future, we have taken the opportunity to reshape our strategic priorities to position our business to reflect these developments.

HBAL STRATEGIC PRIORITIES SOI 2024 - 2025

Progressive and resilient infrastructure	Airport land development and enhancements	Air Service Development	Renewable energy & resource efficiency	Digital Transformation
We're optimising airport assets for growth and resilience	Enabling sustainable regional growth, revenue diversification	Creating new connections for the region	Enabling a green energy future	Harnessing technology to advance all areas of the business
<ul style="list-style-type: none"> Airfield power & lighting upgrade Airfield runway improvements Apron extension Back-up generator Carpark roading improvements and enhancements Fire Station Stormwater improvements 	<ul style="list-style-type: none"> Environmental ground water monitoring Aeropark infrastructure Tenant growth 	<ul style="list-style-type: none"> New routes / passengers 	<ul style="list-style-type: none"> Solar-powered vehicles and equipment Electricity supply improvements Solar farm 	<ul style="list-style-type: none"> Digital Transformation Strategy

Progressive and resilient infrastructure

In the face of evolving aviation demands and environmental challenges, we are committed to ensuring our assets enable growth and are resilient. This means investing in innovative infrastructure that not only accommodates increases in passenger numbers, but also stands resilient against climate-related events.

Projects that support these priorities include storm water planning, climate change monitoring and modelling, and delivering a purpose-built Fire Station. We will continue to engage with Hawke’s Bay’s regional freight and transport strategies to advance development of multiple road access points to the airport further strengthening our resilience.

Great infrastructure means a great experience for airport visitors. Landside assets such as car parking and public facilities will be enhanced using innovative technologies and intuitive design. Considering the needs of customers of all abilities will deliver an

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exceptional experience for everyone.

Airport Land Development

As a strategic asset of the region, Hawke's Bay Airport enables regional growth. Unlocking opportunities for the diversification of revenue streams will build commercial resilience which is an important objective in the years to come. We will achieve this by getting the best out of our existing assets and identifying areas of growth landside. Creating an enhanced car parking experience and preparing for future modal change are some of the projects that will achieve this.

We are giving priority to the development of airport land which will support a business park and other complementary facilities in a way that is sympathetic to the natural environment and our community.

Air Service Development

Developing air services is core to our business and key to strengthening and expanding our network. Creating new connections is achieved through active engagement with airlines, regional tourism operators and other airports.

We continue to focus on strengthening our existing links, while developing new and unserved routes. Our sights are also set on further expansion of immigration services for private jet operations at the Airport knowing these services attract high value tourism to the region.

Our goal is to be a pivotal link that not only connects our region to major cities across New Zealand and beyond but contributes to the economic vitality of our region.

Renewable energy and resource efficiency

Our track record in sustainability has been awarded here in New Zealand and internationally. But there is more to do, and we are steadfast in our commitment to further environmental sustainability improvements, which is why focusing on renewable energy and resource efficiency remain key strategic priorities.

The proposed development of a 45-megawatt solar farm in partnership with Manawa Energy means we will be able to not just support developments in sustainable aviation but also improve our own energy efficiency and that of our wider business and residential communities.

While at this stage there is no allowance in this plan for Hawke's Bay Airport to invest in the Solar Farm, and no royalties or rental incomes have been recognised, this will be reviewed as the project progresses.

In tandem with this initiative, we will continue to focus on improving resource efficiency by adopting smart technologies to give us real time data on air quality, power usage, environmental conditions, and waste. Alongside ensuring we measure our own

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sustainability performance we know these measures will also mean we are partner of choice for likeminded businesses and initiatives.

Digital Transformation

To improve performance and deliver on our ambitions, it is critical that Hawke's Bay Airport is future-ready and can adapt to the evolving technological landscape ahead. The delivery of a digital transformation strategy will create a whole-of-airport digital ecosystem enabling the Airport to adapt to changing revenue streams in the future.

At the same time, we continue to harness technology to improve efficiencies across the airport. The continued development of real-time reporting across the business is supporting our operational excellence and customer experience goals.

We will work closely with our business partners – from airport tenants to air service providers and key regional partners – to support our shared business objectives through intelligent data strategy.

LOOKING AHEAD

Te Anga Whakamua

Hawke's Bay Airport is a thriving business enjoying growth in route services, with Air New Zealand flights into and out of Hawke's Bay Airport now at pre-pandemic levels and Sun Air providing welcome connectivity to the northern-most reaches of Te-Mataua-a-Māui/Hawke's Bay and Tairāwhiti/Gisborne. We are also the home of an aviation community that is at the heart of Hawke's Bay's unique regional character and economic prosperity.

However, we remain equally focused on growing non-aeronautical revenue to support our long-term business sustainability and continue to support and grow Hawke's Bay's prosperity.

It goes without saying, our success relies on the capability and commitment of our people. We are committed to ensuring we retain and attract the very best talent with the right capabilities and experience to deliver our ambitions, while providing them with a safe and inclusive place to work and supporting them to be the best they can be.

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KEY OBJECTIVES FY24/25
 Ngā whāinga matua – FY24/25

The following outlines our key objectives for FY24/25 and beyond.

OUR OPERATIONS Ā mātau mahi	
We ensure a safe, secure, and intuitive customer journey for all. <i>We strive for excellence</i>	
Objectives	Key Performance Measures
Maintain legislative and regulatory compliance	No significant legislative or regulatory breaches. No significant adverse audit findings by MPI, CAA or HBRC.
Provide collaborative and productive health, safety and wellbeing support to our team and HBAL tenants, business partners and visitors, including easy to use data and tools, and timely reporting	Continuous improvement of the company’s H&S management framework delivering improving KPI trends.
Develop progressive and resilient infrastructure that safeguards our future	Fire Station design completed, consented and construction ready. Robust Asset Management Plan processes are implemented, encompassing infrastructure planning, asset renewal and proactive maintenance schedules. Customer Experience enhanced through the implementation of an agreed Landside Strategy. This will include landside opportunities and offerings, and associated performance measures.

Best practice looks like: an airport operation that runs smoothly and efficiently with site-wide safety, and where every person working for Hawke’s Bay Airport actively contributes to safety and security. Hawke’s Bay Airport maintains its essential operating credentials, while strengthening the resilience and sustainability of our infrastructure and operations. We have an airport that reflects our region and a passenger experience that is easy, and inclusive.

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OUR PEOPLE Ā mātau tāngata	
We treat our people with respect, empower them with knowledge and allow them to flourish. <i>A great place to work</i>	
Objectives	Key Performance Measures
Nurture a culture of continuous improvement and value-driven work performance	A competency framework is developed, outlining role expectations and required capabilities and skills. A learning and development matrix is established that aligns with the competency framework to support our team to develop the capabilities and skills they need to succeed. Our team is upskilled on how to provide and receive feedback by establishing a structured process for feedback and recognition programme. Staff satisfaction rating shows a positive trend.

Best practice looks like: a positive, dynamic culture that enables our people to thrive. Our people know how their efforts and performance contribute to Hawke’s Bay Airport’s vision and believe we are a great place to work.

OUR PLACE Tō mātau wāhi	
We ensure our airport’s future through strategic sustainability and resilience practices <i>We safeguard our land</i>	
Objectives	Key Performance Measures
Understand the impacts of climate change and have plans to manage and mitigate its effects.	Develop a roadmap that supports our decisions to defend our site from the effects of climate change. The roadmap will also ensure environmental compliance requirements are met. Maintain ACA Level 4+ Transition while investigating broader ESG frameworks and supporting standards. e.g. BCorp and alternatives.
Ready and capable for a sustainable aviation future	Collaborate with airlines and others in the aviation sector to understand and prepare for future aviation requirements

Best practice looks like: An airport known and trusted for respecting and protecting the natural environment in which it operates. We have decarbonised our business and are continuously adapting to the effects of climate change. We are ready and capable for sustainable aviation needs of the future. We are recognised as a leader in sustainability.

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OUR PARTNERSHIPS Ngā rangapū mahitahi	
We foster positive and enduring relationships with our customers, partners, and community. <i>We reflect our region</i>	
Objectives	Key Performance Measures
Continuously improve our relationships with airport partners, customers and stakeholders	A Stakeholder Engagement Plan is developed and implemented Stakeholder engagement feedback trends positively.

Best practice looks like: An airport connected to our community and taking a leadership role in regional economic development. Hawke’s Bay Airport’s people have strong, authentic, and productive relationships with everyone important to our success, including shareholders, mana whenua, tenants, customers, local and central government, regional economic development partners and the community.

Hawke’s Bay Airport is actively engaged in regional planning and development processes.

PROSPERITY Te houkuratanga	
We maximise commercial returns, to provide value for our stakeholders and our region. We create new connections for the region. <i>A profitable, sustainable business</i>	
Objectives	Key Performance Measures
Optimise Shareholder returns	Return on Equity greater than or equal to 5%. Net Profit After Tax greater than or equal to \$2.9M pre revaluation adjustments.
Pursue commercial opportunities	Develop new revenue streams that include: <ul style="list-style-type: none"> • Growth of core business • Land asset developments.
Use technology to optimise operational and business performance.	A digital transformation roadmap is developed, and implementation is underway.

Best practice looks like: Our airport remains prosperous through maximising revenue streams and is future-proofed through technology that transforms efficiency and drives value.

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Summary

We are committed to the continued resilience and growth of our airport. Diversification of aeronautical and commercial opportunities are the key drivers of our future prosperity. Hawke's Bay Airport's sights are set firmly on being the most forward thinking, future-proofed, digitally savvy, and commercially successful regional airport in New Zealand.

We are excited to live our vision of being **the airport that could...and did!**

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FINANCIAL FORECASTS

Ngā matapaenga ā-ahumoni

The updated forecast to 30 June 2024 and the three outlying years have been based on passenger numbers delivered to 31 December 2023 and the passenger forecasts provided by Air New Zealand. There has been a strengthening in aircraft movements across all main routes during FY2024, with additional services being provided by Air New Zealand on Auckland and Christchurch routes. Load factors remain consistently high (average 85% FY2024) and these continue through the life of this SOI.

The per passenger charging mechanism adopted in October 2020 will increase in FY2025, but decline in future years, partly due to increased passenger numbers. This initial lift is the consequence of increased capital spending in FY24 and higher operating costs as cost ownership transitions from Airways to the airport for airfield lighting and power. There has also been significant spending on apron developments during FY24. In addition, the cost of capital continues to be high during FY25, despite evidence of a small decline in both interest rates and inflation.

Hawke's Bay Airport Limited

Statement of Intent - Headlines and Financial Metrics

July 2024 - June 2027

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Passenger Numbers	663,775	692,309	711,733	731,713
Forecast Revenue	13,035,021	15,505,620	15,571,445	16,436,688
EBITDA	7,936,359	9,484,683	9,390,393	10,091,238
EBITDA Margin	60.9%	61.2%	60.3%	61.4%
NPAT	2,783,359	2,965,729	2,661,140	2,783,594
Net Profit after Taxation Margin	21.4%	19.1%	17.1%	16.9%
Total Assets	89,661,547	96,904,890	103,780,793	110,139,932
Total Debt	24,065,456	28,246,386	32,487,661	36,078,229
Return on Equity %	4.9%	5.0%	4.3%	4.3%
Gearing Ratio D/(D+E)	30%	32%	34%	36%
Cash Flow Available for Debt Servicing (CFADS) ¹	7,294,225	7,942,995	8,357,351	8,811,192
CFADS: Interest	5.7x	4.9x	4.4x	4.1x
Debt Service Coverage Ratio (DSCR) ²	5.7x	4.9x	4.4x	4.1x
EBITDA:Debt	33%	34%	29%	28%

Notes:

- CFADS is defined as Net profit After Tax, plus depreciation and amortisation, less cash taxes, less/plus extraordinary items such as revaluations. It is broadly equivalent to Free Funds from Operations.
- DSCR is CFADS divided by Total Debt Servicing. Debt servicing is interest plus principal and is calculated after a "Cash Sweep" where all cash in excess of \$500,000 is used to repay debt.

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Hawke's Bay Airport Limited
 Prospective Summary Statement of Comprehensive Income
 July 2023 - June 2026

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
<i>Passenger Numbers</i>	663,775	692,309	711,733	731,713
Revenue				
Aeronautical	8,374,331	10,510,457	10,282,516	10,841,894
Non-Aeronautical	4,660,690	4,995,163	5,288,929	5,594,794
Total Revenues	13,035,021	15,505,620	15,571,445	16,436,688
Operating Expenditure	5,098,662	6,020,937	6,181,052	6,345,451
EBITDA	7,936,359	9,484,683	9,390,393	10,091,238
Depreciation	3,252,906	3,758,428	4,035,462	4,244,572
EBIT	4,683,454	5,726,255	5,354,930	5,846,665
Fair value gain on Investment Property	575,334	355,766	332,650	354,826
Interest Expense	1,270,767	1,626,898	1,888,829	2,132,399
Profit before Income Tax	3,988,021	4,455,123	3,798,751	4,069,092
Income Tax Expense	1,204,662	1,489,393	1,137,611	1,285,498
Net Profit after Tax	2,783,359	2,965,729	2,661,140	2,783,594

Hawke's Bay Airport acknowledges that the world and domestic economies are impacted by continued high interest rates and inflation, coupled with other worldwide events (wars and extreme climate related events). While we remain confident in being able to deliver our targets, we expect customer propensity to spend disposable income on air travel will continue to have an impact into FY2025.

We will ensure our shareholders are provided with regular updates of actual and projected results as they come to hand.

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Hawke's Bay Airport Limited
Prospective Summary Statement of Financial Position
July 2023 - June 2027

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Current Assets				
Cash and cash equivalents	500,000	500,000	500,000	500,000
Trade Receivables	1,499,920	1,784,208	1,791,783	1,891,345
Derivatives	45,064	15,761	3,069	299
Total Current Assets	2,044,984	2,299,969	2,294,851	2,391,644
Non Current Assets				
Plant and equipment	71,315,392	77,940,204	84,369,172	90,022,970
Investment property	16,150,839	16,612,139	17,106,533	17,724,322
Other Non-Current Assets	150,331	52,577	10,237	997
Total Non Current Assets	87,616,562	94,604,921	101,485,942	107,748,288
TOTAL ASSETS	89,661,547	96,904,890	103,780,793	110,139,932
Current Liabilities				
	1,578,301	1,722,293	1,766,859	1,812,583
Non Current Liabilities				
Total Debt	24,065,456	28,246,386	32,487,661	36,078,229
Other Non Current Liabilities	7,089,052	7,147,751	7,202,638	7,259,158
Total Non Current Liabilities	31,154,508	35,394,137	39,690,298	43,337,387
TOTAL LIABILITIES	32,732,810	37,116,430	41,457,157	45,149,970
	1,578,301			
NET ASSETS	56,928,737	59,788,460	62,323,636	64,989,962
Capital and Reserves				
Share Capital	13,789,155	13,789,155	13,789,155	13,789,155
Reserves	18,409,574	19,603,568	20,777,604	22,060,336
Retained Earnings	24,730,008	26,395,737	27,756,877	29,140,471
TOTAL EQUITY	56,928,736	59,788,459	62,323,635	64,989,961

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Hawke's Bay Airport Limited
Prospective Summary Statement of Cashflows
July 2023 - June 2027

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Cash flows from operating activities				
Cash was provided from:				
Revenues	13,369,520	15,221,332	15,563,871	16,337,126
	13,369,520	15,221,332	15,563,871	16,337,126
Cash was disbursed to:				
Suppliers and employees	(5,217,598)	(5,876,945)	(6,136,487)	(6,299,726)
Interest Paid	(761,715)	(1,499,842)	(1,833,796)	(2,120,389)
Income Tax Paid	(2,161,690)	(1,430,695)	(1,082,725)	(1,228,978)
	(8,141,003)	(8,807,481)	(9,053,008)	(9,649,093)
Net Cash Flows from Operating Activities	5,228,517	6,413,851	6,510,863	6,688,033
	-	-	-	-
Cash flows from investing activities				
Cash was provided from:				
Sales of fixed assets	-	-	-	-
	-	-	-	-
Cash was disbursed to:				
Capital Works	(6,524,532)	(9,294,781)	(9,452,138)	(8,878,601)
Investments	-	-	-	-
	(6,524,532)	(9,294,781)	(9,452,138)	(8,878,601)
Net Cash Flows from Investing Activities	(6,524,532)	(9,294,781)	(9,452,138)	(8,878,601)
	-	-	-	-
Cash flows from financing activities				
Cash was provided from:				
Borrowings received	1,065,456	4,180,930	4,241,275	3,590,568
	1,065,456	4,180,930	4,241,275	3,590,568
Cash was disbursed to:				
Borrowings repaid	-	-	-	-
Dividends	-	(1,300,000)	(1,300,000)	(1,400,000)
	-	(1,300,000)	(1,300,000)	(1,400,000)
Net Cash Flows from financing Activities	1,065,456	2,880,930	2,941,275	2,190,568
Opening Cash	730,559	500,000	500,000	500,000
Net Increase in Cash and Cash Equivalent	(230,559)	-	-	-
Closing cash and cash equivalents	500,000	500,000	500,000	500,000

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CAPITAL EXPENDITURE

Whakapaunga pūrawa

Hawke's Bay Airport continues to invest in its infrastructure in line with passenger numbers, asset management condition assessments, Civil Aviation Authority security requirements and the Ministry of Transport. While we continue to identify opportunities to further diversify our non-aeronautical revenue streams, the key capital focus remains on positioning the airport to be fit for the future. This means undertaking workstreams that support resilience and climate change, but also embracing opportunities to transform our site through technology enhancements. Capital expenditure is based on what we know now and could be subject to change.

Capital expenditure programmes will be presented to the Board when supported by a robust business case and funding capability.

Budgeted capital expenditure is summarised in the table below. Long-term capital expenditure associated with the aeronautical infrastructure is provided for as per the long-term maintenance plan, prepared and updated annually by Aecom Limited.

Hawke's Bay Airport Limited

Prospective Summary of Capital Expenditure

July 2023 - June 2027 (Nominal \$)

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Aviation	3,910,862	3,549,741	2,248,609	4,995,578
Commercial	829,756	1,310,778	1,339,047	2,135,354
Property	25,925	105,981	162,152	275,658
Business Park	934,641	805,459	1,108,036	1,361,749
Other	1,510,657	3,544,018	4,648,344	330,789
Total Capital Expenditure	7,211,842	9,315,977	9,506,188	9,099,127

Prospective Capital Expenditure By Classification

	Jul 23 - Jun 24 Actual/Proj	Jul 24 - Jun 25	Jul 25 - Jun 26	Jul 26 - Jun 27
Growth	495,639	874,347	1,205,326	3,462,260
Digital Transformation	68,276	185,467	189,177	137,829
Safety & Compliance	5,183,145	6,320,095	6,140,246	1,654,607
Resilience	1,267,752	1,671,115	1,452,554	2,603,972
Reliability	20,740	105,981	432,404	1,240,459
Green Energy	176,290	158,972	86,481	-
Total Capital Expenditure	7,211,842	9,315,977	9,506,188	9,099,127

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ACCOUNTING POLICIES

Ngā kaupapahere mahi kaute

The accounting policies adopted by Hawke's Bay Airport are consistent with New Zealand's International Financial Reporting Standards and generally accepted New Zealand accounting practices. The policies are included within Hawke's Bay Airport's annual report, which is available on the company's website: www.hawkesbay-airport.co.nz/about/company/annual-report.

DISTRIBUTIONS

Ngā tohanga

The Directors will, in consultation with shareholders, set and review the dividend policy periodically and, where fiscally prudent, recommend dividend payments that are cognisant of Hawke's Bay Airport's earnings, capital expenditure and future investment requirements.

Currently, it is proposed to resume dividends in the 2025 financial year, subject to trading conditions at the time. In the intervening period, the company will reinvest capital in core assets, and re-gear the balance sheet to support upcoming investments in airport infrastructure and resilience.

At present, the dividend policy assumes a circa 40% payment of NPAT as a dividend, but as previously noted this should remain subject to discussion with shareholders as to the suitability of this approach.

Hawke's Bay Airport places a strong focus on strategies of revenue diversification and resilience which underpin a sound foundation for revenue recovery and balance sheet growth. In addition, a key focus on digital transformation opportunities will position the airport for the future. These strategies will create enhanced financial returns and maximise value to shareholders through an appropriate balance of reinvestment and dividend.

A strong net profit after tax result is forecast for the upcoming 2023/24 financial year and subsequent periods. These forecasts are included in this SOI and are conditional on New Zealand maintaining the status quo and not being materially affected by external economic shock factors.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

Ngā kōrero ka tukuna ki ngā kaiwhaipānga

Shareholders will receive:

- An annual report including audited financial statements within three months of balance date.
- A six-monthly report including non-audited financial statements within two months of balance date.
- A quarterly report within two months of the end of each quarter.

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- A Statement of Intent submitted for shareholders' consideration in accordance with the Local Government Act 2002.
- Other interim financial reports as agreed with the shareholders.
- Reports on matters of material interest to shareholders. Shareholders will continue to be kept informed of key developments, consistent with the Crown's 'no surprises' policy.
- Hawke's Bay Airport Limited is also required to comply with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations.

ACQUISITION PROCEDURES

Ngā tukanga hopu

The acquisition of any interest in a company or organisation will be considered to ensure it is consistent with the long-term commercial objectives of the company. Any material acquisition will be the subject of consultation with shareholders.

Major transactions as defined by the Companies Act 1993 will require shareholder approval.

COMPENSATION SOUGHT FROM LOCAL BODY SHAREHOLDERS

Kua tonoa he utu paremata i ngā kaiwhaipānga o te rohe

At the request of the shareholders, Hawke's Bay Airport may undertake activities that are not consistent with normal commercial objectives. In these circumstances, Hawke's Bay Airport may seek a specific subsidy to meet the full commercial cost of providing such activities. None are contemplated in the planning period.

ESTIMATE OF COMMERCIAL VALUE

Te matapaetanga o te wāriu arumoni

The value of shareholders' investment in Hawke's Bay Airport as at 31 December 2023 was \$53.1M.

The property, plant, equipment, and investment property (non-current assets) owned by Hawke's Bay Airport were revalued at 30 June 2023 to their current market value of \$82.1M.

Hawke's Bay Airport will continue to undertake a revaluation approach to its assets on a yearly cycle or when there has been a significant change in the market, to consider the gap between current book values of the assets and liabilities versus the commercial value of the business.

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APPENDIX A: BOARD OF DIRECTORS ROLE AND GOVERNANCE OBJECTIVES

Āpitihanga A: Te wāhi ki te Poari Ringatohu me ngā whāinga kāwanatanga

The Board has four directors, two of whom are appointed by Napier City Council and Hastings District Council and two of whom are appointed by the Crown. The Board meets regularly with Hawke's Bay Airport leadership to review the company's performance and provides quarterly, half-yearly and annual business performance reports to shareholders.

Role of the Board of Directors and governance objectives

In carrying out its principal function, the Board's specific responsibilities and objectives include:

- a) Ensuring that the company has adequate management resources to achieve its objective, to support the CEO, and has a satisfactory plan for management succession in place.
- b) Reviewing and approving the strategic, business, and financial plans prepared by management and developing a depth of knowledge of the company's business to understand and question the assumptions upon which such plans are based and to reach an independent judgement on the probability that such plans can be achieved.
- c) Reviewing and approving material transactions not in the ordinary course of the company's business.
- d) Reviewing operating information to always understand the state of health of the company.
- e) Considering management recommendations on key issues, including acquisitions and divestments, restructuring, funding, and significant capital expenditure.
- f) Approving policies and overseeing the management of strategic business risks, safety, sustainability, occupational health, and environmental issues with the following aims:
 - i. To manage risk throughout the company's operation in order to protect its shareholders, employees, assets, earnings, and reputation.
 - ii. To comply with all relevant legislation.
 - iii. To encourage employees to actively participate in the management of environmental and occupational health and safety issues.
 - iv. To employ consultants where required to raise standards or improve existing conditions.
 - v. To use energy and other resources efficiently; and
 - vi. To encourage the adoption of similar standards by the company's principal suppliers, contractors, and vendors.
- g) Approving and fostering a corporate culture which requires management and every employee to operate to the highest level of ethical and professional behaviour.
- h) Setting and monitoring adherence to major policies, including capital investment, treasury, accounting and financial, executive remuneration, and delegated authority limits.
- i) Approving the appointments by, or at the request of, the company (including its affiliates) to the boards of subsidiary and associate companies.
- j) Monitoring the company's performance against its approved strategic,

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- business, and financial plans and overseeing the company's operating results on a regular basis to evaluate whether the business is being properly managed.
- k) Ensuring ethical behaviour by the company, the Board and management, including compliance with the company's constitution, the relevant laws, and the relevant auditing and accounting principles.
 - l) Reporting to shareholders on its stewardship. Information is to be communicated to shareholders through:
 - i. The annual report, which is distributed to all shareholders. The Board is to ensure that the annual report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future developments, in addition to other disclosures required by the Companies Act and financial reporting requirements.
 - ii. Result announcements regarding the annual, quarterly, and half-yearly results.
 - iii. Annual statement of intent.
 - iv. Media releases.
 - v. The annual meeting, and other shareholder meetings called to obtain approval for Board actions as appropriate. The company will provide notification of shareholder meetings at least 20 working days prior to the meeting and not later than 15 months after the previous meeting; and
 - vi. The company's website.
 - m) Ensuring that shareholders can easily communicate with the company, including providing shareholders with the option to receive communications electronically.
 - n) Ensuring that the company's shareholder reporting meets the requirements of the Owner's Expectation Manual which can be found on the Treasury's website <https://treasury.govt.nz/publications/guide/owners-expectations>, including:
 - i. Ensuring that financial reporting is balanced, clear and objective. The Board should explain to shareholders how operational and financial targets are measured.
 - ii. Ensuring that the company provides non-financial disclosures to shareholders at least annually. These should consider environmental, economic, and social sustainability factors and practices.
 - iii. Ensuring that the company reports to shareholders on material risks facing the business and how these are being managed. Reporting should disclose how the company manages its health and safety risks and the performance and management of those

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risks.

- iv. Ensuring that the company discloses any internal audit functions.
- o) Select and (if necessary) replace the CEO.
- p) Assess, from time to time, its own effectiveness in carrying out these functions and the other responsibilities of the Board.

3. DRAFT HOUSING STRATEGY AND HOUSING REVIEW

Type of Report:	Enter Significance of Report
Legal Reference:	Enter Legal Reference
Document ID:	1741276
Reporting Officer/s & Unit:	Anne Bradbury, Manager Community Strategies

3.1 Purpose of Report

This report discusses the Draft Housing Strategy and the 2024 Housing Review. The report looks back to the 2022 housing review and outlines the work done since then to meet the Council resolutions from 18 May 2022 and the external pressures that have led to the 2024 Housing Review being undertaken.

Officer’s Recommendation

That Council:

- a. **Note** the Draft Housing Strategy and recommend Officers continue to work on the strategy through submissions from the Three Year Plan and continued work with key stakeholders.
- b. **Direct** Officers bring the draft Housing Strategy back to Council for adoption in October 2024.
- c. **Receive** the 2024 Housing Review.
- d. **Proceed** with consultation on Option 3 of the 2024 Housing Review which is to move away from social housing, maintain control of our retirement housing and look at other approaches as our preferred option as part of our Three Year Plan consultation.

3.2 Background Summary

The Council owns and manages 377 housing units situated in 12 villages across Ahuriri/Napier. This housing is for people on a low income with few assets and a special housing need. Council subsidises the rent these tenants pay. Most of our tenants are aged over 65 and live in nine of our villages that focus on retirement, containing 304 units. The remaining three villages mainly have social housing tenants, containing 73 units. Social housing tenants are people who are younger than 65 years have a low income with few assets, or those who might have accessibility needs that can’t be met through private rentals.

Housing review 2022

In 2022 Council completed a Section 17A of the Local Government Act 2002 review of our housing portfolio and whether Council should continue to provide subsidised housing. The Council consulted with the community on whether to keep the housing portfolio, sell some of it or sell all of it. On 18 May 2022, Officers brought a paper to Council to discuss the feedback of the consultation. Council resolved the following:

1. *That Council:*
 - a) *Retains all of the existing portfolio implementing a public/private benefit approach based on 80% private and 20% public ratio.*

- b) *Implement a sustainable cost recovery rent setting policy, and the current and anticipated costs are reviewed as part of the setting of the policy*
 - c) *Directs council officers to investigate further property and tenancy management operating models and bring the options back to Council.*
 - d) *Instruct council officers to develop a Housing Strategy*
 - e) *Continue to lobby central government for access to the income related rent subsidy*
 - f) *Continue to fund the deficit from loans until the rates increase has been consulted on and implemented*
2. *Instruct council officers to develop a full plan outlining the next steps, including the specific consultation processes required for the option selection to proceed.*

The implementation of these recommendations is outlined below.

The Council increased rents in November 2023 to meet the 80% private 20% public ratio (resolution 1a). Some of our tenants were able to access the MSD Accommodation Supplement which offset some of the resulting rent increase. This rental income is ring fenced for the maintenance and operation of the villages, which are in need of significant upkeep as they are aging stock.

The 2024 Housing Review looked at a sustainable rent setting model and further property and tenancy management models (resolution 1b and 1c). This review shows the 80% private and 20% public ratio would not be financially sustainable and the loan deficit would continue to grow. Options 3 and 4 of the 2024 Housing Review looked at the potential for tenancy and asset management services to be provided by a third-party or through a partnership model. Outsourcing or a partnership approach could possibly achieve efficiencies or reduce the cost of providing housing.

At the 18 May 2022 meeting Council decided to fund the shortfall through loans for a few years and consult on a rates increase in the 2023/24 Annual Plan to fund housing over the long term (resolution 1d and resolution 2). However, due to our focus on recovery from Cyclone Gabrielle, we did not undertake any consultation for the 2023/24 Annual Plan.

1.3 Draft Housing Strategy

A draft Housing Strategy has been developed (resolution 1d), the draft strategy is in **Attachment 1**. The draft strategy outlines the role and focus that Council plays in the housing space from rough sleepers through to full home ownership.

The strategy was developed by undertaking desk top research and reviewing the Councils documents and reports. Hui and interviews were undertaken with a local Māori housing provider and other key stakeholders that brought perspectives from the Council, local developers, central government and community housing. This helped shape the draft strategy.

The Council currently acts in three focus areas:

1. Focus 1 – as a connector and advocate to help with support to lift households out of homelessness.
2. Focus 2 - as a connector, an advocate and a housing provider to ensure there are sufficient non-market housing options that cannot afford private rental or home ownership.

3. Focus 3 – as an infrastructure provider, a regulator and a landowner to help enable housing across greenfield and brownfield developments.

The 2024 Housing Review will be part of the consultation on the Three Year Plan if the Council approves the recommendations in this report. The submissions on the consultation will feed into the draft housing strategy. Council will engage with key stakeholders to finalise the strategy and the final version of the strategy will be brought back to Council for approval in October 2024.

1.4 Housing Review 2024

Since the 2022 decision, external factors have impacted our ability to maintain the housing portfolio with the budget set in the Long-term Plan 2021-31. These external factors include significant inflationary costs including recovery from Cyclone Gabrielle. Therefore, our preferred option of keeping our housing portfolio in their current form has now changed.

This review was discussed at Council workshops on 25 January, 8 February and 20 February 2024. At the workshops, Elected Members expressed desire to continue to support retirement living and they decided on five principles to guide their decision making:

1. We will honour our current tenants and make sure they have a home.
2. We want to make sure there is as little financial pressure as possible on our community, ratepayers and on our tenants.
3. Over time move away from social housing.
4. Keep and potentially increase our retirement housing.
5. Enable further investment into retirement housing including healthy homes for tenants.

There are five options that were discussed in the review which are explained below. The options talk about retirement villages and social villages. The Council has nine retirement villages and three social villages. The retirement villages all have single storied units. The social villages have multi storied units.

Option 1: Current state

This is our current approach and will see no change to providing the service. Tenancy and asset management is provided by the Council and rental income is based on a fixed 80% cost recovery rate.

Option 2: Retirement only

Option 2 uses the same approach as Option 1 but focuses on providing housing to tenants over 65 years. This means the three social villages would be sold and the Council retains control over the retirement villages. Rental income based on a fixed 80% cost recovery rate.

Option 3: Mixed delivery model

This option involves various levers to optimise the Council's housing provision. The Council still controls the housing but there would be opportunities for operating model changes such as partnerships and outsourcing. Rents are reset annually to be 80% of a three-year rolling average cost to provide housing.

Option 4: Independent Delivery

This option would involve an independent housing entity providing the housing. The Council villages would be sold or would be transferred to the independent entity. The independent entity would determine how the villages would be managed and the Council would need to consider this before the villages were sold or transferred.

Option 5: No direct provision of housing

This option means the Council would stop providing housing and would sell the housing portfolio. The Mayor and our Councillors decided in the workshops not to pursue this option so it is not being explored in this consultation although it was included in the review to give a wide range of options.

Further detail can be found in the 2024 Housing Review which is included in **Attachment 2**.

Next steps

Officers are recommending that the Council notes this 2024 Housing Review and recommends to include the review in the consultation for the Three Year Plan.

The review was a desktop analysis and it did not involve any detailed conversation with our mana whenua partners. We also have not done any market soundings or due diligence on the land parcels. Following the Three Year Plan consultation and a decision from Council on the Three Year Plan, this work would need to be done before any options are implemented.

3.3 Significance and Engagement

Our housing villages are a significant asset in our Significance and Engagement Policy and in our draft Significance and Engagement Policy that is also going to Council on 14 March for approval. Officers recommend consulting on this review as part of the Three Year Plan consultation. Officers recommend using a special consultative procedure for the Three Year Plan consultation in accordance with the Local Government Act 2002. This aligns with our Significance and Engagement Policy and our draft Significance and Engagement Policy.

3.4 Implications

Financial

The 2024 Housing Review discusses financial implications which are explained here. Financial implications are also outlined in the proposed Consultation Document for our Three Year Plan.

Financial Sustainability Assumptions

Housing currently has a reserve deficit, the result of borrowing to fund annual cashflow deficits. Maintaining ongoing reserve deficits is not sustainable as ratepayers would need to service growing debt costs. With the underlying goal of financial sustainability, any sale proceeds would first settle debt positions. Therefore, policy will determine the time period over which we settle the housing reserve to zero - 10 years has been assumed for Options 2 and 3. This policy decision effectively sets annual ratepayer contributions and highlights the trade off between reducing ratepayer contributions in the short term versus improving financial sustainability over the long term.

Option Comparisons

The below chart shows the impact of each option on Council's housing reserve. The beginning reserve deficit is the result of past borrowing to fund cashflow deficits. Sale proceeds first repay this debt and then bring the housing reserve into surplus.



Option 1 has the worst financial outcome for council. Annual rental income remains fixed resulting in increasing deficits that reduce the reserve balance.

Option 4 has the optimal financial outcome for Council. Proceeds from selling the social housing villages bring the reserve into surplus, resulting in growing interest revenue annually after this. This is not the optimal option in relation to current housing strategy though, as Council would lose the ability to control the activity and increase the level of service delivery over time.

Option 2 has a preferable financial outcome for Council over 10 years in comparison to Option 3. Social housing sale proceeds first repay debt, and ratepayer contributions are minimised over 10 years to bring the housing reserve to zero. However, this is not financially sustainable after 10 years as rental income would still be fixed, resulting in growing deficits and ratepayer contributions annually.

Option 3 is less preferable than Option 2 financially over 10 years for Council. Social housing sale proceeds would first repay debt then fund \$19.2 million of retirement housing development. This would enable Council to deliver its current retirement housing strategy by increasing service delivery but results in greater ratepayer contributions over 10 years. However, this option improves financial sustainability after 10 years as rentals would increase annually in line with costs. An annual ratepayer contribution would still be required to cover cashflow shortfalls above rental income. Option 3 is Council's preferable option when considering the delivery of current housing strategy and improving long term financial sustainability.

Social & Policy

The Draft Housing Strategy and 2024 Housing Review will impact our community, including the tenants of our housing villages. The Consultation Document for our Three Year Plan will provide supporting information so our community can meaningfully participate in and inform the Council's decision-making process. The feedback received through the consultation process will enable Council to make decisions on the Three Year Plan that reflect the voice of our community.

Officers are also providing additional engagement to the tenants of our villages. Officers have notified the tenants that the 2024 Housing Review is underway. There will be meetings with the tenants in the week commencing 18 March 2024 and Officers are working with key stakeholders who can help support our tenants to make submissions on our Three Year Plan. This will make sure the tenants are supported and are able to participate in and inform the Council's decision-making process.

Risk

There is financial risk to Council to continue to use the same operating model for our housing portfolio. The risk is outlined in the 2024 Housing Review and officers are recommending that Council consults on Option 3 in the 2024 Housing Review to help ensure it is financially sustainable to keep managing the housing portfolio.

3.5 Options

The options available to Council with regard to the Draft Housing Strategy:

- a. Preferred option: Note the Draft Housing Strategy and recommend Officers continue to work on the strategy through submissions from the Three Year Plan and continued work with key stakeholders. Recommend Officers bring the Housing Strategy back to Council for adoption in the October 2024.
- b. Note the draft Housing Strategy and approve the strategy now before the Three Year Plan consultation and further work with our key stakeholders has been carried out.

The options available to Council with regard to the 2024 Housing Review:

- c. Support option 1 of the review. Continue to use loan funding and rates increases to support Council's current housing delivery approach. This is the status quo.
- d. Preferred option: support option 3 of the review. Shift Council's focus to delivering retirement housing only and selling some Council-owned housing. This would involve selling three Council housing villages that are currently used for social housing purposes – Nelson Place, Wellesley Place and Carlyle Place. These villages have multi-story units with a mix of 1-3 bedrooms and are not well suited to retirement housing. The money from these sales will be set aside to deliver our remaining housing villages.

There are other options available as part of the 2024 Housing Review however these options do not align with the Elected Members five principles that are discussed in section 1.4 of this report.

3.6 Development of Preferred Option

Draft Housing Strategy

Officers recommend Option A from section 1.5 of this report to note the strategy and continue to work on it. The consultation on the Three Year Plan will help to inform the draft strategy as the submissions will help inform how we target our housing provision, whether we continue to provide social housing or whether we target our focus to our

retirement community. This consultation will help clarify the Council's role and focus in the housing space.

Housing Review 2024

Officers are recommending Option D from 1.5 of this report which is Option 3 of the 2024 Housing Review as our preferred option because this option aligns with the five principles that have been outlined by our Elected Members and it is financially sustainable.

Option 3 would include selling our social housing villages and focusing on retirement housing. If we go with this option there will be some disruption to our tenants who occupy the villages to be sold however the Elected Members agreed at our workshops that all tenants will continue to have a home, however this may not be the home they currently live in. Officers will work with the tenants and with other housing providers to support them through these changes.

Officers recommend that Council supports this option, the option will be included in our Three Year Plan Consultation Document so we can get feedback from the community to help inform our decision-making process.

3.7 Attachments

- 1 Draft Housing Strategy (Doc Id 1742977) (Under separate cover 1) [⇒](#)
- 2 2024 Housing Review (Doc Id 1741576) (Under separate cover 1) [⇒](#)

4. DRAFT FINANCIAL CONTRIBUTIONS POLICY

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1740421
<i>Reporting Officer/s & Unit:</i>	Paulina Wilhelm, Manager City Development Caroline Thomson, Chief Financial Officer Danica Rio, Senior Advisor Corporate Planning

4.1 Purpose of Report

A review of the Financial Contributions Policy has recently been undertaken. This report outlines the recommended changes and reasoning that resulted from the review. The recommended consultation approach is stipulated in the Council paper titled “Adoption of Draft Significance and Engagement Policy and Approach to Consultation” which will be presented at this Council meeting and aligned with the Council’s Three-Year Plan 2024-27 (Consultation to begin 25 March 2024). Once consultation is complete, officers will bring the feedback received to Council for consideration before a final version of the policy is adopted.

Officer’s Recommendation

That Council:

- a. **Adopt** the amended Financial Contributions Policy (Doc Id 1742936) as a draft for public consultation.
- b. **Adopt** the proposed consultation approach detailed in this paper to allow consultation on the Financial Contributions Policy to begin on 25 March 2024 (noting consultation will be concurrent with the Three-Year Plan 2024-27).
- c. **Note** that the final policy will be brought back to Council for adoption in line with the timeframes for the adoption of the Long Term Plan 2024-2027.

4.2 Background Summary

Section 102(2)(d) of the Local Government Act, requires Council to adopt funding and financial policies including a policy on development or financial contributions. In 2021 Napier City Council adopted a Financial Contributions Policy to meet our obligations as set out by this section.

The purpose of the policy is to collect contributions from developers to help fund the cost of new or expanded infrastructure and services that are required to meet the additional demand created by growth, and to avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision.

The adopted policy also seeks to incentivise intensification in and around the city and local centres and recognise that smaller residential units with lower potential occupancy rates have less demand on the infrastructure network, through the application of discounts in identified areas (subject to conditions).

The 2021 policy reinstated the use of financial contributions as the mechanism for collecting infrastructure related costs for all development in the city. Prior to the 2021 policy, non-residential activities were levied development contributions under the Local Government Act.

The financial contributions policy was adopted as a pragmatic short-term approach, and at the time it was stated that Council would “consider moving to Development Contributions once there is more certainty regarding RMA and 3-Waters legislative reforms. If however a decision is made that FCs continue, then greater alignment between the FC Policy and the district plan FC provisions could be achieved through the review of the district plan” (Ordinary Meeting of Council Open Agenda, item 2 Financial Contributions, 1 June 2021).

Scope of the review

Section 2.5 of the FC Policy sets out that an update to the policy will occur on a three-yearly basis or at shorter intervals if Council deems it necessary. The stated parameters of the review include consideration of changes in assumptions underlying the FC Policy; changes in capital development works; the pattern and distribution of development; new or significant modelling of the networks; the regular review of the Revenue and Financial Policies, and the Long Term Plan; any review of the Urban Growth Study and Essential Services Development Plans; any changes in legislation; and any other matters the Council considers relevant.

With regard to the above matters, the following is noted:

- Urban growth patterns: The Proposed District Plan (PDP) was notified in September 2023. The PDP included “upzoning” of areas of the city to medium density residential, high density residential and mixed use zones. The proposed upzoning was supported by structure plans which identified areas that could accommodate intensification to meet the policy direction of the National Policy Statement for Urban Development, including providing for “well-functioning urban environments”. The proposed zoning of land through the city is subject to hearing of submissions, and decisions being released. Further, NCC (together with Hastings District Council and Hawkes Bay Regional Council) is currently developing a Future Development Strategy. This is due to be adopted by late 2024 and will provide greater certainty as to the long-term urban growth pattern for the city. The adopted FDS will inform the development of the next Long Term Plan including any changes required to the 30 year Infrastructure Strategy.
- Infrastructure planning: Due to the disruption caused by Cyclone Gabrielle, central government changed the legal requirement for NCC to produce a 10-year Long Term Plan. NCC is producing an unaudited, three-year plan for 2024-2027. Information will still be provided on budgets and plans beyond 30 June 2027 to give the community an indication of projects planned over the longer term. However, due to resourcing constraints and focus during 2023 on cyclone recovery, and the continuation of urban growth planning as outlined above, a robust review of the assumptions underlying the FC Policy, for the purpose of aligning with a new 30-year Infrastructure Strategy and 10-year LTP, has not been undertaken.
- Legislation changes: The government has signalled potentially significant changes to the legislative framework for infrastructure and urban growth, including repealing the Resource Management Act reform undertaken by the previous government, significant policy changes signalled to urban growth planning, changes to the previous

government's approach to Three Waters governance and management, and policy changes relating to funding mechanisms for infrastructure.

Given the above workstreams, NCC has not undertaken a full review of the growth related infrastructure costs underpinning the current FC Policy. Therefore, a pragmatic approach is recommended to the FC Policy review which continues to adopt the Operative District Plan provisions (indexed to the current financial year) in the interim, with a full review to be undertaken once the above workstreams are complete/greater certainty is available to inform the analysis.

The scope of the current FC Policy review is therefore limited to changes to update the FC Policy to align with the 2024-2027 Three-Year Plan, and to address any identified issues in implementation.

The changes recommended from the review are discussed in the next section.

4.3 Reasoning for Recommended Amendments

Officers commissioned Catherine Reaburn, Technical Lead from Stradegy consultancy firm, to undertake a review of our current Financial Contributions Policy. Following that, an internal review was undertaken which took the advice provided by Catherine into consideration. Officers are recommending amendments to the policy for the following reasons:

- Wording changes to provide more clarity in relation to the applicability of the discounts offered within the policy and to align the language used with wording in the proposed District Plan.
- Wording changes to provide more clarity on how the policy is implemented in relation to the timing and payment of financial contributions.
- Indexing of Financial Contribution charges.

A draft version of the policy with all amendments accepted (**Attachment 1**), as well as a separate version with tracked changes (**Attachment 2**) have been included as attachments to this report to clearly show all recommended changes.

4.4 Consultation on Amended Policy

Officers are recommending Council adopt the amended policy as a draft before consulting with the community on the proposed changes in accordance with section 82 of the Local Government Act 2002.

Once consultation is complete, officers will bring the feedback received to Council for consideration before a final version of the policy is adopted.

Approach to Consultation

Officers recommend consultation on the amended Financial Contributions Policy run concurrently with our TYP 24-27 consultation and follow the below approach:

- **Submission period:** 25 March to 26 April 2024.
- **Platforms:**
 - Survey on the Say It Napier website to collect feedback on the proposed amendments (Please note, hard copy forms will be available if requested).
 - Reference in the TYP 24-27 Consultation Document directing the community to the survey.
- **Supporting information on Say It Napier:**

- Contextual information and an outline of why the amendments have been recommended.
- Draft Financial Contributions Policy (**Attachment 1**).

4.5 Implications

Financial

The purpose of the contributions is to fund the growth/capacity capital cost of infrastructure for future development. No major changes have been made to the financial contribution fees other than indexing the figures to consider inflation.

Growth related capital expenditure is \$143M over the next 10 years of which \$58M will be debt funded to support growth at the end of the 10 years (excluding financing costs). Managing the timing of the infrastructure investments will be an important consideration.

The estimated revenue over the 10 year LTP period is \$85M, depending on where and when the development occurs. The uptake in areas where an exemption may apply will also affect this revenue.

All financial impacts of the Long Term Plan have been included within the final document, including impacts on rates, debt and levels of service.

Social & Policy

The changes proposed to the Draft Financial Contribution policy are considered minor in nature. Fees have been indexed to reflect inflation and the policy wording has been amended to provide better clarity on implementation.

Risks

The key risks of the recommended approach are:

- The existing District Plan provisions mean there are potential limitations on the quantum of contributions for large non-residential developments.
- The exemptions will reduce the financial contribution revenue that Council receive, however this is off-set by the benefits from in-fill and intensification development. Typically, existing infrastructure has been provisioned to accommodate more growth in the city centres, or the change in land use does not create a significant increase in demand of services.
- Any possible future legislative changes that impact on the ability to charge for financial or development contributions.

4.6 Options

The options available to Council are as follows:

- a) Adopt the amended Financial Contributions Policy as a draft and the recommended consultation approach, as outlined in this paper.
- b) Adopt the amended Financial Contributions Policy as a draft and the recommended consultation approach, subject to changes specified by Council.
- c) Continue with the existing policy.

4.7 Development of Preferred Option

Option a: Adopt the amended Financial Contributions Policy as a draft and the recommended consultation approach, as outlined in this paper.

4.8 Attachments

- 1 Draft Financial Contributions Policy (Doc Id 1742936) (Under separate cover 1) [⇒](#)
- 2 (Tracked Changes) Draft Financial Contributions Policy (Doc Id 1742937) (Under separate cover 1) [⇒](#)

5. REVENUE AND FINANCING POLICY REVIEW

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1739595
<i>Reporting Officer/s & Unit:</i>	Alister Edie, Business Improvement Manager Garry Hrustinsky, Corporate Finance Manager

5.1 Purpose of Report

To recommend the proposed amendments to the Revenue and Financing Policy for adoption by Council and subsequent consultation with the community.

Officer’s Recommendation

That Council:

- a. **Approve** the draft Revenue & Financing Policy (Doc Id 1741513).
- b. **Approve** Revenue & Financing Policy consultation plan (Doc Id 1742651).

5.2 Background Summary

The Revenue & Financing Policy describes the activities undertaken by Council, and how those activities are to be funded. A full review of the policy was conducted 2020 (including a Funding Needs Analysis) that also resulted in a change to the rating system in 2021.

Council has recently undertaken a review of how some activities are funded and how they recover operating expenses.

5.3 Issues

Council has forecasted the following activities to cover all operating expenditures from fees and charges over time, without any ratepayer contribution. It is proposed that these activities can borrow to fund short-term operating deficits, with an expectation that they repay borrowings from future operating surpluses. These include:

- **Kennedy Park**
- **Napier Conference & Events**
- **Ocean Spa** (Marine Parade Pools) – General Rates funding target reduced from 60%-80% to 0%.
- **Par 2 MiniGolf**

Council considers it appropriate that these facilities transition to financially self-sufficient commercial businesses.

The following changes to the percentage ranges for funding of activities are proposed to reflect actual usage/demand:

- **Animal Control** – Reduce Fees & Charges from 65%-70% to 50%-60% with the balance covered by General Rates. This also brings the structure in line with Hastings District Council.

- **National Aquarium** – Reduce Fees & Charges from 75%-80% to 65%-70% with the balance covered by General Rates.
- **Napier Municipal Theatre** - Reduce Fees & Charges from 45%-50% to 35%-40% with the balance covered by General Rates.
- **Napier i-SITE** - Reduce Fees & Charges from 65%-75% to 35%-45% with the balance covered by General Rates.
- **Inner Harbour** - Increase Fees & Charges from 40%-50% to 100% as the activity is primarily funded from Hawkes Bay Endowment Land Income Reserve.

5.4 Significance and Engagement

Consultation

Consultation on the Revenue and Financing Policy will be required. This is a formal step required as per the Local Government Act sections 82 and 82A.

The legislation lists essential information which must be included in the statement of proposal:

- analysis of the options;
- copies of any policies that will need to be changed;
- the proposal; and
- the reasons for the proposal.

The proposal is a primary communication document that helps the reader understand the proposal, the options council has considered, how the reader may be affected and why council prefers the proposed option. To be effective, the proposal must be concise and to the point (while meeting the legal requirements).

If approved, public consultation will be sought concurrently with the Three Year Plan. Public engagement will be achieved through feedback forms (online and hardcopy).

Consultation opens: Monday 25 March 2024

Consultation closes: 5pm Friday 26 April 2024

Adoption: Thursday 27 June 2024

5.5 Implications

Financial

The following table shows the current and proposed General Rates mid-points (i.e. points between minimum and maximum allowable General Rates funding), and the impact changes in dollars.

Activity	Impact of Change on General Rates				
	Current mid-point	Rates Contribution	Proposed mid-point	Rates Contribution	Difference to Rates
Animal Control	32.5%	\$ 588,663	45.0%	\$ 815,072	\$ 226,409
Kennedy Park	0.0%	\$ -	0.0%	\$ -	\$ -
Inner Harbour	55.0%	\$1,674,297	0.0%	\$ -	-\$1,674,297
National Aquarium of NZ	22.5%	\$1,234,179	32.5%	\$1,782,703	\$ 548,524
Napier Conference & Events	7.5%	\$ 271,913	7.5%	\$ 271,913	\$ -
Napier i-SITE Visitor Centre	30.0%	\$ 405,474	60.0%	\$ 810,948	\$ 405,474
Napier Municipal Theatre	52.5%	\$1,270,675	62.5%	\$1,512,708	\$ 242,033
Par 2 MiniGolf	0.0%	\$ -	0.0%	\$ -	\$ -
Ocean Spa	70.0%	\$4,071,567	0.0%	\$ -	-\$4,071,567
		<u>\$9,516,769</u>		<u>\$5,193,344</u>	<u>-\$4,323,424</u>

Social & Policy

The purpose of the Revenue & Financing Policy is to provide predictability and certainty around how Council gathers its revenue and how it is used to fund the activities and services. It explains how and why we use various tools to fund the operating and capital expenditures of Council.

Risk

If not adopted, Council will need to delay the process and reassess the available options. This will impact on completion of the 2024-2034 Three Year Plan.

5.6 Options

The options available to Council are as follows:

- a. Accept the recommended amendments to the Revenue & Financing Policy
- b. Reject the recommended amendments to the Revenue & Financing Policy
- c. Recommend additional amendments to the Revenue & Financing Policy.

5.7 Development of Preferred Option

The preferred option has been developed in consultation with Council and review of the activities with relevant Council officers.

5.8 Attachments

- 1 Revenue & Financing Policy (Draft) (Doc Id 1741513) (Under separate cover 1) [⇄](#)
- 2 Revenue & Financing Policy Consultation Plan (Doc Id 1742651) [↓](#)



Revenue & Financing Policy Consultation Plan

The Project

As part of the Three Year Plan (TYP) process, we have reviewed our Revenue & Financing Policy. The Revenue and Financing Policy explains how we cover our operational and capital costs.

We are reviewing the funding structure of several activities that Council has forecasted will cover all operating expenditure from fees and charges over time without ratepayer contribution. It is proposed that these activities are able to borrow to fund operating expenses,

Significance and Engagement Policy

The amendments are of moderate significance, and are important given their relationship to the draft budgets and proposed rates detailed in the TYP. In order to allow loan funding to certain activities, a change to the Revenue and Financing Policy is first needed.

Engagement activities will inform the community of the changes being made and what their likely impact will be. Feedback will be sought on the proposals with some of the proposals providing options for consideration. These consultations will also be referred to in the TYP Consultation Document.

Purpose of Communication and Engagement

The objectives of the consultation are to:

- Inform the community of the proposed changes
- Explain the likely impacts of the proposed changes
- Seek feedback, including options that have been identified.

Approach

The amendments to these policies will be consulted on with the TYP. The policies impact the TYP and need to be confirmed prior to the TYP deliberations.

As the impact is on General Rates, no one group has been identified for special communications.

Consultation Timeline

Item	Submissions Open	Submissions Close	Adoption
Revenue and Financing Policy	25 March	26 April	27 June

Communication & Engagement Tools

The consultation process will be promoted through digital and print channels with notification of the consultation provided directly to commercial ratepayers.

Digital	<ul style="list-style-type: none"> • Website (www.sayitnapier.nz) • Facebook post(s) • EDM to ratepayers database
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Print	<ul style="list-style-type: none">• Informing Napier• Our Napier• Proudly Napier (inside Courier)• TYP Brochure to households
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6. RATES REMISSION, RATES POSTPONEMENT, REMISSION & POSTPONEMENT OF MAORI FREEHOLD LAND, AND LIABILITY MANAGEMENT POLICIES REVIEW

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1739062
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Corporate Finance Manager

6.1 Purpose of Report

The purpose of this report is to review the Rates Remission Policy, Rates Postponement Policy, Rates Remission & Postponement on Māori Freehold Land Policy, and Liability Management Policy.

Officer's Recommendation

That Council:

- a. **Approve** the existing Rates Remission Policy (Doc Id 173932)7 with no changes.
- b. **Approve** the existing Rates Postponement Policy (Doc Id 1739329) with no changes.
- c. **Approve** the existing Rates Remission & Postponement on Māori Freehold Land Policy (Doc Id 1739326) with no changes.
- d. **Approve** the existing Liability Management Policy (Doc Id 1739328) with no changes.

6.2 Background Summary

Policies must be reviewed at least every 3 years. The policies listed in this report are due for review.

6.3 Issues

There have been no material changes that would warrant any amendment to the policies at this stage.

6.4 Significance and Engagement

As no changes are being recommended to the policies, no engagement is being sought.

6.5 Implications

Financial

There are no further financial implications.

Social & Policy

As there are no changes, no consultation is required for the policies.

Risk

There is no additional identified risk.

6.6 Options

The options available to Council are as follows:

- a. Approve the existing policies with no further changes.
- b. Postpone approval of the policies pending any changes identified by Council.

6.7 Development of Preferred Option

The rates policies were reviewed against current and proposed rates to identify if any changes were required.

The Liability Management Policy was tested against the current and proposed investment strategies to determine if it remains appropriate.

6.8 Attachments

- 1 Rates Remission Policy (Doc Id 1739327) [↓](#)
- 2 Rates Postponement Policy (Doc Id 1739329) [↓](#)
- 3 Rates Remission & Postponement on Māori Freehold Land (Doc Id 1739326) [↓](#)
- 4 Liability Management Policy (Doc Id 1739328) [↓](#)



RATES REMISSION POLICY



NAPIER
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Te Kaunihera o Ahuriri

Rates Remission Policy



Adopted by	Napier City Council on 01 June 2021
Relevant Legislation	Local Government Act 2002, Local Government (Rating) Act 2002 Building Act 2004 Rating Valuations Act 1998
NCC Documents Referenced	Reviewed and amended as part of 2020/21 Annual Plan Reviewed and amended as part of Revenue & Financing Policy Review (adopted 11 February 2021). Reviewed and amended in preparation for the Long Term Plan 2021-2031.

Purpose

To enable Council to remit all or part of the rates on a rating unit under Section 85 of the Local Government (Rating) Act 2002 where a Rates Remission Policy has been adopted and the conditions and criteria in the policy are met.

Policy

1. Remission of Penalties

Objective

The objective of this part of the Rates Remission Policy is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

Penalties incurred will be automatically remitted where Council has made an error which results in a penalty being applied.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. This will apply in the case of death, illness, or accident of a family member, at about the times rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment, claims a rates invoice was not received, is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Remission of a penalty will be considered where sale has taken place very close to due date, resulting in confusion over liability, and the notice of sale has been promptly filed, or where the solicitor who acted in the sale for the owner acted promptly but made a mistake (e.g. inadvertently provided the wrong name and address) and the owner cannot be contacted. Each case shall be treated on its merits.

Penalties will also be remitted based on the application, by officers, of Council criteria established after Council has identified that Significant Extraordinary Circumstances have occurred that warrants further leniency in relation to the enforcement of penalties that would otherwise have been payable. The criteria to be applied will be set out in a council resolution that will be linked to the specific Significant Extraordinary Circumstances that have been identified by Council.

Penalties will also be remitted where Council's Chief Financial Officer considers a remission of the penalty, on the most recent instalment, is appropriate as part of an arrangement to collect outstanding rates from a ratepayer.

2. Remission for Farmland Under 5 Hectares

Objective

To provide rates relief for farms where a Rating Unit is less than 5 hectares.

Conditions and Criteria

- The Rating Unit must be used predominantly for land based agriculture or farming activities.
- Remission will be revoked where a change in land use has occurred.

The amount remitted will be the difference between the rates calculated on a Residential or Rural Residential differential and a Rural differential.

Ratepayers wishing to claim remission under this part of the policy must make an application in writing addressed to the Chief Financial Officer.

The application for rates remission must be made to Council by the 30th of April prior to the commencement of the rating year. Any remission for applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. Declarations must be renewed every 3 years.

3. Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates

Objective

To enable Council to provide rates remission where, refuse collection or kerbside recycling services are not able to be provided, or where a ratepayer receives a reduced service.

Conditions and Criteria

- Remission of part of the charge may be provided where a Council service is not provided or where Council officers have approved an alternative service.
- Remission of part of the charge be provided where a ratepayer applies for a reduced service, and a Council officer deems a reduced service to be appropriate. Under this condition, Refuse Collection may be reduced from a weekly service to a fortnightly service (or from a thrice-weekly service to a weekly service for properties within the CBD).
- Applications for remission must be made in writing by the ratepayer or their authorised agent.
- Remission may be revoked where a change in service has occurred.

Applications must be made to Environmental Solutions. Applications will be advised to the Chief Financial Officer for approval.

4. Remission for Residential Properties Used Solely as a Single Residence

Objective

To enable Council to provide rates remission where properties that are identified as having separately used or inhabited portions are used solely as a single family residence.

Conditions and Criteria

Applications for rates remission must be made in writing by the ratepayer or their authorised agent.

A signed declaration must be provided to Council stating that the properties are used as a single family residence. The application must be made to Council by the 30th of April prior to the commencement of the rating year. Any remission for applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. Declarations must be renewed every 3 years.

Accommodation arrangements must not be for pecuniary benefit.

5. Remission for Water Rates (by meter)

Objective

To provide ratepayers with a measure of relief by way of partial rates remission where, as a result of the existence of a water leak on the Rating Unit which they occupy the payment of fuller rates is inequitable, or where officers are convinced that there are errors in the data relating to water usage.

Conditions and Criteria

- The existence of a significant leak on the occupied Rating Unit has been established and there is evidence that steps have been taken to repair the leak as soon as possible after the detection, or officers have reviewed the usage data and are convinced that the usage readings are so abnormal as to require adjustment.
- The Council or its delegated officer(s) as determined from time to time and set out in the Council's delegations register shall determine the extent of any remission based on the merits of each situation.

6. Remission to smooth the effects of change in rates on individual or groups of properties

Objective

To enable Council to provide rates remission where, as a result of a change in Council policy results in a significant increase in rates, Council decides it is equitable to smooth or temporarily reduce the impacts of the change by reducing the amount payable.

The Council considers a significant increase to be 25% or more over the current assessed rates for a single property.

Conditions and Criteria

- Remission of part of the value based rates to enable the impact of a change in rates to be phased in over a period of no more than 3 years.

To continue with any existing rates adjustment where, due to change in process, policy or legislation Council considers it equitable to do so subject to a maximum limit of 3 years to a remission made under this clause in the policy.

7. Remission for Special Circumstances

Objective

To enable Council to provide rates remission for special and unforeseen circumstances (including Significant Natural Areas (SNAs) where appropriate), where it considers relief by way of rates remission is justified in the circumstances.

Conditions and Criteria

Applications for rates remission must be made in writing by the ratepayer or their authorised agent.

Each circumstance will be considered by Council on a case by case basis. Where necessary, Council consideration and decision will be made in the Public Excluded part of a Council meeting.

The terms and conditions of remission will be decided by Council on a case by case basis. The applicant will be advised in writing of the outcome of the application.

8. Remission of Rates in Response to Significant Extraordinary Circumstances being identified by Council.

Objective

To enable Council to provide rates remission to assist ratepayers in response to Significant Extraordinary Circumstances impacting Napier's ratepayers.

Definitions

Financial Hardship: for the purpose of this provision is defined as the inability of a person, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards. In the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.

Conditions and Criteria

For this policy to apply Council must first have identified that there have been Significant Extraordinary Circumstances affecting the ratepayers of Napier, that Council wishes to respond to.

Once Significant Extraordinary Circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available.

For a Rating Unit to receive a remission under this policy it needs to be an "Affected Rating Unit" based on an assessment performed by officers, following guidance provided through a resolution of Council.

Council resolution will include:

1. That the resolution applies under the Rates Remission Policy; and
2. Identification of the Significant Extraordinary Circumstances triggering the policy (including both natural and man-made events); and
3. How the Significant Extraordinary Circumstances are expected to impact the community (e.g. financial hardship); and
4. The type of Rating Unit the remission will apply to; and
5. Whether individual applications are required or a broad based remission will be applied to all affected Rating Units or large groups of affected Rating Units; and
6. What rates instalment/s the remission will apply to; and
7. Whether the remission amount is either a fixed amount, percentage, and/or maximum amount to be remitted for each qualifying Rating Unit.

Explanation

The specific response and criteria will be set out by Council resolution linking the response to specific Significant Extraordinary Circumstances. The criteria may apply a remission broadly to all Rating Units or to specific groups or to Rating Units that meet specific criteria such as proven Financial Hardship, a percentage of income lost or some other criteria as determined by council and incorporated in a council resolution.

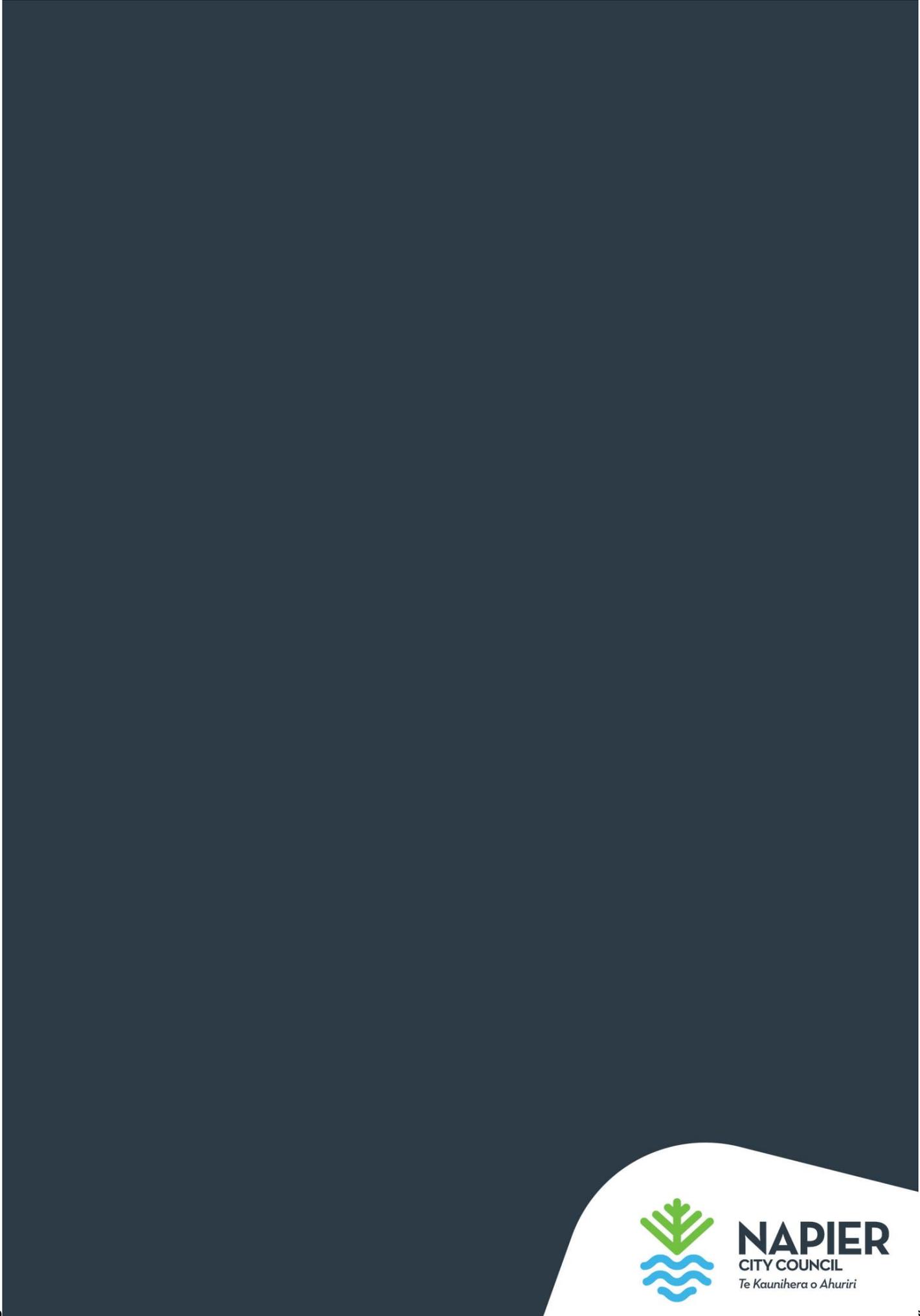
Council will indicate a budget to cover the value of remissions to be granted under this policy in any specific financial year.

The types of remission that may be applied under this policy include:

- The remission of a fixed amount per Rating Unit either across the board or targeted to specific groups such as:
 - A fixed amount per residential Rating Unit
 - A fixed amount per commercial Rating Unit

Policy Review

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



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RATES POSTPONEMENT POLICY



NAPIER
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Te Kaitiaki o Ahuriri

Rates Postponement Policy



Adopted by	Napier City Council on 09 February 2021
Relevant Legislation	Local Government (Rating) Act 2002 Local Government Act 2002 Income Tax Act 2007
NCC Documents Referenced	Revenue and Financing Policy Rating Policy

Purpose

To enable Council to postpone the requirement to pay all or part of the rates on a Rating Unit under Section 87 of the Local Government (Rating) Act 2002 where a rates postponement policy has been adopted and the conditions and criteria in the policy are met.

Policy

Postponement for Older Persons

Objective

The objective of this part of the policy is to assist ratepayers who are Older Persons with a fixed level of income to meet rates particularly, but not exclusively, resulting from increasing levels of rates.

Definition

Older Persons are those who are old enough to qualify to receive NZ Superannuation.

For the purpose of this provision, Financial Hardship is defined as the inability of a person, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards.

Conditions and Criteria

Postponement will only apply to Older Persons on a fixed income.

Only Rating Units used solely for residential purposes will be eligible for consideration for rates postponement under this policy.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for Financial Hardship. The ratepayer must be the occupant and current owner of the Rating Unit which is the subject of the application. The person entered on the Council's rating information database as the 'ratepayer' must not own any other Rating Units or investment properties (whether in the district or elsewhere).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council Office).

The Council will consider, on a case by case basis, all applications received that meet the criteria outlined under this section. The following factors will be considered – age, income source and level, annual rates payable, period of postponement, equity in the property owned, and the amount of rates postponed.

Authority to approve applications will be delegated by Council to the Director of Corporate Services, Chief Financial Officer and Investment and Funding Manager.

Applicants seeking rates postponement will be encouraged to seek independent advice before formally accepting any offer for postponement made by the Council.

As a general rule postponement will not apply to the first \$500 per annum of the rate account after any rates rebate has been deducted.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements (e.g. by setting up a system to meet agreed minimum regular payments) for payments required under the terms of the postponement approval for the current rating year, and future payment years.

Postponement will only apply on properties on which houses have been insured. Annual proof may be required that insurance has been maintained.

Where rates postponement is approved for a property with an outstanding mortgage, the mortgagee will be advised by Council that rates postponement has been granted by the Council.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be either the owner or occupier of the Rating Unit; or
- Until a date specified by the Council.

The Council will charge an annual postponement fee. The annual postponement fee will cover Council's administrative costs including finance costs. The finance cost will be charged at the average return on investments rate for Council for that year.

All postponement fees payable (including finance costs) will be added to the amount of postponed rates annually and be paid at the time postponed rates are paid.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates, inclusive of any accumulated postponement fees, or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the Rating Unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the Rating Unit. In addition to the annual fee and interest, Council will charge any other costs or one-off fees incurred in relation to registration of the postponement as part of the postponement.

This policy will not affect any rates postponement provisions approved prior to 1 July 2009, which will continue to apply in accordance with the conditions related to each case.

This policy does not apply to non-Older Person ratepayers experiencing financial hardship.

Council will assist in the referral of any other ratepayer on a fixed income facing long term financial hardship to the appropriate agency.

Postponement for Significant Extraordinary Circumstances

Objective

To provide a rates postponement to ratepayers experiencing financial hardship directly resulting from Significant Extraordinary Circumstances that affects their ability to pay rates.

For the purpose of this policy the following definitions will apply:

- Significant Extraordinary Circumstances: as defined by Council resolution. Significant Extraordinary Circumstances may be natural or economic in nature, and will identify the type and location of properties affected.
- Financial Hardship: for the purpose of this provision is defined as the inability of a person, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards. In the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.
- Small Business: a business operated by a small business person, small partnership or close company as defined in section YA 1 of the Income Tax Act 2007.

Conditions and Criteria

This part of the policy will only apply to Rating Units used for residential purposes or by Small Businesses.

Once Significant Extraordinary Circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available. Council may set a timeframe for the event. Council may review the criteria and/or timeframe of Significant Extraordinary Circumstances through subsequent resolutions.

Council resolution will include:

- a. that the resolution applies under the Rates Postponement Policy; and
- b. the Significant Extraordinary Circumstances triggering the policy (e.g. including, but not limited to, flood, pandemic, earthquake); and
- c. how the Significant Extraordinary Circumstances are expected to impact the community (e.g. hardship); and
- d. the types or location of properties effected by the Significant Extraordinary Circumstances; and
- e. timeframe for postponement in relation to the Significant Extraordinary Circumstances.

No application for postponement can be made under this policy unless Significant Extraordinary Circumstances have been identified by Council.

Any requests for rates postponement for Rating Units with a land value greater than \$1.5m will be decided upon at the discretion of Council and requests for rate postponement for Rating Units with a land value less than \$1.5m will be delegated to Council officers.

The ratepayer must demonstrate, to the Council's satisfaction that paying the rates would result in Financial Hardship.

The applicant must demonstrate to Council's satisfaction that the ratepayer has taken all necessary steps to claim any central government benefits or allowances the ratepayer is properly entitled to receive that would assist the ratepayer to meet their financial commitments. Evidence such as official correspondence must be provided with the application.

Council will consider applications where the same ratepayer is liable for rates for multiple Rating Units. In such instances, Council will look at the collective impact to the ratepayer.

Only the person/s entered as the ratepayer (in the case of a close company every director must sign the application form), or their authorised agent, may make an application for rates postponement for Significant Extraordinary Circumstances that resulted in Financial Hardship.

However, where the ratepayer is not the owner of the Rating Unit, the owner must also provide written approval of the application.

The ratepayer must be the current ratepayer for the Rating Unit at the time Significant Extraordinary Circumstances are identified by Council.

Where the Council decides to postpone rates the ratepayer must make acceptable arrangements for payment of rates, for example by setting up a system for regular payments. Such arrangements will be based on the circumstances of each case.

Council may charge a fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs. The fees will be set as part of the Council resolution identifying Significant Extraordinary Circumstances.

Postponed rates will remain postponed until the earlier of:

- a. The ratepayer/s ceases to be the owner or occupier of the Rating Unit; or
- b. A date specified by Council in the Council resolution identifying Significant Extraordinary Circumstances.

Postponement for Special Circumstances

Objective

To enable Council to provide rates postponement for special and unforeseen circumstances, where it considers relief by way of rates postponement is justified in the circumstances.

Conditions and Criteria

Application for rates postponement must be made in writing by the ratepayer or their authorised agent.

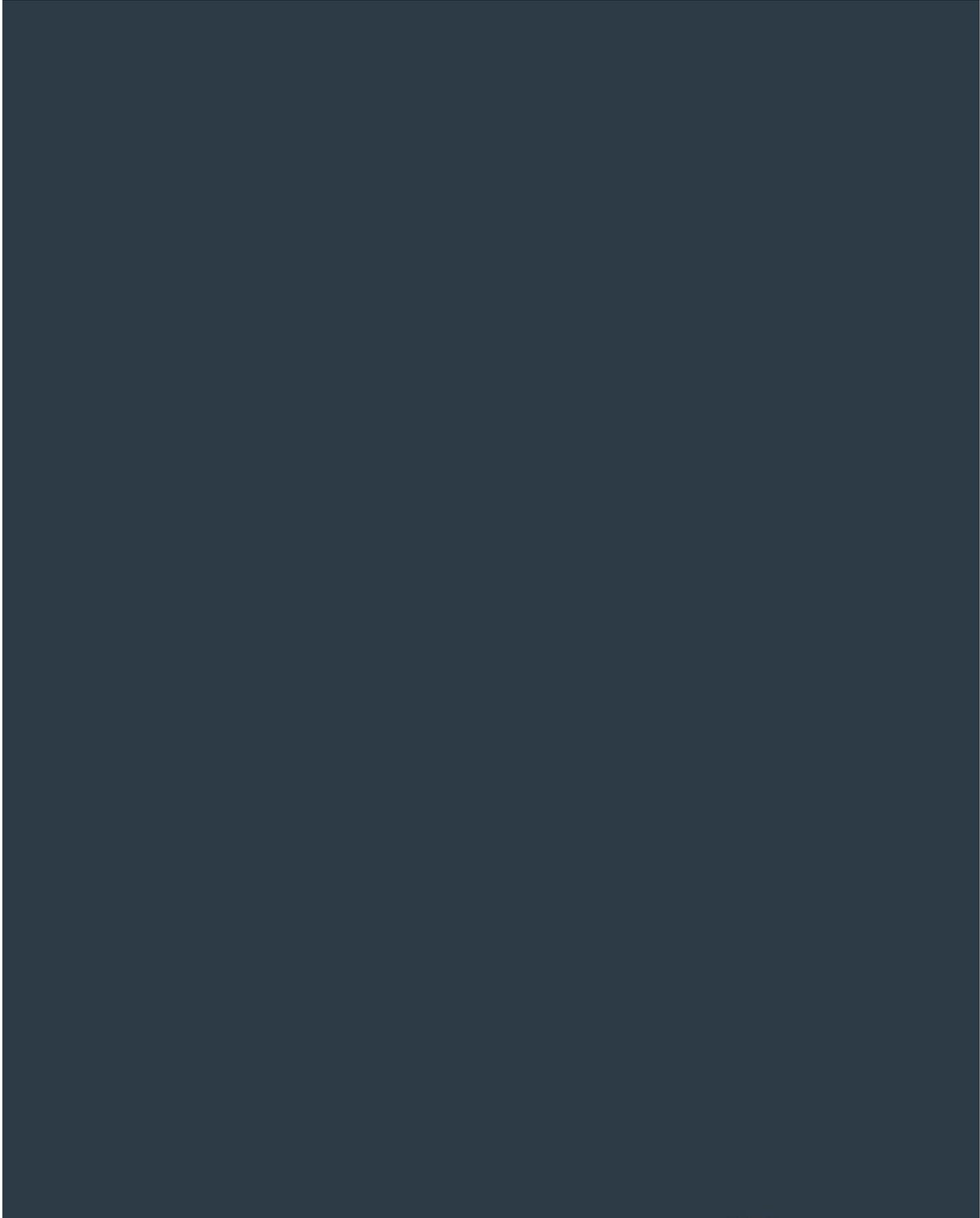
Each circumstance will be considered by Council on a case by case basis. Where necessary, Council consideration and decision will be made in the Public Excluded part of a Council meeting.

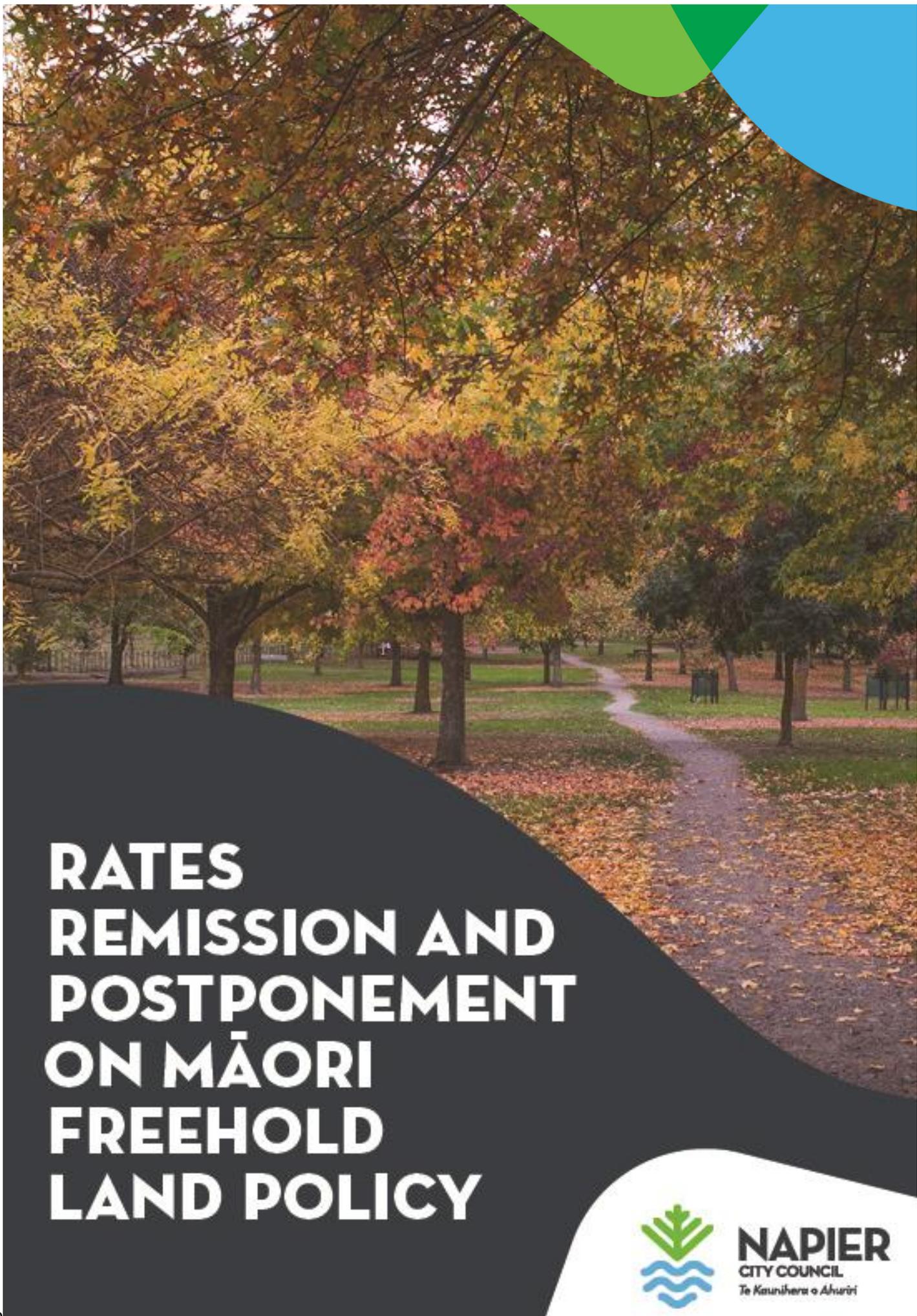
The terms and conditions of postponement including any application of an annual fee will be decided by Council on a case by case basis.

The applicant will be advised in writing of the outcome of the application.

Policy Review

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





RATES REMISSION AND POSTPONEMENT ON MĀORI FREEHOLD LAND POLICY



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Te Kaunihera o Ahuriri

Rates Remission and Postponement on Māori Freehold Land Policy



Adopted by	Napier City Council on 08 April 2021
Relevant Legislation	Local Government (Rating) Act 2002 and Local Government Act 2002
NCC Documents Referenced	Published in the Long Term Plan 2021-31

Purpose

To enable Council to remit all or part of the rates or postpone the requirement to pay all or part of the rates on Māori freehold land under Part 4 of the Local Government (Rating) Act 2002, where a policy on the remission and postponement of rates on Māori freehold land has been adopted and the conditions and criteria in the policy are met.

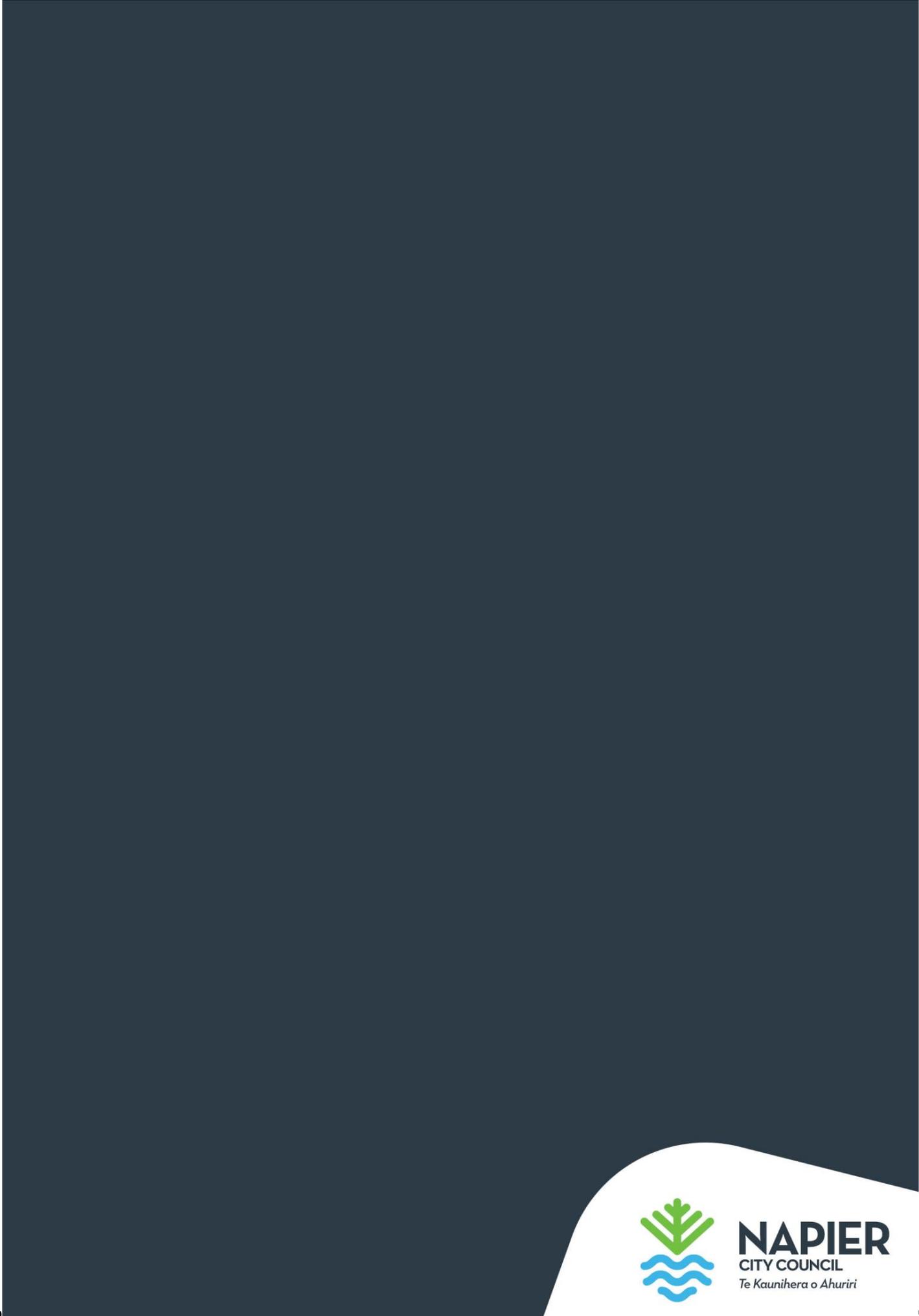
Under Section 102 of the Local Government Act 2002 Council must adopt a policy on the remission and postponement of rates on Māori freehold land.

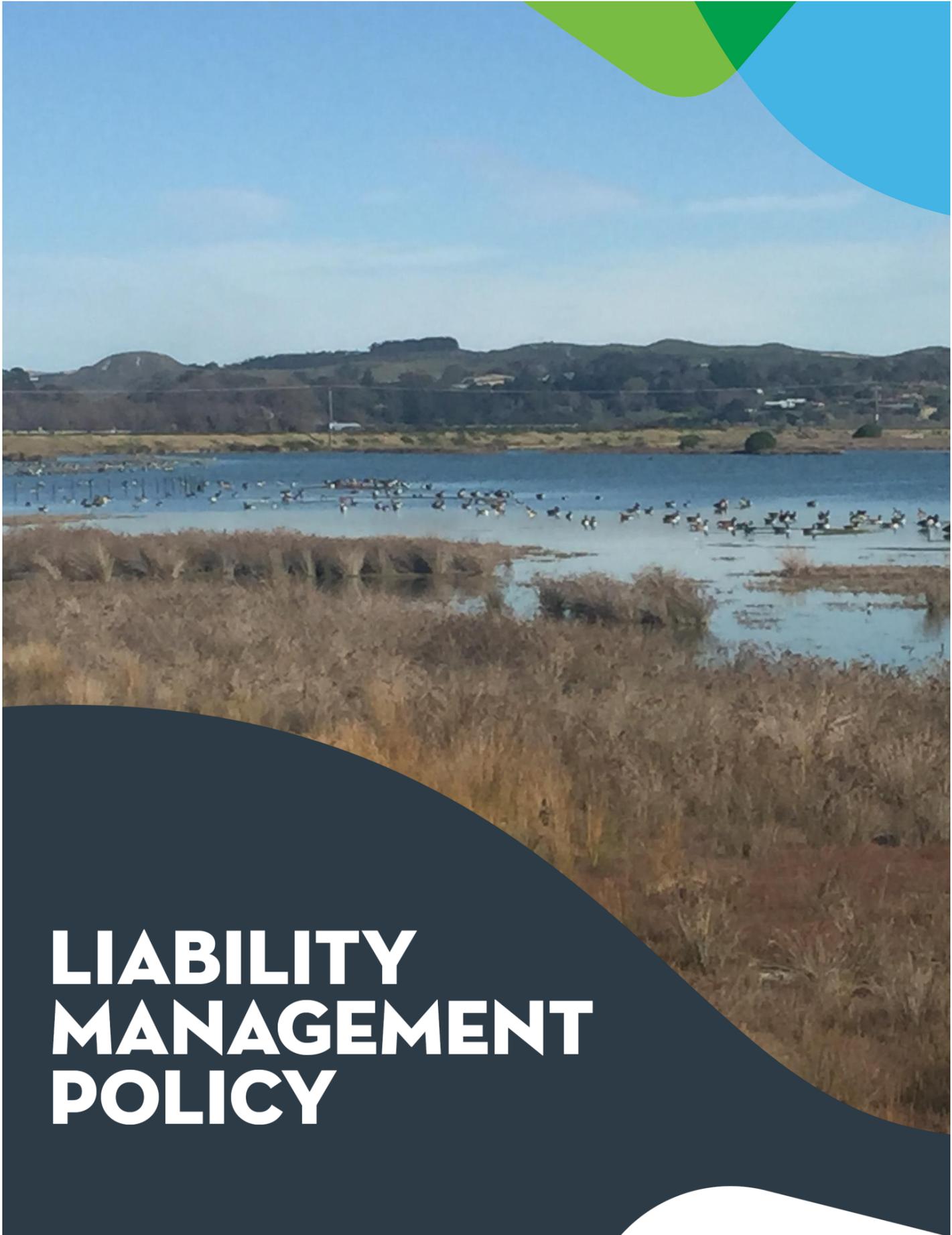
Policy

Napier City Council has very few known rating units that occupy Māori freehold land. Council considers no criteria or conditions exist which requires rates relief on Māori freehold land additional to or which differs from rates remissions or postponement policies which apply to all rateable properties within Napier.

Policy Review

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





LIABILITY MANAGEMENT POLICY



NAPIER
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Te Kaunihera o Ahuriri

Liability Management Policy



Adopted by	Napier City Council on 25 March 2021
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 110%
- Net external debt as a percentage of total income will not exceed 230%

- 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 Target	
	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.

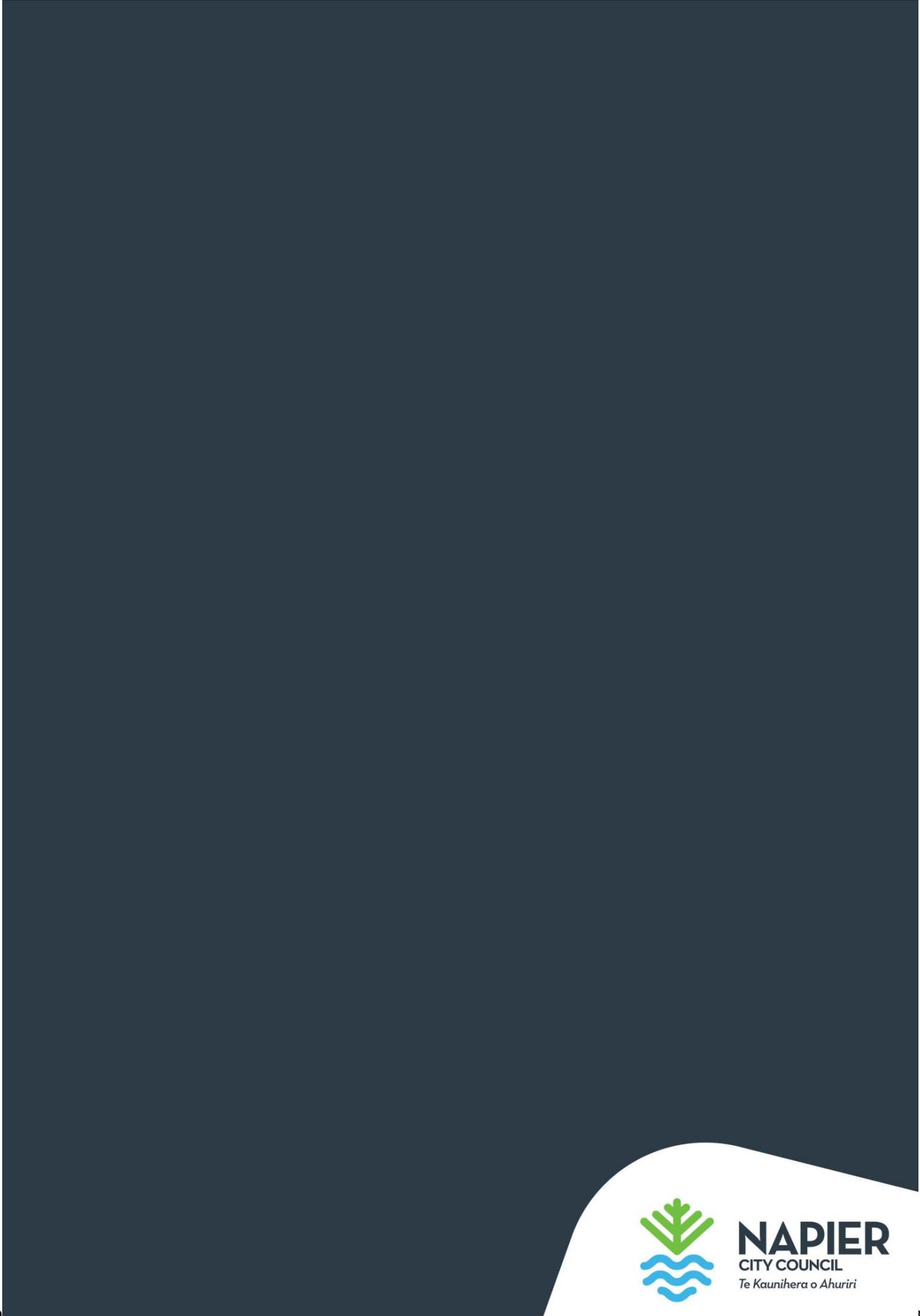
Repayment amounts on internal loans are set based on a table loan calculation over the life of the loan. Repayments are made annually at financial year end.

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.



7. ADOPTION OF DRAFT SIGNIFICANCE & ENGAGEMENT POLICY AND APPROACH TO CONSULTATION

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1739235
<i>Reporting Officer/s & Unit:</i>	Danica Rio, Senior Advisor Corporate Planning Anne Bradbury, Manager Community Strategies

7.1 Purpose of Report

A review of the Significance and Engagement Policy has recently been undertaken. This report outlines the recommended policy changes and associated reasoning that resulted from the review. It details the recommended consultation approach that is aligned with Council's Three-Year Plan 2024-27 Consultation (to begin 25 March 2024).

Officer's Recommendation

That Council:

- a. **Adopt** the amended Significance and Engagement Policy (Doc Id 1741520) as a draft for community consultation.
- b. **Adopt** the proposed consultation approach detailed in the agenda report (Doc Id 1739235) to allow consultation on the Significance and Engagement Policy to begin on 25 March 2024 (noting consultation will be concurrent with the Three-Year Plan 2024-27).

7.2 Background Summary

Under section 76AA of the Local Government Act 2002 (LGA 2002), every local authority must adopt a policy that details their approach to significance and engagement. Napier City Council has adopted a Significance and Engagement Policy to meet our obligations as set out by this section.

7.3 Reasoning for Recommended Amendments

Officers commissioned Simpson Grierson to undertake a review of our current Significance and Engagement Policy. Following that, an internal review was undertaken which took the advice provided by Simpson Grierson into consideration. Officers are recommending amendments to the policy for the following reasons:

- Wording and structure changes to provide more clarity, consistency, and readability.
- Additional wording to explain Council's decision-making process to conceptualise the place of this policy in the process.
- Additional wording to refer to the Iwi Engagement Policy to explain its purpose and that while it is a separate policy, it is aligned with this policy. Advice from Simpson Grierson was to keep the two policies separate since the Significance and Engagement Policy is a statutory requirement, whereas the Iwi Engagement Policy is not. Additionally, the Iwi Engagement Policy refers to all engagement by the Council.

- Additional wording to outline how findings on significance are documented by officers in relation to matters, issues or proposals taken to Council.
- Specifically naming the different Council Housing villages and Lagoon Farm under 'Schedule 2: Strategic Assets' to provide more accuracy around what is included.

A draft version of the policy with all amendments accepted (**Attachment 1**), as well as a separate version with tracked changes (**Attachment 2**) have been included as attachments to this report to clearly show all recommended changes.

7.4 Consultation on Amended Policy

Under section 76AA of the LGA 2002, when adopting or amending this policy the local authority must consult in accordance with section 82 of the LGA 2002 unless it considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved.

Officers are recommending Council adopt the amended policy as a draft before consulting with the community on the proposed changes in accordance with section 82 of the LGA 2002. Once consultation is complete, officers will bring the feedback received to Council for consideration before a final version of the policy is adopted.

Approach to Consultation

Officers recommend consultation on the amended Significance and Engagement Policy run concurrently with our TYP 24-27 consultation and follow the below approach:

- **Submission period:** 25 March to 26 April 2024.
- **Platforms:**
 - Survey on the Say It Napier website to collect feedback on the proposed amendments (Please note, hard copy forms will be available if requested).
 - Reference in the TYP 24-27 Consultation Document directing the community to the survey.
- **Supporting information on Say It Napier:**
 - Contextual information and an outline of why the amendments have been recommended.
 - Draft Significance and Engagement Policy (attachment 1).

7.5 Implications

Financial

N/A

Social & Policy

The amendments to the Significance and Engagement Policy help explain the decision-making process. The amendments also give more clarity to the policy. These amendments will make it easier for our communities to participate in and inform the Council's decision-making process. This will enable Council to make decisions that reflect the voice of our community.

Risk

The proposed amendments provide more clarity to the policy and more accuracy to our list of strategic assets, this will help to reduce risk to Council.

7.6 Options

The options available to Council are as follows:

- a. Adopt the amended Significance and Engagement Policy as a draft and the recommended consultation approach, as outlined in this paper.
- b. Adopt the amended Significance and Engagement Policy as a draft and the recommended consultation approach, subject to changes specified by Council.
- c. Continue with the existing policy.

7.7 Development of Preferred Option

Option a: Adopt the amended Significance and Engagement Policy as a draft because of the reasons outlined in section 5.3 of this paper. Adopt the recommended consultation approach as outlined in section 5.4 of this paper.

7.8 Attachments

- 1 Draft Significance and Engagement Policy (Doc Id 1741520) (Under separate cover 1) [⇒](#)
- 2 (Tracked Changes) Draft Significance and Engagement Policy (Doc Id 1741552) (Under separate cover 1) [⇒](#)

8. ADOPTION OF THE THREE-YEAR PLAN 2024-27 CONSULTATION DOCUMENT

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1738692
<i>Reporting Officer/s & Unit:</i>	Danica Rio, Senior Advisor Corporate Planning Stephanie Murphy, Programme Manager- Long Term Planning Jessica Ellerm, Deputy Chief Executive / Executive Director Corporate Services

8.1 Purpose of Report

To present the Consultation Document and supporting information for consultation on Napier City Council's Three-Year Plan 2024-27 (TYP).

Officer's Recommendation

That Council:

- a. **Adopt** the following documents as supporting information for consultation on Napier City Council's Three-Year Plan 2024-27:
 - i. High Level Consultation Plan TYP 24-27 (Doc Id 1741039)
 - ii. Draft Combined Financial and Infrastructure Strategy (Doc Id 1741040)
 - iii. Schedule of Fees and Charges (Doc Id 1742431)
 - iv. Financial Information (Doc Id 1741089)
- b. **Note** that these supporting documents are subject to minor corrections and any changes arising from the consultation process.
- c. **Adopt** the Consultation Document (Doc Id 1742617) for Napier City Council's Three-Year Plan 2024-27 for public consultation, subject to any grammatical and minor changes.
- d. **Note** that due to the Severe Weather Emergency Recovery Legislation Act 2023, there is no requirement to include an audit report in the Consultation Document.

8.2 Background Summary

Due to the introduction of the Severe Weather Emergency Recovery Legislation Act 2023 (SWERL 2023), Napier City Council is producing an unaudited Three-Year Plan with a recovery focus, in place of a Long Term Plan.

To enable the preparation of the plan, Elected Members have attended facilitated workshops over the last year to provide direction on a range of elements that make up the plan. Pre-consultation engagement was undertaken with the community from 2 October to 25 October 2023 and the results were taken to Council on 14 December 2023. The feedback received from the community has been considered by Elected Members through

the direction setting process. Direction on the development of the plan was confirmed through a formal Council meeting on 8 February 2024.

8.3 Three-Year Plan 2024-27 Consultation Document

The Local Government Act 2002 (LGA 2002) requires Council use the special consultative procedure to consult with the community before adopting the final plan. This process involves the adoption of a Consultation Document which summarises Council's intentions over the course of the plan. The document includes a summary of Council's Infrastructure and Financial Strategy and directs the community to other supporting information. The intention is to provide an effective basis for public participation in decision-making processes relating to the content of the plan.

The Consultation Document for this plan is included as an attachment to this report (under separate cover). Please note, this is just the content version as the visual design and layout of the document is still under development. Due to SWERL 2023, there is no requirement to include an audit report in the Consultation Document.

Consultation on Council's Three-Year Plan 24-27 will be open from 25 March and the window for making submissions will close 26 April 2024. All submitters will be provided with the option to speak to their submission through the Hearings process that is scheduled to take place from 27 May 2024. Following this, Elected Members will consider all feedback as part of the Deliberations process before the plan is finalised and adopted.

Supporting Documents

Please note, there are other policies and documents that aren't attached to this report that are listed as supporting documents in the Consultation Document. These will be available on Say It Napier from 25 March 2024.

8.4 Concurrent Consultation on Other Policies

Officers are recommending the following policies undergo separate but concurrent consultation with the TYP.

- Revenue and Financing Policy
- Financial Contributions Policy
- Significance and Engagement Policy

Relevant information for each policy is detailed in separate reports.

8.5 Implications

Financial

The financial implications of specific consultation matters are detailed in the attached Consultation Document. Full financial information is available in the Financial Information attachment that forms part of the supporting documents.

Social & Policy

The Consultation Document and supporting information provide the details our community requires to meaningfully participate in and inform the Council's decision-making process. The feedback received through the consultation process will enable Council to make decisions on the TYP that reflect the voice of our community.

Risk

Under section 93(3) of the LGA, Council is required to adopt the plan before 1 July 2024. The recommendation to adopt the Consultation Document at this meeting means that

sufficient public consultation can be undertaken before the TYP is finalised and adopted in June. Delaying the adoption of the Consultation Document until after this meeting results in the risk that this statutory deadline may not be met.

8.6 Options

The options available to Council are as follows:

- a. Adopt the Consultation Document for the Three-Year Plan 2024-27
- b. Direct changes to be made to the Consultation Document, to be adopted as soon as practicable in order to meet the legislative deadline of 30 June 2027

8.4 Attachments

- 1 High Level Consultation Plan TYP 24-27 (Doc Id 1741039) [↓](#)
- 2 Draft Combined Financial and Infrastructure Strategy (Doc Id 1741040) (Under separate cover 1) [⇒](#)
- 3 Schedule of Fees and Charges 2024/25 (Doc Id 1742431) (Under separate cover 1) [⇒](#)
- 4 Financial Information (Doc Id 1741089) (Under separate cover 1) [⇒](#)
- 5 Three Year Plan Consultation Document (Doc Id 1742617) (Under separate cover 1) [⇒](#)



High Level Consultation Plan –Three Year Plan 2024-27 (TYP 24-27)

Due to the disruption caused by Cyclone Gabrielle and the Severe Weather Emergency Recovery Legislation Act 2023 (SWERL), Napier City Council is not required to produce a Long Term Plan this cycle. Instead, Council will produce a Three-Year Plan which will be unaudited and will have a recovery focus.

Pre-consultation engagement consisted of an online survey that was live on Say It Napier from 2 October to 25 October 2023, and three community pop-ups that were held at the below locations:

1. Anderson Park (4 October)
2. Taradale Shopping Centre (10 October with Mayor Wise and Councillor Chrystal present)
3. Marewa Shops (14 October with Councillor Greig present)

From this pre-engagement process, we received 198 responses in total, made up of 115 Say It Napier responses and 83 community pop-up responses and have helped inform the Three-Plan Consultation Document and associated plans.

Significance and Engagement Policy

A review has recently been undertaken on the Significance and Engagement Policy and the amended policy will be taken to Council for further decision.

Approach

Consultation will take place from 25 March to 26 April 2024, using the Consultation Document as a base. Several Mayor and Councillor-led engagement activities are planned and are briefly outlined below, with further detail provided in the internal Detailed Engagement Plan.

Targeted engagement has been considered necessary for Council Housing Tenants and key stakeholders. This engagement will occur within the month of March 2024 with discussions with Council staff likely the week starting 18 March (one week before LTP consultation). There will still be an opportunity for anyone with questions regarding Housing to participate in any of the other planned engagement activities.

Engagement with Māori will be carried out early through our representatives on the Ngā Mānukanuka o te Iwi komiti with a specific LTP workshop being held 23 February 2024. If further consultation is required as a result of this workshop, we will look to accommodate this.

A summary brochure will be delivered to Napier households, directing people primarily to the online submission form and further information. Some of the Engagement Activities will be advised through the brochure (excludes pop-ups and existing stakeholder group meetings e.g. Youth Council), along with instructions about how to request hard copy versions of information. There will be a strong focus on electronic public submissions due to the complexities with collecting hard copy submissions. There will be plenty of opportunities for online submissions to be made during and post engagement activities with computers

available at Customer Services and our libraries, plus iPads will be available at every engagement activity we hold. Hard copy submissions will still be available.

A comprehensive marketing campaign will be undertaken immediately prior to and during the consultation period. This campaign will utilize a range of channels including print, digital, radio, media and events to promote the consultation.

Facebook Live events will be replaced with answering public questions through reels, and the Book a Chat with Elected Members activity will not be available. Changes will be made to the Council website which will enable the public to directly contact their ward Councillor more easily.

Consultation Document

The Consultation Document covers the following five Strategic Priorities/Community Outcomes:

- Financially sustainable Council
- A great visitor destination
- Spaces and places for all
- A resilient city
- Nurturing authentic relationships with our community and partners

The document will be available in a range of accessible formats.

Communication & Engagement Tools

Engagement Activities	Who
Social media campaign <ul style="list-style-type: none"> • Online questions will be posed to the public in the week starting 25 March with the recording of reels taking place the week starting 4th April. • Likely to be based on themes such as Housing, Rates, and other miscellaneous topics, with the most common questions being answered. 	Elected Members to front with topic experts to provide input into answers to public questions
Community Meeting <ul style="list-style-type: none"> • One public meeting is scheduled for 6pm on Wednesday 17 April at the War Memorial Centre. 	Elected Members and topic experts supported by other relevant Council staff
Targeted Meetings – Housing <ul style="list-style-type: none"> • There will be meetings with tenants in the week commencing 18 March 2024 and officers are working with key stakeholders who can help support our tenants to make submissions on our Three-Year Plan. This will help ensure tenants are supported and able to participate in and inform the Council's decision-making process. 	Community Strategy staff

<p>Targeted Workshop – Mana whenua</p> <ul style="list-style-type: none"> TYP workshop Friday 23 February with an opportunity to meet during the consultation period only if required as a result of the workshop. 	Elected Members and TYP project Team
<p>In person engagement – Elected Members</p> <ul style="list-style-type: none"> Elected Members existing contact detail pages will be highlighted on the Council website. 	Elected Members
<p>In person engagement – pop ups (not advertised)</p> <ul style="list-style-type: none"> Taradale Shopping Centre – Tuesday 26 March Emerson Street – Wednesday 24 April 	Elected Members and TYP project Team
<p>In person engagement – drop-in sessions (advertised)</p> <ul style="list-style-type: none"> Aquarium Café – Sunday 7 April Urban Farmers Market – Saturday 13 April Taradale Library – Saturday 20 April 	Elected Members and TYP project Team
<p>Participate in upcoming Community meetings (facilitated by Council)</p> <ul style="list-style-type: none"> Youth Council Positive Aging Strategy Advisory Group Napier Disability Advisory Group Safer Napier Advisory Group 	Elected Members that hold the relevant portfolios and TYP Project Team

9. MAYORAL RELIEF FUND - DISTRIBUTIONS

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1734865
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller

9.1 Purpose of Report

To report back to Council on the expenditure so far from the Napier City Council Mayoral Relief Fund and provide an update on the available balance.

Officer's Recommendation

That Council:

Receive this report regarding donations and distributions, and note The Napier City Council Cyclone Gabrielle Event – February 2023 Mayoral Fund has now been fully utilised.

9.2 Background Summary

On 20 February, Mayor Wise signed a resolution to establish the Napier City Council Cyclone Gabrielle Event – February 2023 Mayoral Relief Fund with donee status.

On 16 March, Council resolved that the funds were to be distributed at the discretion of the Mayor and Chief Executive for internal expenditure or external grants as the need arises for the purpose of aiding the recovery from Cyclone Gabrielle and benefitting the community.

It was resolved that there would be no application process from the public to the Mayoral Relief Fund, and all enquiries for individual applications will be directed to the Hawke's Bay Disaster Relief Trust.

Council also directed officers to report back to Council on how the Fund has been distributed. The fund has now been fully utilised, and this will be the final report to Council on distributions.

9.3 Fund Income and Distributions

To date, \$178,077 has been received in general donations to the fund, and \$256,000 from the Hawke's Bay Disaster Relief Trust.

There have been distributions which total \$414,077, and further commitments which have not yet been paid of \$20,000. Communication is ongoing with the final recipient and the payment will be made as soon as possible.

Napier City Council Cyclone Gabrielle Event - February 2023 Mayoral Relief Fund			
	As at 30 Nov 2023	Dec 2023	Date Paid
	\$	\$	
Donations received	178,077	178,077	
Donation from Hawke's Bay Disaster Relief Trust	256,000	256,000	
	434,077	434,077	
Less: Mayoral Relief Fund distributions			
Diesel contributions for machinery helping in clean-up	6,457	6,457	16/05/2023
Red and yellow stickered properties allocation of \$2,000	260,000	260,000	24/05/2023
Red and yellow stickered properties - tenants grants	38,000	38,000	22/06/2023
Eskdale Kindergarten - Eskdale Ladies Night event	2,500	2,500	15/06/2023
Neeracha (Neela Neela) Rattanaworametha - contribution to meals	3,500	3,500	19/06/2023
Hawkes Bay Search and Rescue - six new GPS units	4,989	4,989	15/06/2023
Bay View Hotel and Holiday Park - Mid-Winter Christmas event	2,500	2,500	6/07/2023
Bay View Hotel and Holiday Park - Hoe Down Country Night event	2,000	2,000	20/07/2023
Primary Elements NZ - Creative events for Bayview/Esk Valley community In July school holidays	500	500	22/06/2023
The Dinner Club HB - Contribution to regular meals over winter	2,500	2,500	29/06/2023
The Dinner Club HB - Contribution to regular meals	2,500	2,500	7/09/2023
Esk/Bayview community - HB clean-up crew meals and accommodation	10,000	10,000	27/07/2023
Napier Christmas Cheer Appeal	12,660	12,660	6/07/2023
Napier Christmas Cheer Appeal - return of unspent funds	(2,280)	(2,280)	15/11/2023
Esk/Bayview community - sausage sizzle for Tool Library Launch event	250	250	27/07/2023
Finding voices - tickets for affected community to attend The Magic Flute in Concert	10,125	10,125	10/08/2023
Radio Hawke's Bay - civil defence app	2,000	2,000	14/09/2023
Petane Domain basketball court	25,000	25,000	19/09/2023
Rangatahi Tuia Wananga	1,000	1,000	14/09/2023
Manawa Ora Hawkes Bay Trust - Awatoto security cameras and social wellbeing event for flood affected community	12,000	12,000	28/09/2023
The Evergreen Foundation (Toddy talks) - Dr Lucy Hone's Napier resilience talk	3,000	3,000	5/10/2023
Cyclone Gabrielle Children's Storybook (lucky little pig)	5,000	5,000	19/10/2023
The Dinner Club HB - cookbook	5,000	5,000	17/10/2023
The Dinner Club HB - Christmas Meal (venue)	350	350	30/11/2023
Bay View Community Trust - community garden	-	4,527	21/12/2023
	409,550	414,077	
Less: Committed but not yet paid			
Brookfields Community - CCTV installation	20,000	20,000	
	20,000	20,000	
Total distributions	429,550	434,077	
Remaining available balance	4,527	-	

9.4 Significance and Engagement

Not applicable

9.5 Implications

Financial

The fund has now been fully utilised so no further grants can be made from the fund.

The fund is not open for donations, however it is feasible that donations could be deposited into our main bank account at any time. If this does happen, they will not be considered as for the Cyclone Gabrielle Event and will not be eligible for an Inland Revenue tax credit. If we are unable to contact the donee to confirm their intention with the funds, they will be held in the Mayoral Relief Fund for future events.

If any of the current recipients were to return the funds they have been granted, these would be utilised for the original purpose of the fund with the Mayor and Chief Executive having discretion over the distribution.

Social & Policy

Not applicable

Risk

Not applicable

9.6 Options

The options available to Council are as follows:

- a. Receive this report regarding donations and distributions, and note The Napier City Council Cyclone Gabrielle Event – February 2023 Mayoral Fund has now been fully utilised.
- b. Request further information.

9.7 Development of Preferred Option

Not applicable

9.8 Attachments

Nil

10. QUARTERLY REPORT

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1738789
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller Caroline Thomson, Chief Financial Officer

10.1 Purpose of Report

To consider the Quarterly Report for the three months ended 31 December 2023.

Officer's Recommendation

That Council:

- a. **Receive** the Quarterly Report (Doc Id 1740669) for the three months ended 31 December 2023.

10.2 Background Summary

The Quarterly Report summarises the Council's progress in the second quarter of 2023/24 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against income, total operating expenditure, and capital expenditure.

10.3 Issues

N/A

10.4 Significance and Engagement

N/A

10.5 Implications

Financial

The year-to-date net operating shortfall of \$8.2m is \$7.9m favourable to the budgeted deficit of \$16.1m. This favourable variance is attributable to a combination of factors as outlined below:

Revenue

- Subsidies and grants are \$2.7m above budget due to government grants related to cyclone recovery, DIA three waters funding, and Better Off Funding.
- Financial Contributions are \$1.3m above budget due to higher than expected development across the city.
- Other Revenue is \$1.7m above budget due to sales in Parklands Residential Development being above the average budgeted sale price.

Expenditure

- Employee benefit expense is below the revised budget by \$3.1m due to vacancies across Council. However, this expense is above the Annual Plan budget due to

additional resources which have been approved by management since the Annual Plan was adopted. These additional costs are to be funded by underspends in other operating budgets for non-revenue generating business units. For revenue generating business units this will be offset by additional revenue.

- Depreciation expense is below budget by \$902k due to the reduced level of asset capitalisation from the previous year.
- Offsetting these positive variances, other operating expenses are \$3.3m above budget. This is due to unbudgeted roading maintenance due to Cyclone Gabrielle and November 2020 flood recovery works, and other Cyclone Gabrielle recovery expenditure.

Year-end forecasting (including re-prioritisation of capital projects) is underway to determine the impact on Council's year end finances and to identify savings and funding sources to offset any budget variances. The year end financial forecast will be presented to Council at the Prosperous Napier meeting on 28 March 2024.

Social & Policy

N/A

Risk

N/A

10.6 Development of Preferred Option

Receive the quarterly report for the three months ended 31 December 2023.

10.7 Attachments

- 1 Q2 2024 Quarterly Report (Doc Id 1740669) [↓](#)



QUARTERLY REPORT QUARTER 2, 2024

Year to date and quarterly result to 31 December 2023





NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

215 Hastings Street, Napier 4110
Private Bag 6010, Napier 4142
Phone: 06 835 7579
Email: info@napier.govt.nz
Website: napier.govt.nz

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This report summarises the Council's progress in the second quarter of 2023/24 towards fulfilling the intentions in the Annual Plan. Quarterly performance is assessed against Income, Total Operating Expenditure, Capital Expenditure and Key Performance Measures.

FINANCIAL PERFORMANCE SNAPSHOT

The year-to-date net operating shortfall of \$8.2m is \$7.9m favourable to the budgeted deficit of \$16.1m. This favourable variance is attributable to a combination of factors as outlined below:

Revenue

- Subsidies and grants are \$2.7m above budget due to government grants related to cyclone recovery, DIA three waters funding, and Better Off Funding.
- Financial Contributions are \$1.3m above budget due to higher than expected development across the city.
- Other Revenue is \$1.7m above budget due to sales in Parklands Residential Development being above the average budgeted sale price.

Expenditure

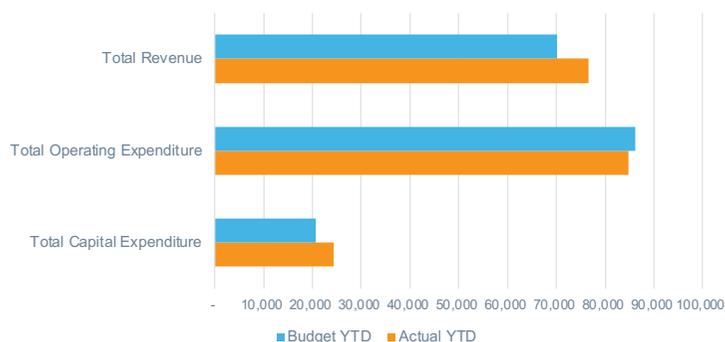
- Employee benefit expense is below the revised budget by \$3.1m due to vacancies across Council. However, this expense is above the Annual Plan budget due to additional resources which have been approved by management since the Annual Plan was adopted. These additional costs are to be funded by underspends in other operating budgets for non-revenue generating business units. For revenue generating business units this will be offset by additional revenue.
- Depreciation expense is below budget by \$902k due to the reduced level of asset capitalisation from the previous year.
- Offsetting these positive variances, other operating expenses are \$3.3m above budget. This is due to unbudgeted roading maintenance due to Cyclone Gabrielle and November 2020 flood recovery works, and other Cyclone Gabrielle recovery expenditure.

All Council	Year to Date Dec 2023				Year End		
	Actual	Revised Budget	Variance *	% Variance	Revised Budget	Annual Plan	Variance *
Revenue							
Rates Revenue	42,812	42,654	157	0%	85,308	85,308	(0)
Finance Revenue	700	-	700		(0)	-	(0)
Financial and Development Contributions	3,446	2,127	1,320	62%	7,478	7,478	-
Subsidies and Grants	7,055	4,350	2,705	62%	11,193	8,196	2,997
Other Revenue	22,615	20,955	1,660	8%	56,967	56,967	0
Other gains/losses	(0)	50	(50)	<(100)%	294	294	-
	76,629	70,136	6,492		161,241	158,243	2,997
Expenditure							
Employee Benefit Expense	28,594	31,719	3,125	10%	57,838	52,494	(5,343)
Depreciation and Amortisation	20,366	21,269	902	4%	42,538	42,538	-
Finance Costs	276	1,024	747	73%	2,048	2,048	-
Other Operating Expenses	35,604	32,322	(3,281)	(10)%	84,462	76,192	(8,270)
Share of associate surplus/deficit	-	(119)	(119)	(100)%	(239)	(239)	-
Offsetting Expenditure	(1)	0	1	>100%	(654)	(655)	(0)
	84,840	86,215	1,375		185,992	172,379	(13,614)
Net Operating Surplus / (Shortfall)	(8,211)	(16,078)	7,867	25%	(24,752)	(14,136)	(10,616)

Capital (\$,000)	Year to Date Dec 2023				Year End		
	Actual	Revised Budget	Variance *	% Variance	Revised Budget	Annual Plan	Variance *
	24,333	20,739	(3,594)	(17)%	102,299	75,934	(26,365)
Total Capital Expenditure	24,333	20,739	(3,594)	(17)%	102,299	75,934	(26,365)
Asset Sales	(104)	-	104		-	-	-

* Variance Key
Favourable / Underspent
Unfavourable / Overspent

Performance V Budget (\$000)



SERVICE PERFORMANCE SNAPSHOT

October 2023

Pre-consultation community engagement was undertaken during the early stages of developing our Three-Year Plan 2024-27. Almost 200 responses were received through an online survey and various community events.

Council endorsed the concept designs for Napier's new library, governance and community spaces and agreed to proceed to the next stages of the architectural design process.

The Emerson Street Revitalisation Project community survey opened, seeking people's views on their current perceptions of Emerson Street and how it could be improved.

November 2023

A Voluntary Buyout Office was established by Hastings District Council, in collaboration with NCC, to manage Hawke's Bay's Category 3 voluntary property purchases.

The six-yearly Representation Review proceedings started with a community survey. The survey asked how many elected members should be on council,

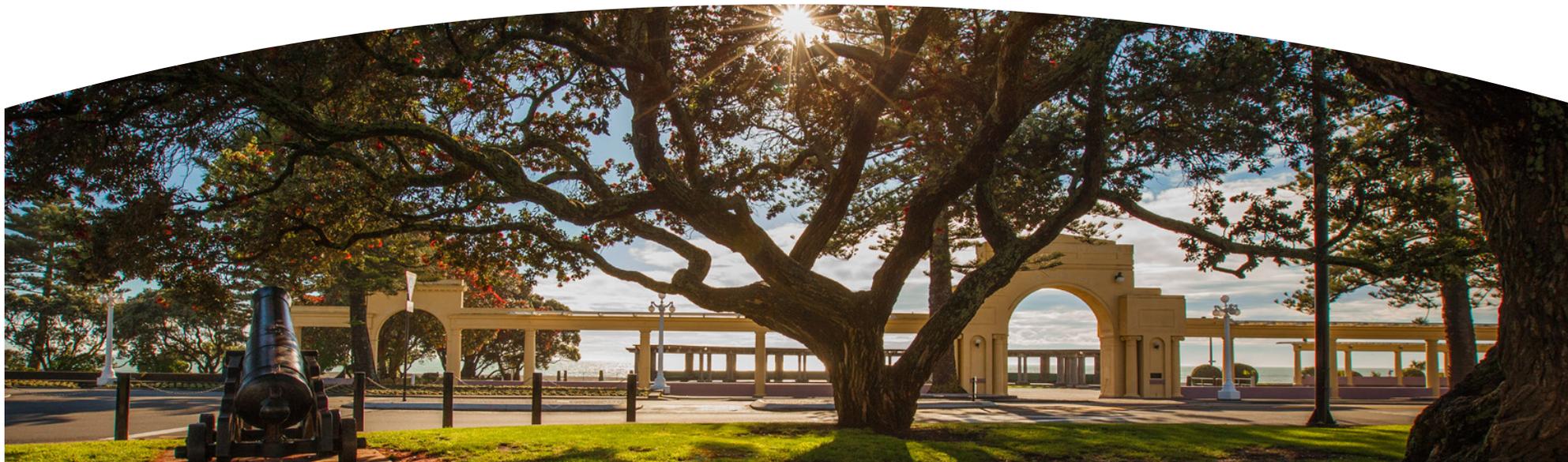
whether Napier should keep its current ward structure and boundaries or change or eliminate them, and whether community boards should be introduced. The Representation Review will also decide on the number of Māori wards and representatives Napier will have, after Council's 2021 decision to introduce these for the 2025 election. Formal consultation on a proposed option will take place in the first half of 2024.

Napier's upgraded isite reopened. This was a partnership with Tourism New Zealand and isite New Zealand, with Napier's isite being the second one to reopen after an upgrade.

Council adopted the Annual Report for 2022/23. The report outlines the achievements of NCC's teams in the aftermath of the cyclone. The report also notes other milestones in 2022/23, including the completion of the Napier War Memorial, taking over the management of Ocean Spa, progressing the Proposed District Plan, demolishing the old Civic building and progressing the design of the new library and governance space.

December 2023

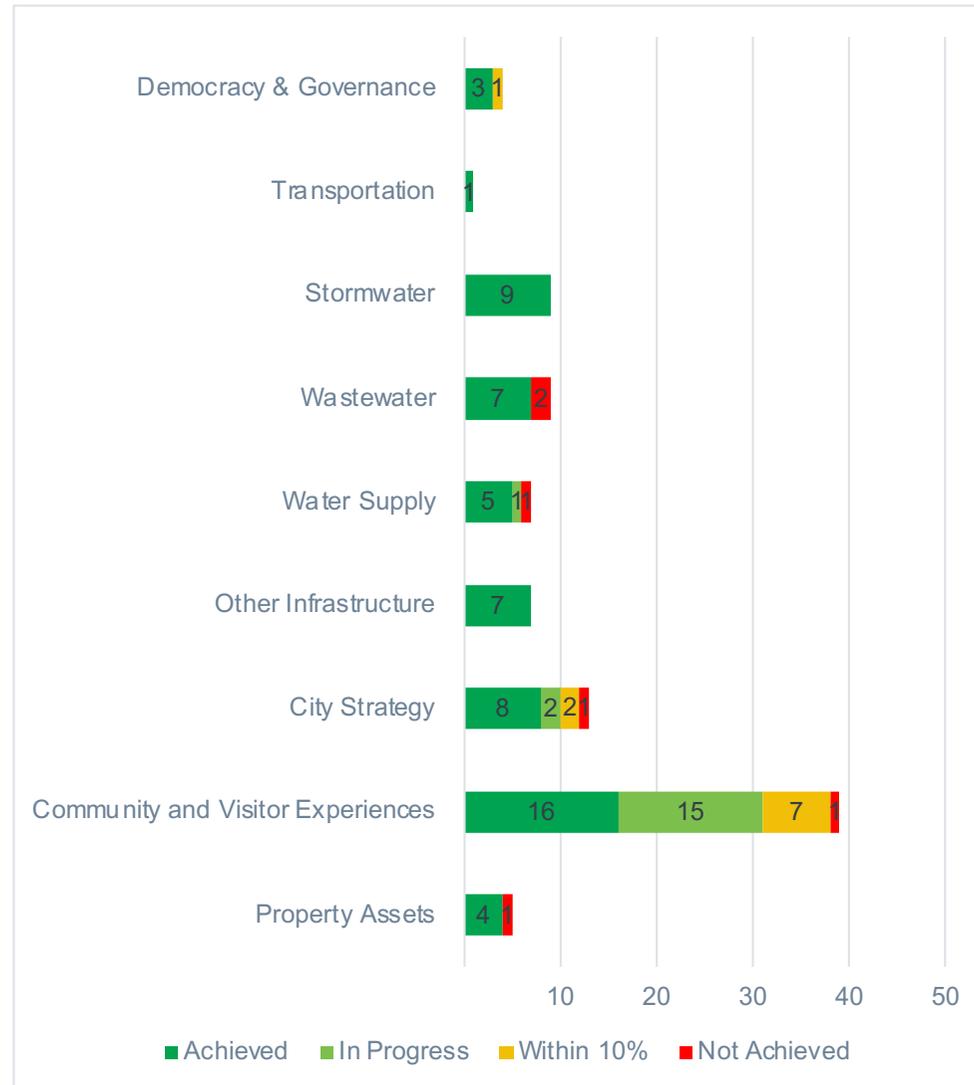
Squares in the City was a new Council initiative of family-friendly events that ran in Clive and Memorial Squares 1 to 8 December.



SERVICE PERFORMANCE SNAPSHOT

KEY PERFORMANCE MEASURES

This quarter 83% of key performance indicators (78 of 94) measured on a monthly or quarterly basis were achieved or are in process and on target to be achieved by year end. Any measure which were not achieved are explained in the activity section of this report, along with a full list of performance measures and results.



TREASURY MANAGEMENT SUMMARY

INVESTMENTS REPORT

INVESTMENT TYPES HELD AT QUARTER-END: 31 DECEMBER 2023

			Amount
Call Deposits			\$0
Term Deposits	S&P Credit Rating	Average 12-Month Int Rate	
Bank			
Westpac	AA-	n/a	\$0
ANZ	AA-	5.76%	\$9,000,000
ASB	AA-	5.61%	\$2,000,000
BNZ	AA-	n/a	\$0
Kiwibank	A	5.60%	\$1,000,000
			\$12,000,000
Total Investments as at 31 December 2023			\$12,000,000

RANGE OF INTEREST RATES NEGOTIATED DURING THE QUARTER

	Rate	Date
Call Deposits (lowest) *	n/a	All
Call Deposits (highest) *	n/a	All
Term Deposits (lowest)	5.53%	3/11/23
Term Deposits (highest)	5.85%	1/12/23

WEIGHTED AVERAGE INTEREST RATE FOR ALL CURRENTLY HELD INVESTMENTS

	Amount	Average Rate
Call Deposits	\$0	0.00%
Term Deposits	\$12,000,000	5.66%
	\$12,000,000	
Weighted Average Interest Rate as at 31 December 2023		5.66%
Benchmark Average Interest Rate as at 31 December 2023		5.69%

(Benchmark = average 6-month 'BKBM' mid-rate of today and 6 months ago)

MATURITY PROFILE OF INVESTMENTS

Term	%'age	Lower Limit	Upper Limit	Within Limits	
0 - 6 months	100.0%	30%	80%	No	●
6 - 12 months	0.0%	20%	70%	No	●
1 - 3 years	0.0%	0%	50%	Yes	●
3 - 5 years	0.0%	0%	20%	Yes	●

EXTERNAL LOANS REPORT

	\$'000
External loans as at 1 July 2023	\$10,000
New loans raised year to date	\$0
Total external loans as at 31 Dec 2023	\$10,000
Balance of loans forecast to be raised in current year	\$57,224
Total external loans forecast 30 June 2024 (Annual Plan)	\$67,224

CUMULATIVE QUARTERLY GRAPHS

Figures shown in thousands (\$,000)

Actual Budget Prior Year

Total Revenue



Total Expenditure



CUMULATIVE QUARTERLY GRAPHS

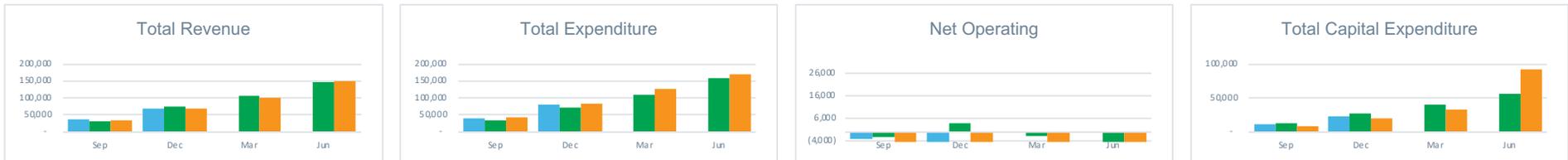
Figures shown in thousands (\$,000)

Actual Budget Prior Year

Capital Expenditure



Consolidated



ACTIVITY GROUP FINANCIAL SUMMARY

Figures are shown in thousands (\$,000)

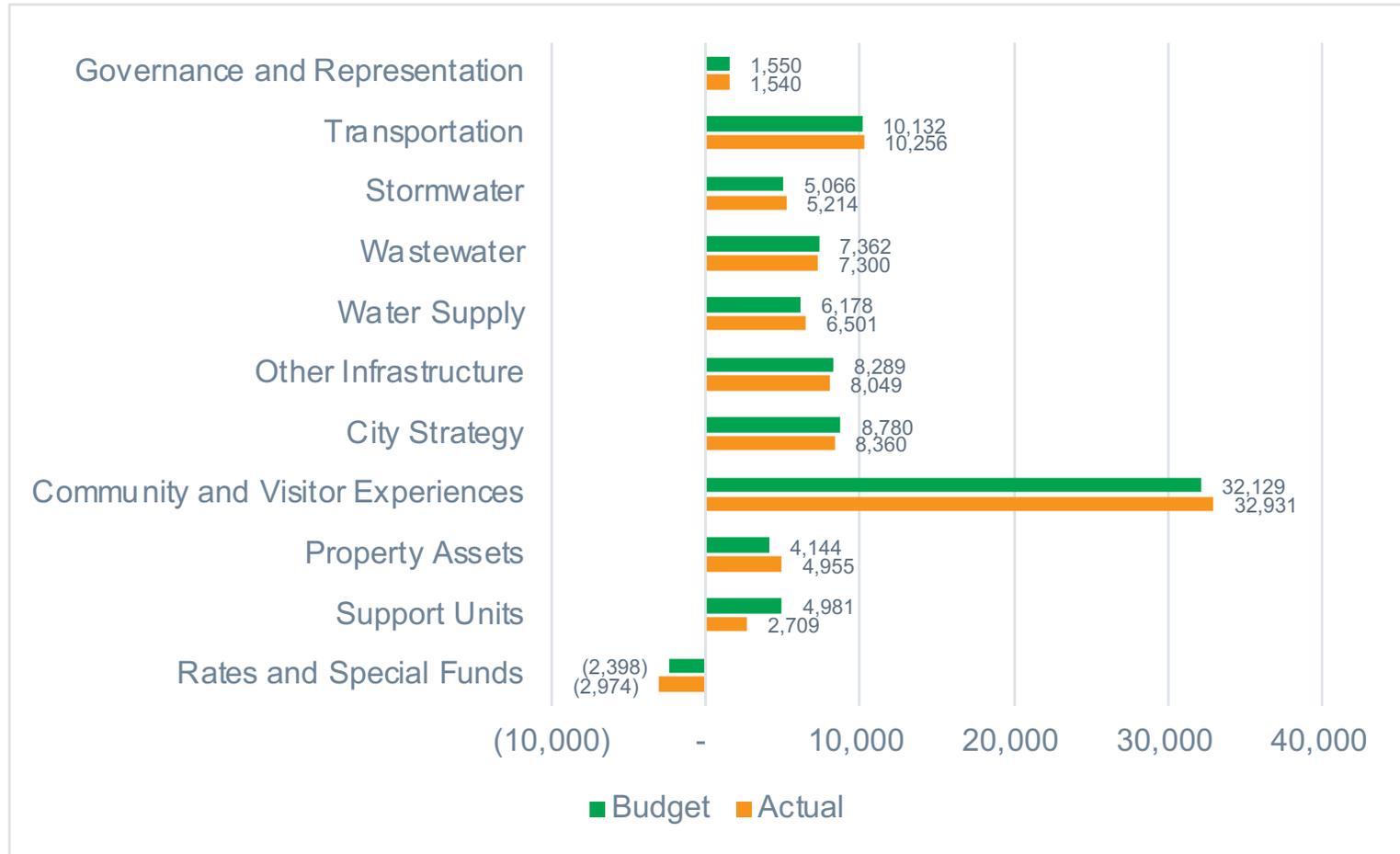
	Year to Date Dec 2023				Year End		
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance *
Net Operating Expenditure							
Governance and Representation	1,540	1,550	10	1%	3,242	3,013	(229)
Transportation	5,034	5,735	701	12%	9,458	9,940	482
Stormwater	1,127	969	(157)	(16)%	494	1,330	835
Wastewater	2,180	1,961	(220)	(11)%	2,099	2,620	522
Water Supply	1,965	1,534	(431)	(28)%	1,770	1,502	(267)
Other Infrastructure	2,052	2,717	665	24%	2,537	2,481	(56)
City Strategy	3,193	4,924	1,731	35%	15,003	10,972	(4,030)
Community and Visitor Experiences	19,989	20,866	877	4%	41,783	38,622	(3,161)
Property Assets	(1,225)	(484)	741	>100%	(554)	(1,542)	(988)
Rates and Special Funds	(29,042)	(27,651)	1,391	5%	(55,300)	(56,269)	(969)
Support Units	1,400	3,959	2,559	65%	4,220	1,465	(2,755)
Archived Cost Centres	-	-	-	-	-	-	-
Net Operating Expenditure	8,211	16,078	7,867	49%	24,752	14,136	(10,616)

* Variance Key
Favourable / Underspent
Unfavourable / Overspent

Figures are shown in thousands (\$,000)

	Year to Date Dec 2023				Year End		
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance *
Capital							
Transportation	3,464	4,751	1,287	27%	14,962	11,848	(3,115)
Stormwater	2,240	1,602	(638)	(40)%	15,528	14,452	(1,076)
Wastewater	4,521	2,501	(2,020)	(81)%	14,293	12,017	(2,275)
Water Supply	1,672	1,350	(322)	(24)%	17,359	16,474	(885)
Other Infrastructure	197	173	(24)	(14)%	3,266	3,150	(116)
City Strategy	251	265	13	5%	1,364	117	(1,247)
Community and Visitor Experiences	8,886	7,676	(1,210)	(16)%	24,713	15,557	(9,156)
Property Assets	1,575	1,162	(414)	(36)%	7,551	423	(7,128)
Support Units	1,528	1,260	(268)	(21)%	3,264	1,897	(1,367)
Archived Cost Centres	-	-	-	-	-	-	-
Total Capital Expenditure	24,333	20,739	(3,594)	(17)%	102,299	75,934	(26,365)
Asset Sales	(104)	-	104		-	-	-

SUMMARY NET OPERATING EXPENDITURE OF ACTIVITY GROUPS



Activity Group Detail

This section provides further detail on the key performance measures and the financial performance of each of the activities within Council.

The Council activities contribute to the Community Outcomes, as stated in the 2021-31 Long Term Plan. Council considers that meeting its service level targets constitutes a major role as a contributor to the progress of the Community Outcomes.



Governance and Representation

Democracy and Governance

Council's Democracy and Governance Activity provides a democratic and consultative system for governance and decision making. The activity encompasses the management of:

- the Council meeting and decision making process;
- local elections; and
- responses to official information requests.

Napier City Council elections are held every three years and currently comprises the election of:

- Mayor by the City as a whole;
- two councillors by the Ahuriri Ward;
- two councillors by the Onekawa-Tamatea Ward;
- four councillors by the Nelson Park Ward; and
- four councillors by the Taradale Ward.

The First Past the Post system was retained for the 2019 election, but Council have no Māori Wards or Community Boards for this election period.

Council's governance function is delivered through a structure of standing committees, joint committees, specialist and sub-committees and council controlled organisations. The Local Governance Statement (available on the website) provides information on this structure, the processes through which Napier City Council engages with the residents of Napier, how the Council makes decisions, and how citizens can participate. As the Local Governance Statement is a living document, it is updated periodically over the three-year term.

The overall aims are to:

- ensure the city develops in a sustainable manner;
- promote economic growth;
- promote tourism;

- foster a safe environment;
- be a guardian of the city's assets and infrastructure; and
- engender pride in Napier.

Fundamental roles of Council are to represent the community, to receive and understand their views, make good decisions for the benefit of the community, and if appropriate, explain Council reasoning behind a particular decision or policy, to those who might be interested. Ngā Mānukanuka o te Iwi (Māori Committee) provides Māori perspectives across all Council business, as well as raising matters of importance to Māori in Napier through to Council.

Democracy and Governance stakeholders are all residents of Napier City and the wider region. Consultation with stakeholders is carried out in accordance with the Significance and Engagement Policy.

Te Waka Rangapū

Council has an obligation to ensure mana whenua and tangata whenua can meaningfully engage with and inform Council decisions. We strive to ensure that mātauranga Māori (Māori knowledge) is embedded in the day-to-day and strategic decisions made by Council in relation to the future of Ahuriri (Napier).

Council is in constant dialogue with Te Taiwhenua o Te Whanganui a Orotū as the representative body for Ngāti Kahungunu and Post-Settlement Governance Entities Maungaharuru-Tangitū Trust and Mana Ahuriri Trust.

We seek to continually improve our approach to partnership with Māori in order to amplify Māori voices in discussions about the wellbeing of our people and environment. Council established a stand-alone unit, Te Waka Rangapū, for the first time for Long Term Plan 2021-31, with the intention that we elevate work around relationship building and increasing cultural competency to the same level as any other work we do around the organisation.

GOVERNANCE & REPRESENTATION

PERFORMANCE SUMMARY

Democracy and Governance

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council holds regular Council and Council Committee meetings that are accessible and notified to the local community	Percentage of Council meetings for which meeting agenda is made publicly available two working days before the meeting date	100%	100%	100%	●	
Council will comply with legislative requirements	Annual Reports and Long Term Plans receive 'unmodified' audit opinion	End of Year Measure	End of Year Measure	Achieved	N/A	
	Number of LGOIMA requests responded to within statutory time frames	93%	97%	100%	●	

Te Waka Rangapū

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
We are strengthening our partnerships and recognise the special place of mana whenua and tangata whenua in Council decision making	Legislative compliance with ss 14(1)(d), 60A, 77(1)(c), 81 and 82(2) of the Local Government Act 2002	Compliant	Compliant	Compliant	●	
	Development of a Māori Engagement framework	Framework in progress	Framework in progress	Narrative Measure	●	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

GOVERNANCE & REPRESENTATION

FINANCIAL SUMMARY AS AT DECEMBER 2023

Governance and Representation Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Revenue	-	-	-		-	-	-		
Expenditure	250	264	14	5%	671	442	(229)		
Depreciation	-	-	-		-	-	-		
Net Operating Expenditure	250	264	14	5%	671	442	(229)		

Governance and Representation Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Democracy and Governance									
Revenue	-	-	-		-	-	-		
Expenditure	-	-	-		-	-	-		
Democracy and Governance Total	-	-	-		-	-	-		
Te Waka Rangapu									
Revenue	-	-	-		-	-	-		
Expenditure	250	264	14	5%	671	442	(229)	-1-	Labour vacancy.
Te Waka Rangapu Total	250	264	14	5%	671	442	(229)		



City Strategy

City Development

City Development is the means by which we plan and deliver urban and economic growth strategically and sustainably. We assess and decide how our built and natural environment will be developed, and how that process will be managed. We take into consideration Napier's historic heritage and incorporate urban design, functionality, city vibrancy and aesthetics into all our city developments and projects. We guide our investment in infrastructure and urban renewal, so it is efficiently located and caters for the planned growth of the city.

The Policy team delivers planning and policy functions by meeting the statutory requirements under the Resource Management Act 1991 (RMA) and other relevant legislation. We provide professional, strategic, clear and frank advice to our elected members so that they can make informed decisions that will benefit our city and community now and in the future.

The City Design & Urban Renewal team aims to create a great urban environment, promoting heritage protection, ecological excellence, sustainable transport, and good urban design throughout the city, which will result in a well-connected, vibrant and liveable city.

Building Consents

The core functions of our Building Consents team comprise of processing building consent applications, inspecting building work on site, and issuing code compliance certificates at the completion of building work.

Additionally to the core functions, we also inspect swimming pool barriers, audit Building Warrants of Fitness, investigate complaints, carry out enforcement action when required, and provide advice and information to the public on building-related issues.

Resource Consents

The Resource Consents team is responsible for the assessment and determination of proposed developments or activities, and monitoring compliance with relevant legislated requirements and/or Notices of Decision.

The work undertaken by resource consenting is legislated under the RMA and at times under the Local Government Act 2002 and the Hazardous Substances and New Organisms Act 1996.

Resource consenting provides pre-application advice to the public, undertakes the assessment of applications lodged under the RMA or the LGA, determines notification requirements (where applicable), and makes decisions on applications.

Additional tasks related to the consenting process include compliance monitoring, which takes place when a complaint is received for possible offences under the RMA.

Regulatory Solutions

Regulatory Solutions are responsible for licensing, monitoring and inspecting a range of services that are provided largely by local businesses and which have the potential to cause harm to the public. Our work is determined by legislation such as the LGA, Sale and Supply of Alcohol Act 2012, Health Act 1956, and the Food Act 2014, as well as related regulations and Council-set by-laws.

The sectors we regulate include food premises, camping grounds, hairdressers, funeral directors, offensive trades, and liquor licensing services.

In addition, Council is responsible for investigating notifiable diseases, investigating and monitoring nuisance to the community, providing a noise control service, and monitoring and enforcing freedom camping. Regulatory Solutions undertakes the regulatory functions of the Dog Control Act 1996 on behalf of Animal Control.

Regulatory Solutions provides advice, education, and assistance to individuals and businesses to help them comply. We also take enforcement action where required to ensure the safety and well-being of the public.

Animal Control

Animal Control is responsible for the implementation and enforcement of the Dog Control Act 1996 and Council by-laws relating to this Act. A large proportion of the work of the Animal Control team is responding to public safety issues and taking necessary action to keep people and dogs safe following an incident. To prevent these incidents from occurring, the Animal Control team proactively patrol reserves and beaches, parks, and playgrounds to ensure compliance with the Act and Napier City's Dog Control Policy.

Educating people is a big part of what the team do to promote a culture of responsible dog ownership in Napier. A dog pound is operated by Council and acts as a safe holding place for dogs.

Those dogs that are suitable to be rehomed are held at the pound until their new home can be found. Animal Control operates the animal shelter caring for any impounded dogs, and cares for an average of 500 dogs per year.

The team also maintain the Park Island and Taradale dog agility parks and the dog shower at Park Island, and keep the poo-bag dispensers around our city topped up.

Parking

Parking has a major influence on the function, look, and feel of an inner city. We provide parking so that goods can be delivered and workers, customers, clients, and inner-city residents can readily access the CBD. There is always a balance between meeting the demand for parking convenience (the desire for lots of parks right next to the shops, businesses, and places of work that people want to get to) and the need to create a compact, intimate CBD that cultivates business, social, and cultural interaction.

Council achieves this balance by providing a range of parking options to suit the various ways people wish to engage with the CBD:

- On-street parking
- Off-street parking
- Leased parking
- Mobility parking, and
- Alternative transport parking, eg, motorcycle, bikes, and electric vehicles.

All Council-controlled parking areas are patrolled regularly to ensure people are complying with the parking rules set by the Napier City Council Parking Control Bylaw.



CITY STRATEGY

PERFORMANCE SUMMARY

City Development

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide the policy planning and strategic functions for Napier City	District Plan reviewed to align with Napier Spatial Plan document and the Infrastructure Strategy	End of Year Measure	End of Year Measure	90%	N/A	PDP notified and submission received. Summary of submissions to be notified in May 2024
	Review HPUDS strategy	End of Year Measure	End of Year Measure	100%	N/A	Multi Criteria Analysis completed. Three different growth scenarios have been developed for public consultation
Provide the strategic economic development function for Napier City	Publication of data to measure success of council objectives and inform future decision making	End of Year Measure	End of Year Measure	100%	N/A	Ongoing monitoring and reporting economic activity and pedestrian counts in Napier CBD

Building Consents

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council monitors and enforces legislative compliance to protect its citizens and their safety	Process building consent applications within the statutory time frame of 20 working days	83.98% (215 out of 256)	82.57% (180 out of 218)	100%	●	High levels of absenteeism in the team for multiple reasons
	Process code compliance certificates within the statutory time frame of 20 working days	100% (210 out of 210)	100% (185 out of 185)	100%	●	
	Audit buildings requiring building warrants of fitness annually	4.62% (42 out of 910)	4.04% (37 out of 915)	20%	●	
	Percentage of residential swimming pools inspected annually to ensure that all pool barriers are inspected at least once every 3 years	17.06% (94 out of 551)	14.13% (78 out of 552)	33%	●	
	Maintain Building Consent Authority (BCA) accreditation	Maintained	Maintained	Maintain	●	

Resource Consents

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council monitors and enforces legislative compliance to protect its citizens and their safety	Process non-notified resource consents (excluding Controlled Activities) and all subdivision consents to approval stage within the statutory time frame of 20 working days	100% (58 out of 58)	99% (116 out of 117)	100%	●	
	Process Controlled Activity Resource Consents (excluding subdivision) within 10 working days	100% (2 out of 2)	100% (6 out of 6)	100%	●	
	Process notified Resource Consents within the statutory time frame of 130 working days	Nil	Nil	100%	●	
	Process limited notified Resource Consents within 100 working days	Nil	Nil	100%	●	
	Land Information Memorandums to be processed within the statutory limit of 10 working days	100% (94 out of 94)	100% (199 out of 199)	100%	●	
	All formal complaints are investigated and responded to within 3 days of receipt by Council	100% (0 out of 0)	Nil	100%	●	

Regulatory Solutions

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council monitors and enforces legislative compliance to protect its citizens and their safety	Percentage of residents satisfied with Council management and enforcement of Noise Control in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	80%	N/A	
	Percentage of Noise Control complaints referred to the contractor which have an Officer onsite and action commenced to resolve the complaint within 30 minutes of the call being received	92%	89%	80%	●	
	Percentage of residents satisfied with Council management and enforcement of freedom camping in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	50%	N/A	
	Percentage of Food Act Verification audits completed in accordance with the scheduled times in the Food Act 2014	End of Year Measure	End of Year Measure	100%	N/A	
	Percentage of liquor licensed premises inspected annually for compliance with their licence conditions	End of Year Measure	End of Year Measure	50%	N/A	
	Percentage of very high and high risk liquor licensed premises inspected at least annually	End of Year Measure	End of Year Measure	100%	N/A	

Animal Control

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Implement and enforce the requirements of the Dog Control Act 1996	Percentage of residents satisfied with Council management and enforcement activity of Animal Control in the Residents' satisfaction Survey	End of Year Measure	End of Year Measure	75%	N/A	N/A
	All requests for services are investigated and responded to within 21 days	100%	100%	100%	●	

Parking

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide and manage parking facilities for the city	Percentage of residents satisfied with Parking in the Inner City in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	60%	N/A	
	Percentage of residents satisfied with Parking in the Suburbs in the Resident's Satisfaction Survey	End of Year Measure	End of Year Measure	65%	N/A	
	Percentage of CBD parking occupancy rate	End of Year Measure	End of Year Measure	50 - 85%	N/A	
	Percentage of Taradale parking occupancy rate	End of Year Measure	End of Year Measure	50 - 85%	N/A	
	Percentage of Taradale parking occupancy rate	End of Year Measure	End of Year Measure	50 - 85%	N/A	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

CITY STRATEGY

FINANCIAL SUMMARY AS AT DECEMBER 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Revenue	(5,167)	(3,856)	1,311	34%	(9,591)	(7,148)	2,443	-1-	Government grant in relation to Cyclone Gabrielle property compensation.
Expenditure	5,164	5,555	391	7%	18,143	11,778	(6,365)		
Depreciation	203	270	66	25%	540	540	-	-2-	Depreciation lower than budgeted, capital projects yet to be completed.
Net Operating Expenditure	200	1,968	1,768	90%	9,091	5,169	(3,922)		

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
City Strategy Admin									
Revenue	-	0	0	100%	0	-	(0)		
Expenditure	238	282	44	16%	563	484	(79)	-3-	Underspend in this period is attributed to staff vacancy.
City Strategy Admin Total	238	282	44	16%	563	484	(79)		
Regulatory Consents									
Revenue	(365)	(239)	126	53%	(477)	(477)	-	-4-	Subdivision Consents activity higher than anticipated during this period
Expenditure	566	508	(57)	(11)%	1,016	974	(42)	-5-	High use of external consultants for processing of Resource Consents to ensure service delivery and legislated requirements are satisfied.
Regulatory Consents Total	201	270	68	25%	538	496	(42)		
Planning Policy									
Revenue	(2)	-	2		-	-	-		
Expenditure	562	785	223	28%	2,942	2,404	(538)	-6-	Under-spend in this period is attributed to staff vacancy and timing of Growth Study and Recovery Support Programme expenditure.
Planning Policy Total	561	785	224	29%	2,942	2,404	(538)		
Environmental Health									
Revenue	(236)	(266)	(30)	(11)%	(533)	(533)	-	-7-	Reflection of reduced staff, expecting to recover within the year
Expenditure	305	489	184	38%	978	980	2	-8-	The under-spending in this period can be attributed to staff vacancies
Environmental Health Total	70	223	153	69%	445	447	2		

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Building Consents									
Revenue	(1,279)	(1,049)	230	22%	(2,294)	(2,294)	-	-9-	Building consents activity higher than forecast
Expenditure	1,488	1,274	(214)	(17)%	2,544	2,497	(47)	-10-	Unbudgeted legal expenses
Building Consents Total	209	224	15	7%	250	203	(47)		
Animal Control									
Revenue	(828)	(794)	34	4%	(828)	(828)	-		
Expenditure	405	468	62	13%	934	882	(52)	-11-	Reduced labour and operating expenses with less callouts and service requests
Animal Control Total	(423)	(326)	96	30%	106	54	(52)		
Parking									
Revenue	(1,308)	(1,325)	(17)	(1)%	(2,650)	(2,650)	-		
Expenditure	649	799	150	19%	1,720	1,719	(0)	-12-	Continued maintenance of parking metres and recent increase in service provider fees
Parking Total	(659)	(526)	133	25%	(930)	(931)	(0)		
City & Business Promotion									
Revenue	(181)	(183)	(2)	(1)%	(366)	(366)	-		
Expenditure	650	669	19	3%	1,247	1,247	(0)		
City & Business Promotion Total	468	486	18	4%	881	881	(0)		
City Ambassadors and CCTV									
Revenue	-	-	-		-	-	-		
Expenditure	486	551	65	12%	1,120	1,130	10	-13-	Continued development/establishing of CCTV camera rollout throughout City in line with Napier Assist Maturity Plan.
City Ambassadors and CCTV Total	486	551	65	12%	1,120	1,130	10		
Property Compensation									
Revenue	(968)	-	968		(2,443)	-	2,443	-14-	Government grant in relation to Cyclone Gabrielle property compensation.
Expenditure	17	0	(17)	<(100)%	5,619	-	(5,619)		
Property Compensation Total	(951)	0	951	>100%	3,176	-	(3,176)		

CITY STRATEGY FINANCIAL SUMMARY

City Strategy Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date to December 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
City Ambassadors and CCTV								
Street Management (CCTVs)	233	232	(1)	(0)%	561	52		
Total City Ambassadors and CCTV	233	232	(1)	(0)%	561	52		
Animal Control								
Complex Shelter & Office	1	16	15	95%	32	32		
Stock Control Equipment	-	1	1	95%	2	2		
New Impounding Facility	3	-	(3)	(100)%	-	-		
Total Animal Control	4	17	13	77%	34	34		
Parking								
Additional CBD Parking	4	-	(4)	(100)%	500	-		
Herschell Street	2	-	(2)	(100)%	-	-		
Minor Capital Items	-	-	-		-	5		
Minor Capital Items S810	-	3	3	100%	5	-		
Parking Equipment Replacement	-	-	-		237	26		
Parking Equipment Replacement S810	10	13	4	30%	26	-		
Total Parking	15	16	1	6%	769	32		
Total Capital Expenditure	251	265	13	5%	1,364	117		
Asset Sales	-	-	-		-	-		



Water Supply

Water Supply

Council provides a water supply system for the supply of safe, potable water as well as for firefighting purposes. A safe and cost-effective drinking water supply is a key factor in sustaining the physical health of a community.

Our system draws water directly from the Heretaunga Plains aquifer through seven Council-managed bores. The network utilises nine booster pump stations, and approximately 482 km of water mains to supply fresh water to over 93% of Napier's population. We utilise 11 large storage reservoirs at high points across the city to provide both backup water supply and adequate pressure to users.

The assets that form the water supply activity include:

- Water sources and bores
- Booster pump stations
- Treatment plants, and
- Reticulation mains and pressure valves.

The overarching vision is to maintain and improve public health for our community and visitors. We will do this with modern water infrastructure that can reliably supply safe water to customers, now and in the future. We plan, operate, and maintain the network to ensure public health and safety, provide reliable pressure and flow, minimise our impact on the environment, and respond quickly should things go wrong.



WATER SUPPLY PERFORMANCE SUMMARY

Water Supply

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Safeguard Public Health	Compliance with Part 4 criteria of the Drinking Water Standards (bacteria compliance criteria) (Mandatory measure 1)	Not applicable - standards superseded by Taumata Arowai legislation	Not applicable - standards superseded by Taumata Arowai legislation	Achieved	N/A	
	Compliance with Part 5 criteria of the Drinking Water Standards (protozoa compliance criteria) (Mandatory measure 1)	Not applicable - standards superseded by Taumata Arowai legislation	Not applicable - standards superseded by Taumata Arowai legislation	Achieved	N/A	
Management of Environmental Impacts	The percentage of real water losses from Council's networked reticulation system as determined through an annual water balance (Mandatory measure 2)	End of Year Measure	End of Year Measure	Decrease on previous year	N/A	
	Average annual consumption of drinking water per day per resident (Mandatory measure 5)	End of Year Measure	End of Year Measure	<450 L	N/A	
	Median response times from time notification received: attendance time for urgent call-outs (Mandatory)	0.3 hours	0.3 hours	≤ 90 minutes	●	
	Median response times from time notification received: resolution time for urgent call-outs (Mandatory)	1.21 hours	1.16 hours	≤ 6 hours	●	
	Median response times from time notification received: attendance for non-urgent call-outs (Mandatory)	17.62 hours	18.02 hours	≤ 8 hours	●	We are consistently underperforming on this 8 hour target. Improvements to job categorisation and reporting are helping to build understanding of outlier results (very prolonged response times) which are lifting this median result. The Three-Year Plan 2024 gives us the opportunity to review if this target is overly optimistic (Hastings District Council target 3 days, Auckland City Council target 5 days)
Customer Satisfaction	Median response times from time notification received: resolution time for non-urgent call-outs (Mandatory)	21.42 hours	22.75 hours	≤ 72 hours	●	
	Total number of complaints per 1,000 connections relating to drinking water clarity	0.45 complaints per 1000 connections	0.54 complaints per 1000 connections	Downwards trend	●	
	Total number of complaints per 1,000 connections relating to drinking water taste, drinking water clarity, drinking water odour, drinking water pressure or flow, and continuity of supply (Mandatory measure 4)	0.78 complaints per 1000 connections	0.75 complaints per 1000 connections	≤ 2	●	
	Percentage of residents satisfied with Water Supply in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	89%	N/A	
Investigation of options for chlorine free network	Complete the 'Chlorine Free Review' report by 2021 and consult with the community on the implementation of the findings	Achieved	Achieved	Achieved	●	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

WATER SUPPLY FINANCIAL SUMMARY

Water Supply Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

	Year to Date Dec 2023							Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Net Operating Expenditure									
Revenue	(4,535)	(4,644)	(109)	(2)%	(10,700)	(10,700)	(0)		
Expenditure	2,567	2,369	(198)	(8)%	4,974	4,974	(0)		
Depreciation	2,448	2,327	(121)	(5)%	4,653	4,653	-		
Net Operating Expenditure	480	52	(428)	<(100)%	(1,073)	(1,073)	(0)		

Water Supply Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date to December 2023						Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Water Supply								
IAR Pipes	203	185	(18)	(10)%	528	528		
IAR Pump Stations	112	100	(12)	(12)%	476	476		
Water Bore Renewals	-	-	-		314	264		
Water Reservoir Renewals	-	-	-		106	528		
Water Treatment Renewals	14	6	(8)	(100)%	185	185		
IAR Water Meters	2	2	-		5	5		
New Taradale Bore Field	24	67	43	64%	898	898	-1-	Delays in Project Manager procurement
Replacement of Enfield reservoir	444	292	(153)	(52)%	634	634	-2-	Expenditure ahead of forecast but on track for full year.
Thompson Reservoir Upgrade	2	25	23	92%	528	528		
Gifted/Vested Assets	-	-	-		234	234		
Upgrade Water Supply Ctrl Syst	18	-	(18)	(100)%	-	-		
New Reservoir Taradale	-	-	-		-	-		
Te Awa Structure Plan	2	-	(2)	(100)%	69	69		
District Modelling Projects	-	-	-		53	53		
District Monitoring Project	30	-	(30)	(100)%	-	-		
New bores in Awatoto	23	75	52	69%	737	737	-3-	Delays in Project Manager procurement
New Reservoir Westen Hills	54	91	37	41%	1,110	1,110	-4-	Restricted internal capacity as a result of labour vacancy and cyclone Gabrielle additional work.
New Water Treatment Plant	53	33	(20)	(61)%	528	528		
Reservoir inlets and outlets improvements	3	-	(3)	(100)%	845	423		
Urban Growth Projects - Water Supply	26	-	(26)	(100)%	-	-		
Awatoto Trunk main extention	41	25	(16)	(64)%	1,410	845		
Borefield No.1 Rising Main	22	122	100	82%	2,381	2,381	-5-	Concept design completed. Delays in Project Manager procurement.
Taradale Falling Trunk Main	75	-	(75)	(100)%	38	38	-6-	Delays in Project Manager procurement
Hospital Hill Falling Trunk Main	-	-	-		-	-		
FW2 Fireflow Network Upgrades	10	-	(10)	(100)%	-	-		
Awatoto Industrial & Phillips Road Bore	108	195	86	44%	2,659	2,659	-7-	Delays in Project manager procurement
Water Network Improvements	372	73	(299)	(100)%	73	53	-8-	Ongoing project from last year - budget to be organised before year end from other underspends
Water Reservoir Improvements	19	44	25	56%	439	338		
Water Treatment Improvements	13	15	2	13%	150	-		
Enable Growth- Water Extension Meanee	-	-	-		2,959	2,959		
Total Water Supply	1,672	1,350	(322)	(24)%	17,359	16,474		
Total Capital Expenditure	1,672	1,350	(322)	(24)%	17,359	16,474		
Asset Sales	-	-	-		-	-		



Wastewater

Council provides and maintains a safe, effective, and efficient domestic sewage collection, treatment, and disposal system to help maintain community health. In addition, we provide for a separate industrial sewage collection and disposal system for selected trade waste customers. Our wastewater network serves 24,800 properties: roughly 97% of the city.

The network consists of:

- 390 km of wastewater mains
- 49 wastewater pumping stations
- a treatment facility located at Awatoto (with a Biological Trickling Filter plant and a Milliscreen plant), and
- a 1.5 km long marine outfall.



WASTEWATER PERFORMANCE SUMMARY

Wastewater

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Public Health and Sanitation: We operate, maintain, and size the network to minimise the occurrence of raw wastewater overflows into habitable areas	Number of wastewater overflows	0.59 per 1000 connections	0.66 per 1000 connections	<0.12 per 1000 connections	●	Symptom of an aging wastewater network. Renewal plan under development to take effect from 2025
Minimise Environmental Impacts: By treating wastewater to the legally required standard before discharging into the environment	Compliance with resource consents for discharge from the wastewater system as measured by the number of abatement notices received in relation to wastewater resource consents (Mandatory)	0	0	0%	●	
	Compliance with resource consents for discharge from the wastewater system as measured by the number of infringement notices received in relation to wastewater resource consents (Mandatory)	0	0	0%	●	
	Compliance with resource consents for discharge from the wastewater system as measured by the number of enforcement orders received in relation to wastewater resource consents (Mandatory)	0	0	0%	●	
	Compliance with resource consents for discharge from the wastewater system as measured by the number of convictions received in relation to wastewater resource consents (Mandatory)	0	0	0%	●	
Customer Responsiveness and Satisfaction:	Median response times to sewerage overflows: attendance time from notification to staff on site (Mandatory)	0.58 hours	0.36 hours	≤2 hours	●	
We respond to and restore loss of service and address complaints AND will deliver a consistently high level of customer satisfaction	Median response times to sewerage overflows: resolution time from notification to resolution of the issue (Mandatory)	2.03 hours	1.78 hours	≤8 hours	●	
	Customer satisfaction with wastewater in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	70%	N/A	
	Total number of complaints per 1,000 connections relating to sewage odour, sewerage system faults, sewerage system blockages, and response to issues with Napier's sewerage system (Mandatory)	2.10 per 1000 connections	2.35 per 1000 connections	≤36	●	
	Blockages resulting in overflows into the Ahuriri Estuary	19	18	0	●	Symptom of an aging wastewater network. Renewal plan under development to take effect from 2025

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%



WASTEWATER FINANCIAL SUMMARY

Wastewater Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Net Operating Expenditure									
Revenue	(5,120)	(5,401)	(282)	(5)%	(12,928)	(12,928)	0		
Expenditure	2,027	2,118	91	4%	4,670	4,670	0		
Depreciation	3,957	3,927	(29)	(1)%	7,855	7,855	-		
Net Operating Expenditure	864	644	(220)	(34)%	(404)	(404)	0		

Wastewater Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date to December 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Wastewater								
Sewer Pipe Renewal	868	595	(273)	(46)%	857	1,057	-1-	Latham WW air valves unforeseen contract variations.
Sewer Pump Station Renewal	776	289	(487)	(100)%	1,033	990	-2-	Munroe WWPS and Greenmeadows WWPS unforeseen contract variations.
Treatment Plant Renewal	1,715	111	(1,604)	(100)%	423	423	-3-	WWTP repairs from Cyclone Garbielle insurance claim pending.
Wastewater Treatment Plant Upgrade	70	308	238	77%	2,479	1,580	-4-	Delays due to cyclone damage to WWTP.
Wastewater Outfall IAR	10	300	290	97%	1,189	1,189	-5-	Project in consenting stage.
Flow meter replacements	-	-	-		53	53		
SCADA Upgrade	-	-	-		-	-		
Wastewater Treatment Renewals	133	161	28	17%	1,056	871	-6-	Labour vacancies resulting in restricted internal capacity.
Gifted/Vested Assets	-	-	-		424	424		
Wastewater Network Improvements	5	-	(5)	(100)%	-	-		
Wastewater Pump Station Improvements	496	556	59	11%	1,350	555	-7-	Stafford WWPS construction and P&ID works scheduled for March 2024
Wastewater Treatment Improvements	-	-	-		159	476		
Tradewaste New Projects	2	52	50	96%	264	264	-8-	Restricted internal capacity as a result of labour vacancy and cyclone Gabrielle additional work.
Wastewater Growth Projects	10	-	(10)	(100)%	2,282	1,965		
Flow metering	14	-	(14)	(100)%	851	298		
Guppy Rd pumping main installation	7	6	(1)	(17)%	265	265		
Harold Holt wastewater upgrades	20	-	(20)	(100)%	-	-		
Installation of Generator Connections	-	-	-		143	143		
Pandora Industrial Main	332	-	(332)	(100)%	-	-	-9-	Budget incorrectly reprioritised to future years. To be a negative carry forward at year end.
Taradale Wastewater Diversion	57	92	35	38%	275	275	-10-	Labour vacancies resulting in restricted internal capacity.
Te Awa Structure Plan - Wastewater	6	31	25	81%	1,191	1,191		
Total Wastewater	4,521	2,501	(2,021)	(81)%	14,293	12,017		
Total Capital Expenditure	4,521	2,501	(2,021)	(81)%	14,293	12,017		
Asset Sales	-	-	-		-	-		



Stormwater

The Stormwater activity is responsible for safely collecting, treating, and disposing of the city's stormwater. One of the core goals of the city's stormwater system is to minimise the effects of flooding, a service which has been at the forefront of our community's minds since the November 2020 flood event. Our stormwater system consists of open drains, large underground pipes, and pump stations which carry rainwater out into the ocean. About three quarters of the city is now reliant on pumped systems for stormwater drainage.

The stormwater network asset comprises 241 kms of pipe network, 10 pump stations, and two detention dams. Together, stormwater assets have a replacement value of \$341 million as at 30 June 2020.

We have a statutory responsibility to ensure stormwater is managed through ownership and management of our own drainage network. Our network minimises the health risk to the community through safe collection, treatment, and disposal of stormwater. Through controlled disposal and by enhancing the quality with various programmes and monitoring interventions we also minimise the pollution which drains into receiving environments.



STORMWATER PERFORMANCE SUMMARY

Stormwater

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
The stormwater network adequately protects the health and safety of Napier residents and protects property by providing protection against flooding	Number of flooding events that occur per year (Mandatory)	0	0	≤1	●	
	For each flooding event, the number of habitable floors affected per 1,000 properties (Mandatory)	0	0	≤1	●	
	Median response time to attending a flood event (notification to personnel being on site) (Mandatory)	0	0	≤2 hours	●	
Stormwater is collected and disposed of in a manner that protects public and environmental health	Compliance with resource consents for discharge from the stormwater system as measured by the number of abatement notices (Mandatory)	0	0	0	●	
	Compliance with resource consents for discharge from the stormwater system as measured by the number of infringement notices (Mandatory)	0	0	0	●	
	Compliance with resource consents for discharge from the stormwater system as measured by the number of enforcement orders (Mandatory)	0	0	0	●	
	Compliance with resource consents for discharge from the stormwater system as measured by the number of convictions received in relation to stormwater resource consents (Mandatory)	0	0	0	●	
Residents are satisfied with Council's stormwater service	Number of complaints received about performance of stormwater system (per 1,000 properties connected) (Mandatory)	0.95 per 1000 connections	1.19 per 1000 connections	≤5	●	
	Percentage of residents satisfied with stormwater in Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	89%	N/A	
Stormwater is collected and disposed of in a manner that protects public and environmental health	Number of education programmes delivered to improve stormwater quality	1 - Hawke's Bay Home and Garden Show	0	>1	●	

STORMWATER FINANCIAL SUMMARY

Stormwater Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Net Operating Expenditure									
Revenue	(4,087)	(4,097)	(10)	(0)%	(9,259)	(9,259)	(0)		
Expenditure	1,231	1,050	(181)	(17)%	1,887	1,887	0	-1-	Open drains urban areas requiring more mowing in December, additional asset condition assessments required for asset revaluation.
Depreciation	2,682	2,721	39	1%	5,443	5,443	-		
Net Operating Expenditure	(174)	(326)	(152)	(47)%	(1,930)	(1,930)	0		



Stormwater Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Comments
	Actual	Revised Budget	Variance	% Variance				
Stormwater								
Upgrading Stormwater Catchments	2	-	(2)	(100)%	-	-		
Stormwater IAR	218	34	(184)	(100)%	190	90	-1-	Projects from last financial year unfunded for this year. Unplanned renewal works.
SW Pump Station Renewal	72	38	(34)	(89)%	590	550	-2-	Works on-going ahead of schedule
SCADA minor replacements	-	-	-		26	26		
Stormwater pump replacements	5	5	-		190	190		
Stormwater reticulation replacements	171	171	-		317	317		
Thames/Tynes pipe and drain upgrades	2	-	(2)	(100)%	48	48		
Gifted Vested Assets	-	-	-		473	473		
Extend Outfalls Marine Parade	-	50	50	100%	211	211	-3-	Work to start Q4.
Drain Improvements	11	10	(1)	(10)%	32	32		
Ahuriri Master Plan Project 3 - improve direct outfalls	-	-	-		96	207		
CBD Stormwater Upgrade	-	-	-		161	161		
Construction of a hydraulic model and upgrades	134	-	(134)	(100)%	-	-	-4-	Ongoing project from last year
SCADA upgrade project	9	-	(9)	(100)%	-	-		
Te Awa Structure Plan	227	220	(7)	(3)%	220	-		
Tennyson St outfall improvements	27	51	24	47%	476	476		
Upgrade existing Onehunga pump station	11	-	(11)	(100)%	-	-		
Ahuriri Estuary Projects	35	68	33	49%	151	301	-5-	Design progressing, on track for annual spend.
Flood Alleviation Projects	352	284	(68)	(24)%	2,551	2,128	-6-	Design progressing, on track for annual spend.
Open Waterway Improvements	93	101	8	8%	824	544		
Stormwater Network Improvements	5	-	(5)	(100)%	143	143		
Stormwater Pump Station Improvements	481	2	(479)	(100)%	299	227	-7-	Ongoing project from last year - budget to be organised before year end from other underspends
Stormwater Growth Projects	386	569	183	32%	8,531	8,327	-8-	Subject to developer programme.
Total Stormwater	2,240	1,602	(638)	(40)%	15,528	14,452		
Total Capital Expenditure	2,240	1,602	(638)	(40)%	15,528	14,452		
Asset Sales	-	-	-		-	-		



Transportation

Napier City's Transportation team are responsible for managing all land-based transportation activities funded in part or in full by NCC to meet community outcomes. Further to these community outcomes, there are four key strategic priorities being targeted nationally for the transportation network across the country through the Government Policy Statement. These are:

- Safety
- Better travel options
- Improving freight connections, and
- Climate change.

Napier City Council provides for freight and passenger transport with 366 kilometres of sealed roads, along with all associated structures, drainage, road furniture, street lighting, and traffic safety services. The majority of the network is urban with rural roads serving the foothills to the west and the primary production areas to the south. In both instances the rural network connects to the Hastings District Council network.

Council also provides for cycling and walking modes of transport through a well-integrated network of cycleways and footpaths.

Transportation is a significant and essential activity for Napier City contributing to the economic, social, cultural, and environmental well-being of the community. Transportation corridors are a key element of the local environment supporting the community and economy. It is essential that transportation continues to be delivered to an appropriate standard to achieve national, regional, and NCC's strategic objectives and desired outcomes.



TRANSPORTATION PERFORMANCE SUMMARY

Transportation

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Design and construct safety improvements to minimise the number of injury crashes	The change from the previous calendar year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (DIA Performance Measure 1)	End of Year Measure	End of Year Measure	-100%	N/A	
Provide well maintained roads	The average quality of ride on a sealed local road network, measured by smooth travel exposure (DIA Performance Measure 2)	End of Year Measure	End of Year Measure	85%	N/A	
	Average roughness	End of Year Measure	End of Year Measure	<100 surface irregularities above a defined magnitude (15.2 mm) per kilometre of road, measured by high speed surveying	N/A	
	Peak Roughness	End of Year Measure	End of Year Measure	>145 surface irregularities above the defined magnitude (15.2 mm) per kilometre of road on the roads in the 95 percentile (i.e. the roughest roads)	N/A	
	Number of instances where road access is lost	End of Year Measure	End of Year Measure	<2 (arterial), <8 (total)	N/A	
Provide well- maintained footpaths and cycleways (DIA Performance Measure 4)	Percentage of footpaths and cycleways rated 4 or 5 (rating 1 best to 5 worst) based on independent survey	End of Year Measure	End of Year Measure	1%	N/A	
	Percentage of residents being satisfied (very satisfied or fairly satisfied) with 'footpaths' in the Napier City Council Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	85%	N/A	
	Percentage of residents satisfied (very satisfied and fairly satisfied) with 'roads' in the Napier City Council Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	85%	N/A	
Maintain a high level of customer service	Percentage of customer service requests responded to within 5 working days (DIA Mandatory Measure 5)	100%	100%	90%	●	
Provide adequate renewal of road surfacing	Percentage of the sealed local road network that is resurfaced (DIA Mandatory Measure 3)	End of Year Measure	End of Year Measure	5%	N/A	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

TRANSPORTATION FINANCIAL SUMMARY

Transportation Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Revenue	(5,223)	(4,397)	825	19%	(8,971)	(8,971)	-	-1-	Some Waka Kotahi maintenance subsidised works are ahead of schedule. Additional Financial Contributions received from Developments across the city. Unbudgeted Cyclone Gabrielle and 2020 flood recoveries.
Expenditure	5,479	4,612	(867)	(19)%	8,203	8,146	(57)	-2-	Expenditure includes unbudgeted Cyclone Gabrielle and November 2020 flood recovery works.
Depreciation	3,508	4,263	755	18%	8,527	8,527	-	-3-	Capital works for the current financial year are usually capitalised at year-end which therefore creates a timing difference between budget and actuals.
Net Operating Expenditure	3,765	4,478	713	16%	7,759	7,701	(57)		

Transportation Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Road Carriageways									
Revenue	(900)	(396)	503	>100%	(793)	(793)	-	-4-	Revenue includes unbudgeted subsidy on Cyclone Gabrielle and November 2020 flood recovery works.
Expenditure	1,679	777	(902)	<(100)%	1,555	1,555	-	-5-	Expenditure includes unbudgeted Cyclone Gabrielle and November 2020 flood recovery works.
Road Carriageways Total	779	381	(398)	<(100)%	762	762	-		
Road Paths									
Revenue	(139)	(105)	34	32%	(211)	(211)	-	-6-	Revenue ahead of budget due to subsidised works being ahead of schedule.
Expenditure	327	278	(49)	(18)%	555	555	-	-7-	Footpath repair works undertaken ahead of schedule.
Road Paths Total	187	172	(15)	(9)%	344	344	-		
Road Drainage									
Revenue	(18)	(24)	(7)	(27)%	(49)	(49)	-		
Expenditure	35	48	13	27%	96	96	-		
Road Drainage Total	17	23	6	27%	47	47	-		

Road Bridges + Structures

Revenue	(17)	(20)	(3)	(17)%	(40)	(40)	-	
Expenditure	51	119	68	57%	238	238	(0)	-8- Structures condition survey undertaken to inform this financial year's priority work.
Road Bridges + Structures Total	35	99	65	65%	199	199	(0)	

Road Lighting

Revenue	(286)	(233)	54	23%	(465)	(465)	-	-9- Increased revenue relates to increased subsidised works.
Expenditure	628	543	(85)	(16)%	1,085	1,085	-	-10- Contracted cost escalations and high level of reactive work have exceeded YTD budget expectations.
Road Lighting Total	341	310	(31)	(10)%	620	620	-	

Road Traffic Services + Safety

Revenue	(164)	(185)	(22)	(12)%	(371)	(371)	-	
Expenditure	476	567	91	16%	1,134	1,134	-	-11- Expenditure behind budget due to scheduled seasonal works including roadmarking which is undertaken in Q3/Q4.
Road Traffic Services + Safety Total	313	382	69	18%	763	763	-	

Road Sweeping + Cleaning

Revenue	(59)	(46)	13	28%	(92)	(92)	-	
Expenditure	875	929	54	6%	1,858	1,858	-	
Road Sweeping + Cleaning Total	816	883	67	8%	1,766	1,766	-	

Road Amenity + Safety Mntce

Revenue	(161)	(102)	59	58%	(204)	(204)	-	-12- Revenue above budget due to early subsidised vegetation control work.
Expenditure	786	807	21	3%	1,615	1,615	-	
Road Amenity + Safety Mntce Total	625	706	80	11%	1,411	1,411	-	

Road Capital

Revenue	(2,989)	(2,812)	176	6%	(5,801)	(5,801)	-	
Expenditure	-	-	-		(1,020)	(1,020)	-	
Road Capital Total	(2,989)	(2,812)	176	6%	(6,821)	(6,821)	-	

Road Asset Management

Revenue	(490)	(473)	18	4%	(945)	(945)	-	
Expenditure	4,130	4,808	677	14%	9,613	9,556	(57)	-13- Vacant positions and an underspend in depreciation expense due to timing of capitalisation of assets.
Road Asset Management Total	3,640	4,335	695	16%	8,668	8,611	(57)	



TRANSPORTATION FINANCIAL SUMMARY

Transportation Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date to December 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Road Capital								
Roading Renewals	992	2,239	1,247	56%	4,478	4,478	-1-	Timing of works as most renewals occur in Q3 of the financial year.
N/S Roading Renewals	235	254	19	7%	507	507		
Gifted/Vested Assets	-	-	-		1,242	1,242		
West Quay One Way	159	-	(159)	(100)%	75	-	-2-	Committed works from previous year. Budget funding transfer to be received from the 3 Waters Activity to cover current year commitments.
CBD Development	218	192	(26)	(14)%	1,990	-		
Te Awa Structure Plan	201	190	(11)	(6)%	870	370		
Ahuriri Masterplan - Associated improvements	22	53	31	59%	106	106	-3-	Low demand on Associated Improvements funds in current year.
Ground stabilisation and retaining wall	76	70	(6)	(9)%	394	215		
Major Intersection Improvement Projects	0	-	-		-	-		
Intersection Improvement Projects	2	40	38	96%	230	79	-4-	Timing of works, however it is anticipated that this budget will be fully utilised by year-end.
Intersection Safety Improvement Projects	87	793	706	89%	1,585	1,585	-5-	Budget for Puketitiri Road - negotiations ongoing.
Local Area Traffic Management Projects	587	476	(111)	(23)%	951	951	-6-	Timing of project works are ahead of schedule.
Marine Parade Safety Improvements	0	-	-		1,663	1,902		
New Cycle and Walking Tracks	242	240	(2)	(1)%	240	-		
Puketitiri Road Upgrade	70	-	(70)	(100)%	220	-	-7-	Mispasted costs.
Urban Corridor Improvement Projects	385	74	(311)	(100)%	148	148	-8-	Transport Choices work - Programme repealed under new govt. Review required for project re-allocations and recovery from Waka Kotahi.
Ahuriri Masterplan - Thames Severn Stormwater Management	-	132	132	100%	264	264	-9-	Under investigation to assess optimal systems.
Streets for People	178	-	(178)	(100)%	-	-	-10-	Purchase of materials of which 90% is funded by Waka Kotahi.
Transport Choices	10	-	(10)	(100)%	-	-		
Total Road Capital	3,464	4,751	1,289	27%	14,962	11,848		
Total Capital Expenditure	3,464	4,751	1,289	27%	14,962	11,848		
Asset Sales	-	-	-		-	-		



Other Infrastructure

Waste Minimisation

Council provides a domestic refuse collection service for both residential and commercial properties within Napier. We effectively and efficiently remove waste from households in Napier and convey it for authorised and appropriate disposal.

We dispose of waste in a few different ways: either we pick it up from a kerbside wheelie bin or litter bin and take it straight to landfill or we take bulk waste dropped off at the Redclyffe Transfer Station to landfill.

Council also provides a domestic recycling collection service for residential properties within Napier. We effectively and efficiently remove recyclable products from households in Napier and convey them to reuse markets.

We collect recyclables in a few different ways: either we pick it up from a kerbside receptacle where it is sorted into different product streams at the kerb before being conveyed in bulk to reuse markets or we take bulk recycling dropped off at the Redclyffe Transfer Station and sort it to be repurposed.

The Local Government Act 2002 requires Council to provide “effective and efficient” waste management services. The Waste Minimisation Act 2008 requires us to reduce the environmental impact of waste in New Zealand by encouraging waste reduction. The continued provision of this service is essential to the health of Napier’s community and maintaining high environmental standards. Council delivers this “public good” service.

We also focus on advocating for, and educating about, ways to reduce the amount of waste our city produces. Reducing waste is close to the hearts and minds of the people in our community and solutions have to be relatively easy and widely acceptable. A reduction of waste being sent to landfill is not only good for the environment but would mean that Council doesn’t have to invest as much in expanding and maintaining landfills in the future.

Central government is making several significant changes to the way we manage waste across the country. Currently, a levy of \$10 is paid for every tonne of rubbish which goes to municipal landfills. The government is increasing this levy to \$60 per tonne and applying it to all types of landfills except for cleanfills and farm dumps. This is a great way to get our community thinking about other ways to reduce and reuse their rubbish, but it will mean that the cost of waste disposal will increase quite significantly. The government is also looking into options for standardising kerbside recycling across the country to avoid confusion and decrease contamination in recycling.

The most significant assets held by this activity are the Redclyffe Transfer Station (which is aging) and several closed landfills which remain in place within the city while slowly degrading.

Cemeteries

Cemeteries are important and special places in a community, they provide a functional purpose for burials and ash interments, and a place to remember loved ones who have passed, as well as provide historical and cultural connections to the

communities they serve. They also contribute to the amenity and open space function of Council’s wider parks and reserves network.

Napier City Council operates and maintains six cemeteries within the city, the oldest being ‘Old Napier Cemetery’ with its first burial in 1851 and the newest being Western Hills which opened in 1985. In total, the cemeteries comprise an area of approximately 35 hectares.

There are no crematorium facilities in Napier and there is no legislative requirement for a local authority to provide such facilities. However, Napier City Council is a governance partner in the Hawke’s Bay Crematorium which is provided and administered by Hastings District Council pursuant to the Hawke’s Bay Crematorium Act 1944. This Act sets out its governance structure including the responsibilities of the contributing local authorities.

Public Toilets

Napier City Council provides, maintains, and develops public toilet facilities to meet the needs and demands of the community and visitors to our city. Currently, the city has 48 operational public toilets.

Public toilets are provided in key areas generally related to tourism, recreation, and shopping activities. Facilities are cleaned and inspected at least daily with the emphasis on hygiene, safety, and discouragement and removal of graffiti.

OTHER INFRASTRUCTURE PERFORMANCE SUMMARY

Waste Minimisation

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
A weekly kerbside refuse collection service is provided to city residents	Weeks per year that the refuse service is available to the residents of Napier	100%	100%	52 weeks	●	
	Percentage of residents satisfied with the refuse collection in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	90%	N/A	
	Weeks per year that the recycling service is available to the residents of Napier	100%	100%	52 weeks	●	
Provision of recycling drop-off facility	Days per year where drop-off services are available to the public	100%	100%	362	●	
Availability of the user-pays refuse transfer station and associated services	Days per year where transfer station services are available to the public	100%	100%	362	●	
	Compliance with resource consents related to the transfer station and closed landfills	100%	100%	100%	●	
Availability of and attendance at waste minimisation education	Students/customers attending education sessions for the Waste Aware Programme or other education in person	1,104	1,250	>750 attendees	●	
Litter control, graffiti, and vandalism	Percentage of residents satisfied with control of litter and graffiti in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	90%	N/A	
Council promotes waste minimisation activities	Waste to landfill per capita	End of Year Measure	End of Year Measure	280 kg per capita per annum	N/A	

Cemeteries

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Cemeteries' records are well maintained and accessible	An online cemeteries records system is available 90% of the time	95%	95%	90%	●	
Cemeteries are well maintained and provide a quiet and aesthetically pleasing environment for users	Satisfaction with cemeteries as measured by the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	90%	N/A	

Public Toilets

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Public conveniences are clean hygienic, and safe	Percentage of customers who are satisfied with public toilets in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	88%	N/A	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

OTHER INFRASTRUCTURE FINANCIAL SUMMARY

Other Infrastructure Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

	Year to Date Dec 2023							Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Net Operating Expenditure									
Revenue	(5,997)	(5,573)	424	8%	(18,038)	(18,038)	-		
Expenditure	6,501	6,701	199	3%	17,398	17,360	(39)		
Depreciation	663	694	31	5%	1,388	1,388	-		
Net Operating Expenditure	1,167	1,822	655	36%	748	710	(39)		

Other Infrastructure Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

	Year to Date Dec 2023							Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Refuse									
Revenue	(4,349)	(3,968)	381	10%	(14,829)	(14,829)	-		
Expenditure	4,330	4,480	150	3%	12,648	12,610	(38)		
Refuse Total	(19)	511	531	>100%	(2,181)	(2,220)	(38)		
Public Toilets									
Revenue	(104)	(8)	97	>100%	(15)	(15)	-	-1-	Unbudgeted contribution towards renewing the Riverside Park toilet which was re-allocated as part of the expansion of the Pettigrew Arena facility.
Expenditure	650	838	187	22%	1,675	1,675	-	-2-	Reduced charges has seen a saving in costs for the first half of the financial year.
Public Toilets Total	546	830	284	34%	1,660	1,660	-		
Transfer Station									
Revenue	(1,377)	(1,427)	(50)	(4)%	(2,854)	(2,854)	-		
Expenditure	1,740	1,533	(207)	(14)%	3,066	3,066	-		
Transfer Station Total	363	106	(258)	<(100)%	212	212	-		
Cemeteries									
Revenue	(167)	(170)	(3)	(2)%	(340)	(340)	-		
Expenditure	444	545	101	19%	1,397	1,397	(0)	-3-	Staff vacancies and reduced charges has seen a saving in costs for the first half of the financial year.
Cemeteries Total	277	375	98	26%	1,057	1,057	(0)		

Other Infrastructure Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date to December 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Refuse								
Omarunui Dev Valley D	-	-	-		674	674		
Omarunui Development Plant	-	-	-		96	96		
Omarunui Dev Forestry	-	-	-		0	0		
Omarunui Dev Valleys B&C	-	-	-		1,669	1,669		
Total Refuse	-	-	-		2,439	2,439		
Public Toilets								
Infrastructure Asset Renewal	9	7	(2)	(29)%	476	476		
Total Public Toilets	9	7	(2)	(29)%	476	476		
Transfer Station								
Solid Waste Renewals	96	75	(22)	(29)%	114	98		
Redclyffe Transfer Station Cyclone Gabrielle Restoration	14	-	(14)	(100)%	-	-		
Weighbridge	2	-	(2)	(100)%	-	-		
Total Transfer Station	112	75	(38)	(51)%	114	98		
Cemeteries								
Infrastructure Asset Renewal	29	27	(2)	(7)%	108	21		
Cemetery Planting	14	11	(3)	(27)%	26	26		
Napier Cemetery Development	-	-	-		11	11		
Taradale cemetery Heritage work	-	-	-		16	16		
Cemetery Concept Plan Impelementation	33	54	20	37%	77	63		
Western Hill Extension - Stage 2	0	-	-		-	-		
Total Cemeteries	76	92	15	16%	238	137		
Total Capital Expenditure	197	173	(25)	(14)%	3,266	3,150		
Asset Sales	-	-	-		-	-		



Community and Visitor Experiences

Activities in the Community and Visitor Experiences Group include:

- Kennedy Park Resort
- Napier Conferences & Events
- Napier i-SITE Visitor Centre
- Par2 Mini Golf
- National Aquarium of New Zealand
- Napier Libraries
- Napier Municipal Theatre
- MTG Hawke's Bay
- The Faraday Museum of Technology
- McLean Park
- Reserves
- Sportsgrounds
- Napier Aquatic Centre
- Ocean Spa
- Bay Skate
- Retirement and Rental Housing
- Community Facilities (Halls)
- Community Strategies
- Engagement, and
- Events and Marketing.

Kennedy Park Resort

Kennedy Park is one of the busiest and most revisited holiday parks in New Zealand, providing over 28,000 room nights to visitors each year.

In total, it is possible for 1,400 people to be accommodated on site including those in tents and caravans.

Kennedy Park facilities are located in Storkey Street in Marewa. Kennedy Park offers a wide range of affordable accommodation types and associated facilities catering to various markets. Services provided include booking and enquiry services, guest information and assistance, maintenance of grounds and buildings, and administration.

Napier Conferences & Events

Napier Conferences & Events provides high-quality, full-service conferences and events to domestic and international clients from a number of venues throughout Napier City.

The activity operates out of the Napier War Memorial Centre, which is located on the northern end of Napier's Marine Parade, with views from Mahia Peninsular to Cape Kidnappers. It is the only purpose-built conference facility in Hawke's Bay.

Conference facilities are offered as part of Council's strategy to encourage visitors to the city and generate economic activity which is put towards investing in more efficient and effective infrastructure and public services.

Napier i-SITE Visitor Centre

Napier i-SITE Visitor Centre is an information hub that connects locals and visitors to Napier to places to stay and eat, attractions, and things to do while in the city.

The i-SITE facility is located on Marine Parade, a short walking distance from the CBD and iconic Napier sites. It houses a space to meet and chat to specialist consultants, an area dedicated to information and brochures about local businesses and tourism operators, and a gift shop.

To provide efficiencies associated with scale, Napier City needs to provide visitors with reasons to stay longer, do more, spend more, tell their friends and family, and come again. These visits generate economic activity which can be invested in the city's infrastructure and public services.

Par2 MiniGolf

Par2 MiniGolf facilities are located centrally on Napier's Marine Parade in the heart of the tourist zone beside the Napier i-SITE. Mini golf activity has been occurring on site for more than 50 years and today Par2 MiniGolf boasts two 18-hole courses and a clubhouse.

Council provides tourism facilities as part of its strategy for the economic development of Napier. Par2 MiniGolf plays an important part in the overall marketing of the city and is a family-friendly activity which is an anchor attraction to the now redeveloped Marine Parade.

National Aquarium of New Zealand

National Aquarium of New Zealand aims to provide fun, engaging experiences with close proximity to wildlife, inspiring awe and wonder about the natural world in our visitors.

Situated on Marine Parade, the aquarium is home to a range of native and exotic wildlife and includes a range of exhibits, the largest being a 1.5 million-litre oceanarium.

The aquarium provides an all-weather, exciting, interesting tourism facility for a wide range of audiences including families, domestic, and international tourists alike. We link with local community members and a range of stakeholders to help them tell their stories through our exhibits and welcome feedback to ensure we continually strive for improvement.

Mātauranga Māori and Te Ao Māori are integral to the story of the taonga in our care and are essential to include in the information and experiences we share with our visitors both digitally as well as in our physical facility.

We engage in activities such as the Zoo Aquarium Association's captive breeding programme for North Island brown kiwi and rehabilitation work for little penguins. We also aim to inform and motivate visitors and our community to take action, acting as kaitiaki, for positive outcomes for nature.

By encouraging tourism to Napier and Hawke's Bay, the aquarium helps to generate additional spend in our community



Napier Libraries

We provide easy access to informational, recreational, and educational materials, and a stimulating and pleasant library environment free of charge to the entire community.

Library services are provided to the community from two locations, Napier City and Taradale, with a variety of collections in multi-media formats and online services. The libraries support a total membership of approximately 23,000, of which some 4,500 members are resident in Hastings District (June 2019). Collection items held, as of 30 June 2019, total approximately 166,000.

Our libraries are all about empowering people to explore new ideas and build social connections within their communities. They are a place to learn and relax, and a place to feel safe and spend time without expectation of spending money.

Napier Municipal Theatre

The Napier Municipal Theatre is a leading theatre in Hawke's Bay for performances, shows, concerts, functions, and events.

Seating up to 988 patrons, the theatre has been operational on its current site in Tennyson Street since 1912. The building was destroyed in the 1931 earthquake and was rebuilt by 1938. The New Zealand Heritage List/Rārangi Kōrero declares the Municipal Theatre as a historic place. The Napier Art Deco Trust has also declared the building as a place of Art Deco significance.

The Municipal Theatre recognises and promotes an iconic building that celebrates Art Deco architecture while offering stage facilities for local, national, and international hire. This allows/provides our residents and visitors the opportunity to experience a range of theatrical, cultural, and artistic events.

MTG Hawke's Bay

MTG Hawke's Bay is the regional and premier arts and culture facility for the Hawke's Bay region. The MTG houses and cares for the region's collection under a management agreement with the Hawke's Bay Museums Trust. The museum presents and shares these collections through a series of exhibitions throughout the year including long-term galleries (1931 Earthquake display and Taonga Māori exhibition) alongside temporary exhibitions. The quality of MTG Hawke's Bay displays and activities are recognised through industry awards.

With three distinct eras of building, 1930s, 1977, and 2013, MTG Hawke's Bay is a complex building with multiple uses and activities. The Century Theatre provides the only medium-sized (330 seat) theatre in Napier, while a small retail shop and two foyer spaces generate additional revenue for the facility.

Museums and galleries help ground people in their history and provide places to learn and be inspired - showcasing culture to the community and visitors to the area. We also provide a place for people to interact and engage in a culturally safe environment as well as a tourism attraction for visitors to the city.

We care for one of the largest collections of Māori taonga in a regional facility and actively contribute to cultural understanding and connectedness through telling our stories in exhibitions developed in collaboration with Ngāti Kahungunu and the community.

The Faraday Museum of Technology

The Faraday Museum of Technology (formerly known as "The Faraday Centre") in Napier is Hawke's Bay's Museum of Technology. It cares for and displays a collection of historical technology enabling locals and visitors to discover the scientific, social, and cultural heritage that makes Napier and Hawke's Bay unique.

The Museum is housed in the historic Napier Powerhouse, built in 1911. A small team of staff and volunteers are responsible for the care of this historic building and over 20,000 objects in the collection owned by the Hawke's Bay Museums Trust.

The Museum attracts a diverse audience to share our technological heritage and ingenuity with, while providing a safe space for the community to meet and connect. As kaitiaki, Council are responsible for caring for the collection we have in our possession and sharing knowledge and the past with those who visit our museum.

McLean Park

Hosting international and national sports events, this facility provides outdoor sportsgrounds and stands, and an indoor court facility as well as administration and hospitality areas. The park also plays host to trade shows, expos, community events, and private functions.

Having a sporting venue with a capacity close to 20,000 means that Napier can compete with the likes of Auckland, Wellington, and Christchurch as a host for major sporting events. Attracting this kind of event to the city brings in revenue for local retailers, businesses, and tourism operators, which helps our city thrive.

Reserves

The Reserves Activity controls, manages, and maintains a range of parks, reserves, and public gardens of various sizes, designations, and purposes to cater to a wide range of community uses. We deliver well-maintained grounds and gardens ranging in location from coastal foreshore to formal botanical gardens. We also manage the day-to-day maintenance and operation of play equipment located throughout the city. The total land area of our reserves covers 405 hectares.

Our portfolio of reserves exists to enhance the quality of life of Napier's citizens by providing high quality passive and active recreational facilities throughout the city. As well as providing recreational areas for our community to meet and play, we support a large number of tourism events and local events which boost our local economy.

Sportsgrounds

The Sportsgrounds Activity is responsible for 213.4 hectares of sportsgrounds including a premier sportsground, Bluewater Stadium, and 14 general sportsgrounds. The even distribution of sportsgrounds around the city means that local communities have the opportunity to support and engage with local sport on their doorstep, with benefits including community spirit and pride.

We provide this activity to meet the recreational and sporting needs of our community. These services enhance the general health and wellbeing of the community where private enterprise may not be viable. In turn, we aim to provide safe and accessible recreational facilities to enhance the social and cultural wellbeing of our community.

Napier Aquatic Centre

The Napier Aquatic Centre provides the following opportunities for Napier's community:

Health and fitness – lane swimming, water-walking, aqua fitness, small group training, relaxation;

Sport development – club swimming, aquatic sports training and competition;

Leisure and play – family water play, hydroslide, outdoor splash pad, and Physical literacy – swimming lessons, holiday programmes.

Recognising the role that water can play to improve the health and wellbeing of our community, the purpose of the Napier Aquatic Centre is to develop skills, improve wellbeing, build confidence, and grow.

Ocean Spa

Council provides an outdoor complex with four heated outdoor pools and five spa pools. The facility also features a gym, small group fitness room, and café. The Napier City Council considers it important that it provides this service to bring about positive outcomes for the health and wellbeing of the community.

Bay Skate

Bay Skate is a multi-use, world-class roller sports park on Napier's Marine Parade. It caters for skateboarding, roller derby, BMX, scootering, inline hockey, roller skating, artistic skating and rollerblading.

Bay Skate is located on Marine Parade with the grandstand building comprising an entrance foyer, retail area, office, storage, and a leased area occupied by "Lick This" ice cream parlour. The outside rollersport facility comprises three zones: a rink, a wooden ramp area, and the all-new concrete bowl area, a world-class professionally designed and built series of concrete plaza-streetstyle configurations.

Retirement and Rental Housing

NCC has 377 units in 12 villages. The majority of our housing is for low-income older persons (60 years and over). There are 72 units available for low-income renters. We deliver asset and tenancy management services with in-house resources. Low-income tenants receive basic tenancy management services. The retirement villages have tenancy co-ordinators who carry out regular welfare checks on tenants as well as providing tenancy management services.

Community Facilities (Halls)

Council provides a range of community facilities that meet the recreational and social needs of the community. They are spaces where people connect, learn, socialise, and participate. There are four community halls, four community centres, and one sports centre. The halls are available for hire with discounted rates for community groups. Use of the community centres varies, but generally community groups lease the facilities and halls are either managed directly by Council or through a third party group or trust.

Community Strategies

The Community Strategies activity encompasses the following main activities:

- Community planning
- Community advice
- Community grants
- Community engagement
- Safer community (including Civil Defence).

Council works alongside our communities to support them to identify and implement solutions to the complex social issues present in our society. The team work both strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.

Engagement

NCC is responsible for making decisions about our city. Outcomes from these decisions affect our residents in different ways. It is important for people who are likely to be affected to know what could happen and to have an opportunity to tell us what they think. The Engagement Activity is the key link between Council and our community and responsible for initiating those conversations in lots of different ways, depending on the context.

Some examples of ways in which we engage the community include:

- Social media
- Newsletters, newspapers, posters, radio
- Forums, public meetings, roadshows, and
- Surveys, consultation documents, formal hearings.

Events and Marketing

Napier City Council's Events Manager works across new and existing events to assist them to grow, develop, and become sustainable. The Marketing Team provides the promotional support for a variety of events, supports all communications and consultations with the local community, and provides wider tourism support for our visitor experience facilities.

NCC plays an important role in encouraging social inclusiveness and accessibility for our diverse community. Supporting events in the local area allows us to display our unique heritage, entice visitors to stay in the area, and contribute to the local economy.

By maintaining a number of communications channels and ensuring that information about what NCC is doing (and why) is easily accessible to local people, we keep ourselves accountable and empower our community to input into our decision making.



COMMUNITY AND VISITOR EXPERIENCES

PERFORMANCE SUMMARY

Kennedy Park

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
To provide a range of high quality accommodation and related visitor experiences	Maintain Qualmark 5 star Gold Holiday Park rating	Maintain	Maintain	Maintain	●	
	Maintain Qualmark 4+ star Gold Motel rating	Maintain	Maintain	Maintain	●	
Services provided are value for money in the accommodation sector	Maintain high level of occupancy (visitor nights)	13,618	33,563	72,500 visitor nights booked per annum	●	
	Maintain high level of occupancy (room nights)	5,111	10,926	28,700 room nights booked per annum	●	
To provide a sustainable business	Average length of stay for visitors	2.72	2.38	2.0 nights in built accommodation	●	

Napier Conferences & Events

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides a quality conference and events facility which enables events and services to be hosted, contributing to the economic wellbeing of the city	Maintain Qualmark (4+ star Silver rating)	Maintain	Maintain	Maintain	●	
	Number of local, national, and international hires	140	95	350	●	

Napier i-SITE Visitor Centre

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides an i-SITE facility for visitors and locals to Napier and Hawke's Bay to deliver tourism information and tour and accommodation services	Maintain Qualmark Silver rating	Maintain	Maintain	Maintain	●	
	Visitor numbers per annum	9,403	19,901	≥150,000	●	Napier isite closed for refurbishment from 18 September, reopened 22 November

Par2 MiniGolf

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides a Mini Golf facility as a visitor attraction and for local community use, which provides high customer satisfaction and a sustainable business	Maintain Qualmark Silver rating **	Maintain	Maintain accreditation	Maintain	●	
	Visitor numbers per annum	11,515	13,107	≥45,000	●	
	Return on assets	End of Year Measure	End of Year Measure	16%	N/A	

National Aquarium of New Zealand

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide an aquarium for visitors and local citizens for recreation and education	Number of admissions	21,496	30,969	≥145,000	●	
	Maintain Qualmark Gold endorsed rating	Maintain	Maintain	Maintain	●	
	ZAA (Zoo Aquarium Association) Accreditation	Maintain accreditation	Maintain accreditation	Maintain accreditation	●	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

Libraries

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides library services, literacy support and other programmes for all ages to meet the communities' recreational, social, and educational needs	Percentage of library members who are active borrowers (in 24-month period - card use only)	39%	42%	38%	●	
	Percentage of residents satisfied with library service in the Residents' Satisfaction Survey (excluding don't knows)	End of Year Measure	End of Year Measure	88%	N/A	
	Percentage of collection that is actively used	53%	65%	75%	●	
	Number of internet sessions	70,294	57,996	195,000	●	
	Number of programme sessions delivered for all ages per year	171	150	475 sessions	●	

Napier Municipal Theatre

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides a quality performing arts venue experience for visitor and local use	Maintain Qualmark Silver rating	Maintain	Maintain	Maintain	●	
	No. of shows/ performances	22	15	65	●	

MTG Hawke's Bay

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Napier City Council provides a quality museum, theatre, and art gallery experience for local and visitor use	Visitor numbers per year	57,164	56,491	250,000 per annum	●	
	Percentage of residents satisfied with MTG Hawke's Bay in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	65%	N/A	

Faraday Centre

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides a quality technology museum that is accessible to the community	Visitor numbers per annum	5,603	4,768	22,440	●	

McLean Park

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provides a sport and recreation facility catering for a range of activities	Number of major events hosted	8	5	11	●	

Reserves

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Parks are maintained efficiently and sustainably to a standard that is appropriate to their primary use	Percentage of park users satisfied with parks and reserves in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	96%	N/A	
Playgrounds are safe, challenging, and enjoyable for both users and caregivers	All playgrounds are inspected fortnightly	100%	100%	100%	●	
Parks are maintained efficiently and sustainably to a standard that is appropriate to their primary use	Reduction in the number of service requests for remedial action in parks and reserves	66	79	Downwards trend	●	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

COMMUNITY AND VISITOR EXPERIENCES

PERFORMANCE SUMMARY CONTINUED

Sportsgrounds

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council provides a sufficient number and range of sports and recreation facilities to satisfy the needs of the community	Sport and recreation parks per 1,000 residents district wide (NZ Recreation Association guidelines require 3ha per 1,000 people)	End of Year Measure	End of Year Measure	>3ha per 1,000 people	N/A	
Sporting surfaces and facilities are well maintained and suitable for use	Percentage of those surveyed who are satisfied with sportsgrounds in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	89%	N/A	
Sports facilities support the event industry within the city	Events held on the sportsgrounds per annum	71	70	>50	●	

Napier Aquatic Centre

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide aquatic facilities that focus on accessibility and safety	Number of users using the centre each year	43,585	37,777	175,000	●	User numbers down this quarter due to Ivan Wilson pool closed the month of October for maintenance.
	Water testing results are always within the safe parameters according to the New Zealand Standard for Pool Water Quality NZS 5826:2010	97%	97%	100%	●	Tests out of range are treated immediately. Target of 100% is unachievable.
	Maintain Poolsafe accreditation standard	Maintained	Maintained	Maintain accreditation	N/A	
	Maintain nationally accredited QSS (Quality Swim School) standard	Maintained	Maintained	Maintain accreditation	N/A	

Marine Parade Pools

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
The Marine Parade Pools complex is a safe recreational facility for the community	Water testing results are always within the safe parameters according to the New Zealand Standard for Pool Water Quality NZS 5826:2010	100%	90%	100%	●	Tests out of range are treated immediately. Target of 100% is unachievable.

Bay Skate

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide a facility to cater for a range of roller sports activities	Visitor numbers per year (entry passes sold)	5,229	5,205	27,500	●	
	Deliver between 8-12 events per year	2	5	Between 8 and 12	●	

Housing

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide affordable and safe housing that meets the needs of tenants	Percentage of tenants satisfied with service	End of Year Measure	End of Year Measure	85%	N/A	
	Number of unit inspections(each unit inspected once per year)	95 inspections	91 inspections	304 retirement	●	
Maximise the occupancy and use of housing and village halls	Occupancy rate - retirement	96%	95%	90%	●	
	Occupancy rate - rental	94%	95%	90%	●	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

Community Facilities (Halls)

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide affordable indoor facilities that meet the social, leisure, and cultural needs of the community	Percentage of community hireage for halls directly managed by Council	82%	81%	85%	●	
	Percentage of customers satisfied with halls directly managed by Council	98%	Annual survey	95%	N/A	

Community Strategies

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Develop effective strategies, policies, and initiatives that support community wellbeing	Number of local community events per year	19	13	50	●	
Provide quality advice, information, and support to community groups and agencies, and help build a strong community and voluntary sector	Number of community training and network meetings facilitated each year	1	9	20	●	
	Percentage of attendees satisfied with community training and network meetings	100%	100%	96%	●	
Promote safety in response to issues and priorities in the community	Percentage of residents who perceive they are safe or very safe in Napier (source: Biannual Social Monitor Survey)	52%	Biannual survey	75%	N/A	

Events & Marketing

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council works with strategically targeted new and existing events to assist them to grow, develop, and become sustainable	Economic impact of events funded under the Council events strategy	\$3.5 Million	\$2.57 Million	\$12 million	●	
We keep people informed, make it easy for people to interact, engage, and transact with Council. We listen and act on the needs of the people	Satisfaction with Council communication in the Annual Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	Above the 2023 set level in the NZ Benchmarking Survey	N/A	

Engagement

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Provide high quality information to the public to empower communities to participate in the decision-making process	The percentage of residents satisfied with the amount of public consultation undertaken in the Residents' Satisfaction Survey	End of Year Measure	End of Year Measure	75%	N/A	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%

COMMUNITY AND VISITOR EXPERIENCES FINANCIAL SUMMARY

Community and Visitor Experiences Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Revenue	(12,943)	(11,263)	1,680	15%	(22,963)	(22,408)	554	-1-	Cyclone recovery revenue.
Expenditure	22,449	21,468	(981)	(5)%	43,657	40,103	(3,554)		
Depreciation	4,773	4,975	202	4%	9,950	9,950	-		
Net Operating Expenditure	14,280	15,180	900	6%	30,644	27,644	(3,000)		

Community and Visitor Experiences Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
McLean Park									
Revenue	(319)	(373)	(54)	(14)%	(772)	(772)	(0)	-2-	Timing of income for NZC events in December/January.
Expenditure	593	362	(231)	(64)%	724	701	(23)	-3-	Invoice roll over from Q1. Higher than expected contractor costs due to events.
McLean Park Total	274	(11)	(285)	<(100)%	(49)	(72)	(23)		
Bay Skate									
Revenue	(137)	(134)	3	2%	(268)	(268)	-		
Expenditure	348	402	54	13%	803	707	(95)	-4-	Timing of expenditure will come through in Q3.
Bay Skate Total	212	268	57	21%	535	440	(95)		
Grants									
Revenue	(52)	(33)	20	60%	(65)	(65)	-	-5-	Additional grants from Creative NZ and Xmas Cheer Donations.
Expenditure	667	675	8	1%	1,125	1,652	527		
Grants Total	615	643	28	4%	1,059	1,587	527		
Community Facilities									
Revenue	(297)	(280)	17	6%	(816)	(461)	354		
Expenditure	151	163	12	7%	341	258	(83)		
Community Facilities Total	(146)	(117)	29	25%	(475)	(204)	272		
Community Advice									
Revenue	(50)	-	50		-	-	-		
Expenditure	549	635	86	14%	1,269	1,277	8	-6-	The under-spending in this period can be attributed to staff vacancies.
Community Advice Total	499	635	136	21%	1,269	1,277	8		

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Emergency Management									
Revenue	(2,031)	(750)	1,281	>100%	(1,500)	(1,500)	-	-7-	Unbudgeted cyclone recovery revenue.
Expenditure	1,406	941	(464)	(49)%	1,883	1,625	(258)	-8-	Unbudgeted cyclone recovery costs.
Emergency Management Total	(626)	191	817	>100%	383	125	(258)		
Libraries									
Revenue	(85)	(90)	(5)	(5)%	(161)	(161)	-		
Expenditure	1,223	1,520	297	20%	3,034	2,852	(182)	-9-	The under-spending in this period can be attributed to staff vacancies.
Libraries Total	1,138	1,430	292	20%	2,874	2,692	(182)		
Napier Aquatic Centre									
Revenue	(450)	(460)	(10)	(2)%	(920)	(920)	0		
Expenditure	1,593	1,506	(87)	(6)%	2,735	2,473	(262)		
Napier Aquatic Centre Total	1,143	1,046	(97)	(9)%	1,814	1,552	(262)		
Marine Parade Pools									
Revenue	(1,417)	(1,009)	408	40%	(2,017)	(2,017)	(0)	-10-	Initial budgets set with no visibility of previous years visitation/data
Expenditure	2,215	1,588	(627)	(39)%	3,167	1,886	(1,281)	-11-	Initial budgets set with no visibility of previous years visitation/data
Marine Parade Pools Total	799	580	(219)	(38)%	1,150	(131)	(1,281)		
National Aquarium of NZ									
Revenue	(1,183)	(1,280)	(97)	(8)%	(2,699)	(2,699)	-	-12-	Reduced visitation than anticipated with subsequent reduction in cafe and retail spend.
Expenditure	1,990	2,045	55	3%	4,155	3,941	(213)	-13-	Reduced operational expenditure to offset reduced revenue.
National Aquarium of NZ Total	807	765	(42)	(5)%	1,456	1,242	(213)		
Par 2 MiniGolf									
Revenue	(221)	(243)	(22)	(9)%	(484)	(484)	(0)		
Expenditure	120	165	45	27%	348	242	(106)	-14-	Reduced operational expenditure
Par 2 MiniGolf Total	(101)	(77)	23	30%	(137)	(242)	(106)		
Napier Conferences & Events									
Revenue	(983)	(1,112)	(129)	(12)%	(2,234)	(2,234)	(0)	-15-	Business events slow down in December and the venue closes for 2 weeks.
Expenditure	1,213	1,303	90	7%	2,604	2,470	(133)		
Napier Conferences & Events Total	230	191	(39)	(21)%	370	237	(133)		
Napier Municipal Theatre									
Revenue	(300)	(265)	35	13%	(488)	(488)	-	-16-	More bookings than anticipated for this quarter.
Expenditure	724	833	109	13%	1,662	1,547	(116)	-17-	The under-spending in this period can be attributed to staff vacancies.
Napier Municipal Theatre Total	424	568	144	25%	1,174	1,059	(116)		

COMMUNITY AND VISITOR EXPERIENCES

FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Napier i-SITE Visitor Centre									
Revenue	(330)	(393)	(63)	(16)%	(641)	(441)	200	-18-	Reduced visitation than anticipated with subsequent reduction in retail sales and bookings.
Expenditure	409	537	127	24%	1,070	1,017	(53)	-19-	Reduced operational expenditure to offset reduced revenue.
Napier i-SITE Visitor Centre Total	79	144	65	45%	429	576	147		
Kennedy Park									
Revenue	(1,725)	(1,892)	(167)	(9)%	(4,232)	(4,232)	(0)		
Expenditure	1,609	1,659	50	3%	3,311	3,137	(173)		
Kennedy Park Total	(116)	(233)	(117)	(50)%	(922)	(1,095)	(173)		
Communications & Marketing									
Revenue	-	-	-	-	-	-	-		
Expenditure	584	625	41	7%	1,248	1,246	(2)		
Communications & Marketing Total	584	625	41	7%	1,248	1,246	(2)		
Events									
Revenue	(6)	-	6		-	-	-		
Expenditure	615	503	(111)	(22)%	849	771	(79)	-20-	Q2 is part of the busy events season which supports major events such as Christmas, New Year's Eve and Iron Maori.
Events Total	609	503	(105)	(21)%	849	771	(79)		
Marketing									
Revenue	-	-	-	-	-	-	-		
Expenditure	102	155	53	34%	360	360	(0)	-21-	The under-spending in this period can be attributed to staff vacancies.
Marketing Total	102	155	53	34%	360	360	(0)		
MTG Faraday Centre									
Revenue	(65)	(91)	(26)	(28)%	(181)	(181)	-	-22-	Sale of merchandise has not gained the expected traction which is the contributing factor to the revenue shortfall.
Expenditure	309	372	62	17%	741	601	(139)	-23-	The under-spending in this period can be attributed to staff vacancies.
MTG Faraday Centre Total	244	281	36	13%	560	420	(139)		

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
MTG Hawke's Bay									
Revenue	(802)	(826)	(24)	(3)%	(1,651)	(1,651)	-		
Expenditure	2,462	2,441	(21)	(1)%	5,191	5,102	(89)		
MTG Hawke's Bay Total	1,660	1,615	(45)	(3)%	3,540	3,451	(89)		
Housing - Retirement									
Revenue	(1,292)	(977)	315	32%	(1,953)	(1,953)	-	-24-	Rent increases in October 2023 were not factored into budget at the beginning of the fiscal year.
Expenditure	1,877	1,390	(487)	(35)%	2,779	2,776	(3)	-25-	Started building maintenance ahead of schedule.
Housing - Retirement Total	585	413	(172)	(42)%	825	823	(3)		
Housing - Rental									
Revenue	(328)	(266)	62	23%	(532)	(532)	-	-26-	Rent increases in October 2023 were not factored into budget at the beginning of the fiscal year.
Expenditure	516	382	(134)	(35)%	764	764	-	-27-	Started building maintenance ahead of schedule.
Housing - Rental Total	188	116	(72)	(62)%	232	232	-		
Sportsgrounds									
Revenue	(492)	(438)	54	12%	(604)	(604)	0	-28-	Additional revenue as a result of higher usage of sports fields in the first half of the financial year.
Expenditure	2,432	2,716	284	10%	5,958	5,431	(527)	-29-	Seasonal costs expected to be incurred in the second half of the financial year.
Sportsgrounds Total	1,940	2,278	338	15%	5,353	4,826	(527)		
Reserves									
Revenue	(377)	(354)	23	7%	(743)	(743)	-		
Expenditure	3,513	3,523	10	0%	7,489	7,217	(272)		
Reserves Total	3,136	3,169	33	1%	6,747	6,475	(272)		

COMMUNITY AND VISITOR EXPERIENCES

FINANCIAL SUMMARY CONTINUED

Community and Visitor Experiences Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Sportsgrounds								
Sportsgrounds - Infra Renewal	132	104	(28)	(27)%	571	571		
McLean Park Facility Renewals	36	75	39	52%	402	402	-1-	Timing of some renewals works are behind schedule, however it is anticipated that this budget will be fully utilised by year-end.
McLean Park light tower upgrades	-	-	-		79	79		
McLean Park re-turf	0	-	-		-	-		
Safety Projects/CPTED	-	-	-		32	32		
Centennial Hall Flood Restoration	0	-	-		-	-		
McLean Park Digital Screen	2	-	(2)	(100)%	-	-		
Neighbourhood Parks Upgrades	-	-	-		232	232		
New Pathways	33	42	9	21%	42	42		
New Shade Areas	-	21	21	99%	21	21		
Park Island Central Revelopment	193	190	(3)	(2)%	200	-		
Park Island Northern Revelopment	7	20	13	65%	1,057	1,057		
Playground Development	330	322	(8)	(2)%	347	-		
Petane Domain Basketball Half Court	26	-	(26)	(100)%	-	-		
Total Sportsgrounds	759	775	15	2%	2,983	2,436		
McLean Park								
Minor Capital Items	-	-	-		-	53		
Minor Capital	-	13	13	98%	160	-		
McLean Park - Changing Rooms Upgrade (FIFA Woman's World Cup)	69	-	(69)	(100)%	-	-	-2-	Project completed pre womens world cup.
McLean Park - Centennial Hall Gutter	-	-	-		250	-		
McLean Park - Chapman Stand Seats renewal	17	-	(17)	(100)%	-	-		
McLean Park - Air Conditioning Units (Harris Stand) McLean P	-	-	-		36	-		
Total McLean Park	86	13	(73)	(100)%	446	53		

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Reserves								
Infrastructure Asset Renewal	617	515	(102)	(20)%	515	454	-3-	Timing of some renewal works are ahead of schedule.
Coastal Erosion	-	-	-		629	629		
Foreshore Planting	8	10	2	21%	21	21		
Marine Parade renewals	242	384	141	37%	853	432	-4-	Timing of some renewals works are behind schedule, however it is anticipated that this budget will be fully utilised by year-end.
Planting	71	70	(1)	(1)%	74	74		
Riparian Planting	-	-	-		21	21		
Playground Renewals	351	133	(218)	(100)%	211	211	-5-	Overspend to be offset with the Urban Growth funding line below.
BOF Disability Strategy S822	35	34	(1)	(3)%	86	-		
Reserves Vested Assets	-	-	-		317	317		
Passive Recreation Reserves	0	-	-		-	-		
BOF Dog Lead Hooks S822	-	-	-		10	-		
Whakarire Ave Rock Revetment	2,459	2,419	(40)	(2)%	2,536	1,268		
Sea Wall Viewing Window	1	-	(1)	(100)%	-	-		
Urban Growth	56	243	187	77%	634	634	-6-	Underspend to be offset with the Playground Renewals funding deficit line above.
Western Hill Pathway development	304	280	(24)	(9)%	467	127		
Ahuriri Estuary Projects	62	111	49	44%	1,222	621	-7-	Timing of some project works are behind schedule, however it is anticipated that this budget will be fully utilised by year-end.
Anderson Park Upgrade Stage 2	32	-	(32)	(100)%	-	-	-8-	Expenditure posted to incorrect project.
Destination Playground Stage 2	29	29	(1)	(4)%	958	285		
Allen Berry Future Development	-	-	-		93	93		
Total Reserves	4,267	4,226	(41)	(1)%	8,647	5,188		
Bay Skate								
Bay Skate Renewals	-	17	17	98%	39	26		
Park equipment	18	-	(18)	(100)%	-	-		
Skate ramps	-	-	-		15	-		
Sound System	0	-	-		5	-		
Bay Skate Ramps	9	-	(9)	(100)%	-	-		
Plaza-style Skating Deck	-	-	-		100	100		
Increasing Shaded Areas	34	34	-		37	-		
Total Bay Skate	62	51	(10)	(20)%	197	127		

COMMUNITY AND VISITOR EXPERIENCES

FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023						Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Community Facilities								
Halls Renewals	-	31	31	99%	62	18	-9-	Waiting on project estimates before work can start.
Taradale Town Hall internal refurbishment	38	70	32	45%	211	211	-10-	Waiting for a project estimate on fixing the roof before work can start.
Memorial Square Building Development	9	343	334	97%	1,472	211	-11-	Project delays due to discovery of asbestos.
Maraenui Community Space	-	-	-		96	-		
Minor Capital Items	-	32	32	100%	63	63	-12-	Waiting on project estimates before work can start.
Total Community Facilities	47	476	429	90%	1,905	504		
Libraries								
Library Renewals	-	7	7	97%	16	11		
Library Building Renewals	-	6	6	94%	13	12		
Library Stock	119	186	67	36%	330	317	-13-	Library stock delays from overseas supplier.
Robson Collection Donations	-	1	1	100%	1	1		
Napier Library Rebuild	1,150	457	(692)	(100)%	2,095	634	-14-	Project cost timing and balancing over multiple cost centres.
Taradale Library Minor Work	2	-	(2)	(100)%	-	-		
Minor Capital Items	-	3	3	100%	21	11		
Technology Services Upgrade	-	25	25	99%	51	51		
Total Libraries	1,271	685	(585)	(85)%	2,528	1,036		
Napier Aquatic Centre								
Napier Aquatic Centre I.A.R.	75	75	-		2,160	2,431		
General Renewals	13	13	-		222	-		
Napier Aquatic Centre expansion	-	-	-		528	528		
Total Napier Aquatic Centre	88	88	-		2,911	2,959		
Marine Parade Pools								
Marine Pde Pools Renewals	-	21	21	99%	42	42		
Ocean Spa Upgrade	31	-	(31)	(100)%	-	-	-15-	Project works not all complete in previous financial year. Project to be funded by savings on other projects across Council this financial year.
Ocean Spa Minor Capital	5	-	(5)	(100)%	-	-		
Total Marine Parade Pools	36	21	(15)	(71)%	42	42		

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
National Aquarium of NZ								
Aquarium Renewals	158	230	73	32%	523	523	-16-	Planning work continuing with delivery in Q3 and Q4
Building Renewals	37	-	(37)	(100)%	-	-	-17-	Project continued from last year - budget overspend to be managed at year end.
Minor Capital Items	11	7	(4)	(56)%	11	11		
Total National Aquarium of NZ	206	238	32	13%	534	534		
Par 2 MiniGolf								
Par 2 MiniGolf Renewals	-	2	2	100%	10	3		
Par2 Building Renewals	-	3	3	86%	44	14		
Par2 Building Upgrade	25	2	(23)	(100)%	3	3		
Minor Capital Items	-	2	2	100%	28	6		
Total Par 2 MiniGolf	25	8	(16)	(100)%	85	27		
Napier Conferences & Events								
CC Renewals	-	-	-		76	-		
CC Building Renewals	-	8	8	95%	84	34		
AV Equipment Upgrades	43	26	(16)	(61)%	101	53		
Gene Hoist	-	-	-		-	-		
War Memorial	695	-	(695)	(100)%	-	-	-18-	Project overspend to be funded by savings on other projects across Council this financial year
Minor Capital Items	9	26	17	66%	106	63		
Total Napier Conferences & Events	747	61	(686)	(100)%	367	150		
Napier Municipal Theatre								
NMT Renewals	34	53	20	37%	391	106		
Minor Capital Items	-	16	16	100%	99	63		
Total Napier Municipal Theatre	34	69	36	52%	490	169		

COMMUNITY AND VISITOR EXPERIENCES

FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Napier i-SITE Visitor Centre								
i-SITE Renewals	-	-	-		64	-		
i-Site Alterations	549	454	(95)	(21)%	454	-	-19-	Project over run, have approached isite NZ for additional funding
Minor Capital Items	4	3	(2)	(76)%	101	11		
Office Equipment	-	-	-		-	-		
Total Napier i-SITE Visitor Centre	553	457	(97)	(21)%	619	11		
Kennedy Park								
Kennedy Park Renewals	39	54	16	29%	109	109		
Upgrade TV Infrastructure	36	18	(18)	(100)%	18	-		
Main Ablution Block	-	-	-		42	-		
Minor Capital Items	28	34	6	18%	872	612		
Total Kennedy Park	103	106	4	4%	1,040	721		
MTG Faraday Centre								
Faraday Centre Building Upgrade	3	3	-		541	-		
Seismic Strengthening	-	-	-		271	271		
Minor Capital Items	8	9	1	11%	16	11		
Total MTG Faraday Centre	12	12	1	8%	829	282		
MTG Hawke's Bay								
MTG Renewals	20	32	12	38%	63	63		
CC Building Renewals	2	-	(2)	(100)%	304	304		
Century Theatre Balustrade	-	21	21	99%	42	42		
Minor Capital	1	13	12	91%	40	53		
Total MTG Hawke's Bay	23	66	43	65%	449	463		

Figures are shown in thousands (\$,000)

Capital	Year to Date Dec 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Housing - Retirement								
Retirement Housing Renewals	153	264	111	42%	528	528	-20-	Expenditure posted to incorrect project - work required to ensure housing units are habitable.
Minor Capital Projects	343	47	(296)	(100)%	94	94	-21-	Expenditure posted to incorrect project - work required to ensure housing units are habitable.
HH Heat pumps	15	-	(15)	(100)%	-	-		
Total Housing - Retirement	512	311	(200)	(64)%	622	622		
Housing - Rental								
Rental Housing Renewals	-	-	-		(5)	211		
Minor Capital Projects	57	11	(46)	(100)%	22	22	-22-	Expenditure posted to incorrect project - work required to ensure housing units are habitable.
Total Housing - Rental	57	11	(46)	(100)%	17	234		
Total Capital Expenditure	8,806	9,365	564	6%	24,713	15,557		
Asset Sales	-	-	-		-	-		



Property Assets

Parklands Residential Development

Parklands Residential Development is a multi-stage residential development delivered by Napier City Council.

The subdivision has been split into four areas and encompasses 120 hectares of former Lagoon Farm land. Area 3 (235 lots) is expected to be completed at the end of 2023, and Area 4 (the final area comprising approximately 203 sections) is expected to be completed in 2027.

Residential development in Napier has historically been delivered via private developers, but after a series of planned developments had not proceeded, the city faced a critical shortage of available building lots. NCC saw the opportunity to become actively involved in making land available via the Lagoon Farm land. The development of Parklands also creates an income stream for NCC to assist with projects that will benefit the community as a whole and reduces the reliance on ratepayer funding.

Lagoon Farm

The Lagoon Farm Activity is a low-impact commercial farm operated on the former Ahuriri lagoon bed landholding south of the current estuary channel. The farm currently operates as a sheep farm with some paddocks leased out for hay cropping on a seasonal basis. The land is to be retained by NCC for potential future residential, commercial, or recreational development.

The farm comprises 289 hectares total area with 40 hectares used for roads, fencing, and storage areas.

This activity covers the costs of land retention and, wherever possible, provides a supplementary revenue stream for NCC to fund coastal amenities and maintenance. It also provides a number of other ancillary amenities to the general public and community of Hawke's Bay, for example recreational

cycleway access into the estuary zone and a site for blokarting activities. Approximately one-quarter of the area of the farm adjacent to the lower Purimu Stream is low lying and provides ponding capacity for the Napier stormwater system during extreme weather events.

Inner Harbour

The Inner Harbour provides NCC-owned berthage facilities and the Nelson Quay Boat Ramp for both commercial fishing vessels and recreational vessels and craft including the Sailing Waka. The Inner Harbour also provides the location for the Napier Sailing Club and the Hawke's Bay Sports Fishing Club, both of which occupy Council-owned land on a lease basis.

The Inner Harbour provides a channel to the open sea, which the Council is required to dredge to ensure it remains navigable. The waters within the Inner Harbour are also used by a variety of other water-based users from the wider community, while some of the Council wharves and jetties are used by the public for recreational fishing.

Responsibility for managing the Inner Harbour transferred to the Napier City Council as an integral part of local government reorganisation in 1989.

Property and Investment Assets

This activity is responsible for the management of leases and licences that have been established for parks, reserves, sportsgrounds, roads, commercial, industrial, and residential properties. The majority of leases within the Leasehold Land Portfolio are perpetually renewable.

Buildings Asset Management

Napier City Council owns approximately 350 buildings used to provide services to residents, visitors, and staff. These buildings have a total replacement value of over \$230M. The Building Asset Management Activity provides:

- Buildings with Building Warrants of Fitness;
- Basic building maintenance programmes;
- Contract management of specialist providers to undertake Warrant of Fitness inspections and maintenance;
- Coordination of reactive maintenance;
- Building condition assessments to develop high level building renewal plans, and
- Professional building-related advice.

Council is required by several key pieces of legislation to ensure the buildings in its portfolio are safe and healthy. Not only that, buildings are important assets NCC can harness to support the health and wellbeing of the community. When looked after well, our buildings can minimise our impact on our environment and provide spaces for a wide range of community activities.

PROPERTY ASSETS PERFORMANCE SUMMARY

Parklands Residential Development

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Residential lots are created to provide an expanding residential development to meet the demand for the sections	Number of sections sold and developed	0	11 Sold	Developed: 46	●	11 sold and zero developed. These 11 sections were developed last financial year and relate to stage 8. The target for 2023/24 relates to Area 4, however due to Covid19 and Cyclone Gabrielle stages 9 to 12 have been delayed and therefore the 2023/24 target will not be achieved.

Lagoon Farm

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Lagoon Farm ensures stewardship of Council's 289 hectare land holding on the Ahuriri Lagoon Bed	Farm revenue will cover the cost of retaining the land as measured by the operating budget and Napier City Council annual internal financial statements for year ended 30 June each year	\$119,771 surplus	\$23,355 surplus	Revenue exceeds expenditure (prior to internal chargebacks)	●	Farm bred lambs have now been sold. Hay production is underway and will reflect in Q3 results.

Inner Harbour

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
To provide and maintain Inner Harbour facilities to enable the safe berthing of commercial and recreational vessels	Dredging is carried out as required so the channel is maintained to a minimum depth of 2.4 m at lowest tide (source: depth sound checks)	Achieved	Achieved	Achieved	●	

No. of Permanent Berths	98	98	98	●	
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Buildings Asset Management

Level of service	Performance measures	First Quarter	Second Quarter	Target 2023/24	Indicator	Comment
Council maintains and renews all Council buildings to ensure buildings remain safe, in good condition, and fit for purpose	Buildings with compliance schedules under the Building Act 2004 which have current Building Warrants of Fitness	100%	100%	100%	●	

Performance Indicators: ● Achieved ● In progress and on target ● Within 10% ● Not achieved, greater than 10%



PROPERTY ASSETS FINANCIAL SUMMARY

Property Assets Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Revenue	(6,180)	(4,629)	1,551	34%	(16,361)	(16,361)	0	-1-	Average price of Parklands sections sales higher than budgeted.
Expenditure	5,501	5,223	(278)	(5)%	16,498	15,884	(614)		
Depreciation	1,195	667	(529)	(79)%	1,333	1,333	-	-2-	Higher depreciation expense than budgeted as a result of the June 2023 asset revaluations which saw some asset values increase significantly.
Net Operating Expenditure	516	1,261	745	59%	1,470	856	(614)		

Property Assets Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Property Support									
Revenue	(0)	(1)	(0)	(79)%	(1)	(1)	-		
Expenditure	2,131	1,827	(304)	(17)%	3,633	3,828	196	-3-	Insurance premiums more than budgeted.
Property Support Total	2,131	1,826	(304)	(17)%	3,632	3,827	196		
Property Holdings									
Revenue	(1,620)	(1,484)	136	9%	(3,225)	(3,225)	(0)		
Expenditure	1,671	1,400	(271)	(19)%	2,495	2,495	(0)	-4-	Additional building maintenance costs.
Property Holdings Total	51	(84)	(135)	<(100)%	(730)	(730)	(0)		
Building Asset Management									
Revenue	-	-	-		-	-	-		
Expenditure	47	52	5	9%	306	306	(0)		
Building Asset Management Total	47	52	5	9%	306	306	(0)		

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Inner Harbour									
Revenue	(156)	(190)	(34)	(18)%	(379)	(379)	-	-5-	Due to changes in the commercial fishing industry there are now fewer commercial vessels based in Napier.
Expenditure	998	623	(374)	(60)%	2,052	1,247	(806)	-6-	Higher depreciation expense than budgeted for as a result of the June 2023 asset revaluations which saw some asset values increase significantly.
Inner Harbour Total	842	434	(408)	(94)%	1,673	867	(806)		
Lagoon Farm									
Revenue	(261)	(644)	(383)	(60)%	(644)	(644)	-	-7-	All farm bred lambs have now been sold and the harvest of hay is underway - hay sales will be reflected in Q3
Expenditure	(14)	304	318	>100%	608	604	(4)	-8-	Minimal expenditure to date - lambs for fattening and resale will start in Q3
Lagoon Farm Total	(275)	(340)	(65)	(19)%	(37)	(40)	(4)		
Parklands Area 3									
Revenue	(4,143)	(2,310)	1,833	79%	(12,112)	(12,112)	0	-9-	Section sales behind what was budgeted, however average section sales price higher than budgeted section price
Expenditure	1,864	1,680	(185)	(11)%	8,731	8,731	(0)	-10-	Section sales behind what was budgeted
Parklands Area 3 Total	(2,279)	(630)	1,648	>100%	(3,381)	(3,381)	(0)		
Parklands Area 4									
Revenue	-	-	-		0	-	(0)		
Expenditure	-	3	3	100%	7	7	(0)		
Parklands Area 4 Total	-	3	3	100%	7	7	(0)		

PROPERTY ASSETS

FINANCIAL SUMMARY CONTINUED

Property Assets Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Capital	Year to Date to December 2023				Revised Budget	Annual Plan	Notes	Comments
	Actual	Revised Budget	Variance	% Variance				
Lagoon Farm								
Asset Purchases	22	-	(22)	(100)%	-	-		
Total Lagoon Farm	22	-	(22)	(100)%	-	-		
Property Holdings								
Civic Buildings Upgrade	11	13	2	15%	565	-		
Pandora Pond Buildings	208	79	(129)	(100)%	79	-	-1-	Cost split of walkway and car park contract to be looked into further.
Building Purchase	-	-	-		1,854	-		
Minor Capital Items	-	-	-		65	-		
Total Property Holdings	219	92	(127)	(100)%	2,562	-		
Building Asset Management								
Assessment and compliance projects	-	-	-		206	-		
Total Building Asset Management	-	-	-		206	-		
Inner Harbour								
IH Facilities Renewals	469	-	(469)	(100)%	-	-	-2-	Emergency Works to Jull Wharf from 2022/23 posted to incorrect line.
Ahuriri Masterplan - Iron Pot Public Access	129	128	(1)	(1)%	2,200	-		
Inner Harbour Project - Iron Pot Upgrade	473	942	469	50%	2,461	423	-3-	Emergency Works to Jull Wharf from 2022/23 posted to incorrect line (offset above).
Total Inner Harbour	1,072	1,070	(1)	(0)%	4,661	423		
Total Capital Expenditure	1,575	1,162	(414)	(36)%	7,430	423		
Asset Sales	-	-	-		-	-		



Support Units

Council has a number of cost centres of a corporate or support nature. These cost centres provide the technical and support services necessary for the function of Council's activities. Costs of the support services are reallocated to activities either as overheads based on the support each activity receives, or recharged direct on a usage basis.

Support Services include the Services Depot, which provides support for the Utilities and Reserves divisions including a store and mechanical workshop. Design Services provides scientific and technical services to other Council departments ensuring the community receives engineering services of maximum quality and safety.



SUPPORT UNITS

FINANCIAL SUMMARY

Support Units Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023							Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Revenue	(1,309)	(1,022)	286	28%	(1,922)	(1,922)	-	-1-	Unbudgeted Better off Funding revenue.
Expenditure	13,058	14,680	1,623	11%	26,195	23,440	(2,755)	-2-	Labour vacancies.
Depreciation	937	1,425	488	34%	2,850	2,850	-	-3-	Depreciation lower than budgeted, capital projects yet to be completed.
Net Operating Expenditure	12,686	15,082	2,397	16%	27,122	24,367	(2,755)		

Support Units Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023							Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Community Development Admin									
Revenue	-	-	-		-	-	-		
Expenditure	522	520	(3)	(1)%	1,029	988	(42)		
Community Development Admin Total	522	520	(3)	(1)%	1,029	988	(42)		
Planning Support Services									
Revenue	(472)	(1)	471	>100%	(1)	(1)	-	-4-	Unbudgeted Better off Funding revenue.
Expenditure	504	817	312	38%	1,631	1,783	151	-5-	Under-spend in this period is attributed to staff vacancy.
Planning Support Services Total	32	816	784	96%	1,630	1,781	151		
Chief Executive									
Revenue	(2)	-	2		-	-	-		
Expenditure	550	584	34	6%	(2,416)	(1,937)	479		
Chief Executive Total	548	584	36	6%	(2,416)	(1,937)	479		
Council									
Revenue	(4)	(2)	3	>100%	(3)	(3)	-		
Expenditure	692	709	17	2%	1,807	1,770	(37)		
Council Total	688	708	20	3%	1,804	1,767	(37)		
Director Corporate Services									
Revenue	-	-	-		-	-	-		
Expenditure	461	345	(116)	(34)%	689	830	141	-6-	Unbudgeted employee and consultant.
Director Corporate Services Total	461	345	(116)	(34)%	689	830	141		

SUPPORT UNITS

FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Business Excellence and Transformation									
Revenue	-	-	-		-	-	-		
Expenditure	710	891	181	20%	1,602	1,576	(26)	-7-	Under-spend in this period is attributed to staff vacancy.
Business Excellence and Transformation Total	710	891	181	20%	1,602	1,576	(26)		
Human Resources									
Revenue	-	-	-		-	-	-		
Expenditure	1,464	1,544	80	5%	3,173	3,197	24		
Human Resources Total	1,464	1,544	80	5%	3,173	3,197	24		
C.I.T.									
Revenue	(131)	(125)	5	4%	(193)	(193)	-		
Expenditure	3,511	3,592	81	2%	7,600	7,361	(238)		
C.I.T. Total	3,381	3,467	86	2%	7,406	7,168	(238)		
Finance Services									
Revenue	(93)	(101)	(8)	(8)%	(137)	(137)	-		
Expenditure	2,203	2,404	202	8%	4,994	3,787	(1,206)		
Finance Services Total	2,110	2,303	193	8%	4,857	3,651	(1,206)		
Environmental Solutions									
Revenue	(12)	(11)	1	9%	(21)	(21)	-		
Expenditure	344	516	172	33%	1,031	1,031	-	-8-	Timing of actual expenditure incurred against monthly cost re-allocations.
Environmental Solutions Total	332	505	173	34%	1,010	1,010	-		
Asset Administration									
Revenue	(72)	(77)	(6)	(7)%	(155)	(155)	-		
Expenditure	2,193	2,947	754	26%	5,460	4,858	(602)	-9-	Under-spend in this period is attributed to staff vacancy.
Asset Administration Total	2,121	2,870	749	26%	5,305	4,703	(602)		

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Services Administration									
Revenue	-	-	-		-	-	-		
Expenditure	721	705	(16)	(2)%	1,409	1,361	(47)		
Services Administration Total	721	705	(16)	(2)%	1,409	1,361	(47)		
Utilities Operations									
Revenue	(221)	(606)	(385)	(63)%	(1,211)	(1,211)	-	-10-	Delays in invoicing of HBRC for pump station maintenance - new contract signed 2024 and now invoiced.
Expenditure	(442)	33	475	>100%	55	(277)	(332)	-11-	Lower than budgeted staff costs and improved recoveries of staff time.
Utilities Operations Total	(663)	(573)	91	16%	(1,156)	(1,488)	(332)		
Parks Operations									
Revenue	(104)	(42)	62	>100%	(84)	(84)	-	-12-	Includes charges for nursery bedding plants
Expenditure	(156)	(159)	(3)	(2)%	(327)	(616)	(289)		
Parks Operations Total	(260)	(200)	59	30%	(410)	(700)	(289)		
Mechanical Services									
Revenue	1	-	(1)		-	-	-		
Expenditure	22	(79)	(101)	<(100)%	(160)	(168)	(9)	-13-	Increased costs associated with repairs to a number of major plant items
Mechanical Services Total	23	(79)	(102)	<(100)%	(160)	(168)	(9)		
Building Maintenance									
Revenue	16	(1)	(17)	<(100)%	(2)	(2)	-		
Expenditure	17	(26)	(43)	<(100)%	(53)	(47)	6	-14-	Improved recovery of costs
Building Maintenance Total	32	(28)	(60)	<(100)%	(55)	(50)	6		
Stores									
Revenue	(3)	(7)	(5)	(63)%	(14)	(14)	-		
Expenditure	(30)	(53)	(23)	(43)%	(107)	(105)	2		
Stores Total	(33)	(61)	(28)	(46)%	(121)	(119)	2		
Plant and Vehicles									
Revenue	-	(50)	(50)	(100)%	(100)	(100)	-	-15-	No losses recognised on plant disposals to date
Expenditure	(831)	(359)	472	>100%	(718)	(718)	-	-16-	Lower than budgeted depreciation charges
Plant and Vehicles Total	(831)	(409)	422	>100%	(818)	(818)	-		

SUPPORT UNITS

FINANCIAL SUMMARY CONTINUED

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2023				Revised Budget	Annual Plan	Variance	Notes	Comments
	Actual	Revised Budget	Variance	% Variance					
Project Management									
Revenue	(1)	-	1		-	-	-		
Expenditure	606	396	(210)	(53)%	788	712	(75)	-17-	Less chargeable hours to offset expenditure due to staff vacancies.
Project Management Total	605	396	(209)	(53)%	788	712	(75)		
Finance Leases									
Revenue	-	-	-	-	-	-	-		
Expenditure	345	451	105	(345)	901	901	-	-18-	Depreciation lower than budgeted, capital projects yet to be completed.
Finance Leases Total	345	451	105	23%	901	901	-		
DIA Three Waters Transition									
Revenue	(210)	-	210	210	-	-	-	-19-	Unbudgeted transition funding received to cover costs of transition.
Expenditure	210	-	(210)	(210)	-	-	-	-20-	Unbudgeted transition funding received to cover costs of transition.
DIA Three Waters Transition Total	(0)	-	0		-	-	-		
Strategic Programmes									
Revenue	-	-	-	-	-	-	-		
Expenditure	377	328	(49)	(377)	656	-	(656)	-21-	New unbudgeted role.
Strategic Programmes Total	377	328	(49)	(15)%	656	-	(656)		

Support Units Capital by Activity as at December 2023

Figures are shown in thousands (\$,000)

Year to Date to December 2023

Capital	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
Asset Administration								
Minor Capital Items	0	-	-		-	-		
Minor Capital Items MMTP	18	-	(18)	(100)%	-	-		
Total Asset Administration	18	-	(18)	(100)%	-	-		
Services Administration								
Depot General Renewals	1	16	15	95%	43	32		
Depot Building Renewals	30	31	1	3%	39	15		
Asset Register Items	-	7	7	100%	21	13		
Total Services Administration	30	54	23	43%	102	60		
Plant and Vehicles								
P & V Renewal Purchases	683	476	(207)	(44)%	951	951	-1-	Timing of delivery of Plant and Vehicles
Total Plant and Vehicles	683	476	(207)	(44)%	951	951		
Planning Support Services								
Minor Capital S630	42	-	(42)	(100)%	-	-	-2-	Budget transfer required.
Total Planning Support Services	42	-	(42)	(100)%	-	-		
Chief Executive								
Minor Capital Items	-	-	-		9	74		
Total Chief Executive	-	-	-		9	74		
Director Corporate Services								
Minor Capital Items	0	-	-		-	-		
Total Director Corporate Services	0	-	-		-	-		
C.I.T.								
Software Replacements and Upgrades	-	-	-		-	85		
Street Management (CCTVs)	1	-	(1)	(100)%	-	-		
Software Replacements and Upgrades - S800	-	-	-		-	-		
New business Improvement Modules - S800	32	42	10	24%	140	-		
Innovation Tools - S800	-	-	-		162	-		
Web CMS Silverstripe Upgrade	102	100	(2)	(2)%	300	-		
Corporate IT Network	9	7	(2)	(29)%	14	14		
Total C.I.T.	144	149	5	3%	615	98		
Finance Services								
Minor Capital Items	0	-	-		-	-		
Total Finance Services	0	-	-		-	-		
Finance Leases								
Technology Equipment Minor Capital	611	582	(29)	(5)%	1,586	713		
Total Finance Leases	611	582	(29)	(5)%	1,586	713		
Total Capital Expenditure	1,528	1,260	(268)	(21)%	3,264	1,897		
Asset Sales	(104)	-	-		-	-		

RATES AND SPECIAL FUNDS FINANCIAL SUMMARY

Rates and Special Funds Activity Group Financial Summary as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date				Dec 2023			Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Revenue	(26,069)	(25,253)	816	3%	(50,507)	(50,523)	(16)		
Expenditure	247	906	659	73%	1,814	1,814	-	-1-	External interest lower than budgeted due to lower than budgeted borrowings.
Depreciation	-	-	-		-	-	-		
Net Operating Expenditure	(25,822)	(24,347)	1,475	6%	(48,692)	(48,709)	(16)		

Rates and Special Funds Financial Summary by Activity as at December 2023

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date				Dec 2023			Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Variance		
Rates									
Revenue	(25,365)	(25,253)	112	0%	(50,507)	(50,523)	(16)		
Expenditure	2	-	(2)		-	-	-		
Rates Total	(25,363)	(25,253)	109	0%	(50,507)	(50,523)	(16)		
Special Funds									
Revenue	(704)	-	704		-	-	-		
Expenditure	(34)	(119)	(85)	(71)%	(239)	(239)	-	-2-	Prior year provision reversal current years provision completed at year end.
Special Funds Total	(738)	(119)	619	>100%	(239)	(239)	-		
Loans									
Revenue	-	-	-		0	-	(0)		
Expenditure	279	1,025	746	73%	2,053	2,053	-	-3-	External interest lower than budgeted due to lower than budgeted borrowings.
Loans Total	279	1,025	746	73%	2,053	2,053	(0)		

PEOPLE AND CAPABILITY REPORT

HEALTH, SAFETY & WELLBEING

Health safety and Wellbeing initiatives

Staff participated in the following health, safety and wellbeing initiatives during the quarter.

- The Councils partnership with Mates4Life (M4L) continued to strengthen through the last quarter of 2023. In November, Kaimahi from M4L provided breakfast and shared their expertise with workers at the Depot for improving mental resilience and to ensure they are aware that several colleagues were trained in psychological safety aiding.
- There are now 48 safety aiders across Napier City Council. The next step in the M4L programme in 2024 is to provide Aroā (awareness) training for all staff across the Council.
- Council continues to provide employee assistance programmes to all staff and their whānau using two providers. OCP is a counsellor-based service to access employees experiencing distress utilising counsellors, and the other provider Umbrella focuses on increasing worker capability to cope with stressful situations using psychologists.

Health, Safety and wellbeing Training

- Within Q2 we have implemented a new online module training system called SafetyHub. On this online platform we can send modules to NCC staff for numerous items such as; Office Ergonomics, Fire Safety, Workplace Aggression, Workplace Health and Wellbeing and many more.
- We have also brought a select amount of training in-house such as; Aggressive Customer Training performed by City Assist, Hazardous Substances, Chemical Awareness and Pre-Qualification training performed by the Health and Safety Team. This results in a lower cost for the overall compliance training budget..

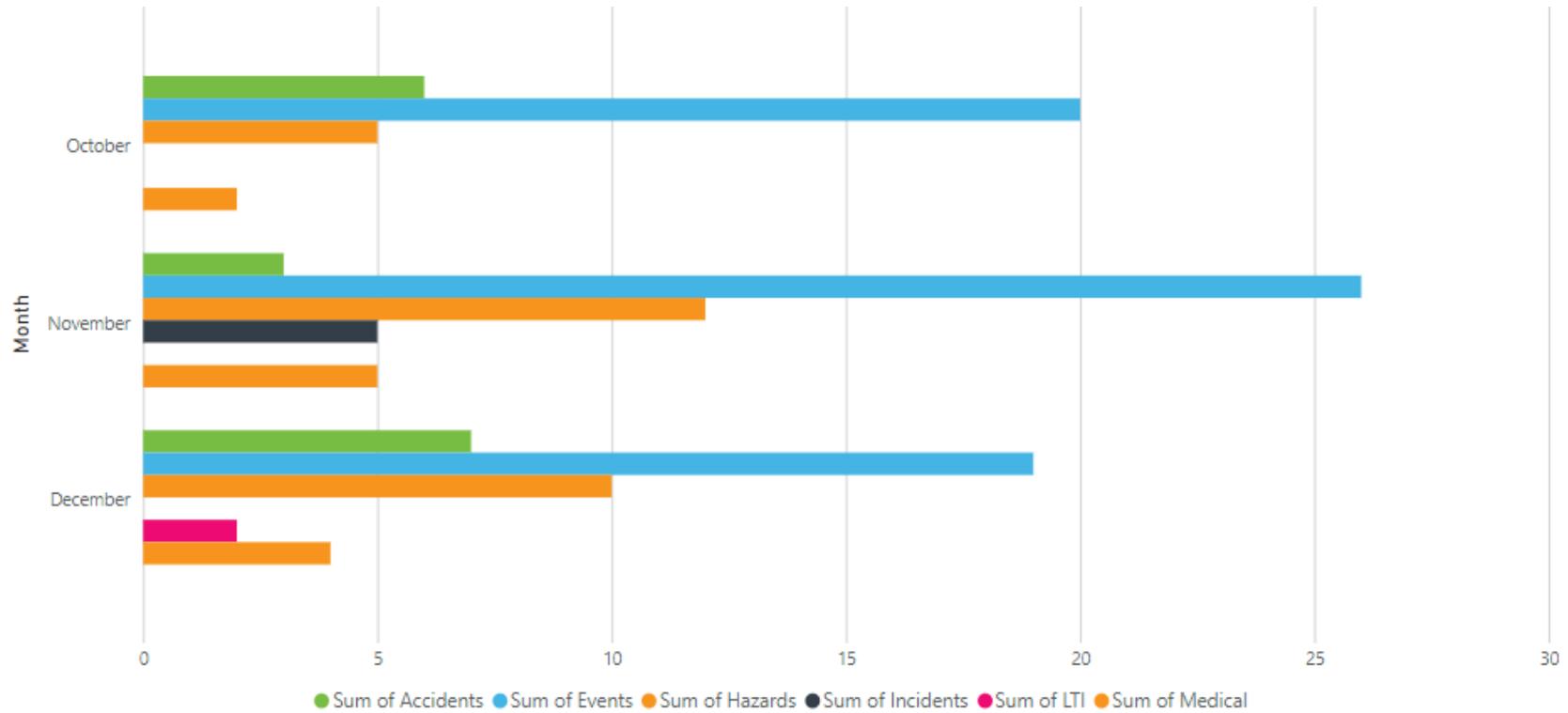
Training

Competency	Attendees
First Aid	x35
TMO-NP	x4
Working at Heights	x1
AED & Oxygen Therapy	x39
Aggressive Customer	x27
TTM Worker	x2
Hazardous Substances	x4
Confined Space	x9
SOP 302	x17
SOP 030	x4
SOP 298	x17
TTM Worker	x2
Asbestos Awareness	x22
Aggressive Customer	x27
Workstation Assessment	x3
Inspector (Traffic Management)	x3
STMS Cat A	x5
TMO-P	x1
Chemical Awareness	x1
Cardan Shaft	x17
SWMS 58	x7
SOP 090	x17

PEOPLE AND CAPABILITY REPORT

HEALTH, SAFETY & WELLBEING

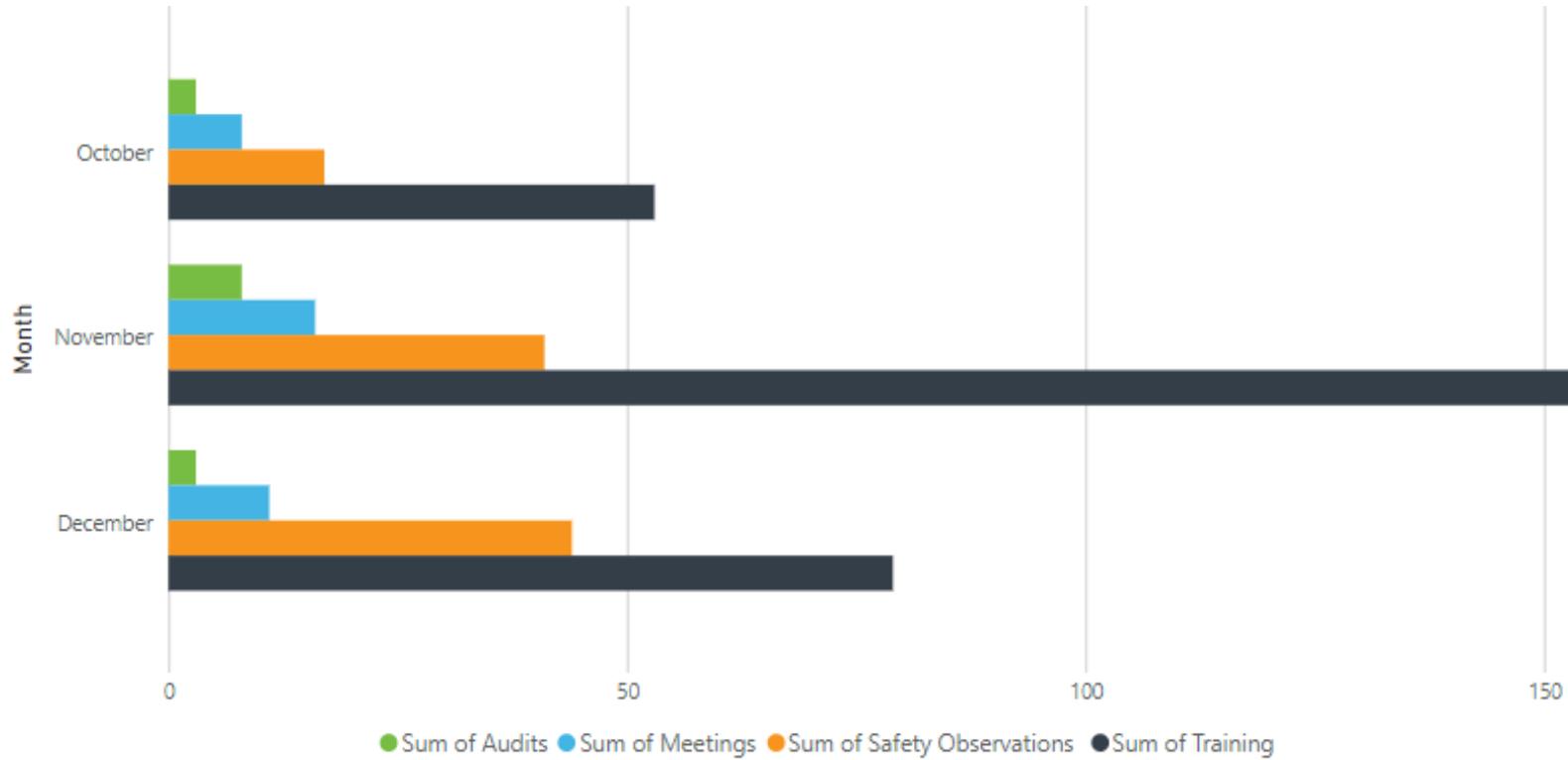
Employees - Lagging Indicators



PEOPLE AND CAPABILITY REPORT

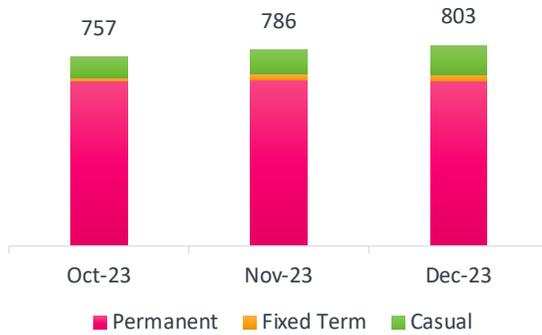
HEALTH, SAFETY & WELLBEING

Employees - Leading Indicators

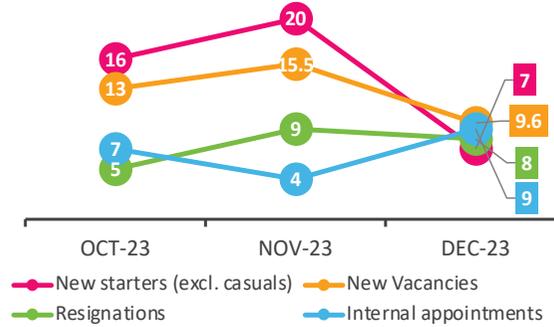


PEOPLE AND CAPABILITY REPORT

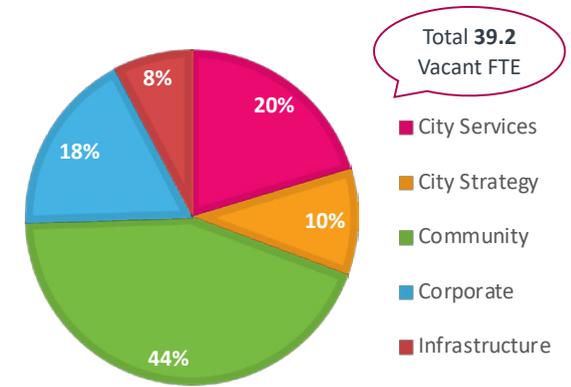
Employee Numbers Q2



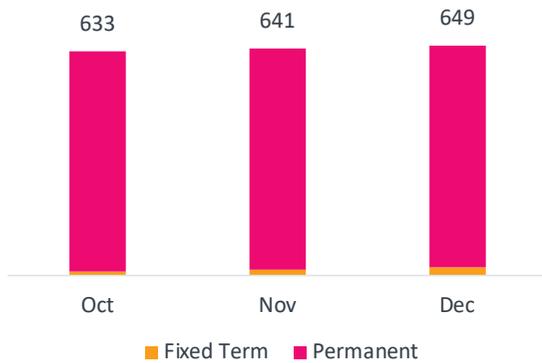
People Patterns



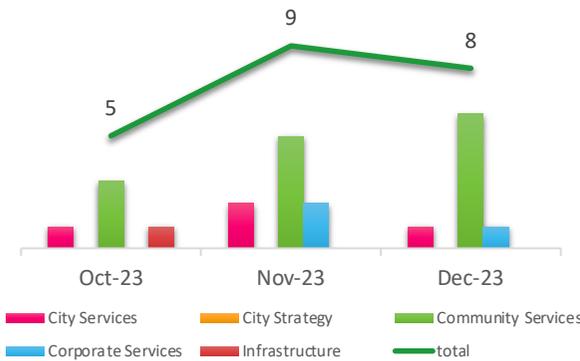
Vacant FTE As at DEC-23



FTEs Q2



Directorate Resignations



PEOPLE AND CAPABILITY REPORT

Q2 Union Status

	Negotiations Commenced	Agreement/Variation Ratified	Agreement Valid Until
PUP	Jun-23 Remuneration Review	July-2023 Pay Tables	Jun-24
PSA/MTG	Sep-23	Negotiations ongoing	Oct-23
SA	Sept-23 Remuneration Review	Feb 24 Pay tables	Sep-24

Q2 Value Champions

Total Q2 value champion winners: 2

Winners by nomination type:

Nomination Type	Total
Individual	17
Team	3

Winners by values:

Value	Total
Integrity	2
Customer and Community Service	7
Excellence	11
Safety Contribution	-

Q2 Staff Service Milestones

Years Service	Total Number of Staff
5	8
10	-
15	4
20	2
25	1
30	1
35	-
40	1
45+	-



CITY STRATEGY REGULATORY ACTIVITY REPORT

Building Consents

218 Building consents were issued this quarter with an estimated value of \$81,324,673. There were 136 total new dwellings. This compares to 223 building consents and 46 total new dwellings in the same quarter of the previous financial year.

Building processing timeframes:

180 out of 218 consents were issued within the correct timeframe for this quarter.

Resource Consents:

This quarter saw 54 Resource Consents processed (15 subdivision and 27 land use) in comparison to 69 total Resource Consents (42 subdivision and 27 land use) in the 2022-23 Financial Year.

Resource Consent processing timeframes:

98% of all applications were processed within the correct timeframe for this quarter.

Animal Control

Infringement Notices Issued:

36 infringements were issued this quarter compared to 64 in the 2022-23 financial year. Dog Registrations at the end of the quarter were 7,720 compared to 7,855 at the same period in the 2022-23 financial year.

Impounding Activity:

267 dogs have been impounded this financial year. Of these, 125 were returned to their owner, 21 were rehomed and 85 dogs were euthanised. This compares to 90 dogs euthanised in the same period last year. Of the dogs that were euthanised, 19 failed their temperament assessment, 23 displayed menacing breed behaviour, 0 were dead on arrival and 27 were surrendered due to aggression, attacking/biting or behavioural issues.

Dog Attack:

Of the reports of dog attacks on humans, there were 5 serious attacks and 8 minor attacks in this quarter. Each of these were investigated and appropriate action was taken.

Parking

Infringements Issued:

3,870 infringement notices were issued this quarter. Of these 1,219 (31%) have been paid and 320 (8%) have been cancelled.

Parkmate:

The total transactions for this quarter was 61,166 which is up from the same quarter in the 2022-23 Financial Year that saw a total of 60,991 transactions.

Environmental Health

Noise Complaints:

There were 790 noise complaints received this quarter compared to 644 complaints in the same quarter in the 2022-23 financial year. 5 infringement notices were issued compared to 12 in the previous year.

Liquor Licencing:

There were 118 applications issued this quarter compared to 125 in the same period of the previous financial year. These applications comprised of 71 Managers Certificates, 35 Special Licences and 12 premise licences.

Freedom Camping:

This quarter there have been 3,407 recorded freedom camping vehicles which is an increase compared to 2,299 in the same quarter of the 2022-23 financial year. There have been 71 infringement notices issued this quarter.

Napier Assist

The total number of Napier Assist interactions recorded this quarter was 975. The majority of interactions are for retailer and facility check-ins, however outside of these regular check-ins, the most interactions for the quarter were homeless (128), public assistance (77) and graffiti (41).

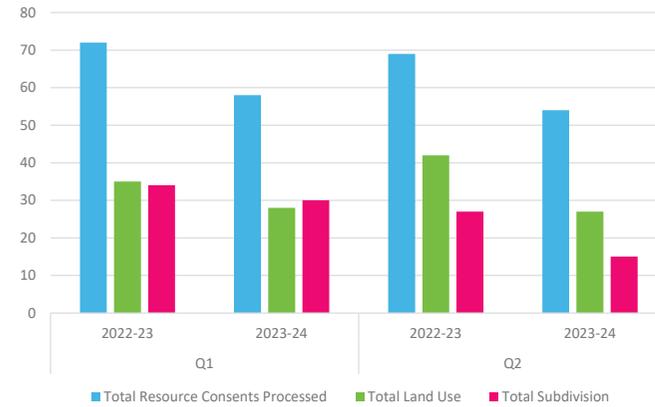
CITY STRATEGY REGULATORY ACTIVITY REPORT

BUILDING AND RESOURCE CONSENTS

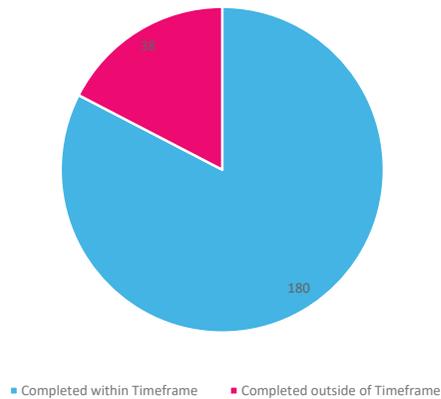
Building Consents Issued
2023-24



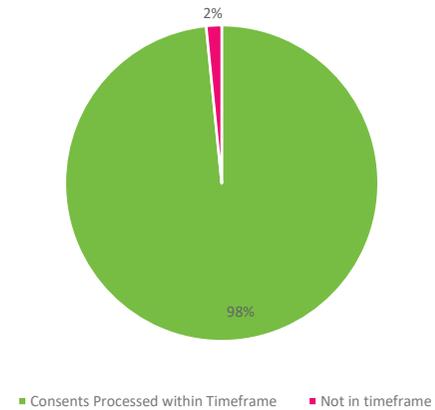
Resource Consents Activity
2023-24



Building Timeframes
2023-24



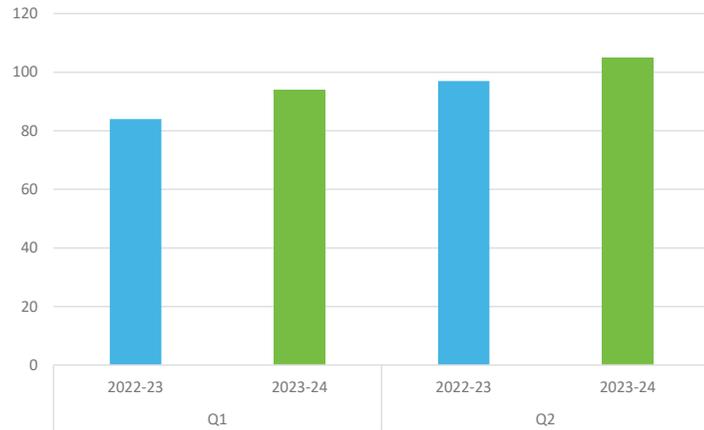
Resource Consent Timeframes
2023-24



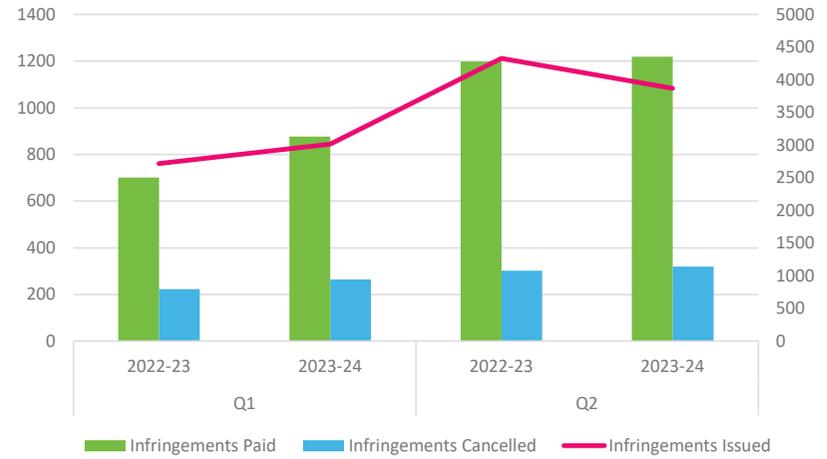
CITY STRATEGY REGULATORY ACTIVITY REPORT

LIMS, PROPERTY FILES AND PARKING

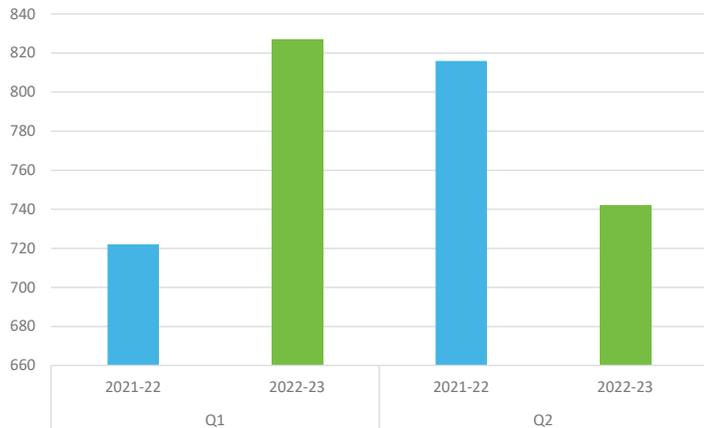
Total Number of LIMs Issued
2023-24



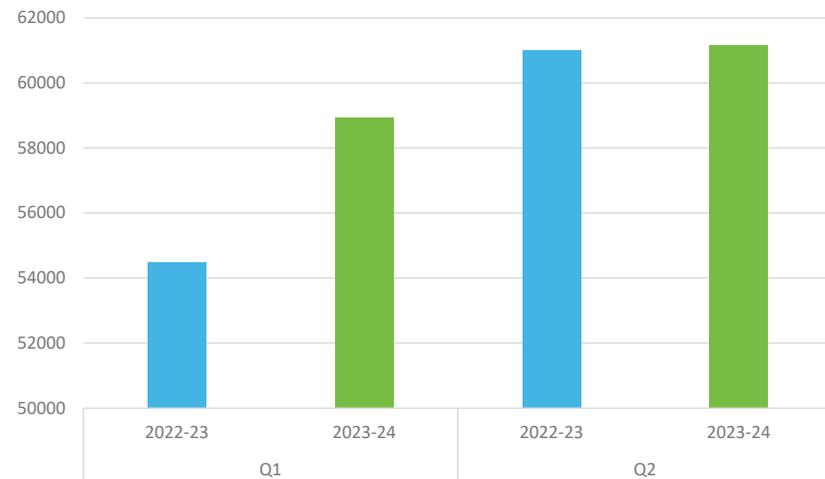
Parking Infringements
2023-24



Total Number of Property Files Requested
2023-24



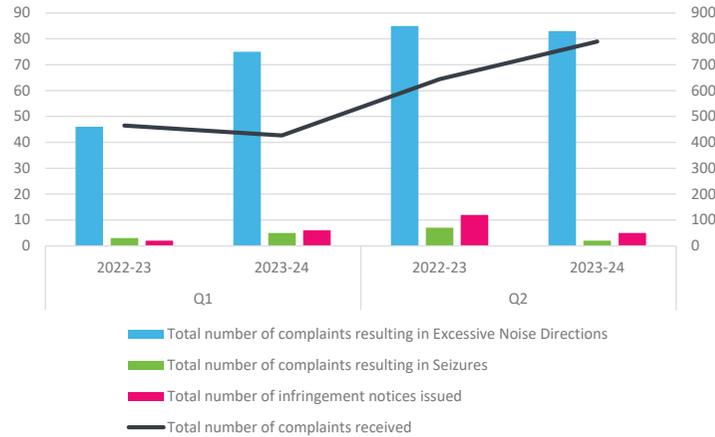
Parkmate Transactions
2023-24



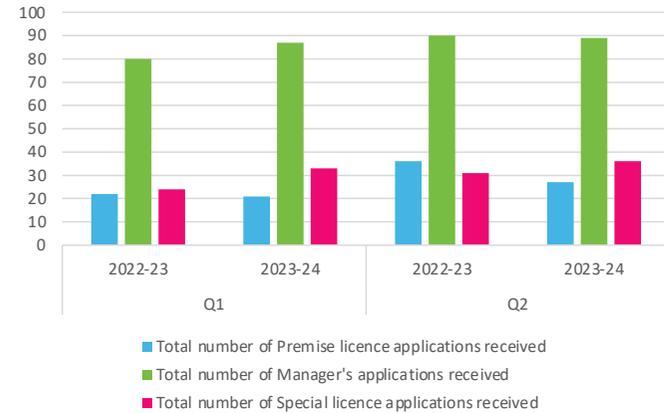
CITY STRATEGY REGULATORY ACTIVITY REPORT

ENVIRONMENTAL HEALTH

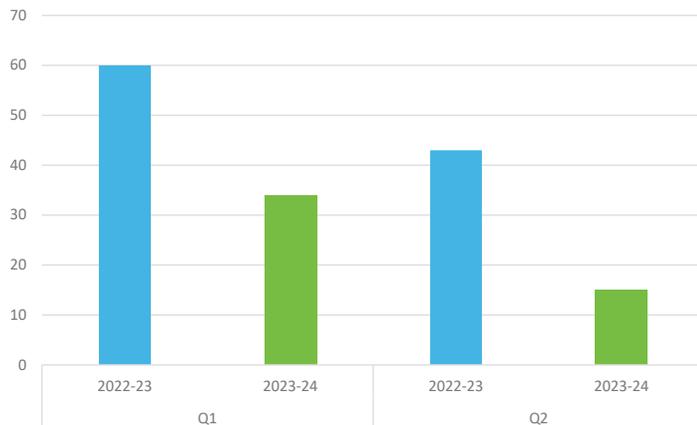
Noise Complaints and Outcomes
2023-24



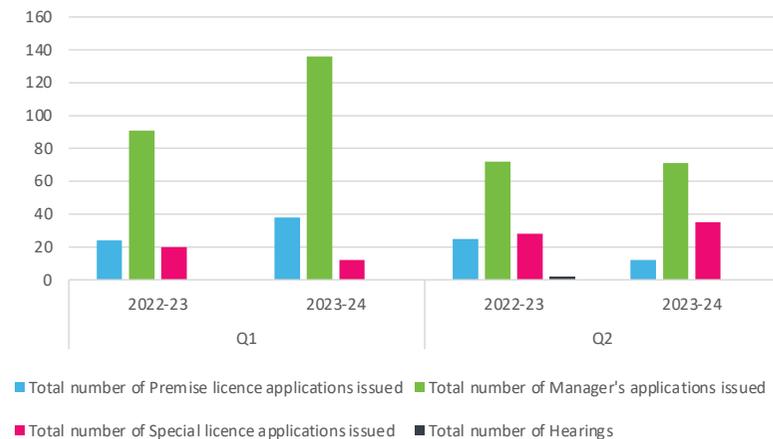
Liquor Licensing Applications Received
2023-24



Food Act 2014 Audits Completed
2023-24



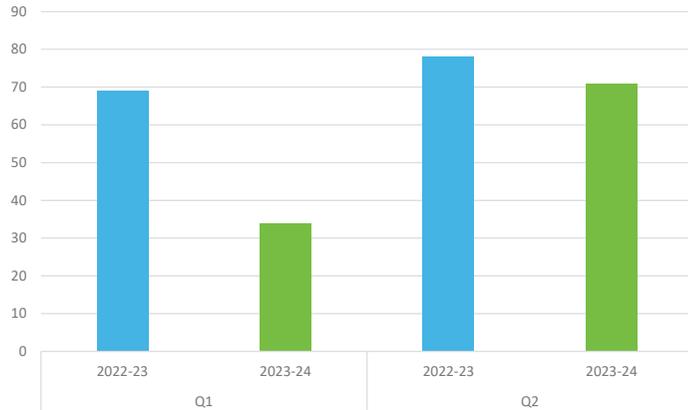
Liquor Licensing Applications Issued
2023-24



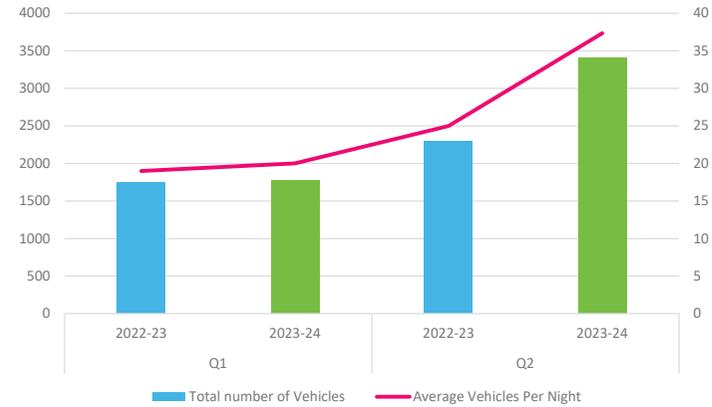
CITY STRATEGY REGULATORY ACTIVITY REPORT

ENVIRONMENTAL HEALTH CONTINUED

Freedom Camping Infringements Issued
2023-24



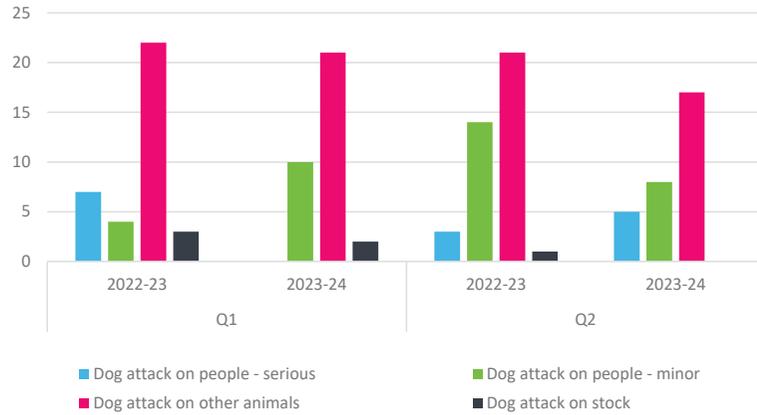
Freedom Camping Recorded Vehicles
2023-24



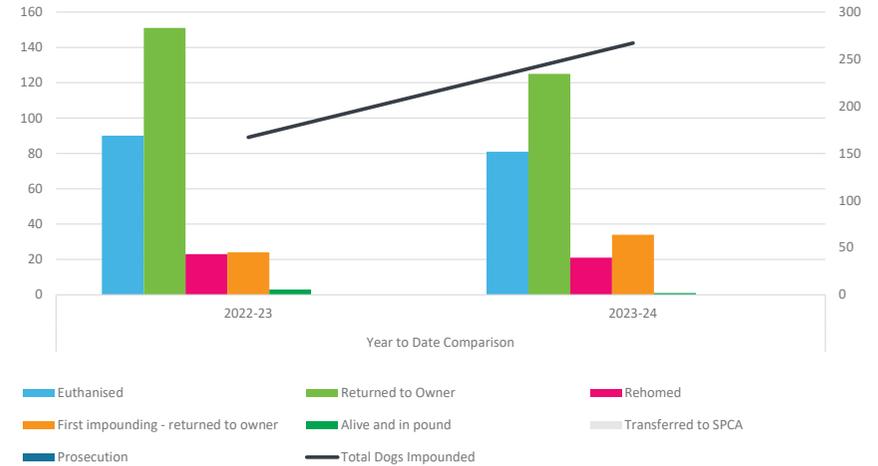
CITY STRATEGY REGULATORY ACTIVITY REPORT

ANIMAL CONTROL

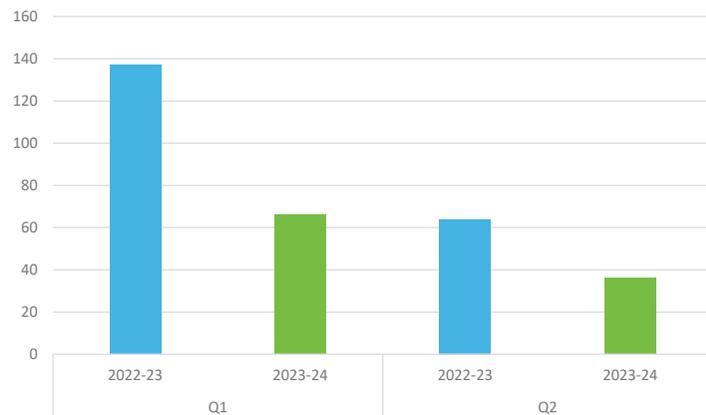
Dog Attack Report
2023-24



Animal Control Impounding Activity
2023-24



Dog Infringement Notices Issued
2023-24



QUARTERLY SERVICE REQUEST REPORT

The following provides a high level overview of what our customers contact us about. Not all customer contacts are requests for service, but if a customer requires information or a service that cannot be immediately provided by Council staff, it is entered into the Service Request system and passed through to the person who is able to action that request. Service Requests cover a wide range of customer requests, including complaints and compliments about our services, request for advice or information, and maintenance enquiries.

Questions about the data are best answered by the responsible Directorate.

Here is a description of the Service Request categories:

- **Animal Control** - requests relating to animal and dog control
- **Building** - related to building consents
- **Cemeteries** - request related to cemetery operations
- **City Services** - Depot, requests regarding maintenance of our assets and infrastructure
- **Customer Services** - request for the Customer Service team
- **Environmental Health** - requests related to food and alcohol licences, bylaws, and general compliance
- **External Organisations** - request for service from contractors used by Council for services i.e. Waste Management
- **Housing** - requests related to Council's housing tenancies
- **Infrastructure Other** - requests related to environmental matters, 3 waters, parks and reserves
- **Infrastructure Services** - requests related to roading
- **Parking** - requests related to parking
- **Planning** - requests related to resource management planning
- **Plant** - requests about Council equipment
- **Property** - requests related to Council-owned properties
- **Rates** - requests related to rating

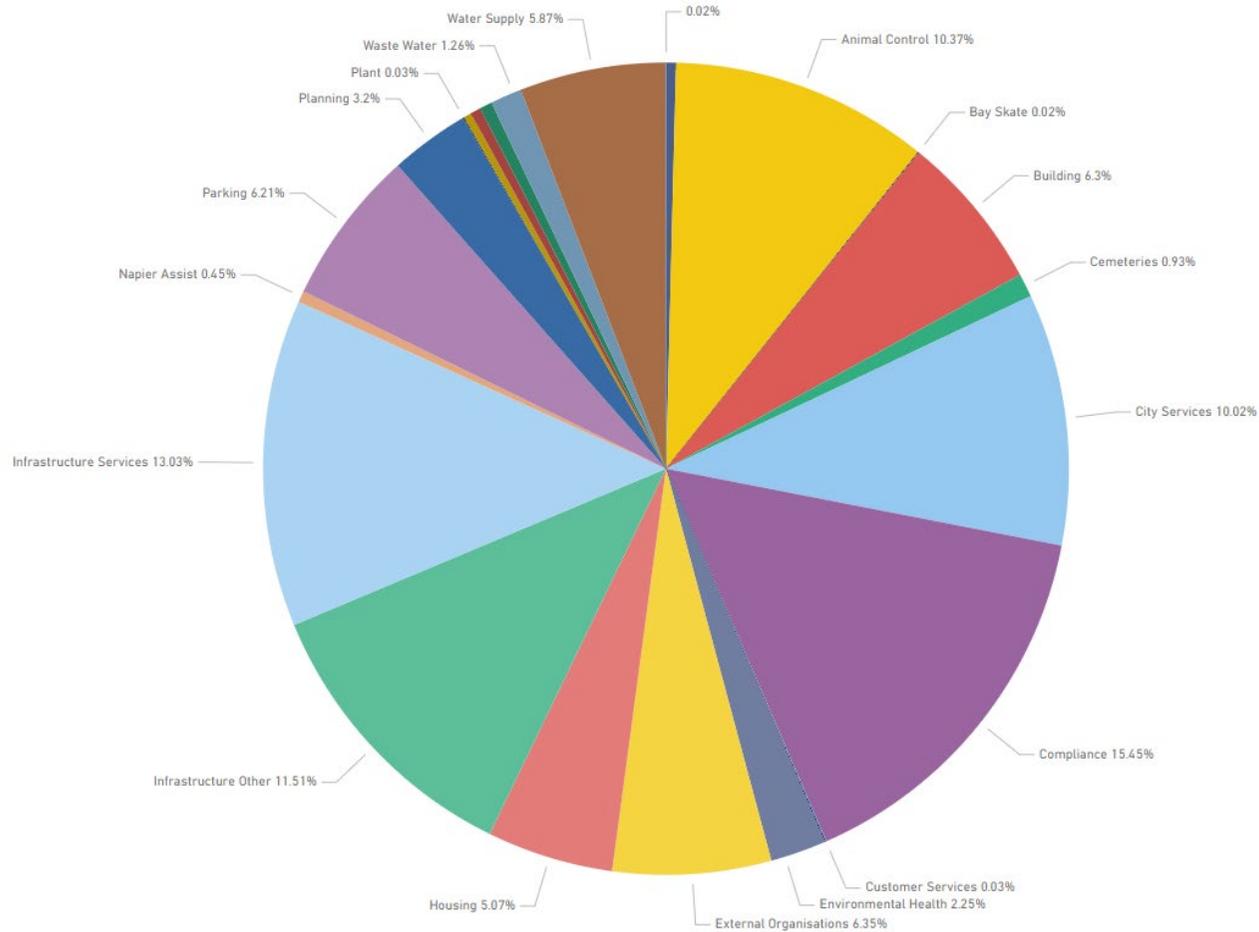
QUARTERLY SERVICE REQUEST REPORT

TOTAL NUMBER OF SERVICE REQUESTS

Total Number of Service Requests
1 October - 31 December 2023

5,779

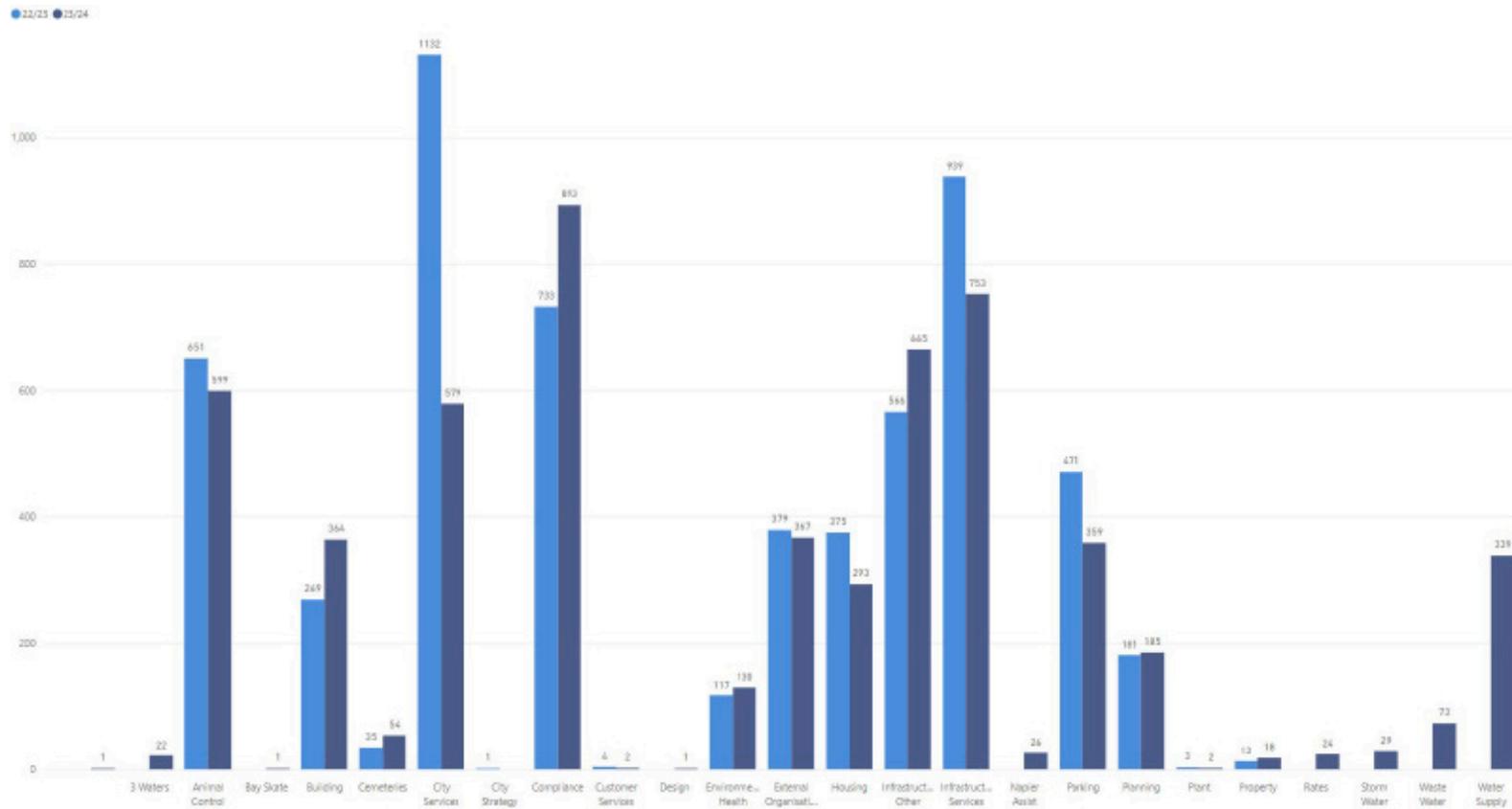
Percentage Split Across Departments



QUARTERLY SERVICE REQUEST REPORT

BUSINESS UNIT COMPARISON

Business Unit Comparison
1 October - 31 December 2023



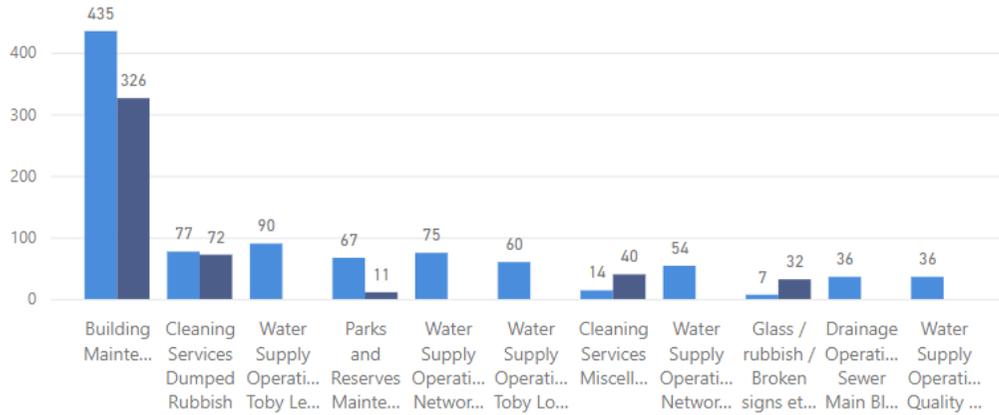
QUARTERLY SERVICE REQUEST REPORT

TOP 10 DEPARTMENTS BY TYPE OF REQUEST

1 October – 31 December 2023

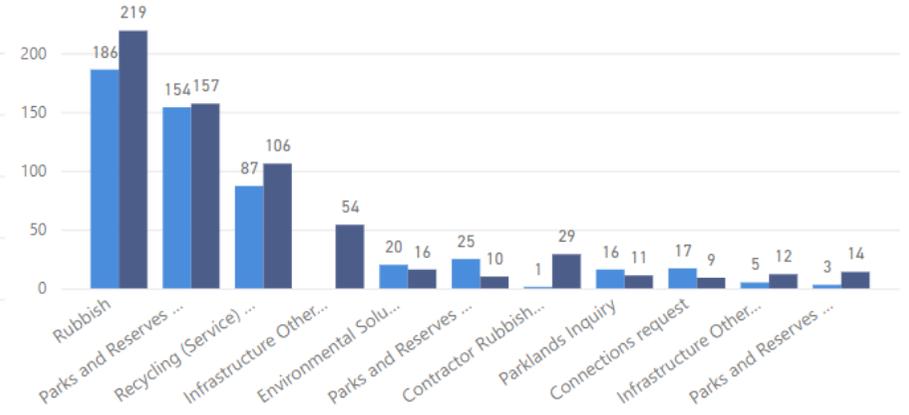
City Services

● 22/23 ● 23/24



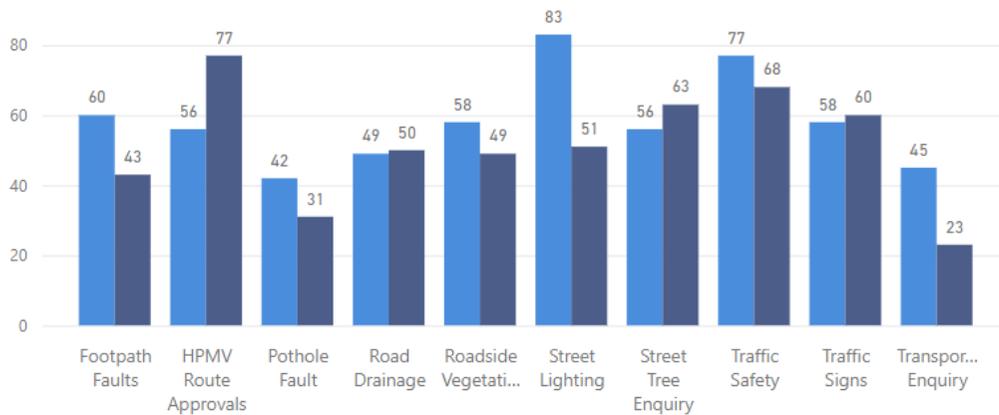
Infrastructure Other

● 22/23 ● 23/24



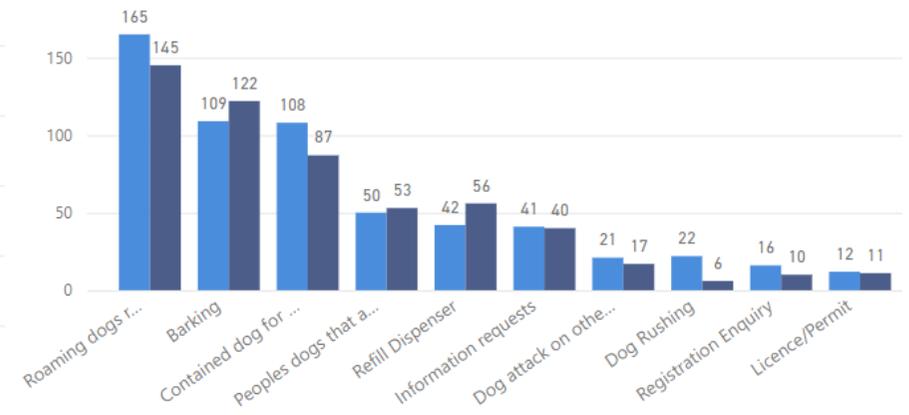
Infrastructure Services

● 22/23 ● 23/24



Animal Control

● 22/23 ● 23/24

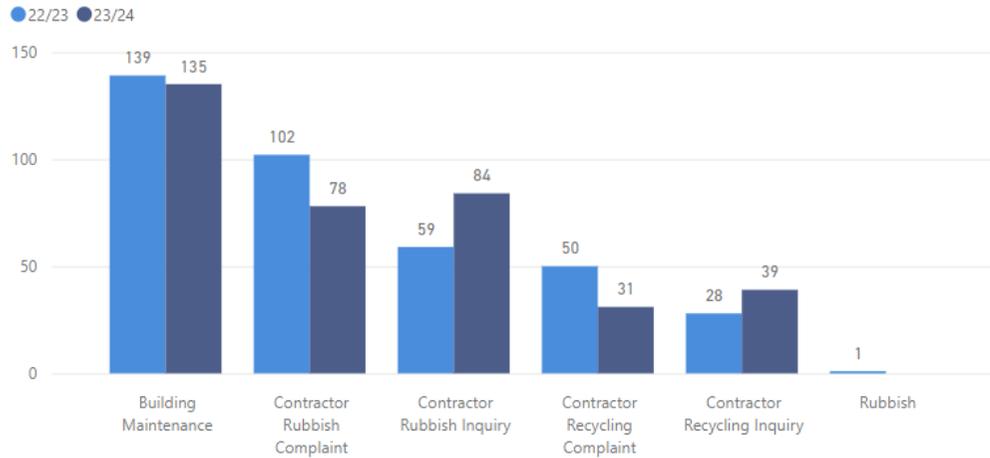


QUARTERLY SERVICE REQUEST REPORT

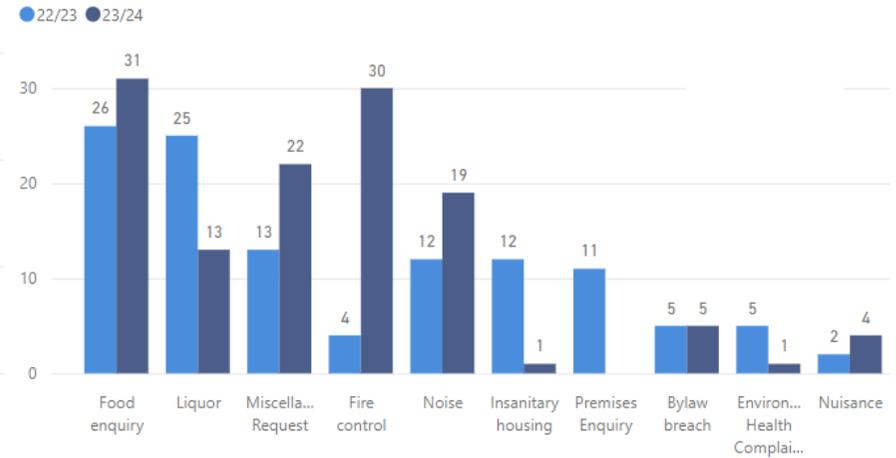
TOP 10 DEPARTMENTS BY TYPE OF REQUEST CONTINUED

1 October - 31 December 2023

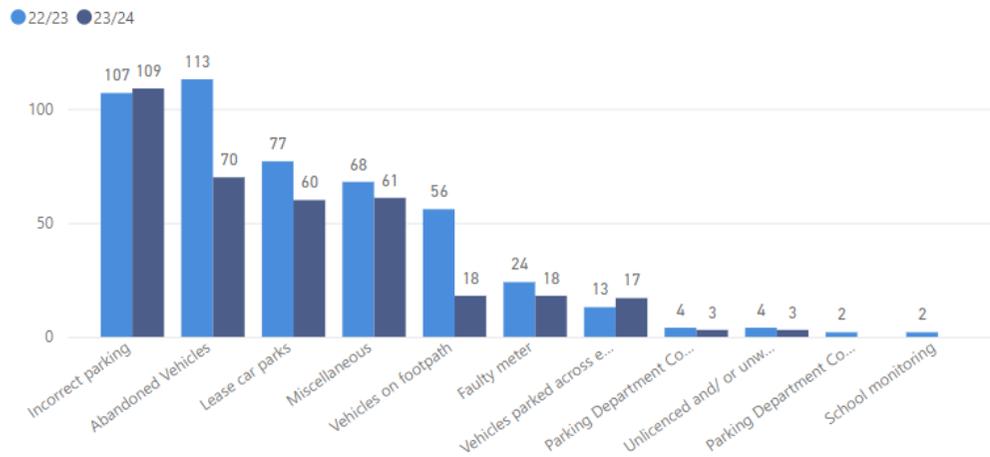
External Organisations



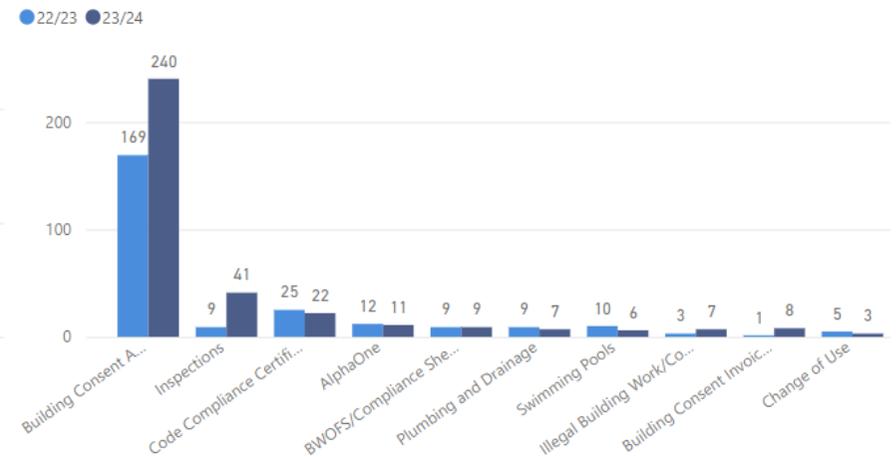
Environmental Health



Parking



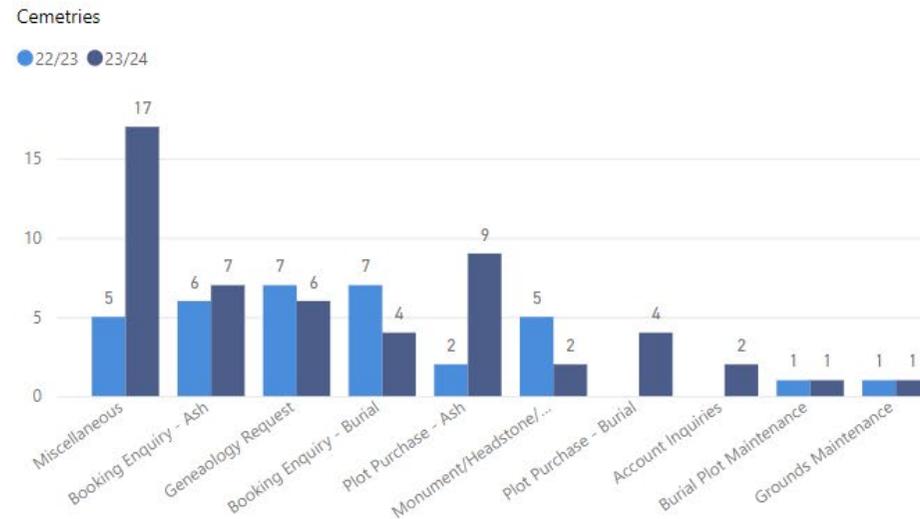
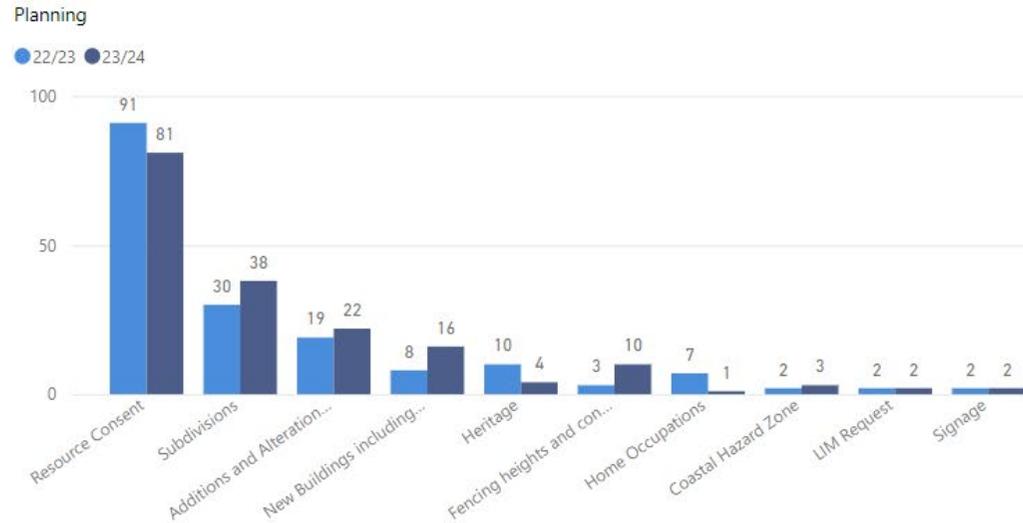
Building



QUARTERLY SERVICE REQUEST REPORT

TOP 10 DEPARTMENTS BY TYPE OF REQUEST CONTINUED

1 October - 31 December 2023



DOCUMENTS EXECUTED UNDER SEAL FOR THE PERIOD 1 OCTOBER – 31 DECEMBER 2023

4.10.23	Warrants - Sara Parlato	Sara Parlato
5.10.23	Warrant - Jayde Hunter-Transom	David Whyte
5.10.23	Deed of Variation of Lease - Lick This Ice Cream Parlour	Bryan Faulknor
9.10.23	Warrants - Sara Parlato, Jamey Stephens	Sara Parlato
9.10.23	Warrant - Glenda Paenga	Jo Munialo
10.10.23	Warrants - Sara Parlato, Jon Read	Jo Munialo
20.11.23	HBAL Deed of Lease - Go Fuel	Judi Godbold, HBAL
21.11.23	Warrants - Ruby Foskett	Ruby Foskett
23.11.23	Covenant - 38 Dickens Street, Napier	Tegan O'Callaghan
23.11.23	Deed of Assignment of Lease - Lick This	Bryan Faulknor
6.12.23	Agreement to grant lease of Subsoil of road and lease of subsoil of road - Church road winery effluent pipeline under Tironui Drive	Claire O'Connor-Bryant
19.12.23	Sewage Easement over area C - 15 Shackleton Street, Napier	Luke Johnson

LGOIMA REQUESTS

OCTOBER TO DECEMBER 2023

In Q2 2023/24 there were 33/34 requests responded to within statutory timeframe: 97%

*Table to provide Section 8. LGOIMA Information

	October 2023	Comment	November 2023	Comment	December 2023	Comment
Requests received year to date	55	40 up to Sept + 15	69	55 up to Oct + 15	75	69 up to Nov + 6
Requests received in last calendar month	15		15	1 withdrawn (included) 2 transfers (included)	6	
Responses completed in last calendar month	11		12	1 transfer (not included)	11	
Responses within statutory timeframe	14/14		11/12	23044 (1 delayed in approval process)	11	
Extensions requested in last calendar month	0		2	23044 15 w/days 23053 5 w/days	1	23061 10 w/days
Requests where charging was proposed	0		0		0	
Number of responses where:						
- Information released in full	4			6	8	
- Information partially released	6			6	3	
- Request refused in full	1	23037	0		0	
Active Ombudsman investigations regarding LGOIMA responses	1	563701 Further questions recd and replied to in Oct 23	1	585126 Preliminary questions recd and replied to in Nov 23	0	
Ombudsman determinations received			0		0	
Themes	Resource consents, contracts, cyclone/flooding, drainage		Fence height, property, dogs, bridges, landfill emissions		Transport, housing, property, staff turnover, legal expenditure	



11. OMBUDSMAN REPORT - COUNCIL MEETING AND WORKSHOP RECOMMENDATIONS

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	1724506
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance Jane McLoughlin, Corporate Planning Lead

11.1 Purpose of Report

In October 2023 the Ombudsman released a report “Open for Business”, which followed an investigation into local council meetings and workshops. This report will set out our proposed improvement programme to meet the Ombudsman’s key findings.

Officer’s Recommendation

That Council:

- a. **Note** officers have undertaken an assessment of Napier City Council’s current practices in relation to the Ombudsman’s *Open for Business* report and will make improvements to these practices.
- b. **Approve** all Council workshops are held in public unless they are covered by one of the relevant grounds in section 6 or 7 of the LGOIMA. This includes:
 - i. Advertising a monthly list of workshops on the Napier City Council website; and
 - ii. Audio-visual recording and publication of Council workshops on the Napier City Council website; and
 - iii. Publication of workshop material on the Napier City Council website; and
 - iv. Facilitating public attendance at Council workshops.
- c. **Approve** Audio-visual recording and publication on the Napier City Council website of open Audit and Risk Committee meetings.
- d. **Note** workshop guidelines will be developed to provide support to elected members and staff.
- e. **Note** a standardised template will be developed for workshop notes which are going to be published publicly after a workshop.
- f. **Note** the proposed process change to documenting staff advice given to elected members for holding a meeting or workshop in public excluded.
- g. **Note** training from the Ombudsman’s Office will be made available to elected members and relevant staff on the fundamentals of the LGOIMA.
- h. **Note** once training is provided, public excluded material will include release statements.

11.2 Background Summary

The Ombudsman reviewed eight local authorities' to see whether their meetings and workshops complied with the Local Government Official Information and Meetings Act 1987 (LGOIMA).

The report is available at: [Open for business report](#)

The key issues highlighted in the Ombudsman's findings are:

1. Whether council workshops should be held in public or public excluded;
2. If workshops are to be made more public, how that should be done;
3. How councils decide that meetings or workshops should be held in public excluded;
4. Public accessibility; and
5. The need for training for staff and elected members.

Napier City Council (NCC) is performing well in some of these areas, but there are areas which require attention. An improvement programme for NCC is proposed and discussed below.

Issue 1: Workshops in public or public excluded?

In the report the Ombudsman notes that workshops are not meetings as defined under LGOIMA; he also notes that final decisions and resolutions can only be made at council meetings. As such, workshops should only be used as part of working towards a decision.

No evidence of decisions being made in workshops was found during the Ombudsman's investigation, but he did see workshop practices that did not comply with the principles of openness.

The key issue for workshops is whether they should be held in public or in public excluded. NCC's practice is that all workshops are by default public excluded. The Ombudsman's report makes it clear that this is not acceptable.

In response it is proposed that the default setting for workshops is changed, and all workshops are held in public unless they are covered by one of the relevant grounds in section 6 or 7 of the LGOIMA. If it was deemed necessary to hold a workshop in public excluded staff would be required to provide the reasoning.

A question that follows from this is whether Audit and Risk Committee meetings should have the same public accessibility setting as workshops. This Committee does not have the ability to make resolutions but makes recommendations to Council. In this regard, the Committee meetings are similar to workshops and therefore we recommend the same public access.

Issue 2: If workshops are to be made more public, how should it be done?

If the recommendation above is accepted, the next issue for consideration is *how* workshops are made public. There are a number of ways of making workshops more publicly accessible:

(a) Before a workshop - notification

The Ombudsman recommends that:

- at the beginning of each month a list of upcoming workshops is published. The recommendation is that the list includes:
 - o the topic of the workshops;

- o the venue for the workshops;
- o whether the workshops will be held in public or public excluded (and if public excluded, the reason for that);
- before each open workshop, or as soon as practicable after the workshop, workshop papers, presentations, and workshop notes are made public.

(b) At a workshop – how to make it public

There are several options for making a workshop available to the public. The most cost-effective options for NCC are to:

- Record the workshop and publish the audio-visual recording on the NCC website, along with written workshop materials, and
- Make the workshop open for members of the public to attend in person.

The initial setting for public participation will be as observers only, similar to Council meetings, whilst the focus is on opening the workshops up and meeting the principles of openness and transparency. This is a setting which can be reviewed in the future.

Keeping written records of workshops and publishing these, in accordance with the Public Records Act 2005, is an option as the changes are implemented and resourcing is available to set in place a standardised process.

Issue 3: How Councils decide that meetings or workshops should be held in public excluded

(a) Grounds for a meeting or workshop to be publicly excluded

Council meetings are currently held in public unless it decides under section 48 of the LGOIMA that the meeting should be public excluded.

The Ombudsman notes that although the LGOIMA requires that a resolution to exclude the public needs to be recorded, it is not sufficient to only quote the ground of the LGOIMA that forms the basis for the decision.

The Ombudsman's recommended approach is that the following must be included:

- the general subject for the item; and
- the grounds under section 6 or 7 of the LGOIMA for excluding the public; and
- a plain English explanation, in reasonable detail, of how the ground from the LGOIMA applies to the subject matter (i.e. not just quoting the wording of the LGOIMA), and also how this was weighed against any countervailing public interest arguments for non-exclusion.

Staff will provide and record more detailed advice to elected members about the grounds for moving a meeting or workshop into public excluded, including advice relating to the public interest (when relying on a ground listed in section 7);

b) Release of public excluded material

The Ombudsman also notes that councils should consistently revisit public excluded material to reconsider whether it should be released when the reason for it being withheld no longer applies. This is an area where NCC could improve its practice.

Officers will ensure public excluded meeting reports include a sentence in the resolution stating whether the paper can be released to the public in due course and when that would be, for example either on a date or at the achievement of a particular milestone. For a public excluded workshop, a release statement could accompany the workshop material.

NCC does not currently have the capacity to go back through meeting and workshop information to manually release material into the public realm. However, if the above recommendation is followed it would be an easier process to release information proactively in the future, and in response to Official Information Requests.

Training with the Ombudsman's Office is scheduled for 9 April for staff and elected members, and this is one of the topics that will be discussed at that session, along with LGOIMA fundamentals and the differences between a meeting and a workshop.

Issue 4: Public accessibility

The Ombudsman's report also addresses the public's ability to access meetings and workshops, taking into account any disabilities or other challenges to attending meetings (for example because of the time at which a meeting is held).

If the officer recommendations in this paper are accepted, the published audio-visual recordings of workshops and the open Audit and Risk Committee meetings will assist with improving public accessibility.

It is proposed that an accessibility audit is carried out by staff after the first tranche of changes have been implemented to assess if there are any barriers to public accessibility and how these can be remedied.

Issue 5: Need for training for staff and elected members.

The Ombudsman recognises that meeting all of his recommendations will have resource implications for councils. He also appreciates that this may be more difficult for smaller councils.

The Ombudsman's expectations are that councils will ensure they have resources to meet their obligations under LGOIMA, with arrangements in place to provide coverage for when key staff are away. Staff (including senior staff) should have regular training, good resources and guidance material, and also be able to call on specialist expertise as required.

As already mentioned, initial training has been scheduled for elected members, senior leaders, and relevant staff. A training and induction plan will be developed as part of this project.

11.3 Issues

Simpson Grierson has stated that the Ombudsman's recommendations are just that, recommendations. They are not legal requirements. Each recommendation should be weighed against NCC's ability to implement them.

Changing the approach for workshops has financial, administrative and resource implications. Additionally, not all venues will accommodate audio-recording or are accessible or large enough to accommodate public attendance.

Moving to open workshops does place workshop presenters and elected members under more public scrutiny. The Ombudsman's view is that elected members have chosen to take a public role so acceptable levels of increased public scrutiny is part of that. The Ombudsman does not address the burden his recommendations place on council staff.

As Standing Orders do not apply in a workshop, guidelines for public workshops will need to be developed to give, the Chair especially, some tools to fall back on if required.

In future there may be more consideration of whether items should be considered in a workshop, or whether they could just as easily go to a livestreamed Council meeting. For items that do sit more appropriately in a workshop, given the cost of hiring venues and

arranging recording, there may be a stronger incentive to only schedule workshops on Council meeting days, rather than holding smaller workshops on different days.

As already stated, training for staff and elected members is required, to assist in assessing whether a topic for discussion meets the grounds for public exclusion, or whether the public interest outweighs those grounds.

11.4 Significance and Engagement

Community engagement is important to enable transparency and to inspire confidence in the Council's decision-making processes. If council workshops are accessible by the public, it promotes community engagement and provides the community with the information elected members are receiving prior to a decision being made.

11.5 Implications

Financial

There will be budget implications to for the workshop and Audit and Risk Committee meeting setting change. There will also be impacts on administrative resources to take notes at workshops and also to publish documents and recordings to the website. It is hard to quantify the financial impacts until the changes are underway. The estimated cost of venue hire, live streaming and recording currently for Council meetings is approximately \$10k - \$20k per annum.

Social & Policy

Nil

Risk

If the recommendations in this report are adopted there is a risk that the tone or nature of workshops may change, due to increased public scrutiny. Attendees may not be as relaxed and inclined to discuss the material in the same way as they would in a closed session. Setting guidelines on Council Workshops will help to give clarity to officers and elected members on how to best use this mechanism. These guidelines will be developed as part of the improvement programme.

If the recommendations in this report are not adopted there is a risk of future criticism from the public that workshops are a means to make informal decisions prior to them being formalised at a meeting. There is also a risk the Ombudsman would comment negatively on NCC's practices if investigated.

11.6 Options

The options available to Council are as follows:

- a. Adopt the recommendations in the report (**preferred**); or
- b. Amend the recommendations in the report for adoption; or
- c. Do not adopt the recommendations.

11.7 Development of Preferred Option

If the preferred option is adopted, the Implementation Plan (attached), which includes proposed timelines, will be put in place.

11.8 Attachments

- 1 Summarised Project Initiation (Doc Id 1740461) [↓](#)

Project Initiation

PLANNING GUIDE

Background:

The office of the Ombudsman issued a report on the use of workshops and meetings of local councils titled 'Open for Business'. This report contains findings and can be considered a best practice guide for councils.

The former Governance Manager wrote a report to ELT with options and issues to consider regarding the findings. The Team Leader Governance took this report to ELT in December 2023.

In January 2024, Team Leader Governance wrote a draft report to Council for their consideration, however it became clear that before putting recommendations to Council, officers needed to think through how to implement improvements. Team Leader Corporate Planning worked with Team Leader Governance and undertook an assessment of our practices in relation to each of the Ombudsman's findings. The assessment highlighted that improvements can be made to Napier City Council's practices.

Description:

Develop and deliver an improvement programme of governance practices to meet the key findings of the Ombudsman's 'Open for Business' report.

Objectives:

To deliver an improvement programme so that Napier City Council is compliant with the findings of the Ombudsman's best practice report 'Open for Business'.

- To explore cost effective and efficient ways to best realise the intent of the 'Open for Business' report.
- To expedite the opening of workshops to the public.
- To make it easier for public accessibility of the end to end decision-making process from workshops to formal meetings.
- To enhance Napier City Council's reputation with the public in respect to being open and transparent.
- To improve the capability of Napier City Council staff to use LGOIMA provisions and champion being transparent to the community and open for business.

Deliverables:

Due to dependencies and resource availability, the project will be broadly phased as follows:

1. Phase One – (April - June) - open workshops to public to physically attend (immediate). This will include only the workshops where the business unit is happy that all content can be made publicly available immediately.
2. Phase Two – (July - September) – improved application of public excluded provisions, including improved staff capability across both Council meetings and workshops; and creating the right environment for workshops to be used appropriately.

3. Phase Three – (October – December) – improved release of public excluded information for Council meetings and workshops; review and monitoring.

Broad Timetable

	2023/24 – Q3 Jan-Mar 2024	2023/24 – Q4 Apr-Jun 2024	2024/25 – Q1 Jul-Sep 2024	2024/25 – Q2 Oct-Dec 2024	2024/25 - Q3 Jan-Mar 2025
Project set-up	Project plan set				
Open workshops to public	Policy position set Procedures set Implementation	Invite public to open workshops Workshop material made available Audio-recording of workshops			
Improved application of public excluded reasoning for meetings and workshops		Procedure set Tools set	Workshop topics with public excluded content made publicly known with reasoning for px.		
Improved staff capability to use public excluded in both meetings and workshops		Review and training plan set ctnd Training plan implemented	Training plan implemented Comms plan set	Training plan implemented	
Release of public excluded information from both meetings and workshops			Procedure set	Procedure implemented	
Create the right environment for workshops to be used appropriately	Procedure set Monitoring and review plan set			Monitoring and review plan implemented	

12. INFORMATION - MINUTES OF JOINT COMMITTEES

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1739368
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

1.1 Purpose of Report

The purpose of this report is to receive unconfirmed minutes from various Joint Committee meetings from November 2023.

To view the full agendas relating to these minutes please refer to the Hawke’s Bay District Council website at <https://www.hbrc.govt.nz/our-council/meetings> or the Hastings District Council website at <https://hastings.infocouncil.biz>

Officer’s Recommendation

That Council:

- a. **Receive** for information the unconfirmed minutes of the following Joint Committees:
 - Hawke’s Bay Regional Transport Committee meeting held on 3 November 2023 (Doc Id 1739343)
 - Omarunui Refuse Landfill Joint Committee meeting held on 20 February 2024 (Doc Id 1740656)

2.2 Background Summary

The Joint Committees met as follows:

- 3 November 2023 • Hawke’s Bay Regional Transport Joint Committee
- 20 February 2024 • Omarunui Refuse Landfill Joint Committee

3.3 Issues

N/A

4.4 Significance and Engagement

N/A

5.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

6.6 Options

The options available to Council are as follows:

- To receive the unconfirmed minutes of the Joint Committees.
- Not to receive the unconfirmed minutes of the Joint Committees and request amendments from the relevant administering council.

7.7 Development of Preferred Option

N/A

12.8 Attachments

- 1 HB Regional Transport minutes 3 November 2023 (Doc Id 1739343) [↓](#)
- 2 Omarunui Refuse Landfill minutes 20 February 2024 (Doc Id 1740656) [↓](#)



HAWKES BAY REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

Unconfirmed**Minutes of a MEETING OF THE REGIONAL TRANSPORT COMMITTEE**

Date:	Friday 3 November 2023
Time:	1.30pm
Venue:	Council Chamber Hawke's Bay Regional Council 159 Dalton Street NAPIER
Present:	Cr M Williams, Chair Cr J van Beek, Deputy Chair Cr Kate Taylor, CHBDC Cr K Price, NCC L Stewart, Waka Kotahi
Alternates:	M Buddo, HDC
Advisory members in attendance:	I Emmerson Road Transport Association A Hallett NZ Police D Murray Automobile Assn. A Robin Māori Committee R Stratford HB Airport (<i>online from 2.49pm</i>) B Wilson Te Whatu Ora
In attendance: TAG	K Brunton – Group Manager Policy & Regulation M Allan – Transport Manager M Thew – HDC (<i>online</i>) P McKelvie – Sebileau – Climate Change Ambassador (<i>online from 2.48pm</i>) V Nanayakkara – Waka Kotahi (<i>online from 2.20pm</i>) B Cullen – Transport Strategy & Policy Analyst M Hardie – WDC (<i>online</i>) H Campbell – WDC (<i>online</i>) J Pannu – HDC (<i>online</i>) P Martin – Senior Governance Advisor

1. Welcome/Karakia /Apologies/Notices

The Chair welcomed everyone and Api Robin opened the meeting with a karakia.

Resolution

RTC13/23. That apologies for absence from Tania Kerr, Craig Little and Angus Hodgson be accepted.

Williams /Taylor

CARRIED

Cr. Marcus Buddo has been nominated by HDC as a short term replacement for this meeting.

2. Conflict of interest declarations

There were no conflicts of interest declared.

3. Confirmation of Minutes of the Regional Transport Committee meeting held on 4 August 2023

RTC14/23 **Resolution:**

Minutes of the Regional Transport Committee held on Friday, 4 August 2023, a copy having been circulated prior to the meeting, were taken as read and confirmed.

van Beek/Price

CARRIED

4. Follow-ups from previous Regional Transport Committee meetings

Rail and bus connections for CHB were briefly discussed

RTC15/23 **Resolution:**

That the Regional Transport Committee receives and notes the *Follow-ups from previous Regional Transport Committee meetings*.

van Beek/Williams

CARRIED

7. Draft Regional Freight Distribution Strategy

Ray Mudgway of RMC2 Consultancy gave a presentation with highlights and commentary including:

- The Strategy is a draft document that links to similar ones from adjacent regions and at a national level
- Shifting heavy road traffic to rail, particularly logging - perceived benefits for council roading authorities should be tempered by the reality that such trucks will always be using side roads to get products to a railhead
- Freight in and around Ahuriri/port area is very complex. A long term improvement for port access is needed but this is not addressed in the Strategy at this stage
- Key road route from Paki Paki to Napier airport remained intact during Cyclone Gabrielle
- Strategy could include more emphasis on rail transport particularly with a major rail hub nearby in Palmerston North. There could also be opportunities to have multi-modal transport options; roads alongside rail
- There is no mention of reinstating the rail link from Wairoa to Gisborne. Road will likely remain the major freight mode there given the limited rail budgets available. The break-even minimum distance for rail freight is 150 kms
- Committee will be delegating authority to Technical Advisory Group (TAG), and two Committee members to complete a submission on the Strategy. The submission will focus on high level themes and raise the issues identified at this meeting.

RTC16/23 **Resolution:**

That the Regional Transport Committee:

1. Receives and notes the *Regional Freight Distribution Strategy* report.
2. Delegates two members of the Regional Transport Committee, being the Chair and one other, to work with the Transport Advisory Group to develop and finalise a submission on the *Regional Freight Distribution Strategy* ahead of the 9 November 2023 submission deadline date.

Williams/Taylor
CARRIED

5. **Prioritisation of draft programme and significance policy for the Regional Land Transport Plan 2024-2027**

Martin Williams introduced this item and Bryce Cullen led discussions; comments included:

- The Regional Land Plan (RLTP) is the mechanism used by regions to present Waka Kotahi (WK) with projects the region wants to be considered, and seeks funding for these. The RLTP now being developed is particularly important given the cyclone damage to the HB roading network, and the need to build back the network better than it was beforehand
- TAG and Committee members have developed a list of 12 projects that the Committee will be prioritising today. Capital projects expected to cost less than \$2m can be managed at a local council level – the projects presented are all above that threshold
- Two of these projects (Future Form and Function and Paki Paki to Napier median barrier) have recently been added to the priority list by TAG and have not yet been ranked
- A prioritisation tool to ‘score’ each project has been used which has eight criteria including urgency, community impact, scale and ability to complete. The workings of the tool were explained and the projects summarised, and their ‘fit’ with the RLTP and the draft Freight Distribution Strategy (presented earlier on the agenda) was set out
- One of the projects ‘Future Form and Function’ is research into the future use of the HB roading network and the suitability of particular roads in the future. This is viewed as a priority project as it is integral to all other projects being considered
- The total capital cost of the 12 projects is approx. \$7b. Some of the projects qualify for several WK funding options including the SH2 expressway expansion
- Mahia connectivity project has scored highly as it has been included in the RLTP for many years with the road again being impacted by recent weather events
- All but one of the projects is for roading. The Waipawa Bridge shared path project is to complete a pedestrian and cycle traffic link (active transport) between Waipukurau and Waipawa. The SH2 expressway expansion may include also lane/s for active transport
- SH5 project incorporates current and planned safety improvements as well as cyclone recovery and resilience work.

RTC17/23 **Resolution:**

That the Regional Transport Committee:

1. Receives and considers the *Prioritisation of draft programme and Significance Policy for the Regional Land Transport Plan 2024-2027* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council’s adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Adopts the *Significance Policy* for the Regional Land Transport Plan 2024-2027 as proposed.
4. Adopts the Technical Advisory Group (TAG) weightings of the evaluation criteria and project prioritisation as correct and reflecting the projects that will deliver the greatest regional benefit, and aligned with the strategic vision, objectives, and 10-year transport priorities for inclusion in the Regional Land Transport Plan 2024-2027. A table listing these weightings is below.

5. Confirms the inclusion of the *Future Form and Function review and Programme Business Case (PBC) and the SIP SH2 Paki Paki to Napier – Median Barrier* projects in the Regional Land Transport Plan as proposed, with TAG to complete the prioritisation process for these projects.

Project	Regional benefit	Strategic fit & Alignment	Total score
Future Form and Function review & PBC	#N/A	#N/A	#N/A
SIP SH2 Paki Paki to Napier - Median Barrier	#N/A	#N/A	#N/A
Waikare Gorge Implementation	45	48	92.5
SH2 4 Laning - Implementation incl. property, business case, etc	45	40	85.0
Tairāwhiti Wairoa Resilience - Rebuild (implementation)	43	40	82.5
HB Resilience - Rebuild (Implementation)	43	40	82.5
Mahia Connectivity	39	40	78.8
SH2 Waipawa Bridge shared path - Implementation	34	43	76.3
SH5 (incl. Safety) , pre - implementation, property Implementation	31	43	73.8
Te Mata - Waimarama roundabout	30	35	65.0
North Eastern Connector	29	33	61.3
SH2 Eskdale CVRSC	15	25	40.0

Price/van Beek
CARRIED

6. Transport emissions reduction actions

Pippa McKelvie -Sebileau introduced this item which was taken as read.

RTC18/23

Resolution:

That the Regional Transport Committee:

1. Receives and considers the *Transport Emissions Reduction Actions* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Endorses and adopts the actions proposed by the Regional Emissions Reduction Plan Working Group for inclusion in existing transport strategies and plans, such as the Regional Land Transport Plan and Regional Public Transport Plan, to maintain the momentum and progress actions and implement feasible actions in the short term.

Buddo/Taylor
CARRIED

Afternoon tea break at 3.38pm, returning at 3.48pm. Bridget Wilson and Cr. Jerf van Beek left the meeting at 3.38pm

8. Regional Transport Programme November 2023 update

Bryce Cullen introduced the item which was taken as read.

RTC19/23

Resolution:

That the Regional Transport Committee receives and notes the *Regional Transport Programme November 2023 update*.

Williams/Buddo
CARRIED

9. Regional Land Transport Plan (RLTP) development and delivery update

Bryce introduced the item with discussions and comments covering:

- WK has delayed the adoption date for RLTP until 31 August 2024
- Timeline for progressing the RLTP includes the Committee receiving a draft Plan in early February 2024 with community consultation shortly after that date. Community hearings would be held in in early April 2024
- The Committee deliberations on the submissions is scheduled for mid-April 2024 with the finalised RLTP to be considered for adoption by HBRC in late May 2024.

RTC20/23

Resolution:

That the Regional Transport Committee receives and notes the *Regional Land Transport Plan development and delivery update* report.

**Buddo/Price
CARRIED**

10.

Waka Kotahi / NZTA Regional Relationships Director's update

Linda Stewart introduced this item with comments and discussions including:

- WK expect a new Government Policy Statement on roading from the incoming Government in early 2024. Until then major funding decisions through the NLTP are delayed affecting the timing of the RLTP due from each region. Other delays include both the interim Speed Management Plan and the Transport Choices programme being put on hold- this affects some major projects in Hastings, Napier and CHB
- Over summer there are close to 190 road maintenance sites across HB
- East Coast strategic response plans are a top priority for WK with a separate alliance of contractors (TREC) being put in place to carry out road works. A large workforce from outside of HB is likely to be required and the establishment of an accommodation village for that workforce is underway.

RTC21/23

Resolution:

That the Regional Transport Committee receives and notes the *Regional Relationships Director's update* and presentations.

**Williams/Buddo
CARRIED**

11.

Regional Speed Management Plan update

Bryce Cullen introduced this item which was taken as read. Comments included:

- Each council completes their own part of the Plan; then these parts are brought together to form the Regional Speed Management Plan, which is overseen by the Committee

RTC22/23

Resolution:

That the Regional Transport Committee receives and notes the *Regional Speed Management Plan update* report.

**Price/Taylor
CARRIED**

12.

Regional road safety update

Bryce Cullen introduced this item which was taken as read. Discussions and comments included:

- Road Safe HB rebrand has been launched and there is a summer safety campaign planned

RTC23/23

Resolution:

That the Regional Transport Committee receives and notes the *RoadSafe Hawke's Bay update*

Buddo/Taylor

CARRIED

13. Active Transport November 2023 update

Bryce Cullen introduced this item which was taken as read.

RTC24/23

Resolution:

That the Regional Transport Committee receives and notes the *Active Transport November 2023 update* staff report.

**Williams/Price
CARRIED**

14. Public Transport November 2023 update

Mark Allan introduced this item. Discussions and comments included:

- Bus services are still not fully operating and passenger numbers continue to decline
- Total Mobility service is now 75% subsidised leading to an increasing number of users and longer journeys being taken
- The revised Regional Public Transport Plan is being finalised and there may need to be some minor changes to the frequency of some bus services
- Public transport opportunities between CHB communities and Hastings/Napier are being investigated.

RTC25/23

Resolution:

That the Regional Transport Committee receives and notes the *Public Transport November 2023 update* staff report.

**Williams/Buddo
CARRIED**

15. Verbal updates from advisory representatives

Advisory members provided updates including:

- Police – there is ongoing collaboration with WK regarding road conditions, accidents, issues and general information sharing. Other regions provide HB with staff during busy periods such as concert events which often involve road policing
- Transport Assn. – heavy transport traffic across HB is 10% lower in the latest quarter
- KiwiRail – \$100m budget in place to repair and improve the line between Palmerston North and Napier. A business case is being prepared to look at reopening the Napier to Wairoa line.

RTC26/23

Resolution:

That the Regional Transport Committee receives the *Verbal updates from Advisory representatives*.

**Williams/Taylor
CARRIED**

Closure:

Api Robin closed the meeting with a karakia

There being no further business, the Chair declared the meeting closed at 4.42pm on Friday 3 November 2023.

Signed as a true and correct record.

Date:

Chair:



Tuesday, 20 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Administered by Hastings District Council:

Ōmarunui Refuse Landfill Joint Committee Meeting

Ngā Minitī

Minutes

Te Rā Hui:
Meeting date: **Tuesday, 20 February 2024**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Time start – end: **2.00pm – 3.10pm**

Go to
www.hastingsdc.govt.nz
to see all documents

HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Phone 06 871 5000 | www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA

Tuesday, 20 February 2024



Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Ōmarunui Refuse Landfill Joint Committee Meeting

Ngā Minitī

Minutes

Te Rārangi Upoko

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Tuesday, 20 February 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Ōmarunui Refuse Landfill Joint Committee Meeting

Ngā Minitī

Minutes

Chair: Vacant
Deputy Chair: Councillor Chad Tareha (NCC)

Kua Tae ā-tinana:
Present: Councillors Simon Nixon (HDC)
 Councillor Richard McGrath (NCC)
 Councillor Michael Fowler (HDC Alternate) via zoom

Ngāti Pārau Appointee: - Alice Hughes
 Ngāti Pārau Alternate: - Darren Tareha

Kua Tatū:
In attendance: Group Manager: Asset Management - Craig Thew (HDC)
 Waste and Data Services Manager - Martin Jarvis (HDC)
 Waste Planning Manager - Angela Atkins (HDC)
 Landfill Supervisor – Paul Webster (HDC)
 Waste Minimisation and Sustainability Officer – Stefni Wilson (NCC)
 Solid Waste Landfill Technician – Gagan Kooner (HDC)
 Marketing & Engagement Advisor – Emma Kaye (HDC)
 Waste Minimisation Specialist - Jordy Wiggins (HDC) via zoom
 Democracy and Governance Advisor Lynne Cox (HDC)
 Principal Advisor: Relationships, Responsiveness & Heritage, Charles Ropitini
 Māori Community Lead – Recovery, Julie Ferguson
 Community Connector – Recovery, JR Roberts

Kei Konei:
Also present: Wairoa District Council:
 Mayor Craig Little
 Chief Executive – Kitea Tipuna
 Group Manager Assets & Infrastructure – Michael Hardie
 Māori Relationships Manager - Duane Culshaw

Principal Waste Consultant, Rowan Latham (WSP)



Principal Advisor: Relationship, Responsiveness & Heritage, Charles Ropitini opened the meeting with a karakia.

With the resignation of the Chair, Councillor Redstone (HDC), the Deputy Chair, Councillor Tareha (NCC) resumed the Chair for this meeting.

Councillor Tareha welcomed the new Ngāti Pārau committee members, Alice Hughes and Darren Tareha along with guests from Wairoa District Council, Mayor Little, Kitea Tipuna, Mike Hardie, Dwayne Culshaw and Rowan Latham from WSP.

1. APOLOGIES – *NGĀ WHAKAPĀHATANGA*

There were no apologies.

Leave of Absence had previously been granted to Councillor Apatu.

2. CONFLICTS OF INTEREST - *HE NGĀKAU KŌNATUNATU*

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES - *TE WHAKAMANA I NGĀ MINITI*

Councillor Tareha/Councillor Nixon

That the minutes of the Ōmarunui Refuse Landfill Joint Committee Meeting held Friday 3 November 2023 be confirmed as an accurate record.

CARRIED

Councillor McGrath (NCC) joined the meeting at 2.15pm

4. WAIROA DISTRICT COUNCIL SOLID WASTE DISPOSAL

(Document 24/37)

Waste and Data Services Manager, Martin Jarvis introduced Rowan Latham from WSP to the committee. Rowan spoke to the report, gave a powerPoint presentation (CG-17-20-00018) and responded to questions from the Committee.

Alice Hughes advised the Committee that as a representative of Ngāti Pārau, they had no concerns at this stage for short term assistance to the Wairoa District Council in relation to the report.

Councillor Nixon/Councillor McGrath

- A) That the Ōmarunui Refuse Landfill Joint Committee receive the report titled Wairoa District Council Solid Waste Disposal dated 20 February 2024.
- B) That the Ōmarunui Refuse Landfill Joint Committee receive the Wairoa District Council presentation as attached to the report titled Wairoa District Council Solid Waste Disposal dated 20 February 2024.



- C) That the Committee is open to the possibility of accepting Wairoa District Council solid waste at the Ōmarunui Landfill on a short term and/or long-term basis and that any confirmed request to accept Wairoa District Council solid waste would be the subject of a separate report to the Committee and/or the parent councils (Hastings District Council and Napier City Council).

CARRIED

5. MINOR ITEMS - NGĀ TAKE ITI

There were no additional business items.

6. URGENT ITEMS - NGĀ TAKE WHAKAHIHIRI

There were no extraordinary business items.

Charles Ropitini closed the meeting with a karakia.

The meeting closed at 3.10pm

Confirmed:

Chair:

Date:

- i) may cover any future period that the local authority considers appropriate, and*
- ii) may be amended; and*
- b) notification of the schedule or of any amendment to that schedule constitutes a notification of every meeting to the schedule or amendment.*

Council must hold the ordinary meetings as scheduled but may amend the meetings schedule to enable business to be managed in an effective way.

While the schedule serves to give elected members notice of the upcoming meetings, there is still a requirement under the Local Government Official Information and Meetings Act 1987 for the public to be advised on a regular basis of the meetings scheduled for the next month. If a scheduled meeting is not required, officers will advise members of the cancellation as early as possible.

On Friday 23 February 2024 the Ngā Mānakanuka o te Iwi Komiti met for a workshop. One of the agenda items discussed was the start time of the formal Komiti hui. It was requested that the time be changed from 9.30am to 11.00am, to allow for an informal hui between the Appointed Members of the Komiti be held first.

13.3 Issues

No issues have been identified with this report.

13.4 Significance and Engagement

The amendment to the meeting schedule does not trigger the Significance and Engagement Policy or any other consultative requirements.

13.5 Implications

Financial

There no additional costs this meeting.

Social & Policy

There are no social or policy implications in relation to this report.

Risk

Changes to the meeting schedule can result in difficulty finding a suitable venue and increased costs.

13.6 Options

The options available to Council are as follows:

- a. To amend the 2024 meeting schedule as proposed.
- b. Not to amend the 2024 meeting schedule as proposed.

13.7 Development of Preferred Option

If the proposed changes to the meeting schedule are adopted as outlined in the recommendations of this report the Governance Team will make the appropriate changes to the meeting schedule and notify the members and staff of the change.

13.8 Attachments

Nil

14. CLIMATE ACTION JOINT COMMITTEE - REPLACEMENT ALTERNATE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1739806
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

14.1 Purpose of Report

The purpose of this report seeks Council approval to appoint a new alternate representative for the Climate Action Joint Committee as required in the Terms of Reference.

Officer's Recommendation

That Council:

- a) **Approve** the appointment of Councillor Greig as the alternate representative on the Climate Action Joint Committee.

14.2 Background Summary

Deputy Mayor Brosnan and Councillor Browne were appointed to the Climate Action Joint Committee by Council resolution on 15 November 2022, with Councillor Tareha appointed as the alternate

Councillor Tareha has requested to be removed as alternate from this Joint Committee and a replacement is required. Councillor Greig has agreed to be the alternate.

14.3 Issues

There are no anticipated issues.

14.4 Significance and Engagement

This is a procedural matter and does not trigger the Significance and Engagement Policy.

14.5 Implications

Financial

The changes do not affect the financial contributions or staff time commitments.

Social & Policy

There are no social or policy implications of this change in alternate.

Risk

There are no known risks with the change in alternate.

14.6 Options

The options available are as follows:

- a. Approve the appointment of Councillor Greig as alternate on the Climate Action Joint Committee.

- b. Nominate another Elected Member to be appointed as the alternate on the Climate Action Joint Committee.

14.7 Development of Preferred Option

The preferred option is for Council to approve Councillor Greig, as the alternate on the Climate Action Joint Committee.

14.8 Attachments

Nil

15. ACTION POINTS REGISTER AS AT 27 FEBRUARY 2024

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1736553
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

15.1 Purpose of Report

The Action Points Register (Register) records the actions requested of Council officials in Council and Committee meetings. This report provides an extract from the Register as at 27 February 2024, for Council to note. It does not include action points that were requested in public excluded Council or Committee meetings.

Officer's Recommendation

That Council:

- a. **Note** the extract from the Action Points Register (Doc Id 1740484) as at 27 February 2024.

15.2 Background Summary

Officers have prepared the Action Points Register (Register) to keep track of action points raised at Council and Committee meetings in this triennium.

15.3 Issues

The Register includes action points from all Council and Committee meetings, including public excluded sessions of those meetings. The attached extract from the Register includes all action points of this triennium, other than those that were requested in a public excluded Council or Committee meeting. Action points from public excluded meetings are provided to Council for noting in the public excluded session.

The Register does not include actions that flow from Council and Committee meetings if those actions are part of Council's 'business as usual'. For example, if Council agrees to increase an application fee, it does not include the action that Council staff would need to implement that increase. However, if staff, for example, agree to arrange a further meeting or make additional information publicly available after a meeting, those actions would be included in the Register.

Once an action point has been completed, it will only be included in the Register for Council's consideration once. Once Council has noted that an action point has been completed, it will be removed from the Register. Action points that have not been completed will continue to be provided to Council until they have been completed.

15.4 Significance and Engagement

N/A

15.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

15.6 Options

N/A

15.7 Development of Preferred Option

N/A

15.8 Attachments

- 1 2024-02-27 Open Action Point Register (Doc Id 1740484) [↓](#)

Action points register – 2022/2025 triennium – as at 27 February 2024

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
16	Council	02/02/23	Council and Committees of Council Terms of Reference & Delegations	Jess Ellerm		Council's procurement strategy, which is currently in development, to contain a section on tendering and the governance process.	13 February 2024: To be considered at March 2024 Prosperous Napier Committee meeting.
53	Sustainable Napier	22/06/23	Report on Napier Water Supply Status	Russell Bond	Anze Lencek	Officers to obtain, distribute to the Committee, and report on the Christchurch City Council Exemption Decision Paper.	27 February 2024: Decision received from Taumata Arowai. To be reported on at April Sustainable Napier meeting.
61	Council	20/07/23	Changes to Hawke's Bay Civil Defence Emergency Group Joint Committee – Terms of Reference	Thunes Cloete		Hawke's Bay Civil Defence Emergency Group officers be requested to present to Council the risks that most affect Napier and current controls for those risks and how it is recommended that those controls be managed.	27 February 2024: to be completed. HB CDEM report on 28 March Napier People & Places Committee agenda.
85	Ngā Mānukanuka o te Iwi	15/09/23	Notification of Proposed District Plan	Rachael Bailey	Paulina Wilhelm	1 Once the public consultation has closed, community feedback to be shared with Ngā Mānukanuka o te Iwi.	10 October 2023: to be completed and once done analysis to go to NMotI meeting (mid 2024).

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
						2 Council officers to bring the chapter on Sites of Significance to Māori (when it is ready) to the Committee, to discuss the best method of engagement with the key stakeholders and the wider community.	10 October 2023: to be completed.
87	Sustainable Napier	21/09/23	Water Services Reforms: Update	Russell Bond	Lauren Sye	Ensure that the financial section of Future Committee update reports includes a summary of costs and how they are being funded.	13 February 2024: Completed.
95	Council	12/10/23	Lease of land to Maungaharuru-Tangitū Trust	Thunes Cloete	Julia Atkinson	Subject to approval, issue a media release the agreement, together with a joint letter from Council and MTT to nearby residents and to the Westshore Residents Association.	23 January 2024: Completed
97	Council	12/10/23	Te Aka concept design approval	Thunes Cloete	Julia Atkinson	1. Issue media releases informing the community about the concept design,	24 October 2023: Completed
						2. As part of the next LTP process, update the community about the project.	24 October 2023: to be completed as part of LTP consultation.

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
104	Council	23/11/23	Tenders Let – Contract 2347 Wastewater Treatment Plant	Russell Bond	Phil Kelsen	To advise Elected Members whether the Wastewater Treatment contract is for full or partial completion of the project, including building capacity for wastewater storage for 23-24 hours.	21 February 2024 Completed.
106	Council	23/11/23	Biodiversity Hawke's Bay	Thunes Cloete	Emily Frost	Officers to investigate potential funding sources within Council and communicate the application process for these to Biodiversity HB.	15 February 2024: Completed
109	Council	14/12/2023	Minor Matter – War Memorial	Russell Bond		Officers to present a report to Council detailing the minor defects at the War Memorial outstanding as at the Council meeting 14/12/2023, including an estimated completion date.	27 February 2024: Complete
110	Council	01/02/2024	Update on Water Services Reforms Post-Election	Russell Bond	Lauren Sye	A link to the document 'Local Water Done Well Policy' to be included on the Council website.	12 February 2024: Completed.
111	Sustainable Napier	22/02/2024	Project Updates	Russell Bond	Jamie Goodsir	1. Puketitiri Road Project – Residual land, opposite Mission Hills development, zoning and designation timing to be provided.	22 February 2024

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
						2. Onslow Steps progress resident letter drop to be completed.	22 February 2024
						3. Art Deco Trust Working Group to present to Council.	22 February 2024

REPORTS UNDER DELEGATED AUTHORITY

1. TENDERS LET

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1742258
<i>Reporting Officer/s & Unit:</i>	Debbie Beamish, Executive Assistant to the Chief Executive

1.1 Purpose of Report

To report the Tenders let under delegated authority for the period 22 January – 1 March 2024

Officer’s Recommendation

That Council:

- a. **Receive** the Tenders Let for the period 22 January – 1 March 2024 as below:
 - Contract 2650 Anderson Park Stage 2 – Playground Design & Construction be awarded to Playground Centre Limited in the sum of \$200,000.00.

CONTRACTS OVER \$100,000.00 LET UNDER CHIEF EXECUTIVE/DIRECTOR INFRASTRUCUTRE DISCRETION

Contract 2650 Anderson Park Stage 2 – Playground Design & Construction \$200,000.00

Three tenders have been received.

It has been recommended that the contract be awarded to Playground Centre Limited of \$200,000.00

This recommendation has been approved.

1.2 Attachments

Nil

RECOMMENDATION TO EXCLUDE THE PUBLIC

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

Agenda Items

1. Extraordinary Chief Executive Contract Committee Recommendations
2. Variation to Contract C1215 Road Maintenance and Renewal
3. Art Deco Trust Loan - Confirming terms
4. Action Points Register (Public Excluded) as at 27 February 2024

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.
Agenda Items		
1. Extraordinary Chief Executive Contract Committee Recommendations	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.
2. Variation to Contract C1215 Road Maintenance and Renewal	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.
3. Art Deco Trust Loan - Confirming terms	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.
4. Action Points Register (Public Excluded) as at 27 February 2024	7(2)(a) Protect the privacy of natural persons, including that of a deceased person 7(2)(c)(i) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied 7(2)(g) Maintain legal professional privilege 7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including	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.

	<p>commercial and industrial negotiations)</p> <p>7(2)(j) Prevent the disclosure or use of official information for improper gain or improper advantage</p>	
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ORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date: Thursday 1 February 2024

Time: 9.30am - 9.55am (*Open*)
10.00am – 10.11am (*Public Excluded*)

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook page

Present **Chair:** Mayor Wise
Members: Deputy Mayor Brosnan, Councillors Browne, Chrystal, Crown, Greig, Mawson, McGrath, Price, Simpson and Taylor

In Attendance Chief Executive (Louise Miller)
Executive Director City Services (Lance Titter)
Chief Financial Officer (Caroline Thomson)
Manager Communications and Marketing (Julia Atkinson)
Pou Whakarae (Mōrehu Te Tomo)
Strategic Programmes Manager (Darran Gillies)
Manager 3 Waters Transition (Lauren Sye)
Team Leader Governance (Anna Eady)

Administration Governance Advisor (Carolyn Hunt)

ORDINARY MEETING OF COUNCIL – Open Minutes

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ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia.

Apologies

COUNCIL RESOLUTION

Councillors Mawson / Price

That the apology for absence from Councillor Boag and apology for lateness from Councillor Tareha be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Earthquake Commemoration – A service will be held at midday on **Saturday, 3 February 2024** at the Waiapu (St John's) Cathedral, Browning Street, Napier to commemorate the 93rd anniversary of the 1931 Hawke's Bay earthquake.

Waipureku Waitangi Commemoration 2024 – **Tuesday, 6 February 2023** a Hikoi (Walk of Unity) commencing at 7.45am from Ātea a Rangi, Waitangi Regional Park, Awatoto along the riverside to Farndon Park, followed by speeches ending at 10.30am.

Waitangi Day Family Celebrations - Napier City Council, Hastings District Council, Central Hawke's Bay District Council, Hawke's Bay Regional Council and Ngāti Kahungunu Iwi Incorporated are holding a free family-friendly event on **Tuesday, 6 February 2024** from 9.00am to 3.30pm at the Mitre 10 Sports Park, Percival Road, Hastings for Waitangi Day celebrations.

Cyclone Gabrielle Anniversary - To mark the one-year anniversary of Cyclone Gabrielle, a community service will be held at the Napier Soundshell, Marine Parade at 11.45am on **Wednesday, 14 February 2024** with a minute's silence at 12.00pm.

The service is for everyone impacted by the Cyclone, whether in a catastrophic or a small way and will be an opportunity for the community to reflect on what happened and what was lost. Everyone will be invited to drop a stone into a vessel of water as a symbol of remembrance. This small gesture is a way of cleansing and signifying a fresh start.

Announcements by the management

Nil

Confirmation of minutes

**COUNCIL
RESOLUTION**

Councillor Greig / Brosnan

That the Draft Minutes of the Ordinary meeting held on 14 December 2023 be confirmed, with the following amendment, as a true and accurate record of the meeting:

ACTION: War Memorial Centre - Direct officers to prepare and present a report to Council detailing the minor defects outstanding **as at the end of the Council meeting held on 14 December 2023** ~~at the end of the 2023~~, including an estimated completion date prior to handing over to the Council team.

Carried

AGENDA ITEMS

1. UPDATE ON WATER SERVICES REFORMS POST-ELECTION

Type of Report: Information

Legal Reference: N/A

Document ID: 1719255

Reporting Officer/s & Unit: Lauren Sye, Manager 3 Waters Transition

1.1. Purpose of Report

This report updates Council on the post-election landscape for the water services reforms and outlines likely next steps from the new government.

At the meeting

The Chief Executive, Ms Miller advised that further work had been undertaken on the Hawke's Bay Water Model and a small project team would be set up to explore how the Model could be progressed.

The Manager 3Waters Transition, Ms Sye provided a brief summary to the report advising that news had been received that the National Transition Unit will be dissolved by the end of May 2024. The repeal process, which involves legislation to Parliament is expected to be completed by the end of March 2024.

Ms Sye advised that the Government's approach to water reform is outlined in the Local Water Done Well Policy (Doc Id 1724447), and is part of the Government's 100-day plan. The Local Water Done Well Policy does not require Councils to move their water activities to new water services entities.

Council has received transition support funding of approximately \$659,500 out of a promised \$988,500 from the Department of Internal Affairs. There has been no indication whether this funding can be retained or will be recalled.

The five Hawke's Bay Councils have taken the opportunity to revisit the regional model scoped in 2019/2020 for a Council Controlled Organisation, which remains the preferred option for Hawke's Bay communities.

Ms Sye also advised that the Council website was currently being upgraded and although the National Party "Local Water Done Well" document was already publicly available, would ensure a link to the document was included on the Council website.

COUNCIL Councillors Mawson / Price

RESOLUTION That Council:

- a. **Receive** and note the contents of this report intended to provide a high-level summary of signalled changes to the water reforms programme.

Carried

2. TE AKA PRELIMINARY DESIGN APPROVAL

Type of Report: Operational

Legal Reference: N/A

Document ID: 1710264

Reporting Officer/s & Unit: Darran Gillies, Strategic Programmes Manager
Hilary Prentice, Māori Partnership Manager - Te Kaiwhakahaere Hononga Māori
Alix Burke, Strategic Programme Coordinator

2.1 Purpose of Report

This report seeks endorsement of the Te Aka Preliminary Design, the second of four formal stages of architecture for the design of buildings of this nature.

Further, it seeks approval to proceed to the next stage of the architectural design process, Developed Design. This will lead to detailed design as we move towards the resource and building consent process and ultimately the construction of Te Aka.

At the meeting

The Strategic Programmes Manager, Mr Gillies spoke to the report seeking endorsement of the preliminary designs for Te Aka (Council Chambers and Library on the corner of Station and Hastings Streets).

Mr Gillies advised that the established wananga process, to bring the right experts and stakeholders together to have input into the design would continue through the detailed design phase.

COUNCIL Deputy Mayor Brosnan / Councillor Chrystal

RESOLUTION

That Council:

- a) **Endorse** The Preliminary Design for Te Aka.
- b) **Approve** to proceed into the next stages of the Architectural Design process.

Carried

3. AMENDMENT TO THE 2024 SCHEDULE OF STANDING COMMITTEES AND COUNCIL MEETINGS

Type of Report: Procedural

Legal Reference: Local Government Act 2002

Document ID: 1724678

Reporting Officer/s & Unit: Anna Eady, Team Leader Governance

3.1 Purpose of Report

The purpose of this report is to consider an amendment to the schedule of Standing Committees and Council meetings for 2024, which was adopted on 12 October 2023.

It is proposed that the meeting schedule be amended as outlined in the recommendations of this report.

At the meeting

The Team Leader Governance, Mrs Eady advised this was a procedural matter requiring a change of date for the Long Term Plan hearing of submissions.

COUNCIL Councillors Taylor / McGrath

RESOLUTION

That Council:

- a) **Adopt** the following amendment to the 2024 Napier City Council meeting schedule:

Council (LTP Hearings)	Date change	Previously 13 and 14 May 2024
		Proposed 27 and 28 May 2024

Carried

INFORMATION - MINUTES OF JOINT COMMITTEES

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1727256
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

1.1 Purpose of Report

The purpose of this report is to receive unconfirmed minutes from various Joint Committee meetings for the period 26 August 2023 to 3 November 2023.

To view the full agendas relating to these minutes please refer to the Hawke's Bay District Council website at <https://www.hbrc.govt.nz/our-council/meetings> or the Hastings District Council website at <https://hastings.infocouncil.biz>

At the meeting

The Team Leader Governance, Mrs Eady took the report as read.

COUNCIL Councillors Simpson / Mawson

RESOLUTION

That Council:

- a. **Receive** for information the unconfirmed minutes of the following Joint Committees:
 - 26 August 2023 - Civil Defence Emergency Management Group Joint Committee (Doc Id 1718032)
 - 3 November 2023 - Omarunui Refuse Landfill Joint Committee (Doc Id 1726282)
-

Carried

REPORTS FROM AUDIT AND RISK COMMITTEE HELD 13 DECEMBER 2023

1. HEALTH AND SAFETY REPORT - SEPTEMBER TO NOVEMBER 2023

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1722163
<i>Reporting Officer/s & Unit:</i>	Adam McDonald, Health, Safety and Wellbeing Lead

1.1 Purpose of Report

The purpose of this report is to provide the Audit & Risk Committee (ARC) an overview of Health Safety & Wellbeing (HSW) activity, inform on the progress of initiatives underway to improve health, safety, and wellbeing, as well as key performance indicators covering the period September 2023 through to November 2023 (as of 25 November 2023). The report enables the ARC to provide assurance to Council for the capability and functioning of Council's health, safety and wellbeing hazard and risk management system and associated programmes.

At the meeting

There was no discussion on this item.

COUNCIL Mayor Wise / Councillor Crown

RESOLUTION

That Council **noted** the recommendation from the Audit and Risk Committee to:

- a. **Receive** the September – November 2023 Health and Safety report.

Carried

2. ASSET MANAGEMENT ROADMAP PROGRESS

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1718956
<i>Reporting Officer/s & Unit:</i>	Kate Ivicheva, Manager Asset Strategy

2.1 Purpose of Report

This report presents the Asset Management Roadmap designed as an improvement plan to elevate asset management maturity within our organisation. By detailing specific phases (0-5) for the next two and a half years, the roadmap aims to enhance our asset management practices, ensuring alignment with the recently adopted Asset Management Policy and contributing to the broader organisational goals.

At the meeting

There was no discussion on this item.

COUNCIL Mayor Wise / Councillor Crown

RESOLUTION

That Council **noted** the recommendation from the Audit and Risk Committee to:

- a. **Endorse** the progress of the Asset Management Roadmap (Doc Id 1722443).
-

Carried

3. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

Type of Report: Procedural

Legal Reference: N/A

Document ID: 1716420

Reporting Officer/s & Unit: Raewyn Fowler, Internal Audit Lead

Talia Foster, Financial Controller

3.1 Purpose of Report

To provide the information required for the Committee to review Sensitive Expenditure of the Mayor and Chief Executive for compliance with Council's Sensitive Expenditure Policy.

At the meeting

There was no discussion on this item.

COMMITTEE Mayor Wise / Councillor Crown

RESOLUTION

That Council **noted** the recommendation from the Audit and Risk Committee to:

- a. **Receive** the 30 September 2023 quarterly report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.
-

Carried

4. INTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1717363
<i>Reporting Officer/s & Unit:</i>	Raewyn Fowler, Internal Audit Lead

4.1 Purpose of Report

The purpose of this report is to provide the Committee with a summary of the internal audit recommendations progress to date.

At the meeting

There was no discussion on this item.

COUNCIL Mayor Wise / Councillor Crown

RESOLUTION

That Council **noted** the recommendation from the Audit and Risk Committee to:

a) **Receive** the Internal Audit Recommendations Progress Report.

Carried

5. ANNUAL TAX UPDATE YEAR TO 30 JUNE 2023

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1708817
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller Heather Sharp, Accounting Manager

5.1 Purpose of Report

To provide the Audit and Risk Committee with the annual tax update on progress made during the period up to 30 June 2023.

At the meeting

There was no discussion on this item.

COUNCIL Mayor Wise / Councillor Crown

RESOLUTION

That Council **noted** the recommendation from the Audit and Risk Committee to:

-
- a. **Receive** the report from PwC titled 'Napier City Council Annual Tax Update year to 30 June 2023' (Doc Id 1722437).

Carried

6. PAYE / WHT COMPLIANCE EVALUATION

Type of Report: Operational

Legal Reference: N/A

Document ID: 1709564

Reporting Officer/s & Unit: Talia Foster, Financial Controller

6.1 Purpose of Report

To provide the Audit and Risk Committee with the PAYE / WHT Compliance Evaluation Report completed by PwC.

At the meeting

There was no discussion on this item.

COUNCIL Mayor Wise / Councillor Crown

RESOLUTION

That Council **noted** the recommendation from the Audit and Risk Committee to:

- a) **Receive** the PAYE / WHT Compliance Evaluation Report (Doc Id 1719506) and direct officers to report back on progress of the actions outlined in the report in the Internal Audit Recommendations Update regularly.

Carried

REPORTS UNDER DELEGATED AUTHORITY

1. TENDERS LET

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1730159
<i>Reporting Officer/s & Unit:</i>	Debbie Beamish, Executive Assistant to the Chief Executive

1.1 Purpose of Report

To report the Tenders let under delegated authority for the period 13 November 2023 – 19 January 2024

At the meeting

There was no discussion on this item.

COUNCIL RESOLUTION

Councillors Taylor / Greig

That Council:

- a) **Receive** the Tenders let for the period 13 November 2023 – 19 January 2024 as below:
 - **Contract 2612 Gleeson Park Playground – Civil Works** be awarded to Topline Contracting Ltd in the sum of \$130,497.67.
 - **Contract 2635 West Quay Road Reconstruction** be awarded to Downer New Zealand Limited in the sum of \$390,068.94.
 - **Contract 2656 Awatoto Silt Remediation** be awarded to Tūpore Infrastructure in the sum of \$1,470,293.71.

Carried

Minor matters

There were no Minor Matters.

RESOLUTION TO EXCLUDE THE PUBLIC

Councillors Mawson / Chrystal

COUNCIL RESOLUTION

That the public be excluded from the following parts of the proceedings of this meeting.

Carried

Agenda Items

1. Napier City Flag (Heraldic) Permission Request
2. Information - Public Excluded Minutes of the Omarunui Refuse Landfill Joint Committee - 3 November 2023

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.
	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 where the withholding of the information is necessary to:	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:

Agenda Items

1. Napier City Flag (Heraldic) Permission Request	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
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		7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Information - Public Excluded Minutes of the Omarunui Refuse Landfill Joint Committee - 3 November 2023	7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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.

The meeting adjourned at 9.55am and reconvened in Public Excluded at 10.00am

The meeting closed with a karakia at 10.11am

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

Chairperson

Date of approval