



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Agenda

Meeting Date: Thursday 12 December 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
Monday 3 February 2025

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

Nil

Conflicts of interest

Public forum

9.35am – 9.50am	Angie Denby - Ahuriri Estuary Protection Society
9.50am – 10.05am	Positive Ageing Strategy Advisory Group Update - Peter Grant
10.05am – 10.20am	Te Kaha Hawaikirangi, Mana Ahuriri Trust - Treaty Bill Submission Support

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 Tuesday, 19 November 2024 be confirmed as a true and accurate record of the meeting.236

Information items

Agenda items

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

Reports / Recommendations from the Standing Committees

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AGENDA ITEMS

1. FIRE CONTROL BYLAW 2021

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Enter Legal Reference
<i>Document ID:</i>	1805079
<i>Reporting Officer/s & Unit:</i>	Luke Johnson, Manager Regulatory Solutions

1.1 Purpose of Report

To seek Council approval to revoke the Fire Control Bylaw 2021 pursuant to Section 152B of the Local Government Act 2002

Officer's Recommendation

That Council:

- a. **Approve** the revocation of the Napier City Council Fire Control Bylaw 2021 pursuant to Section 152B of the Local Government Act 2002

1.2 Background Summary

This report looks at the performance of the Napier City Council's Fire Control Bylaw and outlines the grounds for it to be revoked. This report will provide;

- an overview of the current fire control bylaw
- Legislative changes that have affected the fire control bylaw
- How NCC staff are currently using the fire control bylaw

The report further outlines what powers Council has to address complaints, concerns or issues relating to fires and/or smoke nuisances.

1.3 Overview

The Napier City Fire Control Bylaw attempts to control open-air burning to manage the following issues/situations:

- Allowing people to light open fires, including incinerators, only after first obtaining a Fire Permit from Council and complying with standard conditions
- Not allowing people in rural areas to light fires within dangerous circumstances
- No person in a private residential context may permit smoke or noxious fumes to be emitted to an extent that causes a 'nuisance'. The bylaw allows Council to abate nuisance immediately
- Making it an offence to leave hot cinders in public places

- Prohibited Fire Seasons override any permit that allows a fire to be lit
- Council may prescribe a Restricted Fire Season. Council can still issue Fire Permits within restricted Fire Seasons
- Council may prescribe a Prohibited Fire Season. No person may light any fire in this season
- Council to publicly notify Restricted/Prohibited Fire Seasons
- Misc. provisions including the ability to put out non-complying fires, recover costs to do so and general offence provisions which are instigated through the courts

Note: *In addition, NCC website states that “all fires are prohibited at beaches, parks, and reserves at all times”.*

The Hawkes Bay Regional Council Regional Resource Management Plan places guidelines, standards and rules on burning material and open fires to protect air quality in the region. Some of these rules are region-wide, but also some specific to burning within the Napier and Hastings airsheds (urban areas).

Region wide rules:

Rule 20 – burning of prohibited items. The burning of any of the materials listed under rule 20 is permanently prohibited by HBRC throughout the region.

Rule 19 – burning of waste Burning on industrial or trade sites. Burning on industrial/trade sites can only be undertaken as per condition. Burning in the open on industrial/trade sites is otherwise prohibited in the region. Napier and Hastings airshed rules:

Rule 19c - outdoor burning during certain times of the year. Outdoor burning for any properties which fall within the Napier or Hastings airsheds is prohibited under Rule 19c during May, June, July and August inclusive. Strict exceptions exist for burning on horticultural land for disease control and/or orchard/vineyard redevelopment. Outside of these months outdoor burning is permitted under HBRC rules. HBRC requests to be informed by the TLAs and FENZ should officers from these agencies encounter fires which: contain prohibited items, are within the Napier/Hastings airsheds, and which are occurring at an industrial or trade site.

1.4 Legislative changes that have affected the fire control bylaw

Changes to the FENZ Act have made a number of the responsibilities controlled by Council under the Fire Control Bylaw, redundant. That is –

- As of 01 July 2017, FENZ not Council has been responsible for Restricted and Prohibited Fire Seasons and Fire Permits. Section 56 of the FENZ Act.
- FENZ has powers to extinguish fires where these are threatening persons or property or any road.

On 01 July 2018 the power to require the removal of vegetation which is deemed to be a fire hazard moved from Council to FENZ. There is no need for Council to continue to have a bylaw controlling this.

- Sections 65 to 68 and clause 39 of Schedule 1 of the FENZ Act relate to the removal of things that increase fire risk and came into force on 01 July 2018. Under section 65, FENZ may require the occupier or owner of land to remove or

destroy any vegetation or other thing if FENZ consider it likely to increase the risk of fire.

- Under Section 67(2), if the owner or occupier fails to comply with the notice, FENZ may enter the land and do the thing or things required by the notice.

1.5 How Napier City Council staff are currently using the fire control bylaw

Council no longer issues Fire Permits and refers all requests to FENZ who have that power. Similarly, FENZ also sets Prohibited and Restricted Fire Seasons under the FENZ Act, not Council.

With regards to Fire Hazards brought to Council's attention, these types of enquiries/complaints are advised to contact FENZ as Council no longer handles complaints about potential fire hazards on land, which moved from territorial authorities (under sections 183 and 184 of the LGA) to Fire and Emergency under the Fire and Emergency NZ Act 2017 (sections 65 to 68) from 1 July 2018.

Fire and Emergency New Zealand has had statutory powers for the removal of vegetation and other things that increase fire risk. This is consistent with Fire and Emergency NZ's principal objective of reducing the incidence of unwanted fire and its associated risk to life and property.

Permits for traditional cooking – Council has received some enquiries over the years seeking permission from NCC regarding permits for traditional cooking methods (Hangi) on private land. This follows the requirement under the current Bylaw to do so. It is not something that Council receives often, however on occasions Council has provided temporary permission to facilitate this activity, considering HBRC rules such as Rule 19c (prohibited outdoor burning during May, June, July and August).

Hangis don't generally permit smoke typically to be a nuisance under our Health Act obligations.

Council also has a Memorandum of Understanding between HBRC, HDC and NCC dated 12/10/2021 (Attached) which articulates the responsibilities and responses to complaints about illegal burning or nuisance in the urban areas. The document refers to each Council's rules and bylaws. The document stipulates that during 'prohibited/restricted' seasons all burning complaints should be referred to FENZ. During May, June, July and August complaints regarding outdoor burning within Napier/Hastings 'airsheds' can be directed to HBRC but TAs are equally able to handle complaints using the Health Act. Outside airshed months TAs are best able to respond to urban burning complaints.

This is a practical MOU that is in operation throughout Hawkes Bay, however this will be required to be reviewed due to the recent changes to the FENZ Act and review of the NCC Fire Control Bylaw.

'Nuisances' caused from fires – Council continues to use the Health Act provisions which are further outlined below.

1.6 Where does legal responsibility sit now?

The table below outlines examples of fire control issues and where the legal responsibilities rest. The *Changes* column details who the responsible authority is for each fire control issue, and how NCC manage these issues now.

Fire control issue	Legal Responsibility Now	Changes and Actions
Fires in the open including garden and backyard fires	<p>FENZ has powers to extinguish fires where these are threatening persons or property or any road. This does not cover smoke nuisance unless it is threatening visibility along a road. Garden / backyard fires are generally permitted as long as they are not dangerous, are during an open fire season or have a permit.</p> <p>FENZ are able to put out dangerous fires, including fires which should have a permit but do not.</p>	<p>Control of open fires on private land including garden and backyard fires has been passed over to FENZ in line with the FENZ Act</p> <p>FENZ is not able to act on issues of smoke nuisance which is dealt with below.</p> <p>ACTION: manage any potential nuisances from outdoor fires through the nuisance provisions of the Health Act 1956 and the MOU agreement.</p>
Smoke nuisance from open fires	<p>Smoke nuisance is not addressed under the FENZ Act. FENZ can only take action where a fire threatens persons or property or any road. This does not cover smoke nuisance unless it is threatening visibility along a road.</p> <p>The HB Regional Council Website states <i>“HBRC has continued to take a hard line on pollution incidents. Successful prosecutions have been made for offensive odour, smoke, horticultural spray drift, and the burning of prohibited items. Monitoring, education, and enforcement action has resulted in strong consent compliance and fewer incidents reported to HBRC’s 24/7 Pollution Hotline”</i>.</p>	<p>FENZ cannot respond to smoke nuisance. They only put out fires which pose a risk to persons or property or a road.</p> <p>HBRC are considered a suitable agency to address complaints about smoke nuisance from outdoor fires. They have comprehensive rules under their Regional Resource Management Plan and can issue infringement notices and abatement notices.</p> <p>On a practical level, currently, there is a MOU between HBRC, HDC and NCC which articulates the responsibilities and responses to complaints about illegal burning or nuisance in the urban areas. The document refers to each Council's rules and bylaws. The document stipulates that during ‘prohibited/restricted’ seasons all burning complaints should be referred to FENZ. During May, June, July and August complaints regarding outdoor burning within Napier/Hastings ‘airsheds’ can be directed to HBRC but TAs are equally able to handle complaints using Health Act. Outside airshed months TAs are best able to respond to urban burning complaints.</p>

		ACTION: manage any potential nuisances from outdoor fires through the nuisance provisions of the Health Act 1956 and the MOU agreement.
Fires in public places, parks and reserves	<p>When putting out fires FENZ deem a dangerous fire a dangerous fire regardless of whose land it is on.</p> <p>Similarly with the issuing of fire permits now under FENZ, these are considered and issued in public places, parks and reserves.</p>	<p>FENZ does not consider land tenure when issuing fire permits. This means anyone can apply to have a fire on a Council reserve and unless it is dangerous a permit will be given. This however does not excuse the applicant from the need to obtain landowner permission from Council as well as the permit. (if required)</p> <p>Even without the bylaw, Council retains the ability to make rules about what activities it will allow on its land; including the rules around lighting fires in parks.</p> <p>ACTION: FENZ manage fires in public places, parks and reserves along with TA per Health Act 1956 and MOU.</p>
Restricted and Prohibited Fire Seasons and Fire Permits	FENZ control this under section 56 of the FENZ Act .	<p>As of 01 July 2017, FENZ is responsible for Restricted and Prohibited Fire Seasons and Fire Permits.</p> <p>ACTION: FENZ manage fire seasons and Fire Permits.</p>
Extinguish Fires	<p>FENZ has powers to extinguish fires where these are threatening persons or property or any road.</p> <p>HBRC can issue infringement and abatement notices if a fire breaches their Air Shed rules.</p>	<p>The powers of FENZ to extinguish fires are considered sufficient for fire safety.</p> <p>ACTION: FENZ manage extinguishing fires and HBRC manage additional/necessary enforcement action for breaches within Air Shed.</p>
Removal of fire hazards	<p>Section 200 of the FENZ Act repeals sections 183 and 184 of the LGA 2002 and the crossheading above section 183.</p> <p>Sections 65 to 68 and clause 39 of Schedule 1 of the FENZ Act relate to the removal of things that increase fire risk and came into force on 01 July 2018.</p>	<p>On 01 July 2018 the power to require the removal of vegetation deemed a fire hazard moved from Council to FENZ.</p> <p>ACTION: FENZ manage removal of fire hazards.</p>

	<p>Under section 65, FENZ may require the occupier or owner of land to remove or destroy any vegetation or other thing if FENZ consider it likely to increase the risk of fire.</p> <p>Under Section 67(2), if the owner or occupier fails to comply with the notice, FENZ may enter the land and do the thing or things required by the notice.</p>	
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1.7 How will the Community be informed

Upon revoking the NCC Fire Control Bylaw, Council will update their fire control website to give easy guidance for the community on fire control and which Council they need to contact. This guidance will reflect the current legislative requirements and be consistent with the guidance provided by other councils in the region.

1.8 Conclusion

Council has undertaken engagement with Fire and Emergency New Zealand and as a result has identified an opportunity to apply a consistent approach to fires and burning throughout Hawkes Bay and as required under the current legislation.

A number of the current provisions in the Fire Control Bylaw 2021 are redundant due to changes to the FENZ Act giving FENZ greater responsibilities to manage Restricted and Prohibited Fire Seasons and Fire Permits/Hazards. The report also concludes that outstanding bylaw provisions around nuisances caused by fires can be adequately handled through either the 'nuisance' provisions under the Health Act or by HBRC through their Regional Plan rules.

1.9 Attachments

- 1 MoU Hawke's Bay Council's Fire Burning (Doc Id 1813100) [📄](#)



MEMORANDUM OF UNDERSTANDING

To: Rob Hogan, Manager Compliance, Hawke's Bay Regional Council.
 Jamey Stephens, Senior Compliance Officer, Napier City Council.
 Tony Stoddard, Team Leader Environmental Health/Liquor, Hastings District Council.
 Simon Mutohori, Group Manager Planning and Regulatory Services, Wairoa District Council.
 Ken Cooper, Area Commander Hawke's Bay, Fire Emergency New Zealand

From: Mikey Willcox, Regulatory Compliance Officer, Hawke's Bay Regional Council.

Date: 12/10/2021

Subject: ILLEGAL AND NUISANCE BURNING COMPLAINT RESPONSES

There is an existing agreement between Hawke's Bay Regional Council, Hastings District Council and Napier City Council with regard to the responsibilities and responses to complaints about illegal burning or nuisance smoke in the urban areas. This refreshed MOU is to recommit each agency to this agreement, as well as Wairoa District Council.

1. HBRC burning rules:

HBRC has specific rules in the HB Regional Resource Management Plan (RRMP) with regard to burning. Some of these rules are region-wide, but also some more specifically with regard to burning within the Napier and Hastings airsheds (urban areas).

Region wide rules:

Rule 20 – burning of prohibited items. The burning of any of the materials listed under rule 20 (see Appendix 1) is permanently prohibited by HBRC throughout the region.

Rule 19 – burning of waste Burning on industrial or trade sites.

Burning on industrial/trade sites can only be undertaken as per condition (b; see Appendix 2). Burning in the open on industrial/trade sites is **otherwise prohibited** in the region.

Napier and Hastings airshed rules:

Rule 19c - outdoor burning during certain times of the year. Outdoor burning for any properties which fall within the Napier or Hastings airsheds is prohibited under Rule 19c during May, June, July and August inclusive (see Appendices 3,4,5). Strict exceptions exist for burning on horticultural land for disease control and/or orchard/vineyard redevelopment. Outside of these months outdoor burning is permitted under HBRC rules



Enhancing our **environment** together | Te whakapakari tahi i tō tātau **taiao**
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 info@hbrc.govt.nz **hbrc.govt.nz**

HBRC requests to be informed by the TLAs and FENZ should officers from these agencies encounter fires which: contain prohibited items, are within the Napier/Hastings airsheds, and which are occurring at an industrial or trade site . **Please call the pollution hotline 0800 10 88 38 to report these instances.**

2. NCC burning bylaw:

Napier City Council's bylaws prohibits all outdoor burning at any time, within their urban area (see Appendix 6). Outside of May, June, July and August urban backyard burning is permitted under HBRC rules. Complaints received outside of these months should be referred to NCC for action under their bylaw. Under the Health Act NCC also responds to all complaints of nuisance smoke in Napier City, all year round.

3. HDC burning bylaw:

Hastings District Council's bylaw prohibits nuisance smoke at any time, within their urban area. Outside of May, June, July and August urban backyard burning is permitted under HBRC rules. Complaints received outside of these months should be referred to HDC for action under their bylaw. Under the Health Act HDC also responds to all complaints of nuisance smoke in the within the Hastings urban limits, all year round.

4. FENZ prohibited and restricted fire seasons.

The TLAs no longer issue fire permits. This is now done by Fire Emergency New Zealand (FENZ). FENZ publicly notifies restricted and prohibited fire seasons. The agency receiving the complaint about fires during these notified seasons should check the status for the property in the first instance at <https://www.checkitsalright.nz/>. Following this, complaints for properties requiring fire permits should be referred to FENZ as the leading agency.

5. Wairoa burning response

There are no bylaws in the Wairoa District regulating nuisance smoke. HBRC does not have compliance staff in Wairoa available to respond to burning complaints. Wairoa District Council Staff will respond to burning complaints and pass on any evidential information regarding the burning of prohibited items to HBRC for follow up.

6. Agreement between agencies:

Region wide:

- During a prohibited or restricted fire season all burning complaints should be referred to FENZ. If any violation of HBRC's rules are encountered, these should also be promptly reported to HBRC on the pollution hotline.
- During the months May, June, July, August, complaints regarding outdoor burning within the Napier and Hastings airsheds can be directed to HBRC, but as the TLAs are equally able to deal with these incidents under the Health Act, the agency receiving the call should attend the complaint in the first instance.
- Outside of the airshed months, the TLAs are best placed to deal with urban burning complaints. HBRC will take these complaints and pass them onto the relevant TLA. Likewise, for rural complaints the agency receiving the complaint will deal with them in the first instance.
- Except for contraventions of HBRC rules and NCC/HDC urban burning Bylaws, the burning complaint should be handled by the Council that receives the original complaint i.e. the caller should not be directed to call another council. If staff of the

receiving Council are unable to attend to the matter in a timely fashion, they should contact the TLA or Regional Council, administering that area of complaint, who will attend to the matter.

- If any inquiries are made by members of the public as to whether they can burn, without breaching the HBRC airshed rules, they should be referred to HBRC as the authority on these rules. Equally, information regarding TLA urban burning bylaws, and FENZ regulations should be given where appropriate.
- In circumstances where enforcement action is seriously considered, HBRC should be contacted and we will follow that avenue of inquiry. If TLA rules are not able to effectively address adverse effects, HBRC will work with the TLA to resolve the issue.

Beaches, parks and reserves:

- As TLAs own the majority of the beaches in their districts above the mean high water springs, the beaches effectively belong to them. All TLAs, therefore, have the discretion to allow burning on their beaches, whilst ensuring the public adhere to FENZ and HBRC regulations. For example, restricted and prohibited fire seasons under FENZ rules, and airshed rules for beaches that fall within the Napier and Hastings Airsheds.
- Likewise, all Councils can set burning allowances or restrictions for their own parks and reserves whilst adhering to FENZ and HBRC regulation as per above.
- NCC's burning website currently states that "all fires are prohibited at beaches, parks, and reserves at all times"
- HDC's burning website currently states that "fires may be lit in Council-provided fire places during Open and Restricted Fire Seasons only". The website specifies that burning is prohibited at some beaches in the Hastings district.
- HBRC has specific areas on its river reserve where the public may light BBQs. Fires elsewhere on HBRC land are prohibited without prior written approval.

Wairoa specific:

- HBRC do not have compliance staff based in Wairoa, nor are there any gazetted airsheds for Wairoa at present. In the event that WDC receives a smoke complaint WDC staff will deal with the complaint. If prohibited items are found in the fire, it is requested that WDC collect evidence; photos/video, offender's names, vehicle registrations etc., and refer this onto HBRC for follow up.

Appendices:**Appendix 1: RRMP Rule 19.**

Rule	Activity	Classification	Conditions/Standards/Terms
19 Burning of waste <i>Refer POL 69, 69a</i>	Except as provided for in Rule 20a, the discharge of contaminants into air arising from the burning of waste. ⁶⁷	Permitted ⁶⁸	<ul style="list-style-type: none"> a. The waste shall have been generated on the same property, or on another property under the same ownership, as that used for combustion, except for: <ul style="list-style-type: none"> i. Waste originating from ships, or road or rail reserves, or park reserves ii. Waste originating from river control works iii. Waste to be burned for fire training purposes. b. Except for burning undertaken in accordance with (c) below, any material burnt on, or originating from, industrial or trade premises shall be burned using fuel burning equipment, and the discharge shall be from a chimney or exhaust structure designed so that the emission is effectively dispersed upwards. c. The material to be burned shall not contain any animal waste (except animal waste generated on production land), tyres or other rubber, waste oil, any waste products containing hydrocarbons, wood treated with chemicals, painted wood, chip board, plastic, asbestos, medical waste, chemical waste, or any combination of metals and combustible materials or any of the other waste materials specified in the activity description of Rule 20, except where the burning is for the purpose of training fire fighting personnel. d. At any point beyond the boundary of the subject property, or on public land: <ul style="list-style-type: none"> i. The discharge shall not result in any smoke that adversely affects traffic safety, or reduces visibility within a height of 5 metres above ground level, or reduces visibility within recognised flight paths in the vicinity of airports; ii. The discharge shall not result in any objectionable deposition of particulate matter on any land or structure; iii. The discharge shall not result in any offensive or objectionable odour; or any noxious or dangerous levels of gases. e. At any point within or beyond the subject property, the discharge shall not result in any objectionable deposition of particulate matter on National Electricity Transmission Network lines.

⁶⁷ Where discharges of contaminants occur as a result of local authorities carrying out their functions by burning waste on public land the above Conditions (a) to (e) apply.

⁶⁸ If Rule 19 cannot be complied with (and the activity is not prohibited by Rule 20), then the activity is a restricted discretionary activity under Rule 30.

Appendix 2: RRMP Rule 20.

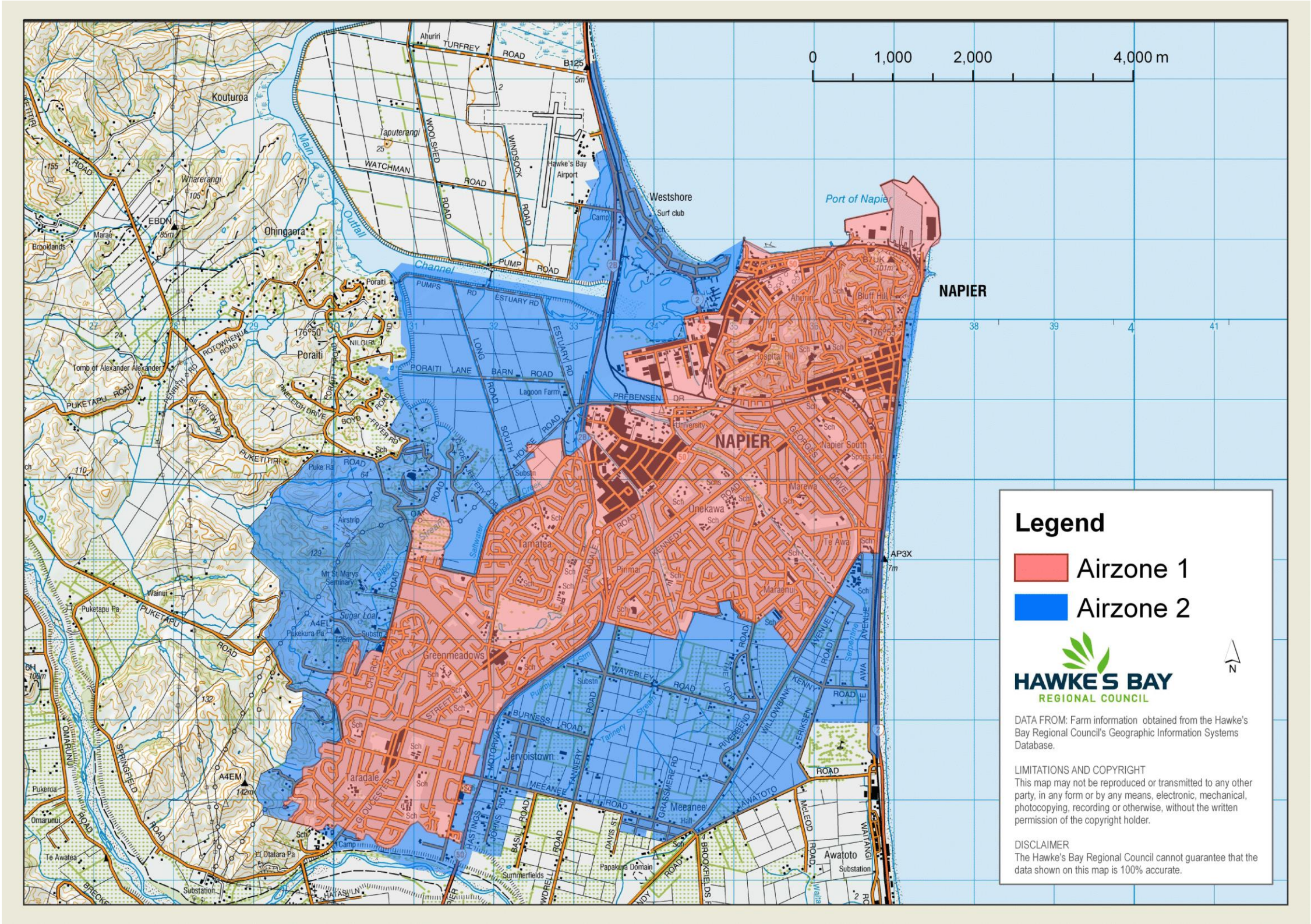
Rule	Activity	Classification
20 Burning of specified waste in the open & in small scale fuel burning appliances Refer POL 69, 69a	<p>Except as provided for in Rules 19 and 20a the discharge of contaminants into air arising from the burning in the open, and/or in a small scale fuel burner of:</p> <ul style="list-style-type: none"> • any combination of metals and combustible materials, including coated or covered cables, or • animal waste (excluding animal waste generated on production land), tyres and other rubber, waste oil, wood treated with chemicals (except wood pellets which comply with the definition of 'wood pellets' in this Plan), oiled, painted or stained wood, chip board, asbestos, medical waste, pacemakers, biomechanical devices, or chemical waste, or • synthetic material, including but not limited to, motor vehicle parts, foams, fibreglass, batteries, surface coating materials, tar, or any type of plastic, or • peat. 	Prohibited

Appendix 3: RRMP Rule 19c.

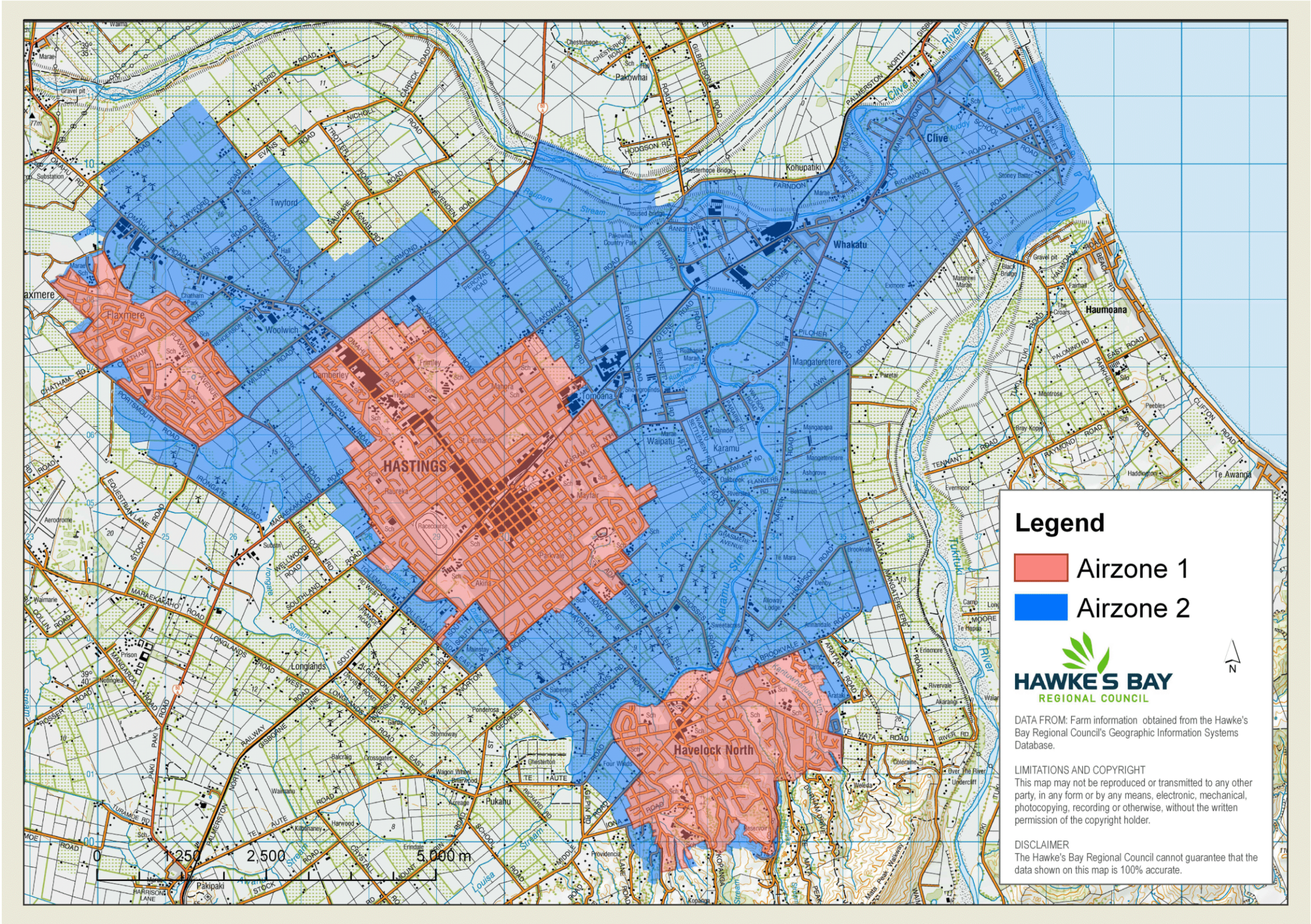
Rule	Activity	Classification	Conditions/Standards/Terms
19c Outdoor burning during certain times of the year Refer POL 69, 69a	Except as provided for in Rules 19, 19d, 19e, 20 and 20a the discharge of contaminants into air in the Hastings and Napier Airsheds from outdoor burning during the months of May, June, July or August. ⁷²	Non complying	

72 Rule 19c does not override Regulation 10 of the Resource Management (National Environmental Standards for Air Quality) Regulations 2004 which prohibits burning of oil in the open

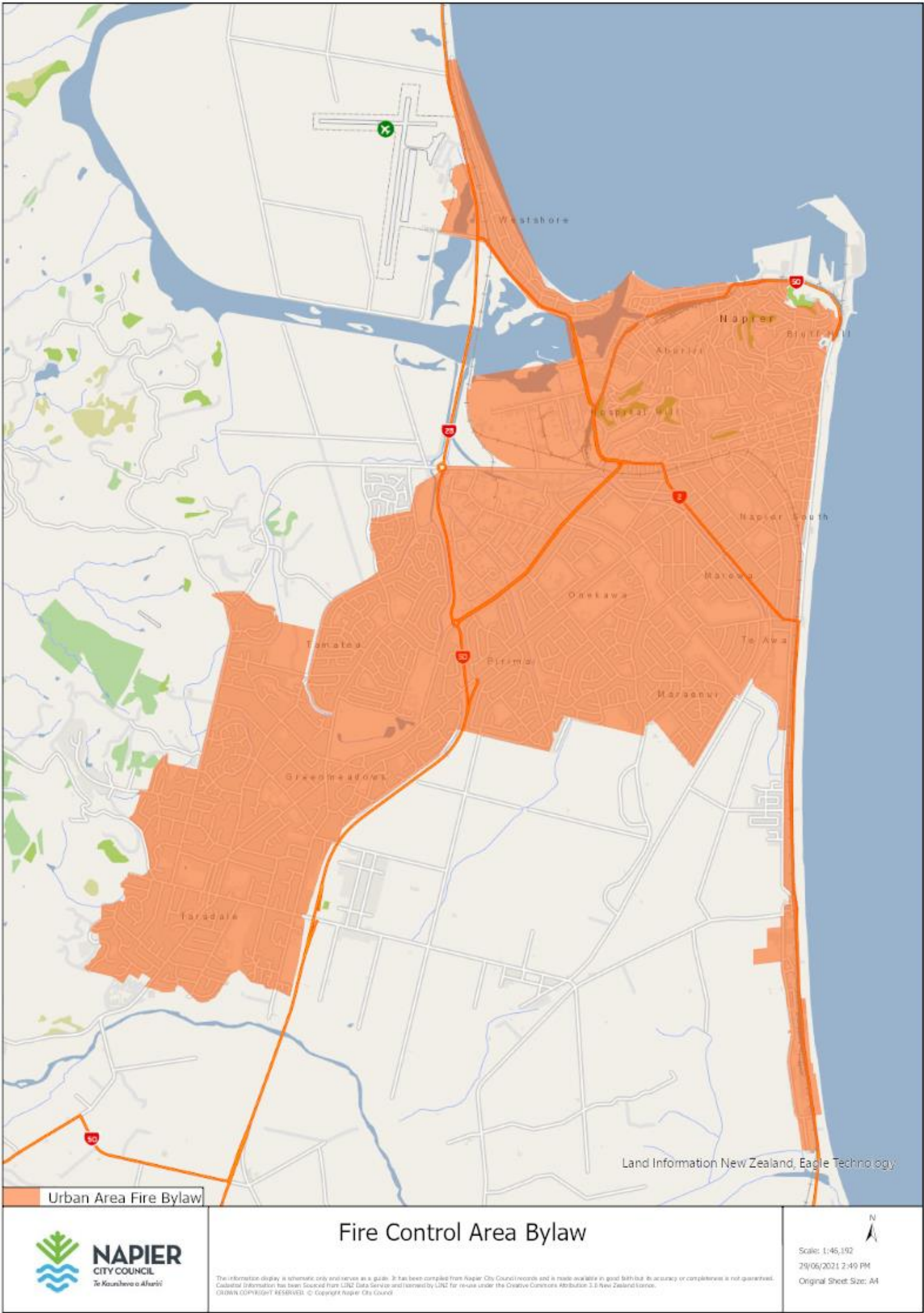
Appendix 4: Napier airshed.



Appendix 5: Hastings airshed.



Appendix 6: Napier City Council fire control area bylaw.



2. ANNUAL PLAN 2025/26 - ADOPTION OF UNDERLYING INFORMATION

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1810822
<i>Reporting Officer/s & Unit:</i>	Danica Rio, Senior Advisor Corporate Planning Caroline Thomson, Chief Financial Officer / Acting Executive Director Corporate Services

2.1 Purpose of Report

To formally approve the underlying information and direction given to date on the Annual Plan 2025/26. The information in this report will be used to inform the development of the Annual Plan 2025/26 consultation document and supporting information. Please note, further information that will also inform development will be provided at the February 2025 Council meeting.

Officer's Recommendation

That Council:

- a. **Adopt** the content of the report titled "Annual Plan 2025/26 – Adoption of Underlying Information" as the underlying information that will inform the development of the Annual Plan 2025/26 consultation document and supporting information, noting further information that will also inform development will be provided to Council for consideration in February 2025.
- b. **Note** the proposed rates increase for 2025/26 will be a 7.9% average increase for ratepayers, noting this is 3.8% less than the increase forecast in the Three-Year Plan 2024-27 (11.7%).
- c. **Agree** the following matters will be included in the consultation document, noting work planned for the remainder of 2024 and early 2025 may result in additions to this list:
 - i. Proposed rates increase
 - ii. Proposed changes to fees & charges
 - iii. Reimagine facilities
 - iv. Commercial facilities
 - v. CCTO
- d. **Note** the proposed capital programme amounts to \$159.6m, noting this is \$17.3m more than the capital programme forecast in the Three-Year Plan 2024-27 (\$142.3m).
- e. **Agree** to the inclusion of a 20% probability assumption to be applied to the 2025/26 capital programme, noting:
 - i. That once applied, the assumption brings the total capital programme to \$127.7m, and

- ii. The assumption accounts for external factors beyond Council's control that have the potential to impact work planned, while still providing the flexibility needed to maximise delivery.
- f. **Note** the detailed engagement plan for consultation on the Annual Plan 2025/26 and detailed consultation topic information will be reported to Council in February 2025.

2.2 Background and development process to date

Councils must prepare and adopt an Annual Plan for each financial year that a Long Term Plan (LTP) is not produced (the two interim years between reviewing the LTP every third year), as per section 95 of the Local Government Act (LGA). Napier City Council's Three-Year Plan 2024-27 (replacing the LTP this cycle) was adopted on 27 June. The 2025/26 financial year represents year two of the current Three-Year Plan (TYP).

On 26 September, a paper that provided an overview of the timeline that would be followed to develop the Annual Plan 2025/26 was received by Council. Following that, budget review work was undertaken by officers. This involved the scrutinising of capital and operating budgets to identify potential cost savings and efficiencies, while ensuring proposed budgets still enable the delivery of the work Council committed to through the adoption of the TYP.

Following the review of budgets by officers, proposed budgets and available levers for 2025/26 were workshopped with Council on 31 October, 19 November, and 5 December. The direction provided by Council at those workshops forms the basis of this report.

2.3 Proposed rates increase

The direction provided by Council to date results in an average proposed rates increase of 7.9% for 2025/26, which is 3.8% less than the rates increase of 11.7% proposed in the TYP 2024-27 for the corresponding year.

As noted in the section above, baseline expenditure and financial forecasts were reviewed in detail, and cost savings have been actioned where possible as part of ongoing efficiency programmes. A breakdown of the rates increase for 2025/26 is detailed in the table below:

TYP Y2 (25/26) forecast rates increase	11.70%
<i>Approved changes</i>	1.35%
<i>Electricity/gas</i>	1.02%
<i>Insurance</i>	0.69%
<i>Other costs</i>	0.16%
<i>HB Tourism funding</i>	0.30%
	15.22%
Savings	
<i>Interest saving</i>	-0.54%
<i>Efficiency targets</i>	-4.62%
<i>Resilience rate decrease</i>	-0.60%
<i>Napier Assist funding change</i>	-1.56%
Proposed rates increase 2025/26	<u>7.90%</u>

The 7.9% average rates increase will be socialised with the community through the Annual Plan consultation document.

1.4 Proposed capital programme

While Council has not deviated from what was set out in the TYP, projects have been brought forward to enable compliance with legislation.

The below table provides a summary of the capital plan for year 2 of the TYP compared to the proposed capital plan for the Annual Plan 2025/26. The figures include 'light touch' items such as vested assets, Omarunui funds, Redclyffe funds, and MTG purchases, as well as spend for Te Aka and the Civic area.

Activity Group	TYP Year 2 (2025/26)	Change (+ / -)	Annual Plan 2025/26
<i>Governance and Representation</i>	85,573	0	85,573
<i>Transportation</i>	32,362,959	+6,233,814	38,596,773
<i>Stormwater</i>	5,897,155	+3,636,848	9,534,003
<i>Wastewater</i>	10,181,290	+229,803	10,411,093
<i>Water Supply</i>	9,184,280	-1,485,429	7,698,851
<i>Other Infrastructure</i>	4,860,479	+68,140	4,928,619
<i>City Strategy</i>	735,103	+752,020	1,487,123
<i>Community and Visitor Experiences</i>	22,820,870	-1,216,761	21,604,109
<i>Property Assets</i>	51,882,859	+9,076,301	60,959,160
<i>Support Units</i>	4,306,487	0	4,306,487
Total	\$142,317,056	+\$17,294,736	\$159,611,792
<i>Probability assumption</i>			(\$31,922,358)
Total capital Annual Plan 2025/26			<u>\$127,689,434</u>

Probability assumption

Officers are recommending the inclusion of a probability assumption to be applied to the 2025/26 capital programme. The 20% assumption as shown in the table above, accounts for external factors beyond Council's control that have the potential to impact the work that has been planned (e.g. reliance on the availability of contractors, reliance on third parties in terms of timing for joint projects, market changes, etc.).

Applying the assumption to the capital programme as a whole (rather than applying it to individual projects) accounts for these external factors while still providing the flexibility needed to maximise delivery. The assumption also benefits Council and the community through reduced interest expense due to reduced borrowing.

1.5 Topics to be included in the consultation document

As per section 95 of the Local Government Act 2002 (LGA), there is a legislative requirement for Council to consult with its community on an Annual Plan if there are significant/material changes from what was set out in the relevant year of the Long Term Plan. Napier City Council's Significance and Engagement Policy has been used to assess the significance/public interest in matters discussed throughout the Annual Plan development process to date. As a result of this assessment process, the below topics are expected to be included in the Annual Plan consultation document:

- **Proposed rates increase:** Update on proposed increase.
- **Proposed changes to fees & charges:** Update on general CPI increases and consult on any significant increases. An updated schedule of fees & charges will be provided for consideration at the Council meeting in February 2025.
- **Reimagine facilities:** (Faraday, Aquarium, i-Site, McLean Park). Update on progress made and consult on any options available for each facility by the Council meeting in February 2025.
- **Commercial facilities:** (Kennedy Park, Napier Conference & Events, Ocean Spa). Update on progress made and consult on any options available for each facility by the Council meeting in February 2025.
- **CCTO:** Update on progress made.

Work will continue over the remainder of this year and in early 2025 to confirm specific details for each topic. Depending on the outcome of this work, additional topics may be added to the above list. The final list and detailed topic information will be provided for consideration at the Council meeting in February 2025. The detailed engagement plan will also be provided to Council for consideration in the New Year.

2.6 Significance and Engagement

Annual Plan consultation will comply with the requirements set out in the LGA and Council's Significance and Engagement Policy. As noted above, the detailed engagement plan will be provided to Council for consideration in early 2025.

2.7 Implications

Financial

As part of the TYP 2024-27 Council approved a quantified limit on rates of 11.8% (8.3%, plus 3.2% LCGI, plus 0.3% factored in for growth) with a proposed increase of 11.7%. The proposed Annual Plan rates increase is 7.9% which is below the quantified limit on rates.

Social & Policy

The proposals contained in this report have been assessed as compliant with relevant Council policies.

Risk

Failure to deliver the proposed capital plan for 2025/26. The application of a probability assumption as recommended by officers will help to mitigate this risk by accounting for external factors beyond Council's control that have the potential to impact work planned, while still providing the flexibility needed to maximise delivery.

Budgets set for the Annual Plan 2025/26 may be insufficient to support work that is driven by central government (e.g. Local Water Done Well, changes to the Resource

Management Act, etc.). To help mitigate this risk, officers will continue to keep up to date with information coming from central government and other related agencies.

The outcome of pieces of work that are currently underway (e.g. reimagine facilities, etc.) may result in the requirement for an amendment to the TYP in the 2025/26 financial year. Officers will assess requirements as work progresses.

2.8 Options

- a. Adopt the content of this report as the underlying information that will inform the development of the Annual Plan 2025/26 consultation document and supporting information, noting further information that will also inform development will be provided to Council for consideration in February 2025.
- b. Not adopt the content of this report as the underlying information that will inform the development of the Annual Plan 2025/26 consultation document and supporting information.
- c. Adopt in part the content of this report as the underlying information that will inform the development of the Annual Plan 2025/26 consultation document and supporting information, and direct officers where to depart from the recommended approach, noting further information that will also inform development will be provided to Council for consideration in February 2025.

2.9 Development of Preferred Option

Option a – Adopt the content of this report as the underlying information that will inform the development of the Annual Plan 2025/26 consultation document and supporting information, noting further information that will also inform development will be provided to Council for consideration in February 2025.

2.4 Attachments

Nil

3. AHURIRI INVESTMENT MANAGEMENT

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government (Rating) Act 2002
<i>Document ID:</i>	1803023
<i>Reporting Officer/s & Unit:</i>	Richard Munneke, Commercial Director

3.1 Purpose of Report

This report is the third in a series focused on decision making for the formation and establishment of a council-controlled trading organisation (CCTO). The CCTO will be tasked with managing a commercially focussed investment portfolio. Aligning and delivering on the expectations and objectives outlined in the FY24/27 Three Year Plan.

This report specifically seeks approval and endorsement for steps needed to continue with the process of establishing the Napier City Council (NCC) Investment Portfolio. Specifically these items are needed to start the CCTO Board recruitment process. These items are:

- A draft Statement of Expectations;
- The assets to be defined as the NCC Investment Portfolio; and
- An operating model whereby a CCTO board will be delegated responsibilities to manage specific Council assets for commercial return.

A separate paper will follow at the meeting for the approval of the Managed Funds Statement of Performance and Objectives (SIPO)

Officer's Recommendation

That Council:

- a) **Approve**, in principle, the draft Statement of Expectation.
- b) **Endorse** the table identifying roles and responsibilities (TABLE 1) to underpin the delegations from the Council to Ahuriri Investment Management (AIM) in respect of the NCC Investment Portfolio.
- c) **Approve** Tranche 1 of assets to be the NCC Investment Portfolio, being:
 - Parklands Residential Development, including the unspent portion of the capital works development budget as set out in the 2024 – 2027 Three Year Plan of \$46,646,212m supported by a \$30m facility.
 - 398 Prebensen Drive, Tamatea (Lot 1 DP 14906)
 - 17 Allen Berry Avenue, Pirimai (Lot 126 DP 11689)
 - 11 Hospital Terrace, Napier Hill (Lot 100 DP 493568)
 - 5 Tangaroa Street, Ahuriri (Lot 2 DP 17736)

- 115 Battery Road, Ahuriri (Lot 11 DP 556903)
 - 113 Battery Road, Ahuriri (Lot 158 DP 4703)
 - 111 Battery Road, Ahuriri (Lot 157 DP 4703)
 - Commercial and industrial leasehold land portfolio as set out in TABLE 2
 - Council 26% shareholding in Hawke's Bay Airport Limited
 - Council's Managed Funds facility to be governed by the SIPO
- d) **Endorse** in principle the NCC Investment Portfolio being a Strategic Asset of Council and included in the 2026 Draft Annual Plan for public consultation.

3.2 Background Summary

In 2023 work started on a long-term investment strategy to guide how to better use the Council investment assets of circa \$160 million to bring in a more consistent income stream, reduce reliance on rates to fund activities, and protect inter-generational interests.

Through the 2024 – 2027 Three Year Plan consultation, and subsequent Council approval of the plan, Council resolved to establish a council-controlled trading organisation (CCTO) to commercially manage Council's investment assets for the benefit of ratepayers now and in the future.

Following the adoption of the 2024 – 2027 Three Year Plan, work has been progressing to establish the investment portfolio and CCTO including making the following decisions at the Prosperous Napier Committee 29 August 2024:

- a) *Approved **Ahuriri Investments Management Limited (AIM)** as the official name of the Council Controlled Trading Organisation to manage Napier City Council's Investments.*
- b) *Endorsed in principle the following asset classes as being suitable for the NCC Investment Portfolio to be managed by the CCTO:*
 - i. *Parklands*
 - ii. *Select surplus NCC property*
 - iii. *Leasehold land portfolio*
 - iv. *Shareholding in Hawke's Bay Airport Limited*
 - v. *Managed Funds*
- c) *Approved a maximum of 5 directors be appointed to the CCTO board of directors, consisting of*
 - *3 independent Directors, including the Chair.*
 - *A maximum of 2 elected members*
- d) *Adopted the amended Appointment and Remuneration of Directors Policy (Doc Id 1786178)*

3.3 Issues

Establishing the NCC Investment Portfolio and AIM as the Investment Manager

Transitioning Council commercial investment portfolio from internal management to being under the management of AIM requires a structured approach. The key next steps in the process are:

- Approving Council's draft Statement of Expectations (SOE) to the AIM Board of Directors;
- Approval of the specific assets to be included in the NCC Investment Portfolio; and
- Endorsement of the roles and responsibilities, at a high level, of the Council and the CCTO;

Once resolved, these steps will enable recruitment and appointment of the Board of Directors to commence in line with the Appointments Policy.

Statement of Expectations

The Statement of Expectations (SOE) is a key document by which the Council sets out its expectations of the NCC Investment Portfolio and its appointed investment manager, Ahuriri Investments Management Limited.

Each year the Council will have the opportunity to set a Statement of Expectations. This first Statement of Expectation is a foundation document and is needed to support the recruitment of the AIM Board of Directors.

Attachment 1 sets out the first draft SOE. Sections include: a History of Council investment assets; the expectation of AIM as the Council CCTO; the purpose and key principles of the NCC Investment Portfolio; a description of the NCC Investment Portfolio; relationship and reporting expectations; and the investment mandate.

It is recommended that Council approve in principle a draft SOE outlining what Council expects prospective Directors to achieve so recruitment of the AIM Board of Directors can commence. The Draft SOE can be finalised once AIM becomes a full legal entity, with a constitution. The AIM Board of Directors (once they are in place) will review the SOE and have the opportunity to clarify points in the SOE. Council will need to approve the final SOE before 1 July 2025.

Enabling the CCTO to operate

It is proposed that the NCC Investment Portfolio remain on the Council balance sheet, and AIM be appointed as the investment manager. The arrangement keeps all assets under their current ownership.

As the assets are to remain on the Council balance sheet it is important to have clearly defined roles and responsibilities. Role clarity will enable AIM to design and execute a strategy to meet the Council's expectations as set out in the SOE.

To support this process the Council must delegate responsibilities, including management of the assets, in a manner that empowers AIM to operate commercially while allowing Council to retain an appropriate level of oversight. Therefore, an important part of the process is to determine what matters should not be delegated to AIM.

The appointment of AIM as investment manager, along with what it is being delegated, will be documented in a Management Services Agreement. This document will be presented to Council for approval by 1 July 2025.

The table below sets out the key activities related to the NCC Investment Portfolio and where the accountability and responsibility sits. This table will inform the development of delegations and management arrangements in the Management Services Agreement.

TABLE 1: Key functions & activities	Council	AIM Board
NCC Investment Portfolio	Accountable	Responsible
Defining the operating guardrails: <ul style="list-style-type: none"> • Significance & Engagement Policy • Investment Policies • Statement of Expectations • Defining assets for the NCC Investment Portfolio • Management Service Agreement 	Accountable & Responsible	Consult & Inform
Operate within the defined guardrails	Inform through quarterly reporting	Accountable & Responsible
Provide annual Statement of Intent to document strategy and intentions for coming three years	Receive	Accountable & Responsible
Develop investment strategy for NCC Investment Portfolio to deliver Council expectations. This includes actively seeking and considering opportunities to buy/sell/development individual assets within the portfolio.	Consult	Accountable & Responsible
Executing transactions within defined guardrails	Support	Accountable & Responsible
Raising debt to support execution of Investment Strategy	Accountable & Responsible	Support
Day to day operational management of assets. This includes. <ul style="list-style-type: none"> • Managing the collection of income, repairs and maintenance, rent/lease renewals. • Selecting and managing the Investment Fund Manager • Servicing of debt 	Inform through quarterly reporting	Accountable & Responsible
Providing an annual cash contribution to Council from the Investment Portfolio as set out in the Statement of Expectations	Receive	Accountable & Responsible
Provide quarterly, and annual performance reporting	Receive	Accountable & Responsible

The definition of terms in the table are set out in **Attachment 1**.

To support AIM with its responsibilities, the Council will make available internal resources. The specific details of this arrangement will be documented in the Management Services Agreement.

As AIM settles into its work it is expected Council and AIM will work together to refine the service and service level expectations to support the successful commercial focus of the NCC Investment Portfolio.

Confirmation of NCC Investment Portfolio Tranche 1 assets

As set out in the roles and responsibilities above, a key accountability of Council is to define the assets within the NCC Investment Portfolio.

On 29 August 2024 Council approved in principle five asset classes. Officers have undertaken a review of specific assets within these asset classes and now present the list of assets recommended for Tranche 1 inclusion in the NCC Investment Portfolio. These are referenced in the draft 2025 SOE.

Council can consider (through the final 2025 SOE or future SOE's) other suitable assets for inclusion in the Investment Portfolio that it is requesting AIM to manage. Any additional assets will be bought forward to Council on a case-by-case basis.

Parklands Residential Development	<p>Parklands Estate development, including the residual Development budget as approved in the 2024 – 2027 Three Year Plan of \$46,646,212m (across years 1-7) and access to a debt facility of \$30m to fund such budgeted development.</p> <p>Council will be expecting that AIM manage the completion of Parklands. Council will therefore provide the budget and debt facility enables AIM to do this.</p> <p>Officers have estimated this level of debt facility is sufficient for AIM to manage the Parklands development cashflows over the remaining development cycle.</p> <p>The Management Services Agreement will set out the responsibility for AIM to service the debt and set out the process and controls for drawing down the debt.</p>
Surplus land	<p>The following seven surplus land titles:</p> <ul style="list-style-type: none"> - 398 Prebensen Drive, Tamatea (Lot 1 DP 14906) - 17 Allen Berry Avenue, Pirimai (Lot 126 DP 11689) - 11 Hospital Terrace, Napier Hill (Lot 100 DP 493568) - 5 Tangaroa Street, Ahuriri (Lot 2 DP 17736) - 115 Battery Road, Ahuriri (Lot 11 DP 556903) - 113 Battery Road, Ahuriri (Lot 158 DP 4703) - 111 Battery Road, Ahuriri (Lot 157 DP 4703)
Leasehold land	67 commercial and industrial leasehold properties referenced in the 2024 – 2027 Three Year Plan as set out in Appendix 2, TABLE 2.
HBAL	26% shareholding in Hawke's Bay Airport Limited
Manged Funds	<p>There is currently no Managed Fund Portfolio within Council.</p> <p>The approval of the SIPO will enable investment of existing reserves or proceeds of diversification to be invested as determined by the AIM Board</p> <p>Analysis is still in progress to establish available reserves that would allow cash to be available for managed funds</p>

3.4 Significance and Engagement

The decision to establish a CCTO to manage a commercially focused investment portfolio, to manage Council's investment assets was consulted on through the 2024 – 2027 Three Year Plan process.

Consultation is required to add the NCC Investment Portfolio to the Strategic Asset List with the Significance and Engagement Policy. The intention is to consult on the inclusion as part of the 2025 Annual Plan consultation.

Investment decisions relating to the NCC Investment Portfolio assets that are individually named in the Significance and Engagement Policy may require consultation. This requirement and expectation will be documented legally between the Council and AIM through the Management Service Agreement.

3.5 Implications

Financial

The Financial implications of the CCTO have been established at a high level through the 2024 – 2027 Long Term Plan.

The Statement of Expectations contains a cash target for AIM to achieve from the Investment Portfolio (after AIMs costs) for the next three years. Council will continue to apply revenue derived to a combination of Financial Reserves and rates offsets.

The cash targets will be smoothed to ensure Council gets a constant and growing cash income stream to support the operation of Council. This is particularly relevant with land development assets where historically, due to market demand, Council has had a feast or a famine.

In addition to the cash target, AIM will also ensure the underlying value of the Investment Portfolio is inflation proofed for future generations and retained for future reinvestment. This includes any land revaluation at Parklands Area 4, being retained by AIM to enable this income stream to continue beyond Parklands.

The process for developing the Management Services Agreement and practical operating arrangements between Council and AIM will develop the specific services being provided by AIM for the management of the NCC Investment Portfolio. This process will determine the management and service fees between the two entities. This work is expected to be complete by 1 July 2025.

Social & Policy

Policies relating to the investment activity have previously been amended to allow the NCC Investment Portfolio to be created and managed by an investment manager.

The Council resolved after consultation for the 2024-27 Three Year Plan to establish an investment portfolio to be managed by a CCTO for commercial focus.

As the work to implement the NCC Investment Portfolio managed by AIM continues, Officers will be reviewing related policies and ensuring these will enable the arrangements needed. Any amendments will be brought forward as required.

Risk

Risk Description	Risk Owner	Mitigation
Introducing a new operation model increases operational risk due to lack of clarity on roles and responsibilities and revised operating processes.	Jessica Ellerm, Project Sponsor	<ul style="list-style-type: none"> • Development of Management Service Agreement • Project Change Plan to embed a new way of working and establish accountabilities
Failure to source suitable candidates for AIM Board of Directors delays the operating model being embedded	Jessica Ellerm, Project Sponsor	<ul style="list-style-type: none"> • Intent to use external recruiter to manage recruitment process. • Project governance to support overall momentum and support pragmatic decisions until Board appointed
NCC Investment Portfolio does not deliver the expected commercial performance uplift	Jessica Ellerm, Project Sponsor	<ul style="list-style-type: none"> • Appointment of commercially focused investment manager (AIM) with 3 independent directors; • Board recruitment policy to ensure right skills and experience identified • Smoothing policy set out in SOE to manage market volatility over time • Quarterly reporting • Expectation of two way no surprises relationship

3.6 Options

Officers are confident the initial arrangements needed for the NCC Investment Portfolio to be managed by AIM will be in place by 1 July 2025.

Further understanding of the work required and timing has developed over the last quarter. Below are the key steps and milestones:

Objective:	Target Date:	Status:
Consultation on CCTO	Q2 2024	Complete

Draft Statement of Expectation accompanying delegations and Appointment Policy	Q3 2024	For Approval in this Paper
Identify NCC Investment Portfolio Assets	Q4 2024	For Approval in this Paper
Define high level operating framework – guardrails, delegations, roles and responsibilities	Q4 2024	For Approval in this Paper
Independent Director Appointment in line with Appointment and Remuneration of Directors Policy (Doc Id 1786178)	Q1 2025	Not started . Policy approved.
Management Services Agreement Drafted	Q1 2025	Not started
Appoint Investment Fund Manager in accordance with Council SIPO	Q2 2025	Not started
1 st tranche Commercial Asset Delegation	Q1 2025	Not started
First AIM Board meeting	Q2 2025	Not started
AIM responsible for NCC Investment Portfolio	1 July 2025	n/a

3.7 Development of Preferred Option

N/A

3.8 Attachments

- 1 Draft Statement of Expectations (Doc Id 1814977) [↓](#)
- 2 CCTO Table 2 Investment Portfolio Tranche 1 Leasehold land (Doc Id 1815154) [↓](#)

[NCC Letterhead]

Xx xxxx 2024

The Board of Directors

Ahuriri Investment Management Ltd

By email

Tēnā koe Directors,

Draft Statement of Expectations

Napier City Council ('**Council**') is pleased to issue its foundation Statement of Expectations for Ahuriri Investment Management Limited ('**AIM**').

This Statement of Expectations ('**SOE**') sets out the priorities and expectations of Council to inform the development of AIM's first draft Statement of Intent ('**SOI**') for the year to 30 June 2026.

The SOE has been prepared in accordance with the Local Government Act 2002 s.64B and has been informed by the public consultation undertaken by Council on the establishment of a council-controlled trading organisation to manage a commercially focused investment portfolio, to manage Council's investment assets into the future.

Council is looking forward to working with and supporting AIM in its collective endeavours on behalf of the ratepayers of the city.

History of Napier City Council Investments

In 1989, Local Authority reorganisation saw Council reallocate a portfolio of assets from the disbanded Hawkes Bay Harbour Board. These assets are largely the consequence of land risen from the seabed in the 1931 earthquake. Council has, and continues to have, obligations in relation to maintaining the inner harbour as a corresponding cost for the benefit these assets provide.

Today, Council's assets include leasehold developed land and bare land from the 1989, Local Authority reorganisation. The bare land is being developed into the residential area now known as Parklands. As part of the 2024-2027 Three Year Plan, Council consulted with the ratepayers on the establishment of a commercial subsidiary, namely AIM, to manage the investment assets of Council as an investment portfolio. This was supported and the decision is documented in the 2024-2027 Three Year Plan.

Ahuriri Investment Management Limited as the Napier Investment CCTO

AIM is a registered company and a Council Controlled Trading Organisation ('**CCTO**') under the Local Government Act 2002. As a CCTO, AIM is expected to act commercially to achieve the objectives set by Council. The Council recognises that for the AIM to succeed it needs to be able to make independent and commercial decisions.

To support AIM, Council will elect a majority independent Board of Directors. AIM will have a Board of five, including two Councillor representatives. The Chair of AIM will be an independent. To maintain the integrity of the stakeholder relationships, the Mayor will not be eligible to be a Director of AIM.

AIM will be appointed as the Investment Manager, through a Management Services Agreement, to manage the '**NCC Investment Portfolio**'. The NCC Investment Portfolio is a set of commercial assets currently owned by Council, a summary of which as outlined below.

Council expects AIM to manage the NCC Investment Portfolio for commercial gain to deliver the set financial performance targets, including the provision of an annual cash return to Council. Council utilises the cash flow generated by AIM to support its core services and achieve Council's wellbeing objectives.

Council understands that to achieve the commercial focus AIM may dispose or improve existing assets, or acquire new assets, in line with the Key Principles.

Council expects AIM to develop commercial relationships and partnerships including the development and ownership of assets under its own name and brand in time.

NCC Investment Portfolio Purpose

Council in its consultation documents noted

"Managing the value of our investment assets as an inter-generational investment portfolio would benefit the residents and ratepayers of today, and those in generations to come. It will eventually give us extra income to fund more services and activities our residents want and need, without depending as much on rates funding. It will help to build our financial resilience to unexpected events, such as what we have experienced with Cyclone Gabrielle, the 2020 Napier flood, and Covid-19 lockdowns. It will help us diversify our investment types to lower our risks. It will also help us to protect the value of our cash assets against inflation."

Council has simplified this into the following purpose of the NCC Investment Portfolio:

"To operate an inter-generational investment portfolio that builds financial resilience and reduces future reliance on ratepayers for funding activities."

Council has determined the following '**Key Principles**' for the NCC Investment Portfolio. The Council expects AIM to use the Key Principles when it develops and executes the strategy for the NCC Investment Portfolio.

Key Principles for the NCC Investment Portfolio and its management:

- is managed in a commercial and responsible manner.
- balances commercial returns through cash distributions to Council for today's ratepayers and building resilience through capital growth for future ratepayers.
- holds the right mix of regional and financial assets to achieve its growth and income objectives.
- is appropriately diversified (in both investment type and location) to provide resilience and buffer Council from the impact of economic cycles and localised disasters.

- achieve commercially focused outcomes while ensuring activities do not negatively impact well-beings.
- the 'front page test' will be applied to investment decisions.
- is aligned to Councils vision and values.
- has the right resources to achieve its growth and income objectives.

The NCC Investment Portfolio

On day one the NCC Investment Portfolio will consist of assets identified by Council as being commercial in nature and would benefit from the investment asset oversight provided by the AIM Board under delegation.

The NCC Investment Portfolio, on day one (namely Tranche 1), will consist of the following assets to be managed on behalf of Council:

Investment Property: Asset Value c.\$100m. Council holds a portfolio of about 60 land investments predominantly in the Ahuriri, Pandora, and Onekawa suburbs of Napier. Council owns the underlying land with lessors owning the leasehold improvements and buildings on site. Councils earns lease from enduring lease terms subject to periodic reset. Council has divested some property and transactions are subject to Council's Investment Property Portfolio Policy (Leasehold Land).

Parklands Residential Development: Asset Value c.\$30m. Council has since the early 2000's been engaged in the development of residential land at Parklands. Limited sites in Area 3 remain for sale, while Area 4 (c.200 lots) is in early green field to brown field stage. Returns to Council from the development and sale of Parklands has significantly supported Council income in the past.

Surplus Land: Asset Value c.\$20m. Council holds land blocks and buildings that are surplus to requirements. On day one the NCC Portfolio will consists of 7 titles of surplus land.

Airport Shares: Asset Value c.\$15m. Council is a 26% shareholder in the Hawkes Bay Airport. The Crown and Hastings Council are the other shareholders. The airport is a Strategic Asset under the Local Government Act.

Managed Funds Asset Value under \$5m. Council recognises the value of a Managed Fund portfolio for both returns and diversity. Council has approved a Statement of Investment Policy and Objectives ('**Managed Fund SIPO**') to meet the initial risk and return expectations. The AIM Board will select the Fund Investment Manager and recommend future changes in the Managed Fund SIPO to Council for approval.

The current NCC Investment Portfolio assets will remain under Council ownership for the simplicity of both financial and operational management.

Council expects to work closely with the Board of AIM in assessing other opportunities within Council where additional commercial value could be by moving the asset to the NCC Investment Portfolio and under AIM's management. These may be added as future tranches of assets.

Council also expects AIM to seek new investments beyond assets currently held by Council to achieve its overarching purpose. In assessing the investment, return, and partnership expectations, the Board of AIM will recommend if the investment is better undertaken on the Council balance sheet or on the AIM balance sheet.

Council will always remain the owner of the NCC Investment Portfolio, whether the assets are on its own direct balance sheet or on the AIM balance sheet.

A Strategic Asset

Under legislation, Council is required to review and adopt a Significance and Engagement Policy. The policy determines what Council assets are considered Strategic Assets under the Local Government Act section 5 and includes some of the assets within the NCC Investment Portfolio. The shareholding in the Airport is legislated as a Strategic Asset under the Local Government Act.

Council sees AIM as holding and developing the NCC Investment Portfolio as an intergenerational asset, per AIMs purpose. Council's intention is that inflation adjusted value of the NCC Investment Portfolio, whether in the name of Council or AIM, is collectively a Strategic Asset. This intent will be confirmed following public consultation in Q1 2025.

The AIM Board

Council wishes AIM to behave in a commercial and independent manner, while being aware of the expectation of being a CCTO and the values of Council. Council, as sole shareholder, will work with the Board to ensure that the Board has the appropriate blend of skills between members and succession planning.

The Board is responsible for ensuring that the CCTO is a 'good employer' and exercising 'sound business practice' under the Local Government Act.

Council expects the Chair of AIM to be an independent member of the Board, able to well represent the activities of AIM as a Council CCTO and asset manager in the local community. Formal interface with the Council will be as outlined in the 'Relationship with Council' and 'Reporting to Council' portions of this SOE. The Chair is expected to additionally interface with the Mayor on matters of public interest.

Council will continue to work with the Board of AIM to ensure Council appoints the best directors in accord with Council's Appointment and Remuneration of Directors Policy of 29 August 2024.

Relationship with Council

Council expects the relationship between AIM and Council to be on a 'no surprises' basis. The expectation of both entities should be of two-way open communication of material issues at both an Executive and Governance level.

Council will set an annual SOE to outline the broad objectives and mandate that Council expects from AIM and to be addressed in its Statement of Intent. Matters raised in the SOE are expected to be aligned with prior discussions between Council and AIM.

As the Investment Manager for the NCC Investment Portfolio, Council also will look to utilise the expertise held in AIM to support Council with matters of treasury or commercial business, on an as needed basis.

Council will also seek advisory services from AIM. Such advice will be sought to explore whether further tranches of Council assets are appropriate for AIM management into the future. Council would also benefit from AIM's commercial expertise on specific projects which have a commercial aspect or workstream which benefit from the skillsets and commercial lens that the board hold.

Reporting to Council

Council expects the following reporting from AIM:

Quarterly: Council and the ratepayers have high interest in the successful development of the NCC Investment Portfolio managed by AIM. Council will receive, in person from the AIM Board and Executive, four quarterly presentations a year. Presentations will be in Public open session where practical. This will include assessment of the key performance objectives, adherence to Council delegations and the Management Services Agreement, particularly in relation to the Council directly owned assets managed by AIM.

Annual: A written Annual and Financial Report commentary on the NCC Investment Portfolio. Council expect AIM to provide whatever necessary support to help Council create financial statements for AIM and Councils own assets.

The New Zealand Government has passed legislation on Climate Reporting disclosures. Council expects AIM to support Councils compliance legislation and timeframes for the NCC Investment Portfolio, and to learn from lead Crown entities.

Both AIM or Council may request an audience with one another at times outside of formal reports to Council as required.

Investment Mandate

Council expects AIM to manage and monitor the NCC Investment Portfolio to achieve the following:

Return Expectation: Council expects a blend of growth and income across the portfolio to achieve the cash drawdown to Council and inflation adjusted asset growth.

The cash contribution expectation to Council is based on the current returns of annuity assets and a contribution from land development. Any income derived from rental of lease hold land will require separate disclosure.

Council acknowledges that returns from both investment and development are volatile. Council is targeting a smoothed cash return to Council in line with the 'no surprises' expectation and expects AIM to in time be able to buffer Council from income volatility.

It is the responsibility of the Board of AIM to determine where in the NCC Investment Portfolio cash income is derived from.

Initial cash contributions have been set in Councils 2024 – 2027 Three Year Plan. Council will work with AIM to refine expectations as AIM settles into its work.

Growth targets from profit retained inside the NCC Investment Portfolio by AIM are targeted to achieve long term growth and resilience above the level of budgeted inflation. In the 2024-2027 Three Year Plan this is assumed at 2.5%.

For the first three years the cash contribution to be supplied to Council is as follows:

LTP 2 (2025)	LTP 3 (2026)	LTP 4 (2027)
\$4.4m	\$4.8m	\$5.3m

Management of Assets: Council expects AIM to manage the NCC Investment Portfolio for commercial gain. This may include the disposal or improvement of existing assets, or the acquisition of new assets, in line with the Key Principles, to best achieve the Purpose of the NCC Investment Portfolio.

Where such an asset is deemed a Strategic Asset of Council (such as our shareholding in the Airport), AIM will need to consider the nature of the asset and the purpose for which it is held and Council's obligations under the Local Government Act.

In establishing a commercial focused investment portfolio through the 2024 - 2027 Three Year Plan, Council noted the desire of the ratepayer to ensure that the value of the NCC Investment Portfolio is preserved as intergenerational wealth for the ratepayers of Council. In addition to any individual assets held as Strategic Assets, Council has included the value of Investment Portfolio as a Strategic Asset.

To support AIM in the day-to-day operational management, to support the development and execution of AIM's investment strategy, the Council will make available the internal resources. The specific details of this arrangement will be documented in the Management Services Agreement. As AIM settles into its work it is expected Council and AIM will work together to refine the service and service level expectations to support the successful commercial focus of the NCC Investment Portfolio.

Regional benefit: Council acknowledges that natural tension may arise between AIM's commercial focus for the NCC Investment Portfolio and the ratepayer expectations regarding regional benefits and outcomes.

In this context, Council reaffirms AIM's primary objective as the Council's investment manager, is to make a commercial return for Council and is to apply the following priority order to its focus:

1. Providing an annual cash return to Council equivalent to that set in the AIM Statement of Intent in line with Council's Annual Plan.

2. Achieving long term capital growth and resilience of the NCC Investment Portfolio for the benefit of future generations of ratepayers.
3. Council expects AIM to be a respected partner in the investment community.
4. Council supports AIM as a direct investor in Hawkes Bay (an example being the development of Parklands) and reporting on these regional benefits.

Social Responsibility: Council expects AIM to have social responsibility to be woven into AIM's fabric or culture, as determined and role-modelled by the Board.

AIM will demonstrate its social responsibility culture through the way it operates and manages the NCC Investment Portfolio and conducts itself in the community.

Council expects AIM to align with larger NZ investment entities like the New Zealand Super Fund on social responsibility but be reflective of the Council values and its place in the Hawke's Bay.

No investment will be directly contrary to the objectives or well beings of the Council.

Debt:

Council accepts that as part of enabling AIM to operate the ongoing development of Parklands AIM will require access to debt facilities. Council will facilitate the provision of debt facility to enable AIM to operate. AIM will be responsible for capital repayments and interest for these debt facilities, and this will be accounted for as part of the NCC Investment Portfolio performance.

As AIM matures and diversifies the NCC Investment Portfolio, Council anticipates discussion with the AIM Board on access to new facilities within Council's overall credit ratings and limits.

Partnerships, Relationships and Co-Investment

AIM is expected to become a trusted partner and take a leadership role in the local investment community.

Council expects AIM will actively consider co-investment with other local investment entities, including local iwi settlement trusts, as appropriate. Looking wider than the region, AIM should create trusted partner relationships with exemplary Crown, Local Government, Community, and iwi investment entities.

Looking Ahead

The establishment of a commercially managed investment portfolio Council is a significant milestone for our city. The decision to entrust our intergenerational wealth as the NCC Investment Portfolio to AIM, as Council's Investment Manager is exciting. We look forwards to building and developing a strong relationship, based on trust and confidence, to the benefit of Council and its ratepayers.

Ngā mihi nui

Kirsten Wise

Mayor

Napier City Council

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TABLE 2

NCC Investment Portfolio Tranche 1 Leasehold Land

ADDRESS	LEGAL DESCRIPTION	ADDRESS	LEGAL DESCRIPTION
SEAFRONT		ONEKAWA	
52- 54 West Quay / GO2 1 Lever Street	LOT 1 DP 321505	8 Austin Street	LOT 6 DP 8016
88 Meeanee Quay	SEC 6 SO 541581	16 Austin Street - title 1	PT LOT 1 DP 6211
10 West Quay	LOT 11 DP 11303	16 Austin Street - title 2	PT LOT 1 DP 8078
14 West Quay	LOT 1 DP 10748	39A Austin Street	LOT 2 DP 10199
26 West Quay	LOT 1 DP 27094	8 Cadbury Road	LOT 1 DP 10574
32 West Quay	TN SEC 767 NAPIER	34 - 36 Carnegie Road	LOT 2 DP 27597
34 West Quay	TN SEC 601 NAPIER	1 Dunlop Road	LOT 1 DP 8815
48 West Quay	LOT 1 DP 478162	2 Dunlop Road	LOT 7 DP 8953
56 West Quay	LOT 2 DP 6122	15 Dunlop Road	LOT 2 DP 8815
40 West Quay	LOT 2 DP 478162	33 Dunlop Road	LOT 2 DP 8553
60 Nelson Quay	LOT 1 DP 23082	53 Dunlop Road	LOT 2 DP 11357
		55 Dunlop Road	LOT 1 DP 11357
		57 Dunlop Road	PT LOT 1 DP 7860
AHURIRI OTHER		26 Edmundson Street	LOT 2 DP 11863
14 Bridge Street	LOT 2 DP 17631	6 Ford Road	LOT 3 DP 9474
16 Bridge Street	LOT 1 DP 17631	10 Ford Road	LOT 4 DP 9474
22 Bridge Street	TN SEC 610 NAPIER	19 Ford Road	LOT 2 DP 14158
72 Bridge Street	PT LOT 1 DDP 135	23 Ford Road	LOT 1 DP 14158
4 - 8 Hardinge Road	LOT 1 DP 26638	68 Wakefield Street	LOT 3 DP 10199
		27 - 29 Cadbury Road	LOT 5 DP 9971
PANDORA		4 Cadbury Road	LOT 12 DP 10199
22 Thames Street	LOT 101 DP 12262	6 Cadbury Road	LOT 13 DP 10199
26 Thames Street	LOT 102 DP 12262	64 Wakefield Street	LOT 5 DP 10199
28 Thames Street	LOT 103 DP 12262	16 Austin Street - title 3	PT LOT 2 DP 8078
30 Thames Street	LOT 105 DP 12262	108 Niven Street	LOT 14 DP 12936
36 Thames Street	Lot 106 DP 12262	18 - 20 Austin Street	Section 4 SO 502169
38 Thames Street	LOT 107 DP 12262	29 Leyland Street	LOT 14 DP 10199
54 Thames Street	LOT 115 DP 12262		
60 - 62 Thames Street	LOT 119 DP 12262	OTHER	
64 Thames Street	LOT 120 DP 12262	9 Owen Street	LOT 5 DP 5319
40 Thames Street - title 1	Lot 108 DP 12262	156 Wellesley Road	PT TN SEC 314 NAPIER
40 Thames Street - title 1	Lot 108 DP 12262	160 Wellesley Road	PT TN SEC 569 NAPIER
44 Thames Street	Lot 110 DP 12262		
46 Thames Street	Lot 112 DP 12262		
50 Thames Street	Lot 113 DP 12262		
52 Thames Street	Lot 114 DP 12262		
56 Thames Street	LOT 1 DP 14069		
68 Thames Street	LOT 1 DP 15012		
52 - 54 Pandora Road	LOT 1 DP 15945		
34 Thames Street	LOT 105A DP 12809		
66 Thames Street	LOT 2 DP 17336		
1-35 / 82 Thames Street	LOT 93 DP 16785		
84 Thames Street	LOT 94 DP 16785		
88 Thames Street	LOT 95 DP 16785		

4. INTRODUCTION OF A STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES FOR THE PROCEEDS OF THE SALE OF LEASEHOLD LAND

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1813743
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Corporate Finance Manager

4.1 Purpose of Report

To adopt a Statement of Investment Policies and Objectives (SIPO) for managed funds. This policy forms one of the guardrails by which Ahuriri Investments Management Ltd will be expected to operate within.

Officer's Recommendation

That Council:

- a. Adopt the Statement of Investment Policies and Objectives.

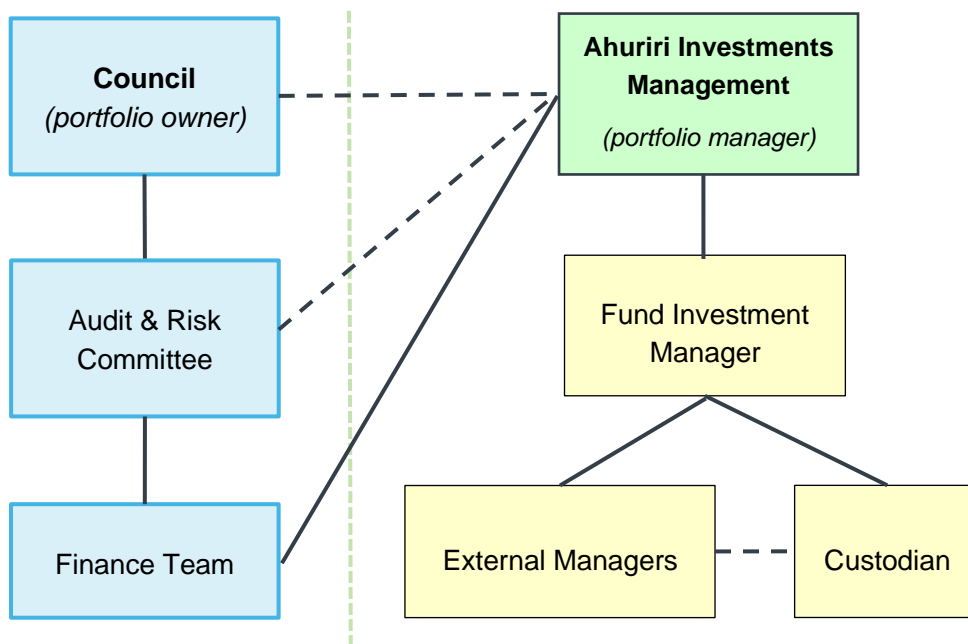
4.2 Background Summary

Council is exploring new ways of investing to diversify risk and improve liquidity and potential returns. As part of this process, Council will establish Ahuriri Investments Management Limited (AIM) – a Council Controlled Trading Organisation (CCTO) in early 2025. AIM will be responsible for managing the NCC Investment Portfolio with a view to providing a resilient and growing income stream whilst also growing assets under management over the long term.

Managed funds are expected to be one of the asset classes within the NCC Investment Portfolio going forward. This SIPO provides the guidelines for establishing and managing such a portfolio.

4.3 Issues

The introduction of a managed portfolio will create new relationships for Council and Council-related entities.



An effective SIPO will create guardrails for Council, AIM, and responsible parties to operate within. The SIPO does not require Council to be investment specialists but provides clarity on what to expect from the investment fund.

4.4 Significance and Engagement

Due to the specialised nature of investing, Council is not required to engage in community consultation when setting investment policy as per Section 102(5)(b) of the Local Government Act 2002.

4.5 Implications

Financial

There are no financial implications from this policy as it is a framework only.

Social & Policy

This SIPO is recognised within the broader Investment Policy.

Risk

There is some risk to the procurement of Fund Investment Manager workstream timeline if adoption of the SIPO is delayed.

4.6 Options

The options available to Council are as follows:

- Adopt the SIPO as presented.
- Reject the SIPO as presented.
- Request amendments to the SIPO prior to adoption.

4.7 Development of Preferred Option

The SIPO presented has been developed with assistance from specialists, is based on best-practice frameworks, and has been assessed against SIPOs created for other local government bodies in NZ.

4.8 Attachments

- 1 Statement of Investment Policies and Objectives (Doc Id 1814889) [↓](#)
- 2 Investment Policy (Doc Id 1814890) [↓](#)



NAPIER CITY COUNCIL INVESTMENT FUND

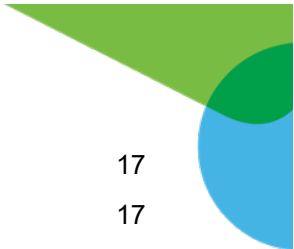
Statement of Investment Policies and Objectives

Effective: **xxxxx**
Version: **1.0**



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1. Purpose

The purpose of this Statement of Investment Policy and Objectives (“SIPO”) is to assist Napier City Council (“Council”) and Napier City Council’s investment company Ahuriri Investments Management Ltd (‘**AIM**’) in effectively supervising, monitoring and evaluating the management of the Investment Fund (“the Fund”).

The SIPO defines key responsibilities and operating parameters within which the investments and their ongoing management are to operate. The SIPO should at all times encourage the use of methodologies and processes that reflect industry best practice, encompass the principles of good governance, and reflect Council’s vision and risk tolerances.



2. Objectives

2.1 Background

Napier was granted municipal status in 1874, with the first meeting held in 1875. Napier was proclaimed in city in 1950.

In 1931 the earthquake destroyed infrastructure and services. As a result of the earthquake, significant areas of land were raised; assisting with Council land reclamation projects.

In 1989 the New Zealand Government legislated a major overhaul of local bodies by the Local Government Commission, which ended or amalgamated most single-purpose bodies. As a result of amalgamation, a number of assets and obligations were transferred to Council from the Hawke's Bay Harbour Board.

Resilience has always been a feature of the Council. The decision to draft a SIPO and create the Fund is a part of Council growing its financial resilience.

As part of the 2024 Long Term Plan Council consulted on the creation of a Council Controlled Trading Organisation (CCTO) to manage, at arm's length, Council's Investment Portfolio, Council will establish Ahuriri Investments Management Limited (AIM) in early 2025.

AIM is tasked with managing and growing an intergenerational Investment Portfolio and providing the Council with a constant and growing income stream. To achieve this, the AIM Investment Portfolio consists of

- A portfolio of leasehold property,
- A portfolio of rental property,
- A portfolio of development land,
- A shareholding in Hawkes Bay Airport,
- An Investment Fund in accordance with this SIPO, and
- Other assets agreed by Council over time.

Council is exploring new ways of investing to diversify risk, and improve liquidity and potential returns. As part of this process, AIM may diversify the Investment Portfolio in accord with the delegations from Council. AIM may choose to apply undistributed proceeds to grow a Investment Fund. This SIPO provides the guidelines for establishing and managing the Fund.

The Fund will commence with nominal seed capital and may grow to \$50m over the life of the 2024 Long Term Plan (to 2033) as investment mature or are diversified.

2.2 Objectives

To protect and maintain the purchasing power of the Fund, and all future additions, for current and future generations.

To maximise investment returns within reasonable prudent levels of risk.



To maintain an appropriate asset allocation that allows for distributions while preserving the real value of the Council's capital from the effects of inflation.

The Fund is a part of Council's wider Investment Portfolio. AIM have the responsibility of ensuring the Fund plays its part in achieving the wider Investment Portfolio growth and income objectives. Income provided to Council by AIM from the Investment Portfolio is utilised to supplement revenue from rates in support of Council operations.

2.3 Time Horizon

The Fund is an intergenerational/perpetual investment. At a minimum, the investment guidelines are based upon an investment horizon of greater than ten years. Therefore, interim fluctuations should be viewed with appropriate perspective.

The Board of AIM may choose to invest into or divest from the Fund to meet part of the wider objectives of the Investment Portfolio.

2.4 Ethical Investment (Socially Responsible Investment)

The Fund has been established to hold investments on behalf of the Council. Council has obligations to behave in a socially responsible manner.

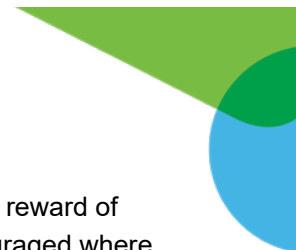
Council seeks to avoid investing in activities that would be regarded as unethical by a substantial majority of the New Zealand public and expects the Fund to demonstrate Corporate and Social Responsibility. This includes ensuring any Managers apply industry standard methods and principles in the way they operate, and in how underlying investments are selected. Where practical, some negative screening will be applied to the selection process of investments within the Fund (including debt instruments) as Council wishes to avoid direct involvement with industries that have a negative impact on the environment or society. Examples of industries and investments to be excluded include:

- Gambling
- Whale meat harvesting or processing
- Weapons manufacturing and testing, and mercenary activities
- Tobacco, cannabis, and other legislated recreational drugs.
- Sovereign issuance from nation states that are subject to NZ Government sanctions

This list is not exhaustive.

Council also acknowledges the benefit of positive screening in investment selection, and expects this approach to also be adopted.

Investments are to be thoroughly researched and screened where practical to ensure that they meet our responsible investment criteria. The following initiatives are to be adopted by any appointed Investment Manager:



- Investment processes to enhance understanding of the potential risk and reward of investments in the portfolio. Corporate engagement and voting are encouraged where practical.
- Using data from a globally recognised ESG research agency, avoid investing in entities that exceed the ethical exclusion criteria described above, as these activities are inconsistent with Council's values.
- Standards on Social Responsibility will be reviewed as part of the overall SIPO review and updated as necessary to reflect changes in best practices, and to ensure continued alignment with values and investment objectives.

2.5 Performance Expectations

The purpose of the Fund, is to benefit the Napier community by subsidising general rates through additional income received. At the same time as providing income, Council is tasked with preserving and growing the value of the portfolio (in excess of inflation) for current and future generations.

The performance target of the Investment Portfolio is tied to the income and growth expectations of Council's Long Term Plan ('LTP').

For the purpose of projections, Council assumes a long-term inflation rate of 2.5%.

The Fund is expected to have an average annual distribution of 3% of capital. The ability to make distributions from the portfolio will be at the discretion of AIM.

2.6 Policy Setting and Management

Council views the SIPO as a live document. AIM is expected to conduct regular reviews of the SIPO and may also recommend changes to the policy parameters of this SIPO. Acting on any SIPO change will only occur following the approval of a new version of the SIPO by Council. AIM is responsible for communicating any changes in the SIPO.



3. Risk Tolerance and Risk Management

3.1 Approach to Risk

The Fund is representative of public funds. As entities responsible for management of the Fund, Council and AIM seek to take measured risk that has adequate expected return compensation. The investment framework is supportive of its inter-generational responsibilities to current and future ratepayers. This includes seeking, where possible, to manage risk. The Group acknowledges that investing solely in capital stable investments exposes the portfolio to the risk of inflation and is willing to accept some risk to increase expected return.

Strategic, long-term asset allocation is the key to maximising investment returns whilst minimising risk. Fund investments should be continually monitored and adjusted relative to benchmark asset allocations.

All investments must apply a responsible and ethical investment framework filter when considering investments as outlined in the SIPO.

3.2 Risk Tolerance

The Group recognises that some risk must be assumed to achieve the long-term investment objectives. Risk tolerance is affected by three factors:

- Capacity to accept risk,
- Willingness to accept risk, and
- Required rate of return (see section 2.5 Performance Expectations)

3.2.1 Capacity to Accept Risk

The capacity to accept risk is tied to the investment time horizon of the overall Investment Portfolio managed by AIM and how AIM see the Fund supporting those growth and cash flow requirements.

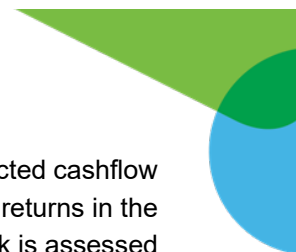
Time horizon: This SIPO has been prepared on the basis that the Group is expected to exist in perpetuity. The investment time horizon of the Group is therefore long term. This increases the capacity to accept risk.

Financial capacity and cash flow requirements: The Groups ability to derive cash flow to annually support Council imply low capacity to tolerate illiquidity.

Based on the combination of time horizon and financial circumstances, and the intergenerational strategic purpose of the Investment Portfolio, the Group's implied capacity to accept risk is assessed as medium to high.

3.2.2 Willingness to Accept Risk

Council and AIM are prudent investors and seek to take measured risk that has adequate expected return compensation, seeking where possible, to manage volatility and risk. Notwithstanding this risk aversion, the Fund is able to accept risk to increase expected returns in line with maintaining the real value of inter-generational equity (after accounting for inflation).



Distributions from the Fund to are part of the Long Term Plan and based on projected cashflow rather than the day to day capital value of the Fund. Council accepts volatility of returns in the short term to achieve a long-term objective. The Group's willingness to accept risk is assessed as Medium to High.

3.3 Management of Risk

The Council, AIM, and Finance Team have the responsibility to develop appropriate internal controls, policies, and risk management strategies. These internal controls, policies and risk management strategies are described in this SIPO.

Identified risks include:

Credit Risk

Risk Description: Credit (or counterparty risk) is the risk of default by a counterparty to a particular transaction or an issuer of a security held in the portfolio.

Risk Managed By:

- Measuring and maintaining the credit quality of portfolios within prescribed guidelines.
- Limiting exposure to individual issuers through issuer limits.
- Diversification across investment type and instrument.
- Maintaining appropriate policies and procedures relating counterparties.
- Appointing Fund Managers with mandates consistent with prescribed risk limits

Currency Risk

Risk Description: Currency risk is the risk that foreign currency denominated assets will lose value because of an adverse exchange rate movement.

Risk Managed By:

- Maintaining a hedging policy for the portfolio and individual asset classes.

Liquidity Risk

Risk Description: Liquidity risk is the risk that a security cannot be sold when required or that the price achieved is significantly different from the quoted price.

Risk Managed By:

- Setting liquidity requirements by asset class in the SIPO and or Investment Policy Statement (IPS).
- Setting diversity targets by asset class in the SIPO and/or IPS.
- Requiring Investment Managers to invest in accordance with the SIPO.
- Aligning liquidity risk to the likelihood of capital spend on the investment.
- Limiting the credit rating of the fixed interest and cash investments to approved levels.



Manager Risk

Risk Description: The Group retains professional managers to implement its investment strategy. Managers' returns may vary from expected levels.

Risk Managed By:

- Robust selection process for Fund or Private Equity Managers.
- Appointing Managers with mandates that prescribe acceptable risk limits.
- Appointing independent experts to the Board of AIM.
- Regular assessment and review of performance against benchmark and peers.

Market Risk

Risk Description: Market risk is the risk of adverse movements in investment markets (including asset prices, volatility, changes in yield curves or other market related variables) that affect the value or income of the portfolio. The volatility of investment markets means that the return from the investment portfolio is inherently uncertain. Actual returns from each asset class may vary significantly each year from the returns assumed in determining the long term investment strategy.

Risk Managed By:

- Diversifying portfolio investments.
- Seeking professional advice.
- Requiring Managers to manage funds to prescribed mandates.

Operational Risk

Risk Description: Operational risk is the risk of financial loss due to mismanagement, error, fraud or unauthorised transactions.

Risk Managed By:

- Having in place a robust system of internal measures and controls at AIM with regular reported to Council .
- Requiring a custodian to hold assets as bare trustee, record transactions, and report on performance.
- Ensuring each Investment Manager has a specific mandate.
- Ensuring clear separation of investment management, custodial, and overall supervisory functions.

4.Duties and Responsibilities

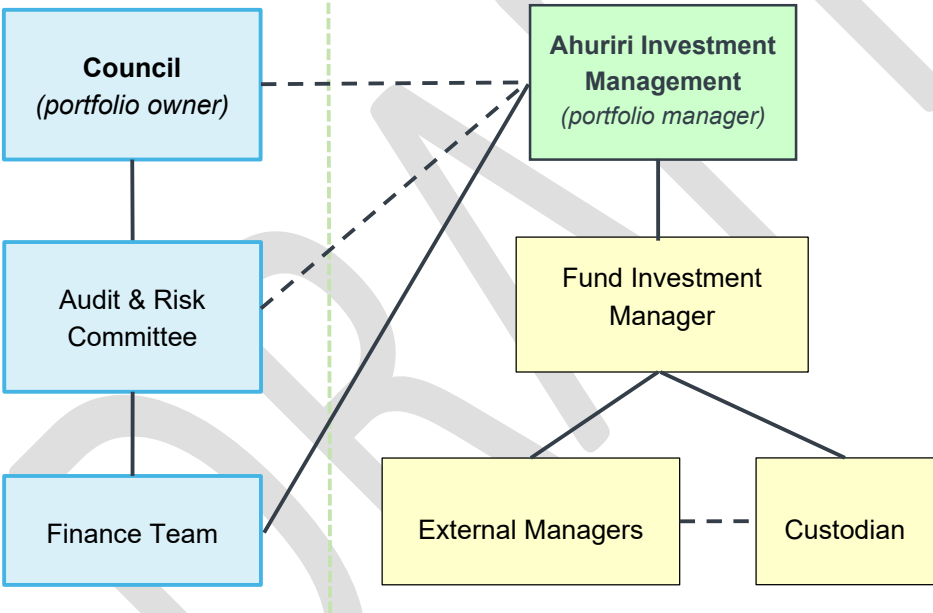
Council has determined that the Board of AIM has responsibility for the managed investments operated under this SIPO. This includes the safe keeping of the investment assets, and supporting Council to achieve the cash flow returns from investment assets to support the objectives set in the Long Term Plan.

This SIPO should be read in conjunction with the Council Statement of Expectations for AIM ('SOE') and AIM's Statement of Intent ('SOI'), as agreed annually between AIM and Council.

The SIPO, SOE, and SOI should be aligned in purpose and objectives, however where conflict exists the SOI takes priority in relationship matters while the SIPO will take priority on investment parameters.

4.1 Structure

The investment management organisational chart is displayed below.



4.2 Council

Council has the ultimate responsibility for managing investment decisions on the establishment and ongoing operation of the Fund. Council will be responsible for the following:

- Receive and resolve on any change recommendation of the SIPO made by Ahuriri Investment Management (AIM) as appropriate.
- Receiving performance reports from AIM as agreed.
- Seeking guidance, as appropriate, from the Audit & Risk Committee on matters relating to policy and portfolio management.



4.3 Ahuriri Investments Management Ltd (AIM)

AIM is the primary point of contact for the Investment Manager/s and maintains day-to-day oversight over the Fund. Responsibilities include:

- Ensuring the Fund is administered and operated according to parameters set within the SIPO.
- Selecting, monitoring the performance of, and changing the Investment Manager/s as appropriate.
- Formally reviewing the SIPO every three years to ensure it continues to achieve the broad objectives of both Council as owner and AIM as administrator. This review may include consultation with the Investment Manager/s and/or third-party specialists.
- Ensuring that any Fund Investment Manager has a current Investment Policy Statement ("IPS") detailing how the Fund is to be managed. Specific information on matters such as asset allocation, risk tolerance, investment securities, and liquidity requirements are included in an IPS and be agreed between AIM and the Funds Investment Manager.
- Engaging with the Funds Investment Manager on reporting, performance, capital movements and forecast and other relevant matters.
- Following formal criteria to monitor, evaluate and compare the investment performance results achieved against relevant benchmarks and objectives on a regular basis.
- Advise Audit and Risk of any breaches of the SIPO during the period. Breaches resulting from market performance are to be advised to Audit and Risk, with more significant breaches to be advised to Audit and Risk and Council. Reporting to Council on the performance of the Fund on a basis agreed with the Council.
- Ensuring that all service agreements and contracts are in writing and are consistent with fiduciary standards of care.
- Ensuring that contracts for the Investment Manager/s and custodial services are reviewed annually.
- Ensuring that Investment Manager performance is reviewed annually and actioned appropriately.
- Ensuring appropriate risk management standards and procedures are developed and maintained.
- Ensuring quarterly portfolio compliance reports are provided to Audit & Risk (including SIPO breaches) through Finance Team.
- Supporting Councils Finance and Audit and Risk Committee with any audit matters pertaining to the Fund as part of Council's annual audit of financial statements.



4.4 Audit & Risk Committee

The responsibility for the monitoring and reviewing of Council's investment policies is that of the Audit and Risk Committee, assisted by the Finance Team and AIM. Key responsibilities are:

- Receiving recommendations for the SIPO from AIM.
- Ensuring that the practices and policies set out in the SIPO are adhered to on an ongoing basis.
- Reviewing AIM reporting exceptions as applicable.
- Ensuring that all parties overseeing, advising and managing Council's investments disclose any potential conflicts of interest. In the event that conflicts of interest arise, the policies and procedures for managing these are to be clearly defined, although, in principle, such conflicts should be avoided.

4.5 Finance Team

The Finance Team monitor the Fund's historic movement in distributions and balances on an annual basis as part of their Annual Report. Forecast movements in portfolio valuation and distributions are also reported through the Annual Plan or Long Term Plan.

The key contact for the Finance Team is the Chief Financial Officer (or their delegate/s).

The Finance Team is responsible for:

- Acting as a primary point of contact for AIM on finance and Council operational matters.
- Working with AIM on the expected timing of distributions, contributions, and withdrawals to, and from, the Fund.
- Presenting AIM performance and activity reports to Council with recommendations (as required).
- Preparing cover papers and presenting AIM reports to Audit & Risk Committee with recommendations (as required).
- Arranging attendance at Audit & Risk Committee and Council meetings with AIM and Investment Manager/s (as appropriate).
- Advising the Audit & Risk Committee and Council (as appropriate) of any other material events or information that may impact the Fund Where no decision is required by the Audit & Risk Committee or Council (i.e. AIM and the Investment Manager/s are able to make changes within the scope of the SIPO), an information-only report should be provided to those bodies.
- Receiving monthly reports from the Investment Manager on the valuation and movement of the Fund.
- Accounting for the Fund as an asset of Council, providing monthly cost centre and annual financial statements.



4.6 Fund Investment Manager

The Fund Investment Manager(s) is/are responsible for preparing and maintaining a written Investment Policy Statement (IPS) or equivalent in a format consistent with, and adhering to, the SIPO.

External Investment Managers may be appointed to manage part of or all the Funds in accord with this policy.

Responsibilities include:

- Managing the Fund's investments in accordance with the guidelines and objectives as outlined in the SIPO, their IPS and in their service agreements.
- Ensuring investment assets are appropriately diversified and conforming within the time horizon and agreed risk/return profile. Outlining expected returns and risk within the selected strategies.
- Managing the Fund on a day-to-day basis. Administering and attending to the day-to-day financial matters associated with the management of the Fund. The primary point of contact for the Investment Manager is AIM.
- Using the care, skill, prudence, and due diligence under the prevailing circumstances that an experienced investment professional, acting in a like capacity and fully familiar with such matters, would use in like activities for like portfolios, and comply with all applicable laws, rules and regulations.
- Maintaining a 'no surprises' relationship with AIM. In the event of a breach of the IPS or SIPO, advising AIM immediately of the breach and any recommended action.
- Exercising all voting rights, where applicable, in the best interests of the Fund.
- Ensuring that "expected" and "modelled" returns for asset classes are based on sound return and risk premium assumptions.
- Providing advice on the asset allocation.
- Specifying, and advising on, asset and sub-asset class allocation strategies.
- Recommending a Custodian to hold and report on investment assets. Periodically reviewing custodial arrangements and making recommendations.
- Confirming on an annual basis that best practice with respect to execution, brokerage, money sweep facilities, foreign currency spreads, transaction costs and management fees is being applied.
- Managing the relationship with External Manager including:
 - Instructions to lodge or withdraw funds,
 - Overseeing and monitoring performance, and
 - Appointment and removal.
- Rebalancing individual investments and asset class groups to within agreed benchmarks as described in the rebalancing policy contained in the SIPO and IPS documents.
- Effecting all transactions for the Fund at the best price.

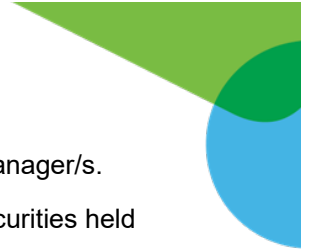


- Compiling and accounting for all investment, record keeping and administrative expenses associated with the management of the Fund.
- Delivering quarterly reports including:
 - Fund valuation,
 - Fund duration,
 - Compliance reporting (including approved exceptions),
 - Performance summary for the Fund and by asset class,
 - Performance against agreed benchmarks,
 - Fund income,
 - Asset transactions summary,
 - Investment management fees,
 - Custodial fees,
 - Individual fund management fees, and
 - Brokerage and other transaction costs.
- Making available appropriate personnel to attend meetings, as agreed.
- Disclosing any potential conflicts of interest and steps taken to mitigate such conflicts.
- Reporting annually the 'Total cost of Delivery' being the sum of:
 - Investment Manager fees,
 - Custodial fees,
 - Administration fees, and
 - Total Fund fees – made up of annual management fees (including annual management fees of underlying investments) and any other fees (including buy/sell spreads) and costs.
- Providing financial information, including income and/or returns projections, as required for forecast budgeting purposes.
- Communicating to AIM all significant changes that are material with relation to management of the portfolio. Changes in ownership, organisational structure, financial condition, professional staff and reputation are examples that must be communicated.

4.7 Custodians

Custodians hold investments as bare trustee on behalf of the Fund's beneficial owner and are responsible for the safekeeping of those investments. The specific duties and responsibilities of the custodian are:

- Maintaining separate accounts.
- Valuation of all investment assets.
- Collecting all income and dividends owed to the portfolio.



- Settlement of transactions (buy/sell orders) initiated by the Investment Manager/s.
- Providing access for AIM to reports detailing transactions, cash flows, securities held and their current values, changes in value and returns.
- Providing annual audit confirmations to Investment Manager/s and AIM.

4.8 External Managers

The Fund Investment Manager is tasked with managing an allocated part of the Fund on terms and conditions consistent with their mandate. This may include the use of External Fund or Private Equity Managers ('**External Managers**'). Any External Manager chosen by a Funds Investment Manager must be approved by AIM. Any activity undertaken by External Fund Manager must be conducted in accordance with this SIPO.



5. Investment Policy and Implementation

This SIPO is designed to be in accord with Council's Investment Policy. Where there is a conflict in regard to management of the Fund, the SIPO shall take priority.

The Fund will be managed with a view to ensuring sufficient liquidity to meet expected cash flow and distribution requirements.

Investment risk will be limited by appropriate diversification both within and between asset classes as determined by the following asset allocations.

5.1 Asset Class Guidelines

The fund is permitted to hold a mix of growth and defensive assets.

The Fund can hold investments in the following asset classes and assets:

Defensive Asset Classes

- Cash – term deposits, cash on call, commercial paper, and bank bills.
- NZ fixed Interest – NZD denominated bonds (domestic and foreign issuers), including sovereign and non-sovereign issuers, either directly or via Collective Investment Vehicles ("CIVs").
- International Fixed Interest – Foreign denominated (not NZD) bonds (domestic and foreign issuers), including sovereign and non-sovereign issuers, either directly or via "CIVs".

Growth Asset Classes

- NZ and international Equities - shares in publicly listed companies, including listed property companies, domestic and foreign, either directly or via CIVs.
- Property, both NZ and International via managed funds indirectly or directly.
- Infrastructure via managed funds indirectly or directly.
- Alternatives, including Hedge Funds, Long / Short Funds, Inflation Linked Funds.

Investment Classes not identified above are deemed to be excluded from the investment. The addition of a new investment class can only occur with a review of the SIPO.

5.2 Benchmarks

The performance of the Fund Investment Manager will be measured against the total return of the Fund in achieving the objectives in section 2.6.

Additionally, AIM will monitor the performance of the Fund Investment Manager against relevant industry benchmarks for each asset class (per section 5.1). The comparator benchmarks by asset class will be agreed between the Fund Investment Manager and AIM in the IPS.

5.3 Asset Allocation



Academic research offers considerable evidence that the strategic asset allocation decision far outweighs security selection and market timing in its impact on portfolio variability and performance. On this basis Council prefers to adopt a strategic asset allocation –with restrictions placed around active and/or tactical asset allocation strategies.

Overall, Council wishes to adopt a broad approach with an 80/20 split between growth and defensive assets. There is an allowable tactical variance of +/-10% to the target growth and defensive split. Asset allocation breaches outside of acceptable asset class tolerances where the Fund holds additional Cash as a result of new capital to be invested, or cash in anticipation of a withdrawal, are not considered a breach where remedied within three months.

5.4 Foreign Currency Management

Foreign currency is used to manage portfolio volatility and return.

To manage the risk associated with currency the following policies apply:

- Holdings of offshore fixed interest (bonds) are to be fully hedged back to NZ dollars at all times.
- When investing in international equities either directly or via managed funds, a currency hedging position of between 0% and 100% will be agreed by AIM with the Investment Manager.

5.5 Tax Policy

Whilst held directly by Napier City Council, the Fund is zero rated for taxation purposes on both income and capital gains. Any investment strategy employed needs to take into account Council's tax status, although this should not be to the detriment of the long-term strategic asset allocation.

Any tax leakage is to be quantified by AIM and reported to Council annually.



5.6 Rebalancing

The percentage allocation to each asset class may vary depending on market conditions. The strategic asset allocation agreed to between AIM and the Investment Manager will have upper and lower limits for each asset class.

The collective exposure to the various asset classes will be monitored by the Fund Investment Manager and reported to AIM.

If the actual weighting has moved outside the tolerance levels, the Fund Investment Manager will generally be required to rebalance the portfolio back towards the recommended weighting. Breaches are to be notified, with advice on how they will be rectified. Council understands that exceptions do arise from time-to-time where rebalancing in the short term may be detrimental to the value of the portfolio. In these instances, the Fund Investment Manager will inform AIM of the breach and recommend accordingly. AIM must approve any ongoing breach of asset ranges.

The Fund Investment Manager's approach to rebalancing should be outlined in their IPS and agreed with AIM. To ensure transactional costs are minimised, a pragmatic approach to rebalancing is to be adopted.

5.7 Selection of Fund Managers

When selecting External Managers, the Fund Investment Managers must consider, among other criteria specific to the role:

- the skills and experience the External Manager brings to the role,
- the substance and viability of the External Manager,
- the costs that can be expected to be incurred,
- the existence of appropriate risk management structures, and
- whether there are any organisational or reputational issues.

Investment mandates shall include rules setting out authorised investments, performance measurements, constraints and exposure limits, use of derivatives, and reporting requirements.

External Managers are regularly reviewed against the preceding criteria to determine their ongoing suitability for their role.

Where an External Managers is selected and the Investment Portfolio incurs an additional fee, the impact of this fee must be disclosed annually in writing to AIM.



5.8 Fund Investment Manager Selection

Ahuriri Investment Management Ltd (AIM) will be responsible for the appointment of the Fund Investment Managers to assist with the management of the Fund. AIM is responsible for applying the following due diligence criteria in selecting the Investment Managers.

Any proposed change in Fund Investment Manager will be recommended by AIM to Council for approval.

5.8.1 Request for Proposal Process

Fund Investment Managers roles should be tendered through a Request for Proposal (RFP) process. AIM are responsible for the tender process and selection of Fund Investment Managers. AIM may elect to utilise a delegates from Council and external advisors in this process, including in the initial Fund Investment Manager Selection where AIM is being established.

5.8.2 Portfolio Expenses

Total costs to operate the Fund should be fair and reasonable. Preference is for a fee only service with all commissions returned to the Fund and reported to AIM.

The Fund Investment Manager is to report to AIM quarterly the breakdown of the total cost of delivery including:

- Fund Investment Management fees,
- Custodial fees,
- Individual and weighted average Funds Management fees, and
- Brokerage and other transaction costs.

Council acknowledge that cost reductions can be achieved through scale.

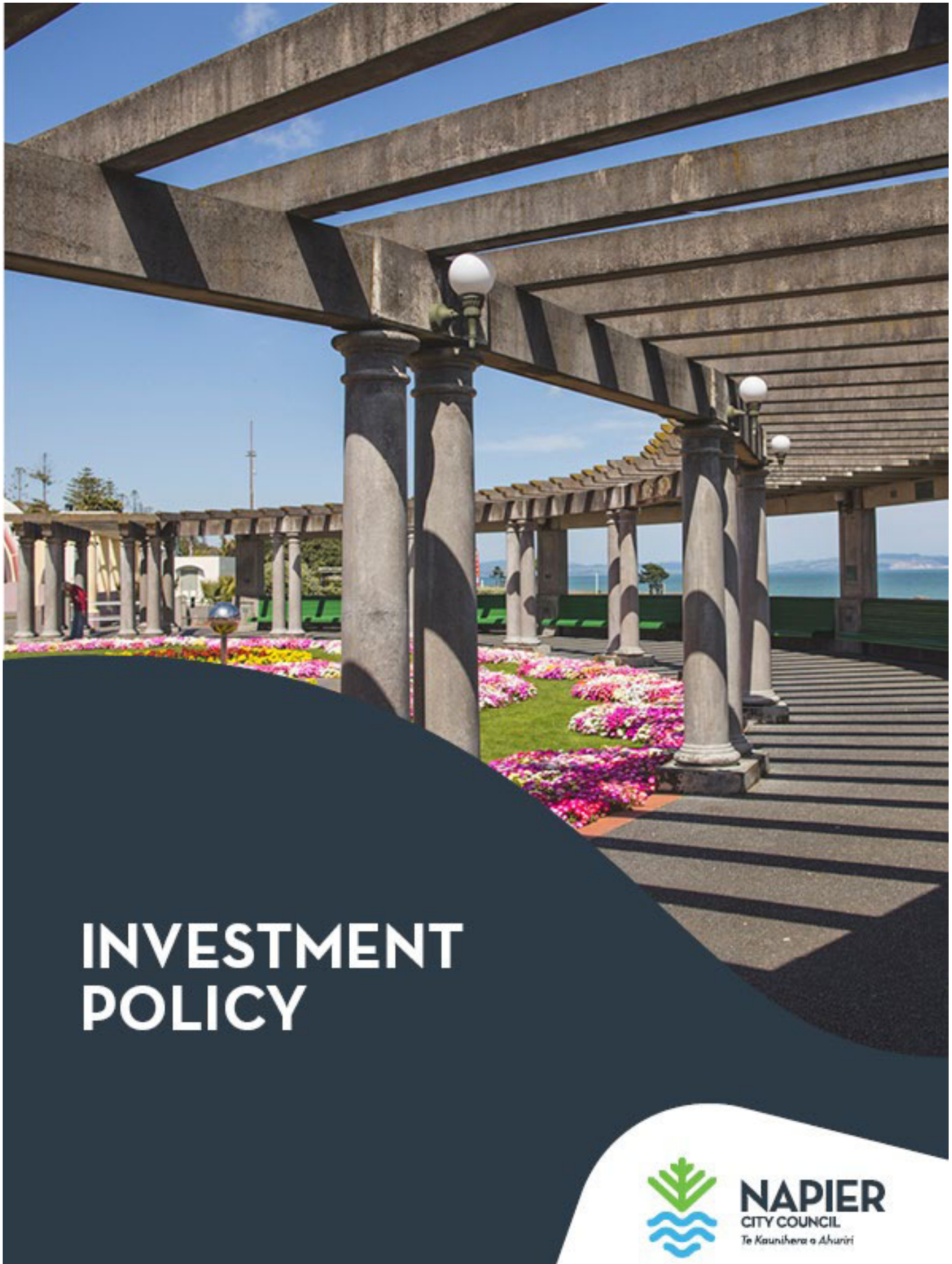


6. Review of the Statement of Investment Policy & Objectives

Council will, in conjunction with AIM, review this SIPO at least annually to determine whether the stated investment objectives are still relevant and it is feasible that they will be achieved. It is not expected that the SIPO will change frequently. In particular, short-term changes in the financial markets should not require adjustment to the SIPO.

Approved by Council:

Name	Position	Date	Version



Investment Policy



Adopted by	Napier City Council on 2 February 2024
Relevant Legislation	Section 102 and 105 of the Local Government Act 2002
NCC Documents Referenced	Not applicable

Purpose

The Investment Policy is adopted under Section 102(1) and 102(2)(c) of the Local Government Act 2002 and must state the local authority's policies in respect of investments.

Policy

Council generally holds strategic investments where there is some social, economic, environmental, or cultural benefit accruing from the investment activity.

Specific purposes for maintaining investments include:

- For strategic purposes consistent with Council's LTP.
- To reduce the burden on ratepayers.
- The retention of vested land.
- Holding short-term investments for working capital requirements and liquidity management.
- Holding investments that are necessary to carry out Council operations consistent with Annual Plans, to implement strategic initiatives, or to support inter-generational allocations.
- Holding assets (such as property) for commercial returns.
- Providing ready cash in the event of a natural disaster, the use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- Investing amounts allocated to accumulated surplus, Council created restricted reserves and general reserves.
- Investing proceeds from the sale of assets.

Investments and associated risks are monitored and managed, and regularly reported to Council in accordance with this policy.

In its investment activities Council is guided by the principles outlined in the Trusts Act of 2019. When acting as a trustee or investing money on behalf of others, the Trusts Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others.

For banking and fixed interest investments relating to treasury activities, Council is a risk-averse entity and does not wish to incur excess risk relative to expected returns. With the exception of any portfolio established to generate an investment return, Council's broad objectives in relation to treasury activity are to manage all of the investments to meet known and reasonable unforeseen funding requirements. Surplus cash is invested in liquid securities and strongly credit-rated counterparties. Where possible returns should be optimised.

A separate Statement of Investment Policies and Objectives (SIPO) has been established for the receipt and reinvestment of the proceeds of leasehold property and any other investment activity of Council. As per the Investment Property Portfolio Policy (leasehold), sale proceeds are ring-fenced and reinvested to provide ongoing income and capital growth to replace that lost from property sales. With consideration to the prudent person test, a separate investment strategy with its own risk and return objectives have been set for these ring-fenced funds.

Staff seek to develop and maintain professional relationships with Council's bankers, financial market participants and other stakeholders.

Acquisitions of New Investments

With the exception of treasury investments, or where delegation has been given to Council officers or a Council Controlled Organisation (CCO) or Council Controlled Trading Organisation (CCTO), new investments are acquired if an opportunity arises and approval is given by the appropriate Council committee, based on advice and recommendations from Council officers. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The authority to acquire treasury investments, with the exception of cash and term deposits (which are provided for in the Financial Delegations Register), is delegated to the Director Corporate Services.

Mix of Investments

Council can maintain ownership in the following mix of investments:

Equity Investments

Equity Investments are held for various strategic, economic development and financial objectives, as outlined in the Long-Term Plan (LTP). Council Equity Investments include interests in the Hawke's Bay Airport Authority and Omarunui Landfill Operation and may include other Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), Local Government Funding Agency shares, private equity schemes, direct listed shares, and investment in shares via managed funds. Council may also make advances to CCOs and CCTOs.

Council seeks to achieve an acceptable rate of return on all its equity investments, consistent with the nature of the investment and Council's stated philosophy on investments.

Council reviews the performance of these investments on a regular basis to ensure strategic and economic objectives are being achieved. Any disposition of these investments requires Council approval. With the exception of specific ringfencing provisions for some assets (e.g; Omarunui Landfill), dividends received and proceeds from the disposition of equity investments are used to repay debt, to invest in new assets or investments or any other purpose that is considered appropriate by Council.

New Zealand Local Government Funding Agency Limited (LGFA)

Council consulted on, and became a member of, the LGFA in March 2020.

Council may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of investment and/or debt funding for the Council.

Council may invest in LGFA bonds and commercial paper as part of its financial investment portfolio.

As a borrower, Council's investment is recognised through shares and borrower notes. As an investor in LGFA shares and as a Guarantor, Council subscribes for uncalled capital in the LGFA.

Property Investments

Council owns property that is necessary to achieve its strategic or commercial objectives or deemed to be a core Council function. Council therefore retains an investment in land for development, investment property, car parking, leasehold land, and rental and retirement housing.

Property purchases are supported by registered valuations and, where appropriate, a full business case analysis. Council does not purchase properties on a speculative basis.

Council provides car parking facilities which are operated on a commercial basis.

Rentals and ground rent from property investments, other than land covered by the HB Endowment Land Empowering Act 2002, is included in the consolidated rating account. Council's leasehold land portfolio was transferred from the Hawke's Bay Harbour Board in 1989 as part of the local government reorganisation and Council, by virtue of the Hawke's Bay Endowment Land Empowering Act 2002.

Council owns various Napier properties which it classifies as the 'Napier City Council Investment Property Portfolio'. The land held in the portfolio is leased to a variety of individuals and entities and is managed in line with Council's leasehold land policy.

Property disposals are managed to ensure compliance with statutory requirements. Disposition proceeds from sale of property investments are treated according to each of the following classes of property:

Leasehold Land

Disposition proceeds from the sale of leasehold land after 30 March 2002 are unrestricted under the Hawke's Bay Endowment Land Empowering Act 2002 and ring-fenced as per the Investment Property Portfolio Policy.

General Land

Disposition proceeds from the sale of General Land (including Roding Land) are used firstly to retire any debt related specifically to that investment prior to use for other purposes.

Development Property

Property acquisitions and developments which provide Council with an opportunity to grow investment capital for the benefit of the city. By their very nature development property carries a medium to high risk as their eventual sale is dependent on factors affecting the property market. Council reviews development property ownership through assessing the benefits of each business case on its merits.

Investment Property

Outside of development property, Council may own property to generate commercial returns for the benefit of the city. Prior to acquisition of investment property, a financial assessment to determine reasonable price and likely returns generated from ownership must be conducted. Regular reviews of investment property must be conducted to ensure ongoing financial viability of ownership.

Treasury Investments – Cash & Fixed Interest Investments

Please note that Local Government Funding Agency borrower notes, bonds and commercial paper are discussed elsewhere in this policy.

Council maintains treasury investments for the following primary reasons:

- to invest amounts allocated to loan redemption reserves, trusts, bequests, and special funds.
- to invest surplus cash and working capital funds.

Treasury Investment Philosophy and Objectives

Council's philosophy in the management of treasury investments is to optimise its capital protection and liquidity objectives while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.

To provide the greatest benefit, Council utilises its surplus internal funds for internal borrowing to reduce external debt, thus effectively reducing net interest costs.

Council's primary objective when investing is the protection of its investment capital and liquidity of its investment. Accordingly, only creditworthy counterparties are acceptable. Creditworthy

counterparties are selected on the basis of their current Standard and Poor's (S&P) or equivalent rating, which must be A- rated or better. Exposure to investments below a strong rating (A rated) are not recommended due to Council's Risk Framework and financial risk appetite.

To avoid undue concentration of exposures, treasury investments/financial instruments should be used with a suitable range of counterparties as practicable. Where possible, transaction notional and principal sizes and maturities should be well spread.

Within allowable credit constraints, Council also seeks to:

- Ensure investments are liquid.
- Maximise investment return.
- Manage potential capital losses due to interest rate movements and interest break costs if investments need to be liquidated before maturity.

Cash

Cash is defined as money held (physical or in a NZ registered bank) and term deposits.

A cash balance is maintained for liquidity purposes to meet operational needs. Council has daily cashflow surpluses and borrowing requirements due to the mismatch of daily receipts and payments.

If practical, a targeted minimum of \$5,000,000 is held at call to meet day-to-day operational cashflow requirements.

Term deposits must be held with NZ registered banks. Maturities are staggered to provide day-to-day cashflow requirements and to avoid early break penalties. Not more than \$40,000,000 may be held with any one bank at any point in time.

Overdraft facilities are utilised as little as practical. Council maintains a \$300,000 committed bank overdraft facility to meet interim cash and liquidity requirements.

Cash Interest Rate/Maturity Guide

An important objective of the financial investment portfolio is to match the portfolio's maturity term to planned expenditure, thereby ensuring that investments are available when required. This should be considered before applying the maturity guide (discussed below).

The following maturity guide is designed to manage interest rate risk and maturity risk on the treasury investment portfolio. The portfolio comprises both cash and fixed interest investments. Cash investments relate to matching investments with Council's working capital funding requirement and liquidity buffer amount requirements.

Period	Minimum	Maximum
0-6 months	30%	80%
6-12 months	20%	70%
1-3 years	0%	50%
3-5 years	0%	20%

Cash - Foreign Exchange Policy

Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated assets approved through the capital planning process. Generally, all commitments over NZ\$100,000 equivalent are hedged using forward foreign exchange contracts, once expenditure is approved, the purchase order is placed, and the exact timing and amount is known. Council uses both spot and forward foreign exchange contracts.

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

Fixed Interest

Fixed interest is defined as debt instruments (other than those defined as cash). Fixed interest can include, but is not limited to, bonds, commercial paper, etc.

Fixed interest may be used to supplement cash investments where terms are more favourable than those offered for cash investments or where timeframes are greater than 5 years.

Council preference is for plain vanilla bonds although other structures may be considered on a case-by-case basis. All secured and unsecured investment securities should preferably be senior in ranking. The following types of investment instruments are expressly prohibited:

- No asset-backed securities are allowed
- Structured debt (e.g; CDOs, CLOs or synthetic instruments)
- Subordinated debt or unsecured junior debt
- Perpetual notes
- Debt/equity hybrid notes such as convertibles

Fixed Interest - Credit, Liquidity and Interest Risk Management

- Credit risk is minimised by placing limits for each broad class of non-Government issuer.
- Liquidity / Maturity risk is minimised by managing maturity terms within policy limits and ensuring that all negotiable investments are capable of being liquidated in a readily available secondary market.
- Interest Rate risk is minimised by investing in fixed rate bonds and bank term deposits spread over a range of maturity terms.

Fixed Interest - Credit, Liquidity and Interest Risk Management

- Credit risk is minimised by placing limits for each broad class of non-Government issuer.
- Liquidity / Maturity risk is minimised by managing maturity terms within policy limits and ensuring that all negotiable investments are capable of being liquidated in a readily available secondary market.
- Interest Rate risk is minimised by investing in fixed rate bonds and bank term deposits spread over a range of maturity terms.

Fixed Interest - Counterparty Limits

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into. Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure. Credit ratings are as determined by Standard and Poor's, or equivalent rating. If any counterparty's credit rating falls below the minimum specified in the following table, then all practical steps are taken to eliminate the credit exposure to that counterparty as soon as practicable.

Fixed Interest Issuers	Approved Instruments	Minimum Credit Rating (S&P)	Maximum per Counterparty	Maximum % of Total Investment Portfolio
NZ Government	Treasury bills Government stock	N/A	Unlimited	100%
NZ Local Government Funding Agency	LGFA Fixed and Floating Rate Bonds Promissory notes / Commercial paper Borrower Notes	N/A	\$40.0m	50%
State-Owned Enterprises and Local Authority	Promissory Notes / Commercial Paper, Fixed Rate Bonds	A-	\$5.0m	40%
Corporate Listed Bonds	Commercial Paper, Fixed Rate Bonds	A-	\$5.0m	70%

Loan Advances

Council may provide advances to CCOs, charitable trusts and community organisations for strategic and commercial purposes only. New loan advances are by Council resolution only.

As outlined in Section 63 of the Local Government Act 2002, Council does not lend money, or provide any other financial accommodation to a CCO on terms and conditions that are more favourable to the CCO than those that would apply if Council were (without charging any rate or rate revenue as security) borrowing the money or obtaining the financial accommodation.

Loan advances are generally provided on an unsecured basis. Where possible, Council seeks security through a mortgage over land and buildings.

Council reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

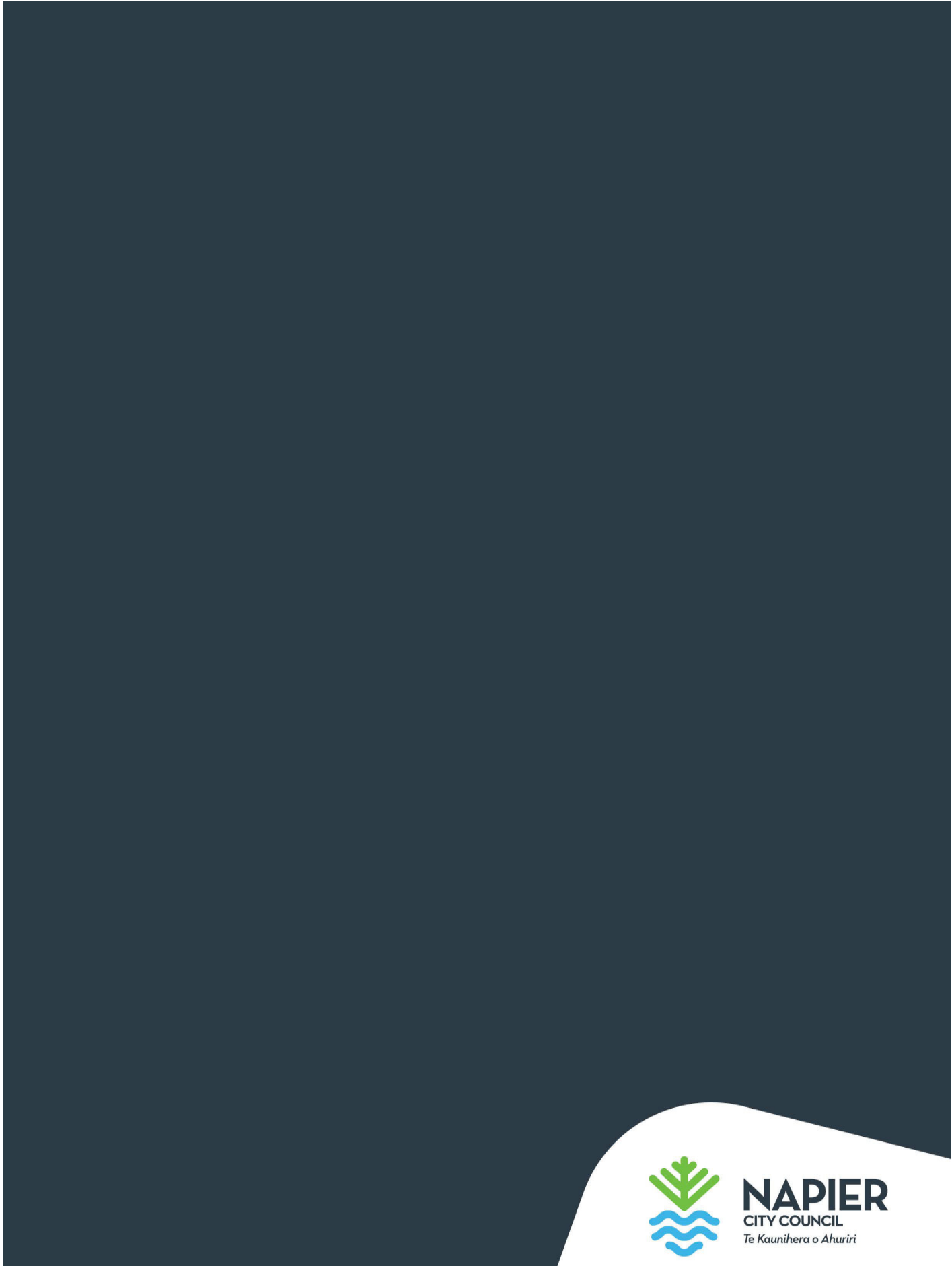
Investment Management and Reporting Procedures

Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained. The daily cash position is monitored and managed through the Daily Cash Position Report, and long term cashflow through the annual Cashflow Forecast. To maintain liquidity, Council's short- and long-term investment maturities are matched with Council's known cashflow requirements.

The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed. Internal investment reports are a vital management tool and, depending on their nature, are produced on a daily, weekly, monthly, quarterly, or annual basis. The results are summarised and reported to Council on a quarterly and annual basis.

Policy Review

The review timeframe of this policy will be no longer than every 3 years.



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

5. OCEAN SPA PRICING STRATEGY

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1812459
Reporting Officer/s & Unit:	Hayden Henderson, Conferences & Events Manager

5.1 Purpose of Report

To provide recommendations on pricing additions and changes for Ocean Spa.

Officer's Recommendation

That Council:

- Approve** the implementation of Stage 1 for 'Lane Swim Only Rates' and 'Gym Only Rates' effective 13 December 2024.
- Approve** the implementation of Stage 1 for 'Locals Rate', effective 13 December 2024,
- Note** that online bookings for the "Locals Rate", as Stage 2 will not be effective until 28 February 2025.

5.2 Background Summary

Napier City Council acquired Ocean Spa in early 2022 and opened it in May 2023. With limited transparency of expenditure, asset investment and business operations from previous owners it was recognised that pricing across the board did not rise with expenditure over a 10-year period; nor was the asset invested in accordingly.

'Reviewing the business in the 2024/25 annual fees and charges it was decided the business needed to adopt a cost recovery approach which would be implemented from 1 July 2024, seeing increases of up to 60% for pool single entry and up to 35% for gym membership. These increases also coincided with the Facilities Business Review where Ocean Spa was identified as a commercial facility, along with Kennedy Park Resort and Napier Conferences and Events and the commercial modelling work to enable breakeven for each business activity.

At the Council meeting on 27 May 2024 the following resolution was carried:

"That Council:

Recognise the majority of Ocean Spa customers are local.

Review the fees and charges for the 2024/25 year, to investigate rates for supergold card holders, residents discounts, off peak time access and compartmentalised facility access i.e. gym/pool only, combined.

Direct officers to review the Ocean Spa pricing structure, product design and number of staffing resources, to work towards councils' direction of a commercially viable business in year 3".

In relation to Ocean Spa the 2024-2027 Three-year Plan states:

- From 1 July 2024, this activity will move to commercial operations. It will take some time for full implementation, but we have planned for the activity to be financially self-sufficient by the end of this Three-Year Plan. We will increase Ocean Spa's commercial focus by continuously raising standards. We will focus on effectively managing services, pricing and the user experience.
- Ocean Spa's commercial focus by continuously raising standards. We will focus on effectively managing services, pricing and the user experience.

5.3 Issues

From July 1, 2024, prices increased. Resulting feedback from some customers and members that prices were too high for single pool and gym membership.

Price point increase effect:

1 July – 31 August 2023 vs 2024 saw a reduction of approximately 5,000 single entries into the pool.

5.4 Significance and Engagement

Pre-engagement with current membership via email on changes that will become available prior to going to the public. Its critical we get buy in from members as this is the largest base of customer at Ocean Spa.

5.5 Implications

Financial

Existing members changing from premium gym to 'gym only' and premium gym to 'swim only, this would result in reduction of revenue.

Or

Gym membership cancellations due to members signing on to secure 'lower' prices before increase (1 July 2024) many of these 'expire' in December or mid-2025.

Social & Policy

N/A

Risk

Social media opposition to recommendations.

5.6 Options

The options available to Council are as follows:

- Approve all recommendations
- Approve 'Locals only rate'
- Approve 'Gym Only rates'
- Approve 'Lane Swim Only rates'
- Status quo, make no changes

5.7 Development of Preferred Option

Preferred option is to proceed with approval of all recommendations. This will require a staged release due to work required in the back-end of websites:

Stage 1: In house roll out, December 2024

'Gym only rate' – Green card

'Lane Swim only rate' – Navy card

Requires point of sale button addition and membership modification and new swipe/access cards

Stage 2: New year roll out, February 2025

'Locals rate' – Customized card

Requires website changes, customized registration links to point of sale account setup and a soft roll-out for testing.

Will roll out earlier if work is completed earlier.

5.8 Attachments

- 1 2024-11-11 Ocean Spa Pricing Strategy (Doc Id 1815395) [↓](#)

Ocean Spa

Pricing Strategy update

11 November 2024

Hayden Henderson, Acting Ocean Spa Manager

Steve Gregory, Manager Business & Tourism



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Context

- At the Council meeting on 27 May 2024 the following resolution was carried:
 - That Council:
 - i. **Recognise** the majority of Ocean Spa customers are local.
 - ii. **Review** the fees and charges for the 2024/25 year, to investigate rates for supergold card holders, residents discounts, off peak time access and compartmentalised facility access i.e. gym/pool only, combined.
 - iii. **Direct** officers to review the Ocean Spa pricing structure, product design and number of staffing resources, to work towards councils' direction of a commercially viable business in year 3.
- In relation to Ocean Spa the 2024-2027 Three-year Plan states:
 - From 1 July 2024, this activity will move to commercial operations. It will take some time for full implementation, but we have planned for the activity to be financially self-sufficient by the end of this Three-Year Plan. We will increase Ocean Spa's commercial focus by continuously raising standards. We will focus on effectively managing services, pricing and the user experience

Purpose

This pack sets out

- a one-page summary of the workstreams and actions around Ocea Spa commercialization.
- recommendations specifically in relation to pricing.

“Welcome to Ocean Spa, Napier's premier heated pool and fitness complex!”

- The vision is for Ocean Spa to be an iconic attraction, promoting a lifestyle of wellness and relaxation for all.
- The team are focused on four areas to achieve this:
 - **continuously improving facilities** and adding new wellness services
 - **better targeting customers** and introducing package offerings to enhance value
 - **partnering with local businesses** that share our audience and our values, we aim to create a comprehensive and appealing experience for visitors.
 - **fostering a welcoming environment** that encourages regular visitors and positive engagement.

Ocean Spa update

Overview

- Bought back into Council portfolio (May 2023) and initial focus was on stabilising operations.
- Focus is now on unpacking performance drivers and considering options to remove/reduce ratepayer impact.
- Increasing energy cost is a key issue: Energy costs are estimated to be a 59% increase from FY 2023/24 (Gas & Electricity combined)

YTD performance to 30 Sept (Q1)

- Revenue: 0.6% decrease against 2023/24 **(\$4,827)**
- Expenses: 27% increase against 2023/24 (+\$272,361)
- Expense as % of revenue = 189% (e.g. it costs \$1.89 for every \$1 of revenue)

WORKSTREAM	Next	Doing	Done
Drive revenue growth	<ul style="list-style-type: none"> Implement pricing changes Constant focus on enhanced membership experience 	<ul style="list-style-type: none"> Improve current customer engagement, particularly with membership Pricing strategy – paper to council 12 Dec 2024 Brand awareness 	<ul style="list-style-type: none"> Define market segments Social Media Strategy completed
Address energy solution <i>Boiler is end of life and gas costs require alternative heating solutions to be considered</i>	<ul style="list-style-type: none"> Business Case 	<ul style="list-style-type: none"> Recommended energy solution i.e heat transfer / pump solution 	<ul style="list-style-type: none"> Feasibility study on energy solutions (Beca Aquatic Engineers) Pool covers designed and installed to save on energy costs. Chlorine auto-dosing system installed. Improved water quality and eliminating human error
Facility improvements to ensure a quality operation	<ul style="list-style-type: none"> Replace weight machines Café - consider catering contract options across all NCC cafe operations Improved customer experience i.e reflexology walk in Ocean Spa stream and cold plunge pools installation 	<ul style="list-style-type: none"> Café - new seasonal menu Café - applying an improved cost recovery model 	<ul style="list-style-type: none"> Replaced running machines New furniture to improve customer experience

Target Markets

The NCC Marketing Team has helped define four market segments and build deeper knowledge of customers experiences with Ocean Spa and their needs.

This work will be used on-going to help inform how we work towards our vision. It has also helped underpin thinking around the pricing strategy.

<p>WELLNESS WARRIORS</p> <p>Health and fitness enthusiasts who seek comprehensive wellness solutions to maintain their health and fitness goals.</p>	<p>RETIREEES</p> <p>Older adults who look for relaxing environments to unwind, utilise their time and manage mobility and health issues.</p>
<p>OUT OF TOWNERS</p> <p>Holiday-goers who need engaging and rejuvenating activities while on holiday.</p>	<p>FAMILIES</p> <p>Families looking for a safe and enjoyable place where they can be entertained while they relax.</p>

Pricing review process

The review has been done by:

- Reviewing current sales data
- Working with staff to understand current user types
- Considering pricing models at other NZ comparable facilities, specifically Te Puna in Christchurch and the Mount Hot Pools in Mount Maunganui
- Looking at other NZ council local discount models
- Looking at other HB local discounts in place.

Recommendations

- Introduce a local rate for the pools with a discount of between 17% and 25% discount across the entry groups (see revised pricing table for details)
- Add Lane Swim Only and Gym Only rates
- Reintroduce a Disability Rate and 3 & 7-day passes
- Change the off-peak hours to 9am to 3pm (currently 10am to 3pm)
- Remove the 30x concession pass (none have been sold)

The following slides set out a recommended revised pricing table and considerations around the above recommendations.

Recommended Pricing

		Adult 15+	Adult off-peak [9am - 3pm]	Senior +65 CSC	Child 3-14	Under 3	Family (2A + 2C)	Disabili Rate*
Pools	Hawkes Bay Resident 10x pass	\$150		\$117	\$96	n/a	n/a	\$117
	Hawkes Bay Resident Casual	\$16		\$12	\$10	\$3	\$47	\$12
	Casual	\$20		\$14	\$12	\$4	\$58	\$14
10x pass resident vs casual		25.0%		16.7%	20.0%	33%	23%	17%
10x pass resident vs casual 10 passes		33.3%		20.0%	25.0%			
10x pass resident vs 10 resident casuals		6.7%		2.9%	4.2%			
Spa and Pools	3 day non-residents pass	\$60						
	7 day non-residents pass	\$95						
	6 Mth Weekly	\$32		\$26				
	12 Mth Weekly	\$29		\$23				
	Upfront 3 Months	\$420	\$380	\$363				
	Upfront 6 Months	\$810	\$690	\$672				
	Upfront 12 Months	\$1,400	\$1,200	\$1,120				
Spa	weekly - 6 month contract	\$27	Upfront payment	\$594				
	weekly - 12 month contract	\$24	Upfront payment	\$1,050				
Pools	weekly - 6 month contract	\$27	Upfront payment	\$594				
	weekly - 12 month contract	\$24	Upfront payment	\$1,050				

*Applies to people entering with the support of a carer

Local rate

- Buyer to register online (similar to Splash Planet)
- Up to 4 people per household.
- Information collected would be name, photo ID and proof of residence.
- The card would cost \$25 and last for 2 years until they needed to renew.
- Available to
 - all Hawkes Bay rate payers; and
 - all permanent Hawkes Bay residents

Lane Swim only / Gym only

- These both risk eroding current full membership revenue as member switch for cheaper options.
 - Membership up-take and existing member response will be monitored.
- Due to the location of the reception, investment of ~\$50k would be needed to avoid risk of people paying for gym only and using the pool facilities.
 - Recommendation is to implement the rates without this investment and monitor response before undertaking any investment .

Disability rate

- For users who enter with a carer
- This was originally in place at \$16 plus \$3 (spectator fee) for a carer
- Recommendation is to make the entry \$12 for the user with no charge for the carer.

3 & 7 day pass

- Casual one day access was removed due to undesirable behavior of locals.
- The drive to re-introduce these is to target conference delegates and other travellers
- These would be presented on the pricing table as a “non-residents” pass as a deterrent to the undesirable behaviours

Implementation

- Recommendation to Council 12 December 2024
- The lead time for implementation is being investigated. The key driver is the technology and operational processes required of the local rate. We are targeting having an answer by 12 December 2024.

6. FUNDING FRAMEWORK

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1804087
<i>Reporting Officer/s & Unit:</i>	Margot Wilson, Team Leader Community Strategies

6.1 Purpose of Report

This report recommends Council adopt the draft Grants and Funding Policy Framework and the Grants and Funding Guidelines and Criteria as shown in attachment 1 and 2.

Officer's Recommendation

That Council:

- a. **Adopt** The Napier City Council Grants and Funding Policy Framework.
- b. **Adopt** the Napier City Council Grants and Funding Guidelines and Criteria.

6.2 Background Summary

Council's community funding purpose is to support the delivery and achievement of outcomes that align with the Long-term Plan. To this end Council staff have worked closely with community organisations to meet the needs and aspirations of local communities. The funding environment has been changing and in 2021 a review of Community Funding was initiated. Due to unforeseeable circumstances, it was not until October 2023 that a Community Funding Review was delivered with recommendations for Council's consideration. This document was workshopped with Councillors in February 2024 and Officers received guidance to work on these recommendations:

- To develop a new community framework that aligns with Napier City Council's Long-term Plan objectives and strategic priorities.
- To draft new grant distribution policies and guidelines that would clearly define eligibility, funding priorities and evaluation criteria.
- Design grant application forms and templates for accountability and reporting.
- Consider opportunities in community funding investment to progress Māori social wellbeing and support the aspirations of mana whenua through discussion with Te Waka Rangapū. Including measurable outcomes, updated fund criteria, exclusions, funding amounts, timeframes, policies, guidelines, and procedures
- Review the existing economic development fund administered by Napier City Council, including measurable outcomes, fund criteria, exclusions, funding amounts, timeframes, policies, guidelines, and procedures.

Jenni Giblin from funding **HQ** was contracted in May 2024 to complete the above work. Funding **HQ** have undertaken a comprehensive document search, met with Community Strategy Funding Staff, Roger Morrison, Margot Wilson and Anne Bradbury, Te Waka

Rangapū Pou Whakarae, Morehu Te Tomo, Economic Development Manager Bill Roberts and presented and sought feedback at two Council workshops in July and September. As the work progressed the Waste Minimisation Fund was also brought within the draft framework.

6.3 Issues

The Grants and Funding Policy Framework and supporting document Grants and Funding Guideline and Criteria being presented today are the culmination of the above consultations and collaborations.

Napier City Council (Council) provides over \$1 million per annum in funding for not-for-profit community and voluntary organisations that provide services, projects, initiatives, and events to Napier residents across the city. The Funding Framework ensures that this funding is contributing appropriately to the sector to achieve positive outcomes for our city. The guidelines and criteria support the grants and funding framework to be straightforward, easy-to-use and appropriate in terms of the effort required to make applications and account for funding spent.

The Framework proposes the following key changes:

- Current Service Level Agreements are replaced with a Community Partnership Fund. This fund which will see existing Service Level Agreement recipients and other invited community providers enter into a contestable process to secure a 3-year Funding agreement.
- The current Community Development Grant and Community Services Grants will be consolidated into a single fund that will be open for applications biannually. Applications can be up to \$20,000.
- All funds identified in the Framework will start using the Smartygrants portal for application, assessment and accountability.
- All funds have a transparent funding process for application, assessment and responses back to applicants.
- The threshold for the Council Projects Fund is lowered from \$30,000 and will start from \$20,000 to provide a funding continuum.

There are no changes to the amount that council funds using the Funding Framework, funding budgets have been unchanged. If approved, the Funding Framework, guidelines and criteria will commence year on 1 July 2025.

6.4 Significance and Engagement

This is not a significant issue and the same amount of funding for grants will be available. However it does affect community organisations so a communication plan has been developed to ensure Council funded groups are brought up to speed as quickly as possible with the changes including how they may be affected and any new processes they may need to become familiar with. The communication plan includes letters to providers, information sessions and training sessions for the new Smartygrants forms. If the documents are approved, there will need to be changes to the website, with the development of Fund information, and more simplified access to information and the Smartygrants portal. A high-level communication and engagement plan is shown in **Attachment 3**.

6.5 Implications

Financial

The proposed changes to the Funding model under the Framework will have no financial implications on the current funding budget as it utilises the current budgets for the existing grants.

Social & Policy

The Grants and Funding Policy Framework will streamline Council's funding processes making it more equitable and transparent for both community organisations and the community at large. It reflects current best practice in terms of grant distribution and accountability and will ensure a more structured and clear alignment between the community outcomes also providing the community with a clearer understanding of the Council's funding priorities.

Risk

The timeframe for the roll out of the Framework is relatively short, 6 months following Council approval. Prior to the Framework's implementation there will be one Creative Community Funding round, the final Community Services Grant funding round and ongoing Community Development Funds available. With the commencement date of 1 July 2025, there are significant operational and socialisation responsibilities that will need to be managed. A communications plan mentioned above and shown in Attachment 3 will ensure Council funded groups are brought up to speed as quickly as possible with the changes including how they may be affected and any new processes they may need to become familiar with.

The most significant risk involves the organisations currently being funded through Service Agreements. In June 2024 these organisations were advised that their current agreements would roll over for another year whilst the Framework was developed. The Framework recommends a new Community Partnership model. There is a new process for applying for this funding stream and going forward we will be providing them with expedient information as well as Council officers being available to meet and support them through the new processes.

6.6 Options

The options available to Council are as follows:

- a. Preferred option: Approve the Napier City Council Grants and Funding Policy Framework and the supporting document Grants and Funding Guidelines and Criteria.
- b. Status quo, keep the current funding regime and make no changes.

6.7 Development of Preferred Option

The preferred option is to approve the Grants and Funding Policy Framework and the Grants and Funding Guidelines and Criteria. The Framework will ensure grants and funding decisions made by Napier City Council align to the vision, priorities and principles of the Council's primary strategic documents, including the Long-Term Plan (Three-Year Plan), the City Vision and community strategies and policies.

6.8 Attachments

- 1 NCC GRants Funding Framework Policy (Doc Id 1814620) [↓](#)
- 2 NCC Grants and Funding Guidelines (Doc Id 1814619) [↓](#)
- 3 Funding Framework high level communication and engagement plan (Doc Id 1814624) [↓](#)

Napier City Council

Grants and Funding Policy Framework



November 2024

Prepared by Jenni Giblin and Christine Ennis

NCC Grants and Funding Policy Framework

Introduction

Napier City Council (Council) provides over \$1 million per annum in funding for not-for-profit community and voluntary organisations that provide services, projects, initiatives, and events to Napier residents across the city.

Council wishes to ensure that this funding is contributing appropriately to the sector to achieve positive outcomes for our city. Council also wants the processes and systems that support the grants and funding framework to be straightforward, easy-to-use and appropriate in terms of the effort required to make applications and account for funding spent.

Funding Covered by this Framework

It is acknowledged that there are many different areas of Council supporting community organisations to achieve their goals through providing funding support. This framework covers the following:

Community

- One-off Community Initiatives Fund
- Three-Year Community Partnership Agreements
- Council Projects Fund
- Public Art Grants
- Youth Development Grants

Economic Development

- One-off Economic Development Fund

Māori Cultural and Development – Te Waka Rangapū

- Māori Cultural Activities
- Māori-led Events

Waste Minimisation Grants

- Grants up to \$2,000
- Grants over \$2,000 and up to \$20,000

Funding Excluded from this Framework

Funding administered by the Events Manager is not included in this framework.

Creative Communities and Keep Napier Beautiful funding is also not included. Napier City Council administers Creative Communities funding on behalf of Creative NZ and promotes the Keep Napier Beautiful funding on behalf of Keep Napier Beautiful.

Strategic Framework

Grants and funding decisions made by Napier City Council align to the vision, priorities and principles of the Council's primary strategic documents, including the Long-Term Plan (Three-Year Plan), the City Vision and community strategies and policies.

This framework supports the purpose of local government as defined in the Local Government Act 2002, namely *"to promote the social, economic, environmental and cultural well-being of communities in the present and for the future."*

Council Vision

"Enabling places and spaces where everybody wants to be."

Council Mission

"To provide the facilities and services and the environment, leadership, encouragement and economic opportunity TO MAKE NAPIER THE BEST CITY IN NEW ZEALAND in which to live, work, raise a family, and enjoy a safe and satisfying life."

Council Strategic Priorities

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

City Vision

- "small city. **BIG** ideas."

Need for Change

Our current grants system has been in operation for many years and the needs of our community have changed since it was established. A recent review of the current grants and funding found that improvements could be made to ensure:

- A more structured and transparent system and process, which would clearly align to Council's priorities, goals and objectives;
- The ability of Council to partner with community organisations to achieve community outcomes;
- Fairness and equity for all applicants; and
- Make more effective use of the funds available to achieve transformative impact in the Napier community.

Snapshot of Current Funding Programme

In a nutshell:

- Funding pool is \$1.08 million per annum;
- There are currently seven different funds available for community funding:

- Arts and Culture Funding – For public art, an underutilised \$50,000 funding pool. Applications are by invitation of staff.
- Bequests – Two bequests distribute interest according to bequest stipulations. Minimal distribution over last few years, e.g. \$800 and \$500 respectively. Very limited scope;
- Community Development Grants – non-contestable small grants \$2,000-\$5,000. In the past this fund has been underspent by up to \$20,000-\$30,000. It has also been used to cover some grants that do not fit the criteria but have been committed to by Council, which calls into question the integrity of the criteria.
- Council Projects Fund – Discretionary, non-contestable, proposals are typically for about \$30,000 or more. Allows Council to respond with flexibility to projects that do not qualify for other grants. In the 2022-2023 financial year, \$50,000 was awarded through this fund. Generally, grants are given for seed funding.
- Service Agreements – Nine agreements currently. These are non-contestable and renewable three yearly. Service Agreement funding currently sits at \$574,000 per annum.
- Community Services Grants – Contestable, small grants a total of \$141,628 was awarded to 45 organisations, grants are up to \$5,000 and there is an annual funding round. The total includes \$16,716 for rates subsidies, which are non-contestable and therefore an anomaly within this fund.
- Youth Development Grant – contestable, very small grants to individuals.

Funds are split into contestable and non-contestable funding, with non-contestable funds by invitation of Councillors or staff, depending on the fund. The Community Development Fund, although established as non-contestable and applications are subject to invitation, can be applied for from the website, demonstrating a further deviation from the stated criteria and process.

In addition to the Community Services grants, funding may be applied for from the Economic Development, Te Waka Rangapū and Waste Minimisation teams. These areas of funding will now sit under this framework.

Proposed Funding Programme

This framework proposes that some of the funds are consolidated, and all of the funds become more transparent and have a contestable element to them.

Furthermore, where possible, fund timelines have been aligned with the Long-Term and Annual Plan decision-making. A Grants Sub-Committee will be established to make the community grants funding decisions, of which the composition will vary depending on which fund is being considered. Council Projects Fund applications will go the Council for approval.

Some funds will have two funding rounds per year with a formal process and set closing dates.

Future Funding Focus

- Partnerships, which support the Council to deliver key strategic outcomes;
- Building capability and capacity to support community aspirations;
- Division of funding into two key areas: One-off grants for events, projects and initiatives, and multi-year agreements for service delivery.
- Consistent distribution of funding in line with eligibility and assessment criteria.

Proposed Funds

- Community Initiatives Fund
- Three-Year Community Partnership Agreements
- Council Projects Fund
- Youth Development and Youth Events Funds
- Public Arts Grants
- Economic Development Fund
- Māori Cultural and Development Fund
- Waste Minimisation Fund

Framework Purpose, Objectives and Goals

The purpose of the Grants and Funding Policy Framework is to provide a clear direction and guidelines for the disbursement of the Council grants' budget, with the objective of ensuring that applicants have a good understanding of requirements for applying for this funding, and that the funding, delivered through this grants' programme, is targeted at meeting Council's strategic priorities.

The Framework describes the grant types that are available to support the voluntary and community sector. The guidelines will enable the process of applying for grants to be equitable and transparent for all applicants.

The Grants and Funding Framework provides a clear guideline for how Council will deliver financial and in-kind support to community groups and organisations.

In implementing this framework, the Council will work to achieve the following:

- Funding decisions support applications which are aligned to strategic priorities;
- The community and voluntary sector are supported to build capacity and capability to develop sustainable operations;
- The funding process is transparent, equitable and fair;
- Accountability and reporting requirements are effective, promoting better community collaboration and match the level of funding received by an applicant;
- There is more contestability in the system, including for three-year community partnership grants;
- There is a shared understanding, collaboration and partnership between the Council and grants' recipients to deliver the desired outcomes for Napier.

The overall objective of the Grants and Funding Policy Framework is to construct a process for delivery of a grants programme that meets the needs of four main groups of stakeholders:

- **Applicants** – groups, organisations (and in the case of Youth Development funding, individuals), who require clear guidance about Council's intentions and priorities for funding, understanding of transparent and equitable grants processes, and information about their obligations if they receive a grant;
- **Elected members** (Councillors), who are responsible for allocating ratepayer's money through grants in a way that best meets the needs of Napier's communities, addresses the priorities set through Council's strategies and plans, and delivers good value for money to ratepayers;

- **Council staff**, who need a clear framework within which to work to provide advice, support and good stewardship of grant funds, and to effectively integrate the grants and funding programme with Council's other community programmes;
- **Napier's residents and ratepayers** who provide the funds for the grants through their rates and receive the benefits of activities funded by Council on their behalf.

This framework will also bring Napier City Council's Grants and Funding programme and processes into alignment with those of other funders across the community sector, i.e. Central Government, Lottery Grants, Community Trusts and Foundations.

Grants and Funding Budget

The funding available for each of the funds is generally determined through the Long-Term Plan process and is adjusted for inflation through the budget process.

A per capita amount of \$1.80 is budgeted for the community grants annual budget.

Principles

Transparency – Clear information about the opportunities to apply for funding, and of Council's expectations of applicants and recipients, will be provided in a timely manner and widely publicised. Information on which organisations have received grants, how much and for what purpose will be published following funding rounds. Feedback will be provided to applicants who are unsuccessful as to why they have been declined. Giving feedback ensures that grants are given within the stated criteria and will mean criteria needs to be clearly stated.

Contestability – In the interests of fairness and equity, all funding offered by the Council will be contestable. An open competitive process means all organisations have the opportunity to apply for the funding, not just those "in the know" or which have historically been supported. A contestable funding process will increase reach across the city, make for more robust applications and planning of projects seeking funding support.

Impactful – Through its community funding, Council wishes to make an impact for good in the Napier community. Guided by Council's strategic priorities, Council will look at where funding will be the most impactful, achieve transformation and improve the lives of Napier residents.

Collaboration and connection – The grants given will have the intention of drawing organisations to work together in partnership to achieve a greater outcome than they could achieve as individual groups. This includes working with Māori/iwi, ethnic and minority community groups, and encouraging organisations working in the same social service area or neighbourhood that have similar goals and objectives, to work together where possible for greater outcomes for their community.

Builds capacity and capability – Building strength within the organisations itself to become more skilful, resilient and sustainable will be a focus of grant allocation.

Responsive and adaptive – Council is able to pivot the funding to immediate and unexpected needs if required, such as in an emergency or disaster situation.

Guidelines

Definitions

Community and Voluntary Sector:

The broad, diverse range of groups working for their local (and regional) communities, hapū and iwi to support the wellbeing of communities.¹

Events Sector:

The individuals and organisations that professionally organise (and/or support) occasions or activities of defined duration that bring people together for a shared experience.²

Local Communities:

Of identity (e.g. an ethnic community); of interest (e.g. a sports or recreation club); or place (e.g. a group of neighbours) who do not necessarily have a formal legal structure.

Social Enterprise:

Organisations that meet four criteria:

- It operates under a legal structure
- It has a social, cultural or environmental mission;
- A substantial proportion of its income is derived from trade; and
- Its profit/surplus is reinvested in the fulfilment of its mission.

Umbrella Organisation:

An organisation (with legal status) which has formally agreed to receive and administer grant funds on behalf of a local community applicant (which may not have legal status).

Contestable Grants:

The majority of Napier City Council's funding is awarded through a contestable process.

- Applications are invited during scheduled funding rounds, with publicly advertised opening and closing dates;
- Any eligible organisation has an equal opportunity to be considered for a grant;
- Clearly defined processes will be applied to all applications;
- For the majority of funds, the final allocation decisions will be made by a Grants Sub-Committee comprised of Councillors, and community representation as appropriate to each Fund;
- For some funds, delegated authority for decision-making will sit with Council officers; and
- All successful applications will be published with the amount and what the grant is for.

¹<https://www.beehive.govt.nz/sites/default/files/2020-12/Community%20and%20Voluntary%20Sector%20BIM.pdf>

² <https://www.nzea.co>

Discretionary Grants:

From time to time, Napier City Council may decide to use its discretionary powers in grant making. This will primarily be through the Council Projects Fund, where Council may consider requests that sit outside the criteria of other funds.

Other circumstances for discretionary funding may be an urgent situation such as in a civil defence emergency.

Discretionary funding will be approved by the Council and awarded via a formal resolution.

General Eligibility

➤ Applicants

- a) Local communities will be eligible to apply to relevant funds either as an organisation with legal status or under an umbrella organisation that has legal status. Community organisations will be prioritised to receive grant funding as Napier City Council recognises the primary purpose of this funding is to provide community benefits. Organisations in local communities will, in many cases, have limited revenue streams and/or opportunities to raise funds to pay for the valuable work they do.
- b) All applicants will be required to provide the following supporting information:
 - Details of previous grants received from Council;
 - Statement of financial position including but not limited to audited or reviewed financial accounts and balance sheet;
 - Evidence of bank account;
 - Letters of support if appropriate to the funding.
- c) The following entities are not eligible to apply for any funding under this policy framework:
 - Political parties
 - Internal applicants (to fund Council projects)
 - Council Controlled Organisations (CCOs)
 - Local authorities³, government agencies or public sector entities.

Proposals

- a) Proposals must be submitted in accordance with the requirements and format specified by the Fund.
- b) Proposals must demonstrate that the project has been well thought out and planned.
- c) Incomplete, late or non-complying applications will not be processed.
- d) Proposals for the following projects, activities or services will not be accepted:
 - If they are primarily to promote religious ministry, political or fundraising purposes;
 - Have commenced before a funding decision is made;
 - Are primarily public services that are the responsibility of central government (e.g. primary health care or core education).

³ Unless acting as an umbrella organisation for a local community group.

- Include the following expenditure:
 - Debt servicing or repayment;
 - Legal expenses;
 - Medical expenses;
 - Travel expenses for individuals to travel out of the region;⁴
 - Purchase of alcohol.

➤ Assessment

- a) Council will provide clear guidance to potential applicants on the process for assessing applications, e.g. whether it will be assessed by staff with delegated authority, a Grants Subcommittee of Council, the full Council or combined Council/Community Assessment committee. This will depend on the Fund applied to.
- b) Council will also highlight any other factors that may impact on the weighting of the assessment, e.g. If partial funding has already been secured **or** if it is deemed unlikely that the project could proceed even if Council funding was available for it.
- c) The process for allocating all funding will be through a contestable process. Every application will be given the same due consideration in the interests of equity and fairness.
- d) Funding opportunities will be widely advertised and include appropriate opportunities for applicants to seek information and advice.
- e) The information and supporting documents that Council requests from applicants to support their applications will be proportionate to the amount of funding being sought and appropriate to the applicant's situation and the level of risk presented to Council in terms of the amount of funding and profile of the project. It will also depend on what the funding is being used for.
- f) In allocating funding, decision-makers will:
 - Act with integrity, impartiality and in a fair and reasonable manner;
 - Declare any conflicts of interest with applications; and
 - Be excluded from any assessment or decision-making related to applications, which relate to a declared conflict of interest.
- g) Where decision-makers decline an application, a full explanation for the decision will be provided if the applicant requests. Smarty Grants allows for comments to be made to applicants.
- h) All decisions are final.

➤ Applications

a) Process

The process may be summarised generally as follows:

- Funding round advertised with closing date;
- Applications received;
- Applications assessed and decisions made. Probable timeframe for this is one month from closing date of applications;

⁴ May be used to cover travel expenses of bringing in a speaker or workshop facilitator to Napier.

- Applicants notified of decision;
- Grant payments made and any support provided to the applicant as may be required;
- Recipients report back. Depending on what the funding was given for will determine the means of reporting (e.g. written or face-to-face), the reporting timeframe, (e.g. for an event, report back will be within a month of the event taking place; for other grants, it could be a 9-month or 12-month report-back period). This can be set for individual grants in Smarty Grants. Roundtable reporting is preferred for multiple organisations to report at one session as this will allow community groups to learn about and from each other and may encourage collaboration between organisations. There will be an opportunity to extend the reporting period if requested by the applicant for a valid reason.

b) Application Requirements

Applications should include:

- A compelling case for investment showing how the proposal aligns with the strategic priorities of Council and why the project, activity, service or event is needed;
- Clearly define the purpose of the proposal and the outcomes expected to be achieved, who will benefit from it and where in Napier the beneficiaries are located;
- Give detail of the proposed project, activity, service or event so that Council can be satisfied it's viable;
- Demonstrate the capacity and capability of the organisation to show it has the experience and is able to successfully deliver the project, activity, service or event. A track record of successful delivery would be an advantage;
- A budget for the project, activity, service or event, identifying how any grant received will be spent;
- Consider and explain how achievement of the expected outcomes may be measured;
- Summary of the relationship the organisation has with the people who will benefit from the project, activity, service or event;
- Evidence of any partnerships with other community or government organisations to deliver the project, activity, service or event;
- Evidence of the applicant's overall financial position including how they will support the project, activity, service or event from their own resources;
- Note what other sources of funding the applicant has applied to or intends to apply to;
- Note if the applicant has received any other Napier City Council funding for the project, activity, service or event.

➤ Accountability

- a) Agreement - Every successful application will be formalised in a funding agreement. For smaller grants, this may simply be a letter advising of the grant and asking the recipient to sign and return in agreement. Agreements for larger grants and partnership agreements will include information on what the grant is for, the dollar amount, the timeframe in which it must be used, reporting and accountability requirements and instructions regarding applying for an extension should that situation arise.

- b) Record Keeping - The Council will maintain records of all funding applications and grants given, including assessments and allocation decisions.
- c) Reporting - All applicants who receive funding from Council will be required to provide a report on the outcomes and benefits achieved with the funding. Reporting requirements will be proportionate to the level of support provided. For larger grants and service contracts, Council will work with the recipient to establish a reporting framework and timetable. This will include selecting relevant measures on which to report to determine whether the project, service or event is achieving what it set out to. The reporting may include a face-to-face presentation to Council or roundtable reporting involving groups of related organisations to encourage more collaboration and to give the Council an opportunity to network with community groups.
- d) Monitoring and Review -
 - Council will monitor the ongoing operation of this policy and framework to ensure the objectives are being met.
 - The policy and framework will be reviewed every five years or earlier at the request of Council. Five years gives a chance to see if the multi-year partnerships are working following first renewal.

Types of Funds

- Community Initiatives Fund (combined fund from former Community Services Grant and Community Development Fund)
- Three-Year Community Partnership Agreements
- Council Projects Fund
- Youth Development and Youth Events Grants
- Public Art Grants
- Economic Development Grants
- Māori Cultural and Development Grants
- Waste Minimisation Grants

COMMUNITY INITIATIVES FUND

Community Initiatives Fund, which help create positive change and assist the community's ability to meet its own needs and to create collaboration and connections across community organisations.

Grants of up to \$20,000 are provided to support the delivery of a clearly defined activity, project or initiative.

Purpose: Contestable fund for one-off grants that contribute to one or more of Council's strategic priorities, and which encourage communities to come together to address a need within a specific community or provide a community activity or service that brings the community together. Grants may be for community-based projects, programmes or events that contribute to positive social outcomes for the residents of Napier.

Eligibility: As per general eligibility – must be a legal entity, with priority given to entities based within Napier City Council boundaries, or the service, event, or project takes place within Napier City Council

boundaries. Some regional activities and events may be considered when they are open to Napier City residents.

Exclusions: As per general exclusions.

Support Priorities:

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

Allocation: Grants of up to \$20,000. Total pool \$250,000.

THREE-YEAR COMMUNITY PARTNERSHIP AGREEMENTS

Contestable for a continuous or annual community service that is undertaken by an organisation that is well-led, sustainable and responsive to community needs and aspirations.

Purpose: Service delivery focused agreements with organisations that support Council to achieve core strategic objectives. These may be in the areas of arts and culture, sports, environment, community safety and advocacy, youth and community social support, Māori culture and development or other areas of community focus offering benefits to Napier.

Contestable multi-year (three years) funding to provide a degree of certainty for the community and the voluntary sector that a service or activity will be guaranteed for the life of the partnership agreement. After three years, agreements are eligible for renewal subject to review of performance, but applications for renewal will be contestable against any new applications that may be made.

Consideration will be given to the applicant's ability to raise funds from other sources and assessment weighted accordingly.

Eligibility: As per general eligibility – must be a legal entity, with priority given to entities based within Napier City Council boundaries, or the service, event, or project must take place within Napier City Council boundaries.

Exclusions: As per general exclusions.

Support Priorities:

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

Allocation: This fund will open once every three years aligned to the LTP process. The first step of the application will be an EOI. Staff will then make recommendations to Council as to which organisations should be invited to make a full application.

Allocation: Budget is currently \$574,000.

COUNCIL PROJECTS FUND

For seed funding or one-off community projects that are not eligible for Initiative or Partnership funding.

Purpose: This is a discretionary grant that will respond to projects that do not fit the criteria of the other funds but will contribute significantly to the strategic priorities of Council. Applicants will be asked to present their proposal to Council to explain their intended actions, expected benefits and outcomes from the project.

Eligibility: As per general eligibility.

Exclusions: As per general exclusions.

Support Priorities:

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

Allocation: Budget of \$200,000. It is expected that less than 5 grants a year will be made from this fund. Grants may be for a minimum of \$20,000.

YOUTH DEVELOPMENT GRANT

Small contestable fund for young people aged 12-24 years which supports the Vision of the Napier Youth Strategy: *Youth achieve their full potential and participate fully. Full potential, full participation.*

Purpose: Grants of up to \$1,000 to support young people to achieve their goals in musical, sports and political events. Grants are for individuals

Eligibility: Youth Development Grants are for youth/rangitahi aged between 12-24 years and a resident of Napier City. Evidence of selection to attend the event for which they are applying for funding.

Exclusions: As per general exclusions.

Support Priorities:

- Nurturing authentic relationships with our community and partners / Te takutai moana.
- Representing Napier at a regional, national or international event.
- Has not previously received a Youth Development Grant.

Allocation: The Napier Youth Council has an annual budget of \$7,000 to distribute. Grants are from \$100 to \$1,000.

PUBLIC ARTS GRANTS

The fund supports the implementation of the Arts Policy⁵. Artists will be invited by Council to submit a public art project. The Arts Policy is based on principles of accessibility, engagement, excellence, integration, partnership, diversity, uniqueness and community pride.

⁵ <https://www.napier.govt.nz/assets/Document-Library/Policies/Arts-Policy-2014-website-version.pdf>

Purpose: Public arts contribute to the Napier's social and cultural identity and humanise the urban environment. They enrich and enhance the physical amenity of the city and contribute to its attractiveness. They also denote the heritage of a place. Public art works are planned for at the outset and integrated into any new urban development in the city and this fund is for when such artworks are sought for the city.

Eligibility: Napier artists/creatives and the arts community.

Exclusions: As per general exclusions.

Support Priorities:

- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

Allocation: \$50,000 per annum.

ECONOMIC DEVELOPMENT GRANTS

Grants are made from the Economic Development budget for sponsorship of events and activities related to business promotion and acknowledgement of excellence in business. A key principle of Napier's City Vision is *"Open for Business"* encouraging an entrepreneurial culture in local business. Economic Development Funding supports local business organisations to achieve this.

Purpose: For Council to associate itself with initiatives (including an activity, project or event) that improves the city's reputation and national presence and to promote business excellence. Applications may be made at any time to this fund, which has a maximum grant of \$10,000.

Eligibility: Napier business community or promotion of business in Napier. Must be a legal entity.

Exclusions: As per general exclusions.

Support Priorities:

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

Allocation: \$50,000 per annum.

MĀORI CULTURAL AND DEVELOPMENT GRANTS

To support Māori-led events and activities that encourage cultural participation and learning. One-off grants for activities, projects, initiatives and events. In some cases, a three-year grant may be given for an annual recurring event.

Purpose: The fund is for mana whenua and tangata whenua-led projects, activities, initiatives and events that raise the profile of and invite participation and engagement in Māori culture and heritage, reo and tikanga in Napier city. The funding is managed by the Māori Partnerships Team, Te Waka Rangapū Applications may be made at any time during the year.

For regular annual events, a three-year funding partnership may be considered.

Eligibility: Māori-led entity based in Napier City or the wider Hawke's Bay region, or for Māori-led projects that will take place within Napier City or be open to Napier residents.

Exclusions: As per general exclusions.

Support Priorities:

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

Allocation: \$150,000 per annum.

WASTE MINIMISATION FUNDING

The Waste Minimisation Fund is funded through a central government waste levy and administered by the Environmental Services team of Napier City Council. The waste disposal levy was introduced under the Waste Minimisation Act 2008. Half of the levy money goes to territorial authorities (city and district councils) to spend on promoting or achieving the waste minimisation activities set out in their waste management and minimisation plans.

The vision of the Joint Hastings and Napier Waste Management and Minimisation Plan is:

To deliver waste minimisation and resource recovery across Hastings District and Napier City working towards zero waste.

Purpose: There are two funds open for people or groups who are involved in local waste minimisation projects and initiatives with aims and outcomes that benefit the Napier community – a fund for large grants (Over \$2,000 to \$20,000) that will open once a year, and a fund for small grants (under \$2,000) that will be available at any time during the year.

Available funding will be publicly advertised.

BEQUESTS

Council manages two bequests from which small grants are given to community groups that deliver services aligning to the criteria of the bequest.

The bequest conditions are very limited in terms of what the funds can be used for and the amount of funding available is extremely limited.

The bequests are:

- William Colenso Bequest for the purpose of furthering education. Used for book vouchers for book prizes in Napier secondary schools.
- John Close Bequest to provide firewood, ham and ale at Christmas time for the people of Napier. Used towards the Napier Community Christmas Lunch.

Bequest funding lies outside the grants and funding process and is not included or promoted as such. It is managed by the Community Services team.

RATES SUBSIDIES

These have been available from the previous Community Services Fund to non-profit organisations that provide a social service in Napier from a building that they own. The number of rates subsidies has reduced over the years with more requests for rent than rates. Applications for rates subsidies will no longer be given priority for funding but will be included in the Community Initiatives Fund and assessed alongside other operational costs requested in grant applications.

Roles and Responsibilities

AUTHORISED OFFICER	ROLES AND RESPONSIBILITIES
Executive Director Community Services	<ul style="list-style-type: none"> • Oversight of Community Grants and Funding and Public Arts Grants • Responsible as approver and signature on all agreements submitted
Executive Director City Strategy	<ul style="list-style-type: none"> • Oversight of Economic Development and Māori Cultural and Development Funding • Responsible as approver and signature on all agreements submitted
Manager Community Strategies	<ul style="list-style-type: none"> • Oversight of Community Grants and Funding • Peer Reviewer Council Projects Fund due to financial delegations • Approval up to \$30k
Team Leader Community Strategies	<ul style="list-style-type: none"> • Direct input into Community Grants and Funding • Peer Reviewer Community Initiatives Fund • Approvals up to \$15k
Community Funding Advisor	<ul style="list-style-type: none"> • Administration of Community Grants and Funding • Assessor for Community Initiatives Fund
Director Māori Partnership / Te Waka Rangapū	<ul style="list-style-type: none"> • Oversight of Māori Partnership and Cultural Grants • Assessor for Māori Partnership and Cultural Grants • Approvals up to \$25k
Economic Development Manager	<ul style="list-style-type: none"> • Oversight of Economic Development Grants • Assessor for Economic Development Grants • Approvals up to \$10k
Manager Arts Culture & Heritage	<ul style="list-style-type: none"> • Oversight of Public Arts Grants • Assessor for Public Arts Grants • Approvals up to \$25k
Waste Minimisation Lead	<ul style="list-style-type: none"> • Oversight of Waste Minimisation Grants • Assessor for small Waste Minimisation Grants • Approvals up to \$2k

References

Local Government Act 2002

Napier City Council Long Term (Three Year) Plan 2024-2027

City Vision Framework 2016

Arts Policy 2014

Napier Youth Strategy 2018-2023

Joint Waste Management and Minimisation Plan 2018-2024

Napier City Council

Grants and Funding Guidelines & Criteria



November 2024

Prepared by Jenni Giblin and Christine Ennis

Napier City Council Grants and Funding Guidelines & Criteria

General Eligibility

Who can apply?

Local communities will be eligible to apply to relevant funds either as an organisation with legal status or under an umbrella organisation that has legal status. For example:

- Not-for-profit, charitable, and voluntary “community” organisations with a formal legal structure.
- Social enterprises (e.g., Charitable Trusts, Limited Liability Companies, cooperatives, and unions).

The key factor for the eligibility of organisations that apply, is that they must have a primary purpose of returning the money they acquire or earn to their community, to advance the social objectives they support through their operations.

Individuals aged 12-24 years may apply for the Youth Development Grants. This is the only fund where individuals may apply.

Who is ineligible?

- Political parties;
- Internal applicants (i.e., to fund projects, programmes or facilities run by Napier City Council or its employees);
- Napier City Council CCOs (council-controlled organisations) and CCTOs (council-controlled trading organisations);
- Generally other local authorities, government agencies or public sector entities are ineligible. The exception may be if such an organisation is acting as an umbrella organisation for a community group or project.

What activities will not be funded?

- Activities that are primarily to promote religious ministry, political or fundraising purposes;
- Activities that have commenced before a funding decision is made;
- Activities that are primarily public services that are the responsibility of central government (e.g. primary health care or core education);
- Activities that include the following expenditure:
 - Debt servicing or repayment;
 - Legal expenses;
 - Medical expenses;
 - Travel expenses for individuals to travel out of the region. (Applications may be made to cover travel expenses of bringing in a speaker or workshop facilitator to Napier);
 - Purchase of alcohol.

What can the funding be spent on?

Napier City Council provides grant funding to achieve outcomes that have a positive and transformational impact in the community. Applicants will be asked to provide an overall budget for the project, activity, service or event that will deliver the outcomes Napier City Council is seeking. In most cases, Napier City Council will be one of several sources of funding for a project, activity, service, or event rather than the sole funder, and this should be evident in the budget.

The budget for a project, activity, service, or event is likely to include a range of costs. Examples are:

- Salaries, wages, professional fees (e.g. legal, accounting) and volunteer expenses;
- Administration and office expenses;
- Accommodation expenses including rent, rates, leases, maintenance, insurances and utilities;
- Costs integral to service delivery (e.g. vehicle expenses for a mobile social service);
- Marketing, advertising, website and printing costs;
- Programme expenses such as materials, equipment hire, venue hire and tutors' fees.

Applying to more than one Napier City Council grants programme

Applicants can apply for grants to more than one council grants programme for different projects and activities. Applicants will need to identify any other council grants programmes they have applied to, or intend to apply to, and what they have applied for.

In the first instance, applicants should select the most appropriate grants programme for the scale of the outcomes they are delivering. Further guidance on selecting the appropriate programme will be available to potential applicants from Council Grants Advisors.

Applicants who are successful in obtaining a Three-Year Community Partnership Grant will not be eligible to apply for any other Council funding for the projects, activities, services, and events covered by the multi-year partnership and specified in the partnership agreement. They may, however, apply to another Council fund for a distinct project, activity, service, or event which is not covered by the partnership agreement. This will mean that the partnership agreements will be precise in what they cover including any operational costs.

Funding Requests to the Long Term or Annual Plan

Council will direct submitters making requests for funding through the LTP and/or Annual Plan submission process to apply to the appropriate fund for grant funding. This does not prevent organisations from presenting their projects to Council through the public submission and hearings process as is their right, but any funding matters will be referred to the grants and funding process.

Council Grants Advisors may be asked to advise Council on which fund would be the most appropriate to consider any requests that come through the LTP or Annual Plan consultation.

Criteria

See General Criteria in the Framework.

Council Strategic Priorities

Napier City Council has adopted five Strategic Priorities to guide its decision-making over the coming years. These Strategic Priorities are of equal importance and are a tool to help Council decide on what projects, activities and budgets to prioritise in its planning.

Strategic Priorities may change or be updated with Council changes, but currently the Strategic Priorities are:

- Financially sustainable Council / He kainga ka awatea
- A great visitor destination / Te ūnga waka
- Spaces and places for all / He wāhi taurikura
- A resilient city / Te toka tū moana
- Nurturing authentic relationships with our community and partners / Te takutai moana

In terms of funding requests, applicants need to show an alignment of their proposed project, activity, service or event to one or more Strategic Priorities. The first strategic priority is essentially an internal priority relating to Council's operating model and financial strategy. The others may be achieved in partnership with the community as follows:

- A great visitor destination – In line with this Strategic Priority, this could include local events, the arts, business and environmental projects contributing to enhance Napier's reputation as a great place to visit. Representation at regional or national events may be seen as an ambassadorial role for Napier.
- Spaces and places for all – Community focused, this Strategic Priority looks to provide and make the most of Napier's assets both natural and built. Neighbourhood activities, environmental improvements, public arts activities are all examples of making the most of Napier's spaces and places.
- A resilient city – The focus of this Strategic Priority is on community needs and ensuring networks and welfare systems are in place to respond to any and all circumstances. Social and support services being there in support of the city for times of emergency, and other times too.
- Nurturing authentic relationships with community and partners – Council is keen to partner with community organisations and to encourage collaboration and co-operation between community organisations through this Strategic Priority. This is a key principle of the funding framework.

Grants Programme Structure

Napier City Council grants programme has two main components:

- One-off grants
- Multi-year funding agreements

Types of Funds

Community Initiatives Fund

Purpose

To support community-led initiatives which help create positive change in Napier, and which assist the community's ability to meet its own needs and to create collaboration and connections across community organisations.

The fund is contestable for one-off grants up to \$20,000. Initiatives applied for must:

- Contribute to one or more of Council's Strategic Priorities;
- Address a community need; or
- Bring the community together around an activity or event;
- Be for the benefit of the people of Napier;
- Take place within the 12 months following the grant approval;
- Where possible involve collaboration with other community groups;
- Remove barriers to access and participation.

Outcomes

Expected outcomes are:

- Brings people together to support one another and at times (events) share memorable experiences;
- Puts Napier and its people first and foremost;
- Partnerships are formed between community organisations;
- Resident and community-led action flourishes;
- The voluntary and community sector is supported;
- There is a vibrant community sector;
- Communities are safe and welcoming places and foster a sense of belonging;
- Communities are strong and resilient.

Who the funding is targeted at:

- Organisations that provide strategic leadership within the community and/or voluntary sector;
- Organisations that focus on the provision of capacity and capability building support;
- Organisations that contribute to achieving Council's Strategic priorities;
- Organisations that promote transformative social change for target populations within the Napier community;

- Organisations that are well led, financially competent and preferably can demonstrate a track record of success in managing projects, activities, services or events.

Grants Available

Grants will be awarded through a contestable process with two funding rounds per year with closing dates in March and September. Funding rounds will be advertised in local newspapers, on the Napier City Council website and social media, and through community networks.

Applications will be made online through the Smarty Grants portal on the Napier City Council website. Council officers can assist with advice on the Smarty Grants process.

Budget allocation will be made through the Long-Term Plan process. In 2024/25 it sits at \$250,000.

How grants will be allocated

In the first instance, applications will be vetted by Council Grants Advisors to ensure application forms have been properly completed and all required information submitted with the application.

If, after contact from the Council Grants Advisor, the application remains incomplete, late, or non-complying, it will not be processed, and the applicant will be advised accordingly.

Applications for larger amounts that have an arts/culture, economic, Māori or waste minimisation focus, will be referred to the appropriate division of Council for comment as appropriate.

A Community Grants Sub-Committee comprising two (2) Councillors, and four (4) community representatives will make decisions on applications submitted to the Community-Led Initiatives. Two (2) Council Grants Advisors (staff) will be available to advise the Sub-Committee Chair and to provide Governance with grants and funding advice as required, including providing internal assessments where considered necessary.

Any conflicts of interest by Sub-Committee members on specific applications must be declared and the committee member recused from the decision on that application.

The committee will make allocation decisions and set any grant conditions. Recommendations from the Community Grants Sub-Committee will go to Council for final approval for payment.

Decisions of the Grants Sub-Committee, ratified by Council are final.

Priority will be given to:

- Applications that can demonstrate there is a clear need in the community for the proposed project, activity, service or event;
- Applications that can demonstrate the result of the proposed project, activity, service or event will have a transformational impact in the community;
- Applications that encourage collaboration between organisations to deliver positive community outcomes;
- Applications that will build capability and capacity within community organisations to be better able to deliver their project, activity, service or event to the community.

From time to time, Council may determine specific priorities it wishes to support for each funding round. These will be advertised when the call for applications is made.

Applicants who are successful will be advised via the Grants Portal and asked to sign an agreement (may be a letter for smaller grant amounts), stating what the grant is to be used for, the dollar value of the grant and the date by which it must be used.

Larger grants will be subject to a contractual agreement between the applicant organisation and Napier City Council.

Applicants who are unsuccessful will be advised via the Grants portal. If the applicant requests, a reason will be given for the application's lack of success. The Funding Advisor will be available to speak to application decisions as required. This is designed to assist the applicant for future applications.

Community Grants Sub-Committee Community Representation

Community representatives will be elected in a public and open way by:

- calling for written nominations through newspapers, community noticeboards, social media and websites with representatives being selected by the Community Grants Sub-Committee Council representatives similar to a job interview;
- convening a public meeting where nominations are received from the floor with community representatives then being elected by those present.

If there's a limited response to a call for nominations or a public election process or the committee lacks specific knowledge, the committee (via the CCS administrator) may approach individuals directly and invite them to become members.

Term of membership

Community representatives may serve for a specified term of up to three years and can serve a maximum of two consecutive terms.

This term limitation does not apply to council representatives.

It is a good idea to have a combination of new and experienced members and is recommended to keep the balance by replacing community representatives over time. Having past members mentor new members may be a way to support new members as they join the committee.

Accountability and Reporting

Grant recipients will be expected to report back on the expenditure related to the grant. For smaller amounts the paperwork may consist of a brief account of how the money was spent and copies of receipts associated with this. There will be an online form available for this.

The date for reporting and accountability reports will be specified in the letter of agreement or contract Napier City Council has with the applicant organisation.

All successful organisations will be invited to participate in a roundtable "Report Back Day" where organisations will meet as groups to report on how they used their funding and what was achieved by it. A written summary of expenditure may also be requested. These meetings will be facilitated by the Council Grants Advisors and may involve attendance by Councillors.

Should the project for which the funding has been given not go ahead, or the total sum of the funding is not spent on the project, the applicant organisation will be required to return the unspent funds to Napier City Council within one month of the specified reporting date and/or seek approval for an alternative usage of the fund or extension of the completion date.

Successful applications will be listed on the Council's website with the name of the applicant, what the grant is for and the dollar value of the grant.

Three-Year Community Partnership Agreements

Purpose

The fund is for community activities that are responsive to community needs and aspirations, which are delivered by organisations continuously or on a regular annual basis, and which contribute to the social, cultural, economic, environmental and general community wellbeing of Napier City. Those organisations which receive partnership funding will already have robust processes in place for management and delivery, preferably with a strategic plan or business plan, and be able to demonstrate a clear track record of achievement.

Council will enter into a strategic partnership with a small number of organisations that can demonstrate their activities contribute to Council's strategic objectives. Council will be looking for the organisation to become more financially sustainable over time with a reducing contribution from Council. The applicant's ability to raise funds from other sources will be key in assessing these partnership applications.

The fund is contestable and will allocate funding for three years at a time. After three years, applications will be called for and those organisations which have received funding, will need to reapply in a contestable context.

Outcomes

Expected outcomes are:

- A degree of financial certainty for community organisations delivering an activity or service to meet a community need;
- Continuity of an activity or service that Council deems important and/or necessary for the wellbeing of Napier residents;
- Accessibility and impartiality in delivery of the activity or service;
- Affordability for recipients of the activity or service;
- The needs of communities of interest of the organisation are met.

Who the funding is targeted at:

- Organisations that provide strategic leadership within the community and/or voluntary sector. These organisations will be key to their sector of interest;
- Organisations that deliver a much-needed service to a significant number of people in the Napier population;
- Organisations that are clearly making a big difference in our communities;
- Organisations that contribute to achieving Council's Strategic priorities;

- Organisations that are well led, financially competent and can demonstrate a track record of success in managing projects, activities, services or events.

Partnership Funding

- Three-Year Partnership Agreements will be awarded through a contestable process with one round of applications called every three years to align with the LTP process. A call for applications will be made to groups who have previously been supported on a multiyear agreement and groups that have been receiving single year Council funding and are providing a positive impact to the community.
- The first step of the application will be an EOI which may be submitted online through the Smarty Grants portal on the Napier City Council website. Council Grants Advisors can assist with advice on using the Smarty Grants portal.
- Budget allocation will be made through the Long-Term Plan process. In 2024/25 it sits at \$574,000.

How partnership agreements will be allocated

EOIs will be considered by a Community Grants Sub-Committee comprising a minimum of four (4) Councillors with two (2) Council Grants Advisors (staff) available to provide advice as required. The Council Grants Advisors may come back to the applicant with further questions or requests for further information.

The Sub-committee will decide which organisations are invited to make a full application for funding, and these organisations will be asked to make a formal application through the Smarty Grants portal.

Council Grants Advisors will be available to assist with advice on the Smarty Grants process.

Any conflicts of interest by Sub-Committee members on specific applications must be declared and the committee member recused from the decision on that application.

The Sub-Committee will make allocation decisions and set any grant conditions. The full Council will approve the Three-Year Grant allocations in the LTP budget approvals.

Priority will be given to:

- Assistance for people in need;
- Community safety;
- Offering opportunities and experiences for community growth and understanding across cultures;
- Promotion of a healthy community;
- Encouraging collaboration between organisations to deliver positive community outcomes;
- Other priorities as determined by Council when calling for applications.

The decision of the Council is final.

Applicants will be expected to front in person to the Grants Sub-Committee to present their compelling case for funding.

Successful applicants will be advised in writing and the Community Grants Advisors will work with each organisation's representative to establish a written Partnership Agreement that sets out what the funding is to be used for, the dollar value, agreed KPIs against which success will be measured, reporting timelines,

dispute resolution and any other matters deemed necessary for the successful delivery of the specified activity or service.

Applicants who are unsuccessful will be advised in writing. In all cases a reason will be given for the application's lack of success.

Reporting/Accountability

At the end of each 12-month period of the Partnership Agreement, a comprehensive written accountability report will be required from the applicant organisation plus a presentation to the Council alongside other Community Partnership Agreement recipients.

The accountability report will include financial statements setting out how the funding has been utilised for that year. The report must be submitted in July of each year.

Council reserves the right to discontinue a partnership agreement if the recipient is unable to meet the requirements of the agreement.

If the total sum of the funding allocated under the terms of the partnership agreement is not spent in any year of the agreement, the applicant may apply to carry it forward to the next financial year. At the end of the three-year partnership, if any funds remain unspent, the organisation will be required to return the unspent funds to Napier City Council within one month of the specified reporting date.

Successful Community Partnership applications will be listed on the Council's website with the name of the applicant, what the grant is for and the dollar value of the grant.

Council Projects Fund

Purpose

From time to time there will be projects or activities that do not fit the criteria of the Community Initiatives Fund, but which are deemed important for Napier and community well-being. They may also require a larger amount of funding than the amount given from the Community Initiatives Fund. The Council Projects Fund allows for discretionary grants to be made in this situation, where an opportunity presents itself that is clearly beneficial for Napier.

The fund will look to provide seed funding or a one-off grant for projects that otherwise are unable to proceed as they have limited revenue streams available and are not eligible for other types of funding such as loans, investments, or venture capital funding.

The Council welcomes innovative proposals that could make a big difference to the wellbeing of the Napier community and encourages new ideas to be brought forward to this fund. Any proposals must be able to contribute to one or more of Council's strategic priorities.

Outcomes

Expected outcomes are:

- Benefits for Napier communities, (in the areas of social and/or cultural and/or economic and/or environment);
- Bring people together to support one another in times of crisis or emergency;
- Innovative delivery of projects and services;

- Partnerships are formed between community organisations;
- There is a vibrant community sector;
- Communities are strong and resilient.

Who the funding is targeted at

- Organisations working within communities of greatest need, where networks and on-the-ground resources are already established;
- Organisations that have done their homework on proposals and can demonstrate their proposed project could make a big difference to the wellbeing of the Napier community;
- Organisations that can demonstrate a track record of success in managing projects, activities, events or services;
- Organisations that provide a leadership role in their community of focus;
- Organisations that can demonstrate successful community partnerships for delivering projects.

Council Projects Applications

- The funding is discretionary. Applicants may approach Councillors or Council staff with project proposals or Council staff may encourage a community group to apply if they have a worthy project. Essentially, Council Grants Advisors will bring projects to the attention of the Council and will work with applicants to present their project to Council;
- The first step of the application, following discussions with Council Grants Advisors, will be an invitation from Council Grants Advisors to community organisations to make an application;
- Applications must be for a minimum of \$20,000;
- An initial application will be made through the Smarty Grants portal outlining the proposal, identifying the need for the project, presenting evidence that the organisation is capable of delivering the project and the expected timeline for the project;
- As well as a written application, applicants will be asked to make a face-to-face presentation to Council presenting their compelling case for the proposed project;
- Budget allocation will be made through the Long-Term Plan process. In 2024/25 it sits at \$200,000.

How funding will be allocated

The Council will make allocation decisions and set any grant conditions on the Council Projects Fund. Applicants will need to present in person to Council and answer any questions put to them. The Council will then deliberate and make a decision on funding.

Each application will be considered on its own merits and weighed against the following key criteria:

- The evidential need for the project – who it will benefit, how many people it will benefit, what will be improved for people by this project, will it have long-term impact and benefits?
- ROI – is the funding requested reasonable in terms of the outlined project delivery and expected outcomes?
- Is there an opportunity for collaboration and co-operation between community organisations to make the project even better?
- Is there an opportunity for the applicant to get other funding in the future to sustain the project? What is their plan for this?

- Is the applicant capable and experienced in delivering such a project? Do they have professional advisors? What is their track record of community work?

Any conflicts of interest by Councillors on specific applications must be declared and the Councillor recused from the decision on that application.

The decision of Council is final.

Reporting/Accountability

A funding agreement will be drawn up which covers what the funding is to be used for, the dollar value of the grant, the timeline for its use and the expected reporting back following delivery of the project.

A further face-to-face presentation is expected from the applicant when reporting back to Council.

Should the project for which the funding has been given does not go ahead, or the total sum of the funding is not spent on the project, the applicant organisation will be required to return the unspent funds to Napier City Council within one month of the specified reporting date.

Successful applications will be listed on the Council's website with the name of the applicant, what the grant is for and the dollar value of the grant.

Youth Development Grant

Purpose

The Youth Development is a small contestable fund for young people which support the vision of the Napier Youth Strategy: *Youth achieve their full potential and participate fully. Full potential, full participation.*

Outcomes

Expected outcomes are:

- Youth/Rangitahi increase in confidence and leadership ability;
- Youth/Rangitahi are able to benefit from growth and development opportunities they otherwise would not have had;
- Youth/Rangitahi are empowered and thrive;
- Youth/Rangitahi are celebrated and commended.

Who the funding is targeted at

The Youth Development Funding is targeted at individuals, young people aged 12-24 years.

Youth Funding

Grants will be awarded through a contestable process once a year at a time determined by the Napier Youth Council. A call for applications will be advertised on the Napier City Council website, Napier Youth Council social media and networks.

Applications will be made online through the Smarty Grants portal on the Napier City Council website. Council officers can assist with advice on the Smarty Grants process.

Budget allocation will be made through the Long-Term Plan process. In 2024/25 it sits at \$7,000 for the Youth Development Grant

Youth Development Funding will consist of grants up to \$1,000.

How funding will be allocated

The full Youth Council will make decisions on applications submitted to the Youth Development Fund and the Youth Events Fund.

Youth Council will also set any grant conditions at the time of allocating the funds.

Any conflicts of interest by Youth Council members on specific applications must be declared and the committee member recused from the decision on that application.

Priority will be given to:

- The Fund's aims
- Value for money
- Community impact
- Individual impact
- Likelihood of success

The decisions of the Youth Council are final.

Successful applicants will be listed on the Council's website with the name of the applicant, what the grant is for and the dollar value of the grant.

Reporting/Accountability

Youth Development Fund recipients will be asked to provide a brief accountability report on how they spent their grant, what opportunities they were given because of it and any learnings from the experience. There will be a form on the Smarty Grants portal for this purpose.

Should the project for which the funding has been given does not go ahead, or the total sum of the funding is not spent on the project, the applicant will be required to return the unspent funds to Napier City Council within one month of the specified reporting date.

Public Arts Grants¹

Purpose

To support the implementation of the Napier Arts Policy, which is *"to promote social, cultural, economic and environmental wellbeing through the facilitation, support, promotion, regulation and, in some cases, the direct provision of public arts within the Napier community."*

Public Arts Grants directly support the provision of public arts, which contribute to Napier's social and cultural identity and enhance the urban environment of the city.

¹ The Arts Policy 2014 is in the process of being updated and this section may need to be likewise updated when that process is completed.

Outcomes

Expected outcomes are:

- Access to arts for all Napier residents;
- Portrayal of Napier's community stories, values and history;
- Transformation and enlivenment of the physical environment;
- Placemaking, marketing of Napier and providing a sense of belonging.

Who the funding is targeted at

The Public Arts funding is for local artists and creatives to create public art. This may be as part of a new development in the city (e.g. the new civic precinct) or to enhance existing public amenities such as parks and civic spaces.

Public Arts Grants

In the majority of cases, Council staff will call for applications from local artists when there is a planned development which requires art in public places. There may also be a need to maintain existing public artworks and professional artists may be required to do this work. In both instances, the proposed artwork will be publicly advertised with a request for proposals.

Budget allocation will be made through the Long-Term Plan process. In 2024/25 it sits at \$50,000.

How grants will be allocated

Public Arts funding applications will be made through the Smarty Grants portal in response to Council's call for applications. Council staff will create a shortlist of potential works and may request further information and drawings/designs from the artists.

There may need to be some negotiations with the artist/designer to ensure the appropriate "fit" of the artwork at the designated location.

The Napier City Council Manager Arts, Culture & Heritage will have the authority to approve grants in consultation with the Executive Director, Community Services. Their recommendations will go to Council for final approval.

Successful applications will be listed on the Council's website with the name of the applicant, what the grant is for and the dollar value of the grant.

Accountability and Reporting

Artists/creatives receiving funding through the Public Arts Grants will be asked to provide written evidence of how the funding was spent. This may include payment to themselves for creating the artwork.

The artist/creatives may be invited to present to Council about their artwork.

Economic Development Funding

Purpose

Council's strategic priority is to enhance the city's position as a great visitor destination. Council's key economic goal is to strengthen the local economic base by expanding employment opportunities and achieving higher rates of economic growth. Economic Development Grants have the purpose of allowing Napier City Council to associate itself with events and projects that enhance the city's reputation and national presence, that encourage business excellence in Napier or stimulate interest in Napier businesses and that make Napier a desirable place to visit.

Economic Development funding is primarily through sponsorship or in-kind support to allow a project or event to proceed.

Outcomes

Expected outcomes are:

- A quantifiable economic benefit to Napier;
- A positive profile of Napier city;
- Excellence in business in Napier;
- Napier businesses innovate and thrive.

Who the funding is targeted at

Support through this funding is targeted at the Napier business sector or for promotion of business in Napier.

Grants and In-Kind Sponsorship

Support may be in the form of a grant or in-kind. Applications may be made at any time through the Smarty Grants portal. Once the funding for the year has been allocated, no more applications will be accepted.

The budget for this funding currently sits at \$50,000 in the 2024/25 year.

How grants will be allocated

The Economic Development Manager will have the authority to approve grants and in-kind support in consultation with the Manager, City Strategy, who will have overview and ultimate sign-off on decisions.

If an event or service is recurring annually, and is deemed to be of significance to Napier, the organisation responsible may be invited to apply for a Three-Year Community Partnership grant funded from the Economic Development budget. In such a situation, the application process to be followed will be that of the Three-Year Community Partnership Funding but decisions will be made by Economic Development and City Strategy personnel rather than Community Services personnel.

Successful applications will be listed on the Council's website with the name of the applicant, what the grant is for and the dollar value of the grant.

Accountability and Reporting

Successful applicants will be asked to provide a written report on how the grant money was spent, with copies of receipts, photo evidence of any event held and details of numbers attending and what has been achieved through the use of the grant. There will be an online form available for this.

Organisations may be invited to participate in roundtable reporting where organisations will meet as groups to report on how they used their funding and what was achieved by it.

Māori Cultural and Development Funding

Purpose

Funding for activities and events that are led by mana whenua and tangata whenua and which encourage participation and engagement in Māori culture, heritage, reo and tikanga in Napier city.

Outcomes

- Greater understanding in the Napier community of Māori tikanga, customs and traditions;
- Wider community participation in Māori-led activities;
- Celebration of Māori culture and heritage;
- Opportunities for informal and formal learning of te reo and tikanga through community events and programmes.

Who the funding is targeted at

Mana whenua and tangata whenua organisations.

Grants

Support may be in the form of a grant or in-kind contribution. Applications in writing may be made at any time to the Director Te Waka Rangapū. Once the funding for the year has been allocated, no more applications will be accepted.

How grants will be allocated

The Director Te Waka Rangapū will have the authority to approve grants and in-kind support in consultation with the Manager, City Strategy, who will have overview and ultimate sign-off on decisions.

If an event or service is recurring annually, and is deemed to be of significance to Napier, the organisation responsible may be invited to apply for a Three-Year Community Partnership grant funded from the Te Waka Rangapū budget. In such a situation, the application process to be followed will be that of the Three-Year Community Partnership Funding but decisions will be made by Te Waka Rangapū and City Strategy personnel rather than Community Services personnel.

Successful applications will be listed on the Council's website with the name of the applicant organisation, what the grant is for and the dollar value of the grant.

Accountability and Reporting

Successful applicants will be asked to provide a written report on how the grant money was spent, with copies of receipts, photo evidence of any event held and details of numbers attending and what has been achieved through the use of the grant.

An Accountability Form will be sent to applicants to complete. Applicants may be invited to present to Council on their activity, project or event. This will be the case if Three-Year Partnership funding is approved. They may otherwise be invited to the roundtable reporting sessions, which are set up under the Community-Led Initiatives.

Waste Minimisation Fund

Purpose

The Waste Minimisation funding aims to support waste minimisation projects that result in a new waste minimisation activity, either by implementing new initiatives or expanding on existing activities to contribute to building a community that values our resources and re-uses, re-purposes and recycles what it can. This is achieved through education, engagement and the development of new technology and ways of working.

Outcomes

Expected outcomes are:

- Minimisation/avoidance/reduction of waste creation;
- Reuse of waste materials;
- Recycling of waste materials;
- Recovery of waste resources (the selective extraction of disposed materials for a specific next use, such as recycling, composting or generating energy).

Who the funding is targeted at

Community groups and organisations, including schools, that are involved in local waste minimisation projects and initiatives with aims and outcomes that benefit the Napier community.

Grants Available

There are two funds available which are contestable:

- Grants under \$2,000
- Grants over \$2,000 up to \$20,000

The larger grants will be available through a funding round once a year. Opening and closing dates will be publicly advertised.

The smaller grants may be applied for at any time throughout the year.

Applications will be made online through the Smarty Grants portal on the Napier City Council website. Council officers can assist with advice on the Smarty Grants process.

Budget allocation is currently \$100,000 with \$80,000 allocated to larger grants, \$20,000 to smaller grants. The smaller grants are reserved primarily for school projects.

How Grants will be allocated

Applications for the large grants will go through the Community-Led Initiatives application process and decisions will be made by the Community Grants Sub-committee. The committee will make allocation decisions and set any grant conditions. Recommendations from the Community Grants Sub-Committee will go to Council for final approval.

Any conflicts of interest by Sub-Committee members on specific applications must be declared and the committee member recused from the decision on that application.

Decisions on the small grants will be made by the Waste Minimisation team members.

Reporting/Accountability

Successful applicants will be asked to provide a written report annually on how the grant money was spent, with copies of receipts, photo evidence of any event held and details of numbers attending and what has been achieved through the use of the grant. There will be an online form available for this.

Organisations that receive the larger grants may be invited to participate in roundtable reporting where organisations will meet as groups to report on how they used their funding and what was achieved by it.

Reporting timelines will depend on the extent and type of project funded.

Questions for Applications (can be adjusted to suit the fund)

Section A – Contact Details

For Youth Funds:

I am applying as:

- ☐ Organisation
- ☐ Individual

For other funds:

Organisation Name:

Contact Person:

Postal Address:

Physical Address:

Position in Organisation: (N/A for individual applications)

Phone Number:

Email:

Website:

Section B – Organisation Details

Legal Status:

- Registered Charity - CC Number
- Incorporated Society
- Limited Liability Company
- Co-operative
- School

GST Registration – Number if registered

What is the main purpose of your organisation? (Max 100 words)

Section C – Initiative/Project Details

1. Name of initiative/project (Max 50 words)
2. Details of initiative/project- Purpose of grant: Explain what the grant will be used for (Max 150 words)
3. Details of who will benefit and how they will benefit (Max 150 words)
4. Planned/Expected Outcomes/Goals of the initiative/project (Max 150 words)
5. How does the initiative/project align with Council's strategic priorities? (max 100 words)
6. Start and end dates of initiative/project

7. Total cost of initiative/project (attach detailed budget/copy of quotes) Exclude GST from costs if your organisation is GST registered
For Three-Yearly Partnership Funding a three-year budget will be required.
8. Other sources of funding for the initiative/project? Specify amount and source. Include value of in-kind contributions
9. Funding Amount requested from (NAME OF COUNCIL FUND). Exclude GST if your organisation is GST registered
10. (For Economic Development Grants) – Is this amount requested as cash or in-kind?
11. Please list and attach all relevant supporting information for your application.
12. Bank account number (attach copy of deposit slip/proof of bank account number).

NOTE: If your application is successful, your organisation name, the grant amount and what the grants is for will be published on the Napier City Council website.

Section D – Applicant's Declaration

- This application has the formal approval of our Board/Committee/Authority – copy of resolution if appropriate
- To the best of our knowledge, the information provided in this application is true and correct.
- It is acknowledged that any decision made by Napier City Council is final.
- We agree that any Grant made will be used for the purposes specified in our application or as directed by Napier City Council. In the event that we cannot comply with the conditions of the Grant within the specified timeframe, we will advise Napier City Council of the circumstances impacting the timeframe to enable a review of the Grant to take place.
- We acknowledge Napier City Council may request additional information and/or the opportunity to visit/interview the applicant as part of the decision-making process if it is a first-time application from said applicant.
- We acknowledge that this application and details of the Napier City Council's decision may be shared with other funders and made publicly available.

APPLICANTS DETAILS (Please provide two contacts for an organisation's application)

First Contact:

- Full Name
- Position
- Phone Number
- Date

Second Contact:

- Full Name
- Position
- Phone Number
- Date

Accountability/Reporting Form

Accountability Form for YEAR XXXX

NAME OF FUND

For Funding provided during the period July 20XX – June 20XX

This form is to tell Napier City Council what you spent the grant money on.

The purpose of the accountability form is to provide transparency in relation to public funds granted to community groups and to provide feedback to Napier City Council on the initiative/project and its impact in the community.

Please complete the form within 20 days of completion of the initiative/project. The form must be returned in order for you/your organisation to be eligible for future funding. Please include any photos of the initiative/project where appropriate and permission for NCC to utilise these on its Facebook page, website or other social media. The information provided in this report may be made publicly available.

Name of Organisation:

Grant amount received:

Purpose of Grant:

Please give details of how the money was spent. Include receipts or bank statements as proof of expenditure.

Item	Cost (\$)
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Please give a brief summary of how your initiative/project went including:

- The benefits/outcomes achieved
- Who benefitted
- How many people benefitted
- Any issues encountered
- Any recommendations on how to make the initiative/project better

Permission to use photos: Yes No N/A

Two authorised signatories to complete:

First Contact:

- Full Name
- Position
- Phone Number
- Email
- Date

Second Contact:

- Full Name
- Position
- Phone Number
- Email
- Date

High level communication and engagement plan for Funding Framework

December 2024

- Letter to existing Service Agreement recipients and invitation to late January workshop
- Letter to potential additional Partnership Agreement applicants and invitation to late January workshop
- Establish link on NCC Grants and Funding page to explain changes to funding as from 1 July 2025

January 2025

- Workshop to present Partnership Agreement criteria and opening of EOI
- Letter to Community Development Grant and Community Services Grant applicants advising of upcoming changes.

February 2025

- EOI to be received from applicants for Community Partnership Fund (CPF)
- Development of new links on NCC Grants and Funding page for CPF

March 2025

- Assessments of EOI by Council Community Grants Sub Committee and preferred applicants requested to apply (CPF)
- Applicants invited to submit full application (CPF)

April 2025

- Development of new links on NCC Grants and Funding page for Waste Minimisation Fund, Economic Development Fund, Te Waka Rangapū Fund and the Public Art Fund
- Assessment Council Grants Sub Committee (CPF)

May 2025

- Development of new links on NCC Grants and Funding page for Community Initiative Fund (CIF)
- Recommendation to full Council for approval (CPF)

June 2025

- Information workshop for new CIF

July 2025

- Community Partnership Fund agreements in place.

September 2025

- Applications open for first round of CIF

7. NAPIER HASTINGS JOINT GOVERNANCE STRUCTURE - LOCAL ALCOHOL POLICY JOINT WORKING REFERENCE GROUP

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Enter Legal Reference
<i>Document ID:</i>	1810892
<i>Reporting Officer/s & Unit:</i>	Stephen Bokkerink, Team Leader Compliance Jon Read, Environmental Health and Alcohol Licensing Officer

7.1 Purpose of Report

The purpose of this report is to seek Council's approval to appoint three elected members to a Local Alcohol Policy Joint Working Reference Group in order to proceed with the review of the Local Alcohol Policy.

Officer's Recommendation

That Council:

- a. **Approve** Councillor Taylor, Councillor Greig and Councillor Chrystal, as Napier City Council's representatives on the Local Alcohol Policy Joint Working Reference Group (Working Group) with Hastings District Council.
- b. **Note** the structure and Terms of Reference for the Local Alcohol Policy Joint Working Reference Group.

7.2 Background Summary

On 24 October 2024, the Future Napier Committee approved:

- Commencement of a review of the Hastings District and Napier City Councils' Local Alcohol Policy, and
- Proceeding with an individual Napier City Council Local Alcohol Policy for Napier City with the goal of contributing to the reduction of alcohol related harm in our community and for ease of administration and efficiencies, and
- Establishment of a joint governance structure between Napier City Council and Hastings District Council to inform the policy settings for both cities and maintain a locally led, regionally coordinated approach.

It is proposed that three elected member representatives from each council will form the Working Group. Mayor Wise has nominated Councillor Taylor, Councillor Greig and Councillor Chrystal, to represent Napier City Council. The Working Group will also include three Councillors from Hastings District Council. The Working Group will elect a Chair once established and be supported by an officer from each Council. The Working Group will be disestablished once both councils adopt a revised Local Alcohol Policy.

Establishing the working group structure

The Working Group would be established according to the attached Terms of Reference.

Aside from the Terms of Reference, the Working Group has no delegations of Napier City Council. The Working Group will function based on a consensus model. Recommendations from the Working Group will be documented and record any divergence in views.

7.3 Issues

Review of the Local Alcohol Policy is a statutory requirement every six years. This review is expected by 25 August 2025.

7.4 Significance and Engagement

Feedback on the revised Local Alcohol Policy will be sought from key stakeholders including Health, Police, community providers, Māori organisations and the wider community as the review progresses. The Councils must review the Local Alcohol Policy, using the special consultative procedure. Consultation on the structure and purpose of the Working Reference Group is not required.

7.5 Implications

Financial

None

Social & Policy

None

Risk

N/A

7.6 Options

The options available to Council are as follows:

- a. To approve nominated representatives from Napier City Council, namely Councillor Taylor, Councillor Greig and Councillor Chrystal, to represent Napier City Council on the Working Group and adopt the draft Terms of Reference as presented.
- b. To not approve the nominated representatives from Napier City Council and/or make amendments to the draft Terms of Reference, if required.

7.7 Development of Preferred Option

Option A is preferred. This will enable both councils to work together on the Local Alcohol Policy to ensure coordination and collaboration with Hastings District Council.

The draft Terms of Reference have been developed in collaboration with Hastings District Council and it is recommended that they be adopted in the form that is presented in this meeting.

7.8 Attachments

- 1 Terms of Reference (Doc Id 1814451) [↓](#)



File Ref: REG-14-3-24-303

8 November 2024

TERMS OF REFERENCE Napier City Council and Hastings District Council

LOCAL ALCOHOL POLICY JOINT WORKING REFERENCE GROUP

Background

Section 75 of the 'Sale and Supply of Alcohol Act 2012' (the Act) specifies that a territorial authority (TA) may have a Local Alcohol Policy (LAP) relating to the sale, supply, or consumption of alcohol within its district.

The Act objectives are:

- The sale, supply and consumption of alcohol should be undertaken safely and responsively; and
- The harm caused by the excessive or inappropriate consumption of alcohol should be minimised.

Since July 2019, Napier City Council and Hastings District Council (The Councils), have had a Joint LAP and have prioritized delivery on the objectives of the Act.

At a Council Meeting in July 2019, The Councils approved the final LAP with an enforcement date of 21 August 2019, and 21 November 2019, for the hours provisions as required under the Act.

Section 97 of the Act specifies that *"a territorial authority that has a LAP must review it utilising the Special Consultative Procedure (under the Local Government Act 2002) no later than 6 years after it came into force."*

In July 2021 The Councils resolved that a "full review would be completed in 6 years of the enforcement date."

On October 2024, The Councils resolved to;

- Begin the LAP review process and transition to individual LAPs as a part of that process,
- Establish a suitable governance structure to assist with consistency between the two Council policies.

1. Purpose

The 'Local Alcohol Policy Joint Working Reference Group' (The Group) as appointed by The Councils, agree to work in collaboration to help ensure the LAPs remain relatively consistent to reduce potential unintended consequences that could result, if the two policies were to be vastly different, specifically in relation to licensed hours of premises.



The purpose of The Group is to facilitate alignment between The Councils LAPs. The Territorial Authorities will work as partners to help to ensure harm is minimised from the sale, supply and consumption of alcohol in the region, as outlined in the Act.

The Group shall be cognisant of when it is appropriate for individual Council LAPs to have tailored provisions for local contexts.

2. Scope of Activity

The Group has the following areas of focus;

- **Policy Alignment:** Review and recommend actions to help align the two LAPs for consistency and incorporate local variations as appropriate. Help ensure that LAP development remains cognisant of the harm reduction priorities of The Councils.
- **Collaboration:** Help facilitate engagement within The Councils to share insights, and manage risks and opportunities.
- **Political Alignment:** Serve as an advisory group on the political direction of each council regarding various policy options, ensuring alignment and consistency with communication to reduce the risk of conflicting or divergent policies. Proactively identify potential policy discrepancies between The Councils at the earliest stage of the process, enabling timely remedies or negotiation.

3. Composition

- **Members:** The Group will comprise of;
 - 3 Council Members appointed by Napier City Council
 - 3 Council Members appointed by Hastings District Council
 - 2 Council Officers (Topic Experts) from each Council.
- The Group will elect a Chair, who will be expected to manage meetings in a competent and efficient manner and ensure appropriate minutes and records are kept.

4. Meetings

- **Frequency:** As required.
- **Quorum:** 50% of membership with equal representation from The Councils.
- **Decision-Making:** The Group will function based on a consensus model. Recommendations from The Group should be documented and record any divergence in views.

7. Delegations

- Aside from this Terms of Reference, the Group has no delegations from The Councils.

8. Duration

- The Group will remain in place for the duration of the LAP development process or as long as required. The Group will disband once the final LAPs are adopted by each council.



9. Review

- The Terms of Reference are to be reviewed as required.

Adoption

These Terms of Reference were adopted by the Hastings District Council and Napier City Council.

Mayor of Hastings

[Signature]
 19/11/24

DATE

Mayor of Napier City Council

Date:

CEO of Hastings District Council

[Signature]
 15/11/24

DATE

CEO of Napier City Council

Date:

TE KAUNIHERA Ā-ROHE O HERETAUNGA

HASTINGS DISTRICT COUNCIL

207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
 06 871 5000 | customerservice@hdc.govt.nz | hastingssdc.govt.nz

8. HEARING OF OBJECTION TO PLACING OF TRANSPORT SHELTER AT DALTON STREET, NAPIER, UNDER S.339 LOCAL GOVERNMENT ACT 1974

Type of Report:	Procedural
Legal Reference:	Enter Legal Reference
Document ID:	1815399
Reporting Officer/s & Unit:	Robin Malley, Asset & Planning Manager

8.1 Purpose of Report

This report requests that Council consider the temporary relocation of a bus shelter on Dalton Street to enable demolition and construction works on Council's former library building. The proposed location is adjacent 180 Dalton Street, whose owner has raised an objection to the proposal following consultation, under provisions of the Local Government Act 1974.

This report should be considered alongside the landlord's objection as presented to this meeting.

Officer's Recommendation

That Council:

- a. **Receive** the written and presented objection from Wallace Property Company Limited to the temporary placement of a bus shelter on the footpath outside 180 Dalton Street.
- b. **Approve** the placement of the proposed shelter for a period of 2 years (until 1 January 2027)

8.2 Background Summary

Napier City Council owns and maintains public transport infrastructure, including bus stops, signs, seating and shelters to enable and support public transport services operated by Hawke's Bay Regional Council (HBRC).

The demolition and redevelopment of Napier City Council's office building at 22 Dalton Street means that the existing bus stops and shelters alongside the building could not be safely used during works. Council officers have worked with the HBRC Transportation team to develop an alternative arrangement which continues to support the service operation and its users.

The alternative provision comprises two new stops with shelters on the western side of Dalton Street with a third on the eastern side utilising an existing bus stop. As passengers may need to cross the road for transfers, a new pedestrian crossing facility comprising build - outs and a median island has been constructed. Two of the shelters have been relocated to the western side adjacent to Council owned open space. A third shelter (Shelter 3 on the diagram below) is proposed for the bus stop on the eastern side of the road, adjacent 180 Dalton Street 'Vautier House', owned by Wallace Property Company Limited.



Under Section 339 of the Local Government Act 1974, local authorities are required to consult with landowners whose property may be injuriously affected by the installation of a 'transport shelter'. Section 339 of the Local Government Act 1974 is appended to this report for reference.

Officers do not consider that the temporary placement of the shelter would injuriously affect the property, either through impacted property values or restricting the owner and their tenants' ability to utilise and maintain the property. However, as the proposal does represent a change to the operation of the road outside 180 Dalton Street, consultation was initiated with Wallace Property Company Limited in accordance with the legislation.

A response to the proposal was received within the required timeframe, raising an objection to the proposal.

In objecting to the proposal, Wallace Property Company Limited provided the following reasons:

- *We still have considerable external works to do over the next year which includes scaffolding the façade to paint, attach a new screen and enclose balconies. This will require scaffolding and site fencing along the Dalton Street boundary. This is similar works to what you are doing on your site where the bus shelters are currently located. Moving them to the proposed location appears no safer than leaving them where they are currently. We believe that you should find an alternative site that has no building works ongoing outside the bus shelters.*
- *We have ground floor tenants that have signed long term leases and at that time there was no proposal to place bus shelters outside their front windows. We believe that the erection of bus shelters here will negatively impact on the visual appearance of their tenancies, there will be additional noise and loss of privacy.*

- *We already have a homeless issue at the property which we are actively addressing. Providing bus shelters directly outside the premises which will enable people to loiter and provide shelter at night, is not going to help our initiatives to change the perception and attractiveness of the property to tenants.*
- *There is a negative streetscape appeal with bus shelters in our opinion, particularly outside a property where we are hosting some of the city's main professional businesses.*

The communication representing the objection includes constructive suggestions for alternatives, including provision of protection to users at the existing location.

The Local Government Act requires any objections to be heard and considered by Council, who may “dismiss the objection or decide not to proceed with the proposal or make such modifications to the proposal to which the objection replates as it thinks fit”.

8.3 Issues

Under the provisions of the Local Government Act 1974, there is no acknowledgement of temporary placement of shelters. Should Council resolve to approve the placement of the subject shelter, there is no legislated opportunity for review. The relocation of the stops and shelters are in response to a temporary need and this was relayed to the property owner in the initial consultation. To provide some reassurance to the landowner it is suggested that any resolution includes a timeframe for the shelter to be in place as a commitment from Council.

The future form of public transport infrastructure in Napier City Centre is being jointly considered by NCC and HBRC. The criticality of having a bus ‘hub’ within the core of the CBD is likely to reduce under the future operating model of the Hawke’s Bay bus service.

The design for the NCC ‘Te Aka’ project includes provision of one/two bus stops close to the Dalton Street/Station Street intersection to serve the southern end of the CBD, including Te Aka.

8.4 Significance and Engagement

This report does not meet the conditions of Council’s Significance and Engagement Policy.

8.5 Implications

Financial

The proposed shelter relocation, along with the relocation of two other shelters and associated road markings and signage, is funded from existing approved budgets. The decision made in response to this report has no direct financial impacts.

Social & Policy

Public Transport provides one component of the city and region’s transport system, critical to some of its users who have limited alternatives available to them. Use of public transport can reduce congestion, emissions and demand for parking facilities. The relocation of facilities on Dalton Street has arisen from the need to keep users safe, which was not practical at the established location. The contracted system’s operational model necessitated the placement of stops on both sides of the road and practical options were limited. The new facilities are operational, however, the lack of a shelter means that passengers do not have any protection from rain or sun, effectively resulting in a level of service reduction.

No suitable alternative central locations which could accommodate the three required operational stops, layover stops and passenger facilities were identified. If the objection to placing the shelter as proposed is upheld, the temporary arrangement will remain in its current location and configuration, with the possible addition of seating as a minimum provision for less able passengers.

Risk

N/A

8.6 Options

The options available to Council are as follows:

- a. Confirm the placement of shelter outside 180 Dalton Street.
- b. Confirm the placement of shelter outside 180 Dalton Street, specifying a time period of 2 years, after which the shelter should be removed or a new consultation process initiated. This is the preferred option.
- c. Uphold the objection as presented.

8.7 Development of Preferred Option

Officers considered potential impacts on neighbouring businesses, property owners and occupiers, the practical needs of the bus service and its passengers and the road network users. Assessment of a suitable new layout for the stops and shelters was undertaken in close partnership with HBRC officers to ensure that service and passenger needs were well understood. The proposed shelter location outside 180 Dalton Street is in an area of widened footpath, away from the building frontage and with ample residual footpath space, close to other stops to support efficient and safe transfers.

The preferred option, as presented as Officer's Recommendation a), includes a fixed period for the proposed shelter to be in place. This is recommended to provide certainty around the temporary nature of Council's proposal to the landowner, which is not specifically provided for in the relevant legislation.

The direct benefits of the provision of a shelter to users and the broader benefits of attractive and convenient public transport infrastructure will be maintained under the recommendation. The shelter's proposed location was selected with adjacent property in mind, with the preferred location being away from the building frontage, thus not restricting access to the property.

8.8 Attachments

- 1 Section 339 - Local Government Act 1974 (Doc Id 1817266) [📄](#)

Local Government Act 1974 (extract)

339 Transport shelters

- (1) The council may erect on the footpath of any road a shelter for use by intending public-transport passengers or small passenger service vehicle passengers:
provided that no such shelter may be erected so as to unreasonably prevent access to any land having a frontage to the road.
- (2) The council shall give notice in writing of its proposal to erect any shelter under this section to the occupier and, if he is not also the owner, to the owner of any land the frontage of which is likely to be injuriously affected by the erection of the shelter, and shall not proceed with the erection of the shelter until after the expiration of the time for objecting against the proposal or, in the event of an objection, until after the objection has been determined.
- (3) Within 14 days after the service of the notice, the occupier or owner, as the case may be, may object in writing to the council against the proposal.
- (4) Where any person objects to the proposal in accordance with subsection (3), the council shall appoint a day for considering the objection and shall give notice to the objector of the time when and place where the objection is to be heard. Any such time shall be not earlier than 7 days after the date on which the notice of objection was received at the office of the council.
- (5) The council shall, at the time and place stated in the notice referred to in subsection (4), consider the objection, and after hearing any submissions made by or on behalf of the objector, may either dismiss the objection or decide not to proceed with the proposal or make such modifications to the proposal to which the objection relates as it thinks fit. The hearing of any such objection may be adjourned from time to time and from place to place.
- (6) Where there are more objectors than 1, the council shall, as far as practicable, hear all objections together and give each objector an opportunity of considering and being heard in respect of all other objections.
- (7) No resolution under this section shall be passed until the council has considered all the objections of which notice has been given in accordance with this section.
- (8) In this section the term **road** does not include an access way.

Compare: 1954 No 76 s 177A; 1956 No 64 s 199A; 1959 No 91 s 16; 1971 No 63 s 20

Section 339: inserted, on 1 April 1979, by [section 2](#) of the Local Government Amendment Act 1978 (1978 No 43).

Section 339(1): amended, on 1 October 2017, by [section 110\(3\)](#) of the Land Transport Amendment Act 2017 (2017 No 34).

9. REQUEST FOR ADDITIONAL CAPITAL PROJECT FUNDING - TRANSPORTATION & INNER HARBOUR

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1815398
Reporting Officer/s & Unit:	Robin Malley, Asset & Planning Manager

9.1 Purpose of Report

A number of assets within Council's Transportation and Inner Harbour portfolios have unexpectedly failed or present significant risk of failure. Loss of these assets limits the operational capacity of Council activities and failure presents risks to ongoing security of access, public safety and property. The priority associated with each of these projects is such that they cannot be deferred to meet approved budget provision in future years. Additional funding therefore sought to facilitate the implementation of the priority projects.

Additional funding of \$8,250,000 is requested for renewal of the Inner Harbour Discharge Wharf, new or replacement retaining walls at Clyde Road, Coote Road, Kowhai Road and Denholm Road and slope protection at Shakespeare Road.

Officer's Recommendation

That Council:

- a. **Approve** \$6,600,000 additional budget for the Inner Harbour Discharge Wharf Renewal project, to be funded from the HB Endowment Land Sales Fund.
- b. **Approve** \$1,650,000 (\$1,450,000 after external revenue) additional budget for Bridges & Structures Renewals for retaining wall/slope stabilisation renewals at Kowhai Road, Denholm Road, Coote Road, Clyde Road and Shakespeare Road funded from the Roding Infrastructure Asset Renewal Fund (Rates funded Loans).

9.2 Background Summary

Inner Harbour

The Inner Harbour Discharge Wharf, located on Customs Quay, provides facilities for loading and unloading of commercial vessels, as an alternative to using West Quay. The wharf also provides berthing capacity for smaller commercial vessels and visiting vessels, supplementing the primary commercial berthing facilities on West Quay. Ancillary to its primary use, the wharf provides the only access to the Jull Wharf floating pontoon, utilised by a mixture of commercial and recreational vessels.

The wharf has been identified as a priority for renewal having reached the end of its design life with clear signs of deterioration in some components. Renewal was programmed for Years 3 & 4 of the current LTP. However, recent observations from the water identified some areas of concern which prompted Council to commission a detailed structural

assessment. This assessment confirmed the observations of component failure and highlighted risk of full and potentially catastrophic failure, advising Council to close the wharf. As the wharf is a well-used component of the Inner Harbour asset group, supporting local and visiting commercial activities, its replacement is being treated as high priority, urgent work.

The approved 2024-27 Three Year Plan budget for the Discharge Wharf renewal (\$1,392,881) has been brought forward from Years 3 (2026/27) and 4 (2027/28) to Year 2 (2025/26) under the Draft 2025/26 Annual Plan. This report requests that an additional \$6,600,000 is made available to supplement this provision, including an amount in the 2024/25 financial year to enable supplier engagement, detailed investigations and preparation and submission of regulatory consents. Approved and (draft) project funding phasing and the that proposed in this request are summarised in Table 1, below:

	2024/25	2025/26	2026/27	2027/28	Total
2024 Three Year Plan	\$0	\$0	\$148,000	\$1,203,000	\$1,351,000
2025/26 Draft Annual Plan	\$0	\$1,392,881	\$0	\$0	\$1,392,881
Requested Budget	\$1,500,000	\$6,492,881	\$0	\$0	\$7,992,881

Table 1 - Summary of approved and requested project funding

Inner Harbour asset renewals are funded from Council's HB Endowment Land Sales Fund and expenditure within the balance of this fund does not affect rates. Implications of this request on the fund are discussed in Section 9.5 of this report.

Internal procurement planning is underway to determine the optimal engagement methodology, and stakeholder engagement is supporting scope definition and potential regulatory and iwi requirements. One procurement approach available to Council is to let a design and build contract, which avoids the risk of Council artificially restricting the potential supplier pool and increases the chance of innovative and value for money solutions. However, such an approach means that resource and building consent requirements cannot be well defined at this stage. The funding amount and phasing of expenditure in this report is therefore based on a high-level construction estimate with some construction or enabling works commencing before year-end. Although uncertainties remain it is important that funding is secured prior to Council approaching the market.

Transportation

There are over 450 known retaining walls across Mataruahou. Condition assessment and monitoring and associated work programming is challenging due to a lack of reliable construction records, undefined ownership and access/visibility constraints. A significant proportion of these structures are well beyond their design lives but are generally sound. Accurately forecasting renewals is difficult and much of the work required is only identified when assets start to fail. Work programmes for these assets therefore tend to be more reactive than is usual for other assets in the transportation portfolio. Programming interventions on this asset group is further hindered by the complexity of scoping and designing structures. Projects often require geotechnical assessments, specialist structural design, building consents and private landowner involvement. It is not unusual for a project to take over 2 years from identification to construction; emergency funding processes, unbalanced demands and scarcity of geotechnical and structural engineering resources can add significantly to these timeframes.

The series of weather events over the last 4 years has exacerbated age related deterioration, resulting in a number of structures requiring intervention concurrently. Five

projects are currently underway or in development which present a high risk to access security and/or property damage if unaddressed. These projects are:

Clyde Road: Erosion under the road presented a significant risk of road failure and associated utilities and property damage. This project is nearly complete. The Contract cost was in line with the approved budget available in the current financial year. Significant variations to the contract due to a necessary scope increase and challenging underground service layouts mean that budget provision will be exceeded by roughly \$300,000.

Lucy Road: A major slip between Lucy Road and Coote Road which occurred following Cyclone Gabrielle presents a risk to the stability of Lucy Road, which sits above the slip. The damaged land includes a section within private ownership. A financial contribution equal to the settlement received by the landowner from (then) EQC insurance has been agreed. Works to address this slip are included in Council's approved NIWE (North Island Weather Events) emergency funding from NZTA and are eligible for 91% Funding Assistance. This enhanced funding rate is only applicable to works completed by the end of the 2024 calendar year. This project is fully designed and consented and was tendered in November 2024, with work due to start in December. Officers anticipate that a portion of the work will be eligible for the enhanced funding, however as work commencement could be delayed or progress limited for a number of reasons, this report assumes the lower standard funding assistance rate for the full project. Any funding assistance above this level would be received by Council as unforecast revenue. Budget requested for this project is \$400,000 (net \$40,000 to \$200,000 after NIWE funding assistance).

Kowhai Road: An existing large retaining wall supporting the upper section of Kowhai Road (the only access to 8 residential properties) has been identified as in poor condition for a number of years, with regular surveys undertaken to monitor any movement in the structure. Recent monitoring has identified an acceleration in movement of some wall elements and intervention is now critical. Investigation and design work is well progressed. Estimated cost of construction is \$200,000.

Denholm Road: An existing wall supporting the Denholm Road carriageway failed following a series of heavy rain events. A replacement for the wall and stormwater capacity upgrades are proposed. The road is currently accessible, but further deterioration could remove the only access for three residential properties. Investigation and design work is well progressed. Estimated cost for construction is \$600,000.

Shakespeare Road: An exposed slope face below pedestrian access to a home requires protection to prevent future erosion. This protection has been designed and a specialised contractor engaged to undertake the work. Cost for construction is \$70,000.

Project estimates, budgets and external funding are summarised in Table 2, below:

Project	Project Cost	Budget	Unbudgeted	External Revenue	Net cost
Clyde Road Retaining Wall	\$780,000	\$400,000	\$380,000	\$0	\$380,000
Lucy Road Retaining Wall	\$400,000		\$400,000	\$200,000 to \$360,000	\$40,000 to \$200,000
Kowhai Road Retaining Wall	\$200,000		\$200,000	\$0	\$200,000
Denholm Road Retaining Wall	\$600,000		\$600,000	\$0	\$600,000
Shakespeare Road Slope Protection	\$70,000		\$70,000	\$0	\$70,000
Total					\$1,290,000 to \$1,450,000

Table 2 - Financial summary of projects.

Beyond the current financial year, there is a pipeline of other sites requiring intervention at Kavanagh Road, Enfield Road, Spencer Road and Lighthouse Road. Development of these projects will continue in the current financial year, with an intention to construct in the 2025/26 financial year under approved budgets.

9.3 Issues

N/A

9.4 Significance and Engagement

The recommendations of this report does not trigger the provisions of Council's Significance and Engagement Policy.

Each project has a unique set of stakeholders and engagement plans for each will be developed in the context of the scale and complexity of the project and needs of the stakeholder groups.

9.5 Implications

Financial

Inner Harbour

Capital Investment in Inner Harbour Assets is funded by the Hawkes Bay Endowment Land Sales fund. This fund is fully committed against projects identified in Council's long term asset management and financial forecasts. Increasing the budget of this project will require a re-prioritisation and reassessment of scope of future projects, such as the Nelson Quay Wharf Major Maintenance project, currently identified for years 9 to 14 (2032-2038).

Approval of the requested budget increase would have no direct impact on rates but would reduce the availability of funding for future projects.

Transportation

Council's long term financial plans include recurring annual budgets for Bridge and Structures renewals, which are dominated by retaining projects. This activity is eligible for National Land Transport Fund (NLTF) assistance, however allocations in the current 3 year funding period are lower than expected and Council's programme has been adjusted to reflect this. Any additional Council expenditure will not generate any NLTF revenue, with the exception of Lucy Road, which has approval under the special North Island Weather Event (NIWE) allocation.

Assuming the full requested amount is approved, funded 100% by rates funded loans, and drawn down, repayments would represent a rating impact of +0.11%. It is proposed to offset this via a combination of reviewing funding sources for other Transportation capital projects within the approved 2024/25 programme and reducing the loan funded capital programme for 2025/26 by up to \$450,000. The level of impact on the 2025/26 programme will depend on the level of subsidy able to be claimed against the Lucy Road project and the total delivery cost of the five projects.

Social & Policy

The Inner Harbour Discharge Wharf is a well utilised component of the infrastructure supporting Hawke's Bay's commercial fishing activities. Suspension of use of this asset will impact both the capacity and functionality of the Inner Harbour. The condition of the asset means that suspension is unavoidable, so minimising delays to delivering its replacement is the most effective strategy.

Risk

All of the assets under consideration in this report, to a greater or lesser extent, represent a risk to Council in their current condition. Once issues with an asset's integrity have been identified and acknowledged, Council should take reasonable steps to minimise the risk presented. The projects which will be funded by the requested budgets respond to this

obligation and will reduce Council's exposure to legal, asset, operational, access, financial and reputational risks.

9.6 Options

The options available to Council are as follows:

- a. Approve the requested budget increases This is the preferred option.
- b. Decline the request for budget increases.

9.7 Development of Preferred Option

The works subject to this funding request are all high priority, resulting from aged asset deterioration, component failure and/or extreme weather events. Deferral is not recommended as full asset failure could result in loss of access, injury or property damage.

Funding sources for the requested budgets are comprised from dedicated reserves or rates funded loans. As loans have a direct impact on rates, a funding strategy has been developed to offset the additional demand, requiring no increase to rates.

9.8 Attachments

Nil

10. MAYORAL RELIEF FUND - DISTRIBUTIONS

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1811277
Reporting Officer/s & Unit:	Talia Foster, Financial Controller

10.1 Purpose of Report

To provide a final report to Council on the expenditure from the Napier City Council Mayoral Relief Fund and confirm that all available funds have now been utilised.

Officer's Recommendation

That Council:

- a) **Receive** this report regarding donations and distributions from The Napier City Council Cyclone Gabrielle Event – February 2023 Mayoral Fund.

10.2 Background Summary

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

10.3 Fund Income and Distributions

Total donations received are now \$512,575 after receiving a final distribution from the Hawke's Bay Disaster Relief Trust which has now closed. Interest was also applied to the balance of the fund as at 30 June 2024 for the 2023/24 year, which added \$1,284 to the available balance. This interest was applied during the year end processes, hence this information not being available for the previous MRF report to Council.

There have been commitments which total \$513,859, leaving the fund fully utilised. Communication is ongoing with the organisers of the Brookfields CCTV installation and Pukemokimoki Marae. These payments will be made as soon as possible.

Napier City Council Cyclone Gabrielle Event - February 2023 Mayoral Relief Fund			
	As at 31 Aug 2024	As at 31 Oct 2024	Date Paid
	\$	\$	
Donations received	228,077	228,077	
Donation from Hawke's Bay Disaster Relief Trust	284,498	284,498	
Interest applied 2023/24	-	1,284	
	512,575	513,859	
Less: Mayoral Relief Fund distributions			
The Dinner Club HB - Boof Fair hall and volunteer refreshments	-	1,103	25/09/2024
Kererū School - Publishing of children's book about Cyclone Gabrielle	700	700	29/08/2024
Hōhepa Hawke's Bay - community hub generator	29,262	29,262	15/08/2024
Cyclone Gabrielle Stories Project by Kristin Speers	4,000	4,000	8/08/2024
Wairoa Whānau Hangi and Truck hire to transport Health Essentials and Gumboots	790	790	26/07/2024
Waipatu Maori Catholic Club - Hui Aranga 2024	5,500	5,500	28/03/2024
Bay View Community Trust - community garden	4,527	4,527	21/12/2023
The Dinner Club HB - Christmas Meal (venue)	350	350	30/11/2023
Napier Christmas Cheer Appeal - return of unspent funds	(2,280)	(2,280)	15/11/2023
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 Evergreen Foundation (Toddy talks) - Dr Lucy Hone's Napier resilience talk	3,000	3,000	5/10/2023
Manawa Ora Hawkes Bay Trust - Awatoto security cameras and social wellbeing event for flood affected community	12,000	12,000	28/09/2023
Petane Domain basketball court	25,000	25,000	19/09/2023
Radio Hawke's Bay - civil defence app	2,000	2,000	14/09/2023
Rangatahi Tuia Wananga	1,000	1,000	14/09/2023
The Dinner Club HB - Contribution to regular meals	2,500	2,500	7/09/2023
Finding voices - tickets for affected community to attend The Magic Flute in Concert	10,125	10,125	10/08/2023
Esk/Bayview community - HB clean-up crew meals and accommodation	10,000	10,000	27/07/2023
Esk/Bayview community - sausage sizzle for Tool Library Launch event	250	250	27/07/2023
Bay View Hotel and Holiday Park - Hoe Down Country Night event	2,000	2,000	20/07/2023
Bay View Hotel and Holiday Park - Mid-Winter Christmas event	2,500	2,500	6/07/2023
Napier Christmas Cheer Appeal	12,660	12,660	6/07/2023
The Dinner Club HB - Contribution to regular meals over winter	2,500	2,500	29/06/2023
Red and yellow stickered properties - tenants grants	38,000	38,000	22/06/2023
Primary Elements NZ - Creative events for Bayview/Esk Valley community In July school holidays	500	500	22/06/2023
Neeracha (Neela Neela) Rattanaworametha - contribution to meals	3,500	3,500	19/06/2023
Eskdale Kindergarten - Eskdale Ladies Night event	2,500	2,500	15/06/2023
Hawkes Bay Search and Rescue - six new GPS units	4,989	4,989	15/06/2023
Red and yellow stickered properties allocation of \$2,000	260,000	260,000	24/05/2023
Diesel contributions for machinery helping in clean-up	6,457	6,457	16/05/2023
	454,329	455,432	
Less: Committed but not yet paid			
Pukemokimoki Marae - Solar Panels	-	38,426	
Brookfields Community - CCTV installation	20,000	20,000	
	20,000	58,426	
Total distributions	474,329	513,859	
Remaining available balance	38,246	-	

10.4 Significance and Engagement

Not applicable

10.5 Implications**Financial**

There are no further funds available and the fund should be considered closed. In the event of another emergency, a new fund will be opened and further donee status can be applied for from Inland Revenue.

Social & Policy

Not applicable

Risk

Not applicable

10.6 Options

The options available to Council are as follows:

- a. Receive this report regarding donations and distributions from The Napier City Council Cyclone Gabrielle Event – February 2023 Mayoral Fund.
- b. Request further information.

10.7 Development of Preferred Option

Not applicable

10.8 Attachments

Nil

11. QUARTERLY PERFORMANCE REPORT

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1803817
<i>Reporting Officer/s & Unit:</i>	Alister Edie, Business Improvement Manager Talía Foster, Financial Controller Caroline Thomson, Chief Financial Officer / Acting Executive Director Corporate Services

11.1 Purpose of Report

To consider the Napier City Council Quarterly Performance Report for the three months ended 30 September 2024.

Officer's Recommendation

That Council:

- a. **Receive** the Quarterly Performance Report (Doc Id 1815313) and Quarterly Report (Doc Id 1815312) for the three months ended 30 September 2024.

11.2 Background Summary

As part of the Three-year Plan process, a resolution was passed directing the Chief Executive to produce enhanced performance reporting, monitoring key performance indicators against their assigned strategic priorities. The Quarterly Performance Report for Q1 2024-25 (**attachment 1**) is the first edition of this new reporting format.

The Quarterly Performance Report is intended to be a central, holistic report that tracks key performance measures across Council. It will monitor Councils achievement of strategic priorities and will apply consistent reporting frameworks for performance areas.

The new Quarterly Performance Report is a summary of Councils performance against its agreed strategic objectives. The performance measures contained in the previous Quarterly Report format (**attachment 2**), that track our agreed achievement of service levels for external stakeholders, will continue to be reported as an appendix. This allows the lower detail to be sourced as required and fulfils our Annual Plan reporting requirements.

The new Quarterly Performance Report is still under development, as we follow a continual improvement project to further determine key measures that drive Councils performance and reporting that supports improved performance management. See **attachment 3** Three Waters Programme Dashboard, as an example of a capital program reporting framework we are working towards from the EPMO.

11.3 Issues

N/A

11.4 Significance and Engagement

N/A

11.5 Implications

Financial

The year-to-date net operating shortfall of \$463k is \$3.2m favourable to the budgeted deficit of \$3.7m. This favourable variance is attributable to a combination of factors as outlined below:

Revenue

- Other Revenue is \$3.3m lower than budgeted, mainly due to lower Parklands Residential Development sales due to a change in strategy to ensure development and sales are completed with a commercial focus.
- Subsidies and Grants are \$1.1m lower than budgeted due to timing of property compensation voluntary buyouts related to Cyclone Gabrielle.

Expenditure

- Other Operating Expenses are \$6.8m lower than budgeted due to timing of property compensation buyouts related to Cyclone Gabrielle and timing of Parklands Residential Development cost of sales.
- Depreciation and Amortisation are \$1.2m lower than budgeted due to the reduced level of asset capitalisation from the previous year.
- This is partially offset by Employee Benefit Expenses which are \$1.1m higher than budgeted. Elected Members directed labour efficiencies to be found during three year plan deliberations - directors are working on a strategy to meet these by year end, but they have not been achieved in the first quarter.

Capital

NB this capital reporting includes Parklands development expenditure – which is later transferred to Inventory for sale.

Total capital expenditure for Q1 2024-25 was \$1.3m above the revised budget. The revised budget includes budget carry-forwards from 2023-24 and updated timing/re-phasing of expenditures across years/months.

- Transportation spent \$1.3m more than budgeted year-to-date, with renewal projects being \$610k ahead of schedule and \$550k of required intersection safety improvements were completed without budgets.
- Wastewater spent \$920k more than budgeted in Q1, with equipment failures causing a \$530k overspend on the Greenmeadows pump station improvements, and \$420k was spent on the Awatatoto Treatment Plant restoration pending the receipt of insurance funding.
- Property Assets spent \$390k less than budgeted on capital expenditure as the cost of fill and earthworks for Parklands was less than budgeted.
- Support Units spent \$390k less on capital expenditure year-to-date, due to the late delivery of an order of fleet vehicles – a Hydralada for gardening, a JCB digger for drain clearing and an aerator for turf management.

Social & Policy

N/A

Risk

N/A

11.6 Development of Preferred Option

Receive the Quarterly Performance Report, and appendix Quarterly Report, for the three months ended 30 September 2024.

11.7 Attachments

- 1 Napier City Council Quarterly Performance Report Q1 2024-25 (Doc Id 1815312) (Under separate cover 1) [⇒](#)
- 2 Quartely Report Q1 2024-25 (Doc Id 1815313) (Under separate cover 1) [⇒](#)
- 3 Three Waters Program Dashboard Example (Doc Id 1815311) (Under separate cover 1) [⇒](#)

12. HEARINGS COMMITTEE MEMBERSHIP

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1811429
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

12.1 Purpose of Report

The purpose of this report is to seek Council approval of a change in membership to the Napier City Council Hearings Committee.

Officer's Recommendation

That Council:

- a. Approve the appointment of Councillor Chrystal as a member of the Napier City Council Hearings Committee.
- b. **Accept** the resignation of Mayor Wise from the Hearings Committee.

12.2 Background Summary

Mayor Wise has requested to be removed from the Napier City Council Hearings Committee and Councillor Chrystal has been nominated to replace her.

Councillor Chrystal has completed the foundation 'Making Good Decisions' panel training required. This provides skills and knowledge for the ethical, legal, and practical requirements of decision making under the Resource Management Act 1991.

12.3 Issues

No issues are anticipated with this change in membership.

12.4 Significance and Engagement

No engagement is required with this change in membership.

12.5 Implications

Financial

There was a budgetary impact of \$2,830 plus travel and accommodation costs for the Making Good Decisions training. However, this training is a requirement for Committee members, and a good personal development opportunity.

Social & Policy

Nil

Risk

The risk of not having enough Committee members to sit on Hearings is mitigated by having a pool of trained elected members to select from.

12.6 Options

The options available to Council are as follows:

- a. To approve the appointment of Councillor Chrystal as a member of the Napier City Council Hearings Committee, or
- b. To not approve the appointment of Councillor Chrystal as a member of the Napier City Council Hearings Committee.

12.7 Development of Preferred Option

Once Councillor Chrystal's appointment is approved, she will be able to sit on Hearings due to having completed the required pre-requisite training.

12.8 Attachments

Nil

13. LGNZ FOUR-MONTHLY REPORT: JULY TO OCTOBER 2024

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1809358
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

13.1 Purpose of Report

The purpose of this report is to provide for information the report “LGNZ four-monthly report for member Councils” for the period July to October 2024.

Officer's Recommendation

That Council:

- a. **Receive** for information the report titled “LGNZ Four-Monthly Report for Member Councils” for the period July to October 2024 (Doc ID 1809357).

13.2 Background Summary

The four-monthly report summarises Local Government New Zealand's (LGNZ) work on behalf of member councils. It is designed to be put on a council agenda for discussion and feedback. LGNZ will produce three four-monthly reports each year. This report covers the period July to October 2024.

The four-monthly report complements the LGNZ regular communication channels (including the fortnightly e-newsletter 'Keeping it Local'), providing a more in-depth look at what LGNZ does.

13.3 Options

The options available to Council are as follows:

- a. To receive the report titled “LGNZ Four-Monthly Report for Member Councils” for the period July to October 2024

13.4 Attachments

- 1 2024-12-12 LGNZ four-monthly report for members (Doc ID 1809357) [↓](#)



LGNZ four-monthly report for member councils

// July-October 2024





Ko Tātou LGNZ.

This report summarises LGNZ's work on behalf of member councils and is produced three times a year. It's structured around LGNZ's purpose: to serve local government by **championing**, **connecting** and **supporting** members.

Many councils have found it useful to put this report on the agenda for their next council meeting so that all councillors can review it and provide feedback. Sam and Susan are also happy to join council meetings online to discuss the report or any aspect of it, on request.

This report complements our regular communication channels, including *Keeping it Local* (our fortnightly e-newsletter), providing a more in-depth look at what we do.

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Introduction

This busy four months included our SuperLocal conference in Wellington, which attracted more than 700 people and dominated the news agenda all week. This was partly thanks to headline-grabbing comments from the Prime Minister and Local Government Minister, but also because of the LGNZ team's proactive generation of many other topics in the media spotlight at our conference, from four-year terms and tourism levies to localism and regional deals.

Alongside preparing for and delivering SuperLocal, our small team managed a huge range of other work, which is covered in this report. Highlights include:

- Launching our third rates rise toolkit in July, including NZIER's research uncovering the costs of unfunded mandates for councils. Unfunded mandates are costs that local government ends up carrying as a result of central government legislation.
- In October, launching our Electoral Reform Working Group's issues paper exploring the current state of participation in local election and asking for feedback.
- Local Government Minister Simeon Brown announcing a framework for Regional Deals that aligns with many of the elements LGNZ called for in our May proposal.

As you'll see below, we've had many meetings with Ministers, the Prime Minister and other politicians across a wide range of topics. And we've engaged in a range of policy issues, with our work driven by the high-level advocacy priorities that members and National Council agreed earlier this year:

- Funding and financing
- Water
- Resource management reform
- Transport
- Climate change

Right now, we're preparing for the 21 November Combined Sector meeting, focused on the Government's local government reform programme. It features a strong range of speakers including the Local Government Minister, Regional Development Minister, Opposition Finance Spokesperson, Australian local government speakers on their rates capping experience, and a briefing from the Treasury on New Zealand's fiscal situation.

During the meeting, we'll also be launching a funding and financing toolkit, showcasing a range of tools that could be used (alongside rates) to boost local government's financial position and help councils deliver for ratepayers. Watch out for an email direct to your inbox on 21 November with all the details. We'll be advocating strongly for these tools – and sharing resources so you can too.

Ngā mihi
Sam and Susan



Champion

Local government funding and financing

Rates rise toolkit 3: Unfunded mandates

In July we released work we had commissioned from NZIER on the impacts of unfunded mandates on local government. NZIER's research highlighted:

- that many central government reforms have resulted in increased costs for ratepayers;
- that central government does not adequately estimate or address what its reforms cost councils;
- that constant policy changes lead to high sunk costs for councils with no tangible outcomes; and
- the true costs of government reform are hidden because councils absorb them by reducing other service delivery.

Our third rates rise toolkit packaged this research with slides and key messages that members could use. The release generated significant media interest and engagement from members.

Tourism and cost recovery

From 1 October, the Government raised the International Visitor Conservation and Tourism Levy (IVL) from \$35 to \$100 to ensure visitors contribute to the upkeep of the facilities, services and natural environment they use and enjoy during their stay. LGNZ is advocating for councils to have a greater say in how the additional funding is spent on tourism-related initiatives. We are also continuing to advocate for the Government to enable cost recovery tools (such as a local tourism bed night charge).

Revenue capping and other measures

At SuperLocal, the Government announced that they would investigate performance metrics, benchmarking, and revenue capping for councils modelled on New South Wales and Victoria. The policy team has been engaging with local government experts from New South Wales and Victoria to understand how these policies have worked for them and what the impact has been. We will provide insights from these discussions and research on these policies with members soon, including at the November Combined Sector meeting.

Forthcoming funding and financing toolkit

We are working on a toolkit for release at the November Combined Sector meeting that details a range of 24 funding and financing tools that would benefit councils (but potentially require enabling legislation). This toolkit will include:

- Basic information about each tool, how it can be used and what it might deliver
- Data to support our approach and inform members' conversations
- Messages local government can use



- A draft opened and draft letter to an MP that can be customised

The toolkit launch will be supported by media and advocacy activity, in the same way that the rates rise toolkits were.

Regional deals

We were pleased that the Government made announcements around its Regional Deals framework at SuperLocal, and that our advocacy has been taken on board with the framework largely reflecting our position. This framework includes partnership, new funding tools and a commitment to long-term planning, and is modelled on LGNZ's proposal released earlier this year.

We know funding tools and regulatory relief will be made available in the regions that secure deals. We have been advocating for those benefits to be available for all of local government (where that makes sense).

Our focus now is on ensuring that the regional deals model has room to evolve and deepen – as it's become clearer that the first iteration will be limited in scope.

Government relations

We appeared before select committees in support of our submissions on the water services preliminary arrangements and fast-track bills.

We've also had productive meetings with Hon Chris Bishop and Hon Casey Costello.

The meeting with Minister Bishop included Hastings District Council Mayor Sandra Hazlehurst and chief executive Nigel Bickle. They were able to provide the Minister with their reflections on the recent Kāinga Ora review and some examples of what they were doing locally to promote better housing outcomes, as part of our effort to position local government as a key partner in resolving the housing crisis.

The meeting with Minister Costello was about what role councils may play in reform of vaping regulations, and resulted in an agreement that LGNZ would further engage with health officials on what a system in which councils have greater control over where vape retailers are located could look like.

In early July we hosted MPs who were former local government elected members or staff for a casual evening function at parliament. Six MPs joined Sam and the LGNZ team for some good conversations and bridge-building across party lines.

We have reached out to ACT leader and Minister of Regulation David Seymour to work with him and his party on streamlining the regulatory burden on councils, and on the ACT commitment in its coalition agreement with National to look at improving housing incentives on councils through GST sharing.

At our July meeting with Minister Brown, we raised concerns regarding NZTA's proposed changes to emergency works funding. We also discussed the Ratepayers' Assistance Scheme (RAS), which is an



innovative financing scheme that LGNZ has been developing with a group of Metro councils, the Local Government Funding Agency and Cameron Partners. The purpose of the RAS is to make local government policies and charges more affordable for ratepayers. RAS would provide ratepayers with:

- Flexibility to decide when to pay local government charges; and/or
- Very competitive finance terms (below standard mortgage rates).

The recess period gave us the opportunity to connect with staff in the Beehive. These conversations have provided insights into the Government's perception of local government and help myth-bust staffers' perceptions (where that's been required).

In late September, we met with the Prime Minister and Local Government Minister together, as part of our series of regular quarterly meetings. Talks took a practical approach to tackle the challenges facing local government. Before the meeting, we asked mayors and chairs for practical cost-cutting ideas to relieve pressure for ratepayers and help councils operate more efficiently. Here's a selection of the ideas you shared:

- Simplify audits with a tiered, risk-based system
- Review Long Term Plans less often
- Let councils set their own fees for things like parking and animal control
- Review District Plans and conduct Representation Reviews less frequently
- Encourage shared services between councils
- Better align local and central government decisions
- Create a "Fast Track" process for land rezoning
- Address the contributors to civil construction price increases.

The Prime Minister and Local Government Minister were interested to hear about possible changes.

In early October, we again met with the Minister for Local Government. The Minister was open to receiving further advice from us on how to cut costs for councils, including a proposal to change Schedule 10 of the Local Government Act to make it less cumbersome and more accessible for the community. The Minister was open to coming to our sector meetings in February and May next year.

The Government announced a raft of proposed changes to the building consents system in late October and we are meeting with Hon Chris Penk in early November.

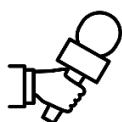
Media

The June Infrastructure Symposium, including Infrastructure Minister Chris Bishop's speech at our networking function the night before, received very strong media coverage, with stories in The Post, BusinessDesk, NBR and RNZ focused on our support for more funding tools to pay for infrastructure. We also used the opportunity of the Infrastructure Symposium to further our advocacy against proposed changes by NZTA to emergency works, which was a lead story on 1News. Other media interactions in July focused on elected members' behaviour and Christchurch City Council's exit from LGNZ.



SuperLocal24 generated widespread national coverage, making it one of the top stories of the week. The Prime Minister's politically charged speech, rate increases, and large media attendance contributed to the event being so widely covered. The overall media result was the result of significant planning by LGNZ. We developed a range of proactive stories and pre-briefed media on issues important to members, which ensured balance in stories and coverage of our proactive angles.

Feedback from media about the conference experience was very positive.



6 press conferences



33 accredited media



400+ media items



9 proactive story topics

Earlier in August, LGNZ led out positively on the Government's Local Water Done Well announcement. LGNZ Vice President Campbell Barry spoke to [1News](#) and said while it was a welcome step, we need to temper expectations about the effect on rates short-term. LGNZ National Council members Tim Cadogan and Neil Holdom spoke to [Stuff and Three News](#) about the need for certainty from all sides so councils can get on with business. Concerns still playing out in the media centre around [credit ratings](#) of the LGFA and the new CCOs, which S&P put a statement out about. LGNZ engaged with S&P at the end of last week and will share updates in the coming months.

Confirmation of time-of-use or congestion charging was also announced in August, with LGNZ Transport Forum Chair Neil Holdom putting LGNZ's support [on the record](#) saying, "it's a prudent and pragmatic step that LGNZ has long advocated for".

Coverage of our unfunded mandates research launch included LGNZ Vice President Campbell Barry speaking to [The Post](#), [RNZ](#) and [Newsroom](#) about the report and joining [ZB's Early Edition](#) to highlight the cost of flip-flops on policies when the government changes. Then in [The Post](#), Ex-Chief Press Secretary for the National Party Janet Wilson reflected on our research, reiterating the impossible situation for councils as "rates as a share of GDP have hovered around 2% for 20 years" and "central government ... have all the power, with local councils forced to carry out its wishes."

Also in August, rates invoices began to hit letterboxes. LGNZ has consistently raised this as a national issue in the media and ensured there is good data to support these conversations with communities. Infometrics CE and economist Brad Olsen commented in [The Post](#), giving this perspective on rates rises – "if you look at the amount of money that people pay in their rates versus what they pay to central government, you're talking chalk and cheese."

In mid-July, in response to the Government's announcement it would not progress the Future for Local Government report, we issued a media statement saying "LGNZ developed our own response to the FFLG review, in collaboration with members, and that underpins all our advocacy. We won't give up advocating for these key changes."



Earlier in July, a disturbing story was front page in the [Herald on Sunday](#) with former Mayor of Nelson Rachel Reese telling her story after an intruder entered her home back in February. This targeting of former and current elected members is rising, and a poll at LGNZ's Combined Sector meeting in April showed 53% of elected members say it's worse than a year ago. LGNZ CE Susan Freeman-Greene spoke to NZ Herald about members' concerns and highlighted the work LGNZ has been doing to support members – including previously championing a removal of candidate addresses from election advertising, and our roundtable zooms with the likes of NZ Police and Netsafe.

Also in July, LGNZ President Sam Broughton joined the [On The Tiles](#) podcast to discuss our city and regional deals framework and what we could learn from the likes of Australia and the UK.

The Government's building consents reform was welcomed by LGNZ: Sam was interviewed on RNZ and Newstalk ZB. A few days later, when the International Visitor Levy went up, we proactively called for the Government to share the increase with councils to support tourism costs. This advocacy was picked up by the radio stations.

In October, LGNZ was in the media spotlight as we advocated for central government funding of emergency responses. This was part of [our response](#) to the Government's announcement following the North Island Severe Weather Events report. Our President Mayor Sam Broughton and National Council member Mayor Rehette Stoltz shared the workload, with Sam speaking to outlets like [Newsroom](#) and Radio NZ, while Rehette had interviews with TVNZ's Breakfast news and Newstalk ZB.

We marked one year until local body elections by [calling](#) for candidates to start thinking about getting prepared. LGNZ Deputy CE Scott Necklen chatted with Newstalk ZB and RNZ on the subject. During our YEM Hui in Christchurch last month we shone the [spotlight](#) on young leaders in local government, pointing to YEM numbers doubling over the past three elections. We used speakers at the YEM hui to tell a breadth of stories about the importance of this network.

With the Electoral Reform issues paper being released this week, we set up an interview with the Electoral Reform Working Group's Chair Mayor Nick Smith and Jack Tame on [Q & A](#). Securing an interview with one of the only longform political news programmes was a crucial part of our work to raise these issues in the political sphere – and to ensure the work helps inform the Government's decisions. Following our Electoral Reform [article](#) on Sunday, we also organised interviews with Mayor Rehette Stoltz (who is also part of the Working Group) on [Hosking Breakfast](#) and Radio NZ to discuss some of the issues.

LGNZ also [spoke out](#) about the Government's proposal for self-certification for building professionals, speaking to [Three News](#) and Newstalk ZB about the issue of long-term security over the indemnity insurance – to ensure that neither councils nor affected homeowners are saddled with costs if an issue occurs.

Amid public calls for tougher booze rules, Sam Broughton also spoke with both [The Press](#) and [Stuff](#) about how Local Alcohol Policies work.



Electoral Reform Working Group

The Electoral Reform Working Group, chaired by Mayor Nick Smith, developed an issues paper that was launched in late October. It sets out the current state of participation in elections. It explores:

- Understanding of local government and why it is important
- How easy it is to vote, especially with the decline of post
- Knowing candidates and what they stand for
- Administration and promotion of elections
- Four-year terms including their implementation and transition

From mid-October to 5 January, we will seek feedback on the paper from members, key stakeholders, and the wider public. This will include presentations at all zone meetings.

Engagement on the issues paper will inform a draft position paper, which will be engaged on from March-May, before a final paper is drafted. National Council will be asked to adopt that final position paper, which will be launched at SuperLocal25.

Remits

This year, to better prioritise resource allocation to remits, National Council adopted a two-step process for remits agreed at LGNZ's AGM. As part of this process, the AGM ranked remits in order of priority, with the following results:

1. Appropriate funding models for central government initiatives
2. GST revenue sharing with local government
3. Local government Māori wards and constituencies should not be subject to a referendum
4. Proactive lever to mitigate the deterioration of unoccupied buildings
5. Representation Reviews
6. Community Services Card
7. Graduated Licensing System

At its September meeting, National Council decided to take the maximum approach for the first four remits. This means commissioning advice or research, or in-depth policy or advocacy work. National Council decided to take a less resource-intensive approach to the remaining remits, which could involve writing a letter to the relevant minister or agency. However, remits may get additional resource if they align with other existing work programmes.

LGNZ's policy team will shortly be in touch with all councils who proposed successful remits to agree on next steps.



Māori wards

Forty-five councils established or resolved to establish Māori wards since the law change in 2021. The Coalition Government enacted legislation that required those 45 councils to make decisions to retain or disestablish their Māori wards by Friday 6 September. If councils chose to keep the wards, they have to fund a poll at next year's local elections.

Two councils decided to disestablish their Māori wards: Upper Hutt City Council and Kaipara District Council. The other 43 decided to retain their wards and a number of these decisions were unanimous, including: Far North, Porirua, South Taranaki, South Wairarapa, Hauraki, Stratford, Marlborough, Whakatāne, Rangitikei, and Ruapehu.

Some councils indicated they would investigate the implications of refusing to hold a binding referendum. Palmerston North City Council will present a report at an upcoming council meeting; Whakatāne District Council has sought legal advice; and Far North District Council has asked the chief executive "to investigate options of not conducting a binding poll at the next local body election in 2025".

LGNZ is supporting councillors affected by this legislation. Connected to this is our work around supporting Iwi Māori to stand for (re)election in 2025 and promoting voter participation.

Water services reform

The passing of the Local Government (Water Services Preliminary Arrangements) Act in August marked the second stage of the Government's *Local Water Done Well* reforms. This Act provides the framework and preliminary arrangements for the new water services system. There is a requirement for councils to develop and adopt Water Services Delivery Plans (WSDPs) by 3 September 2025. Successful elements of [our submission](#) include the expansion of streamlining provisions for water service entity creation, the scope and timeframe for WSDPs, and the Secretary for Local Government's role in making regulations. However, we were unsuccessful in securing a longer timeframe for WDSP development or greater support for councils in implementing this legislation, including funding.

The Government has announced the third stage of these reforms, which will shape the final bill, due to be introduced by the end of 2024. We released an [explainer](#) covering the key elements of this reform in *Keeping it Local*.

We're engaging with the Commerce Commission on how transitional and permanent economic regulation would work under Local Water Done Well. The Commission will be presenting at the November Metro and Rural & Provincial sector meetings to support members to develop a greater understanding of what economic regulation is and how it operates in other sectors.



Resource management reform

RMA Reform Minister Chris Bishop outlined the Government's plans for stage two of its resource management reform at SuperLocal. These will be progressed via a package on national direction and a second piece of legislation amending the RMA. There will be new national direction issued for infrastructure, housing, and natural hazards, as well as amendments to a wide range of existing national direction, with seven new national direction instruments and amendments to fourteen existing ones in total.

The changes cover four areas:

- infrastructure and energy,
- housing,
- farming and the primary sector, and
- emergencies and natural hazards.

Also included are measures to put into effect the Government's Going for Housing Growth and Electrify New Zealand reforms.

The expansion in national direction must be undertaken in close consultation with local government to be workable, and we will raise this with the Minister and officials. We have met with Simon Court to discuss the NPS-Infrastructure, which he is taking responsibility for developing. This was a positive meeting and further engagement with officials is likely to follow.

The Government has announced that two pieces of legislation would be passed to replace the Resource Management Act as part of stage three of their three-stage approach to resource management reform. One piece of legislation will deal with managing "environmental effects arising from activities", while the other one will "enable urban development and infrastructure".

Cabinet has agreed to 10 core design features for the new resource management system. These will guide the work of an Expert Advisory Group (EAG), which was also announced by the Minister. This group will report back to the Minister before the end of the year with a "blueprint" for new legislation.

Resource management lawyer and former Environmental Defence Society director Janette Campbell will chair the EAG, which also features local government experience in Christine Jones (General Manager – Strategy Growth & Governance at Tauranga City Council) and Gillian Crowcroft (former Auckland Council and Auckland Regional Council staffer).

We will be keeping a close eye on how development of the new RM "blueprint" unfolds between now and the end of the year, ahead of our final catch-up of the year with Minister Bishop in December.

Transport

In August, the Government announced that legislation to enable congestion charging schemes would be introduced by the end of the year. This is a significant and long-awaited announcement,



particularly for metro councils. We will submit on the legislation when it makes its way to Select Committee.

We submitted on the Commerce Commission's review of Auckland Airport's pricing decisions for the 2022-2027 period. We expressed concern about the flow-on effects that Auckland Airport's proposed increased charges to airlines could have for ticket prices, regional connectivity, and the competitiveness of New Zealand's aeronautical sector.

In August, Sam and Transport Forum chair Neil Holdom met with the NZTA board just ahead of an in-person meeting of the Transport Forum.

In September, the Government released its 2024-27 National Land Transport Programme, which is largely in line with the Government Policy Statement on Land Transport 2024. It includes significant funding increases for major roading projects and road maintenance, balanced by a decrease in funding for active and public transport initiatives.

Following the release of the National Land Transport Programme 24-27, we have been building a picture of the impact on members, including through a discussion at the in-person meeting of the Transport Forum. While funding decisions were largely as anticipated (based on the signals from the GPS Transport earlier this year), some members were surprised about the extent of funding cuts for safety improvements and public/active transport. The lack of alignment between the NLTP and LTP planning cycles has also created instances in which projects in LTPs no longer have expected co-funding from central government, meaning councils need to find alternative funding sources or scale the project back.

The impact of the reversal of speed limit reductions will be a focus over the coming month, particularly the fiscal impact given the need for new signage around schools. The new Government's speed limit rule includes:

- Reversing Labour's blanket speed limit reductions on local streets, arterial roads, and state highways by 1 July 2025.
- Requiring reduced variable speed limits outside schools during pick up and drop off times by 1 July 2026.
- Enable speed limits up to 120km/h on Roads of National Significance where it is safe.

We will be engaging with councils to get a picture of the overall fiscal impact of these changes.

Climate change

We submitted supporting the intent of the Government's draft Second Emissions Reduction Plan (2026–30). We also highlighted that most of the actions would require direct or indirect contributions from councils.

We sponsored the Aotearoa Climate Adaptation Network's (ACAN) annual hui again this year, which was held in the Bay of Plenty in October. ACAN is a network of council staff working in climate adaptation focused roles. We engage closely with ACAN on all our climate adaptation work.



The Finance and Expenditure Committee has completed its [inquiry into climate adaptation](#). The high-level objectives and principles it set out will inform the development of New Zealand's climate change adaptation policy framework. The report acknowledges the leading role councils will play in climate adaptation, and adopted much of what was proposed in [LGNZ's submission](#). The report does not resolve crucial questions relating to roles and responsibilities or how to decide who pays for adaptation and retreat.

The Department of Internal Affairs is consulting on an exposure draft of regulations for natural hazard information in Land Information Memoranda (LIMs). The regulations have been drafted to support local authorities in implementing changes to the Local Government Official Information and Meetings Act that are due to come into effect on 1 July 2025. LGNZ submitted on the amendment Bill in February 2023. We supported the Bill but said we would like to see a few changes, many of which have now been incorporated into the updated Bill and proposed regulations. These regulations, in conjunction with the legislative changes that are due to come into effect next year, will provide certainty for councils about sharing natural hazard information in LIMs and reduce their risk of legal liability.

Localism

At SuperLocal, Susan launched our Choose Localism guide and research showing public attitudes to councils and localism.

To produce this research, we worked with Curia to poll members of the public. [The data](#) looks at perceptions around the effectiveness of councils, how councils could improve their effectiveness, and who should deliver services.

[Localism: A Practical Guide](#) sets out a wide range of tools and approaches councils can use to make a localist future a reality and apply a localism lens across their day-to-day work. This is a high-quality, comprehensive piece of work featuring many council cases studies. When we launched the guide to members during SuperLocal, this email had a 65% open rate (which is incredibly high by direct-email standards). We will be posting a physical copy of this guide to all Mayors and Chairs later in November.

Other policy issues

Earthquake prone buildings

In August we submitted on the Building (Earthquake-prone Building Deadlines and Other Matters) Amendment Bill, which delivers on the Government's commitment to extend remediation deadlines for earthquake-prone buildings. We expressed strong support for the legislation and outlined local government's expectations for the upcoming wider review of earthquake prone buildings.

We have also engaged with MBIE to make sure there is suitable local government representation in the wider review's steering group, particularly individuals from the South Island and/or medium risk councils.



We understand that decisions on the MBIE steering group for the review of the earthquake strengthening regime are imminent. We put forward a number of names to represent local government on this group, and are following up with MBIE to determine if any of them were ultimately chosen.

Emergency management system improvement

We engaged on the Government's response to the North Island Severe Weather Event Inquiry's report and wider emergency management system improvement as a member of the steering group. We facilitated engagement between the project group and a group of Mayors, Chairs and CEs, to test the group's current proposals. A Cabinet paper will set out a new Emergency Management Bill (to be introduced next year) along with budget bids and other system changes.

The Government's response to the North Island Severe Weather Event Inquiry's report, and wider emergency management system improvement, has been released. We have been contributing to this work as a member of the Steering Group. This response will form the basis for the development of a new Emergency Management Bill to be introduced next year, along with budget bids and other system changes. The key recommendation is to retain the locally led, regionally coordinated approach – but with NEMA taking on a standard setting and assurance role. This could require increased investment by councils, but at this stage there are no additional funding mechanisms proposed.



Connect

Member visits

In June, Susan and Sam visited 14 councils. These visits are vital for connecting with members, helping them understand what LGNZ delivers, and hearing their feedback and ideas. Visits resumed in early September with visits to a range of Zone 2 councils. Susan visited the Chatham Islands in late September, with Susan and Sam's other member visits scheduled for October and November.

NC members and LT members have also appeared at several member council meetings via zoom to support their consideration of the LGNZ four-monthly report.

SuperLocal24

This year's conference was the "place to be" for local government, with the PM, many Ministers and the Leader of Opposition all speaking alongside impressive international and New Zealand keynote speakers. SuperLocal dominated media and public discourse that week.

We had nearly 800 people attend – and generated 394 media mentions across a huge range of topics (bed tax, PM speech, regional deals, localism, women in local government, four-year term, SuperLocal award winners, and much more).

We asked attendees to complete a feedback survey. While feedback was again positive, there were slightly more negative/neutral comments this year, partially driven by the political polarisation prompted by the PM's speech.

We are incorporating feedback into our planning for SuperLocal25, which will be held in Christchurch (supported by the councils in the region). In response to comments about this year's conference length and timing, we will be starting SuperLocal25 on the Wednesday morning (with the AGM prior) and wrapping up the conference by the end of Thursday, with the awards dinner on the Thursday night.

Combined Sector meetings

We received a huge amount of positive feedback on the programme and organisation of the Infrastructure Symposium on 14 June. Nearly 200 people attended, with Peter Nunns of the New Zealand Infrastructure Commission/Te Waihanga and Sir Bill English particularly popular speakers.

Our November Combined Sector meeting will take a deep dive into the Government's local government reform, including benchmarking, efficiencies and rates capping. Confirmed speakers include Local Government Minister Simeon Brown, Regional Development and Assoc Finance Minister Shane Jones, Labour Finance spokesperson Barbara Edmonds, Auckland Mayor Wayne



Brown (via zoom), and New South Wales and Victorian speakers on their experience of rates capping.

We are planning for the 2025 Combined Sector meetings, with the theme for February to be around accountability and demonstrating value, and May to be around delivering infrastructure for growth.

2025 calendar

We released our [calendar of events for 2025](#) in October. This will be updated with Zone 5/6 events shortly.

Te Maruata

Te Maruata Rōpū Whakahaere have met regularly, and also initiated a regular Teams drop-in session Piki te Ora that enables members to come in and kōrero, share thoughts and ideas on their mahi and what is happening in their rohe.

Te Maruata's pre-conference hui was attended by approximately 100 people. The hui is the annual face-to-face event for the wider membership but also welcomes non-members who have a strong connection to LG and Kaupapa Māori. The Rōpū welcomed Green MP Hūhana Lyndon, and MP Willie Jackson and MP Shanan Halbert were also in attendance. The programme included a workshop on sharing issues, ideas and solutions given the current climate, and a panel on "how to move the waka forward" with a particular focus on action on the ground, rangatahi participation and civics education.

YEM

Our Young Elected Members held a successful pre-SuperLocal hui in Wellington attended by around 40 YEM. It included a presentation from Dr Jess Berentson-Shaw on how to communicate effectively to achieve change, and a workshop on how to increase young people's participation in local government.

The annual YEM Hui took place in Christchurch regardless of Christchurch City Council's decision to withdraw from LGNZ. This is because the YEM Committee decided earlier this year to shift away from having a host council, with the Committee taking on full responsibility for hosting. We worked closely with Cr Deon Swiggs (Environment Canterbury and member of the YEM Committee) on planning for the event. Former Christchurch Mayor Lianne Dalziel delivered the keynote address, with the theme of the hui being "mā mua kite a muri, mā muri ka ora a mua" – driving change through community leadership. The programme was about councils empowering community leaders to make real change and equipping YEM with the key skills needed to make good decisions around council tables. Tikanga sessions were organised to support members to prepare for the whakatau at the commencement of their hui.



Women's lunch

Before SuperLocal, we hosted a lunch for women that was attended by more than 100 elected members including nearly every woman Mayor. Finance Minister Nicola Willis was a very effective speaker and the event was well covered by media, with [this local democracy reporter story](#) carried prominently by every major outlet. The lunch also included a workshop. We are now considering next steps for this work.

CBEC

Christchurch City Council's decision to withdraw from LGNZ means that Co-Chair of CBEC Simon Britten stepped down in July, with Sarah Lucas becoming the sole Chair.

CBEC has been focused on the Community Boards Conference which, for the first time, was held in conjunction with the LGNZ SuperLocal Conference. While organising the two conferences at the same time was challenging, the Community Boards Conference went well. At their September meeting CBEC resolved not to hold a community board conference in 2025. Instead, they are investigating the possibility of having a dedicated session at the 2025 Super/Local conference that would attract community board members. They are also looking at facilitating smaller zone or regional-based seminars for community boards.

CBEC is continuing to develop a work plan to implement recommendations around community board members' satisfaction and their relationships with their councils. A key part of the work plan is developing a guide to assist councils and community boards to build effective relationships. This will include a model agreement to enable councils and boards to set out mutual expectations.

Sarah Lucas has been actively assisting community boards going through representation reviews.

Work is progressing on the development of an approach to enable the Remuneration Authority to fairly recognise and compensate those community boards with additional responsibilities.

Metro Sector

The Metro Sector held a workshop in September to discuss metro-specific priorities and agree on actions that will complement and support LGNZ's broader advocacy work programme over the next year. Members agreed that the key priorities for metros are centred around enabling growth and economic prosperity, and achieving these priorities requires removing obstacles and improving things that currently slow us down. This is reflected in the following agreed areas of focus:

1. Improve alignment of central and local government investment cycles to reduce inefficiencies and encourage more bipartisan agreement on key infrastructure decisions.
2. A strategic approach to supporting economic development and growth.
3. Lift governance and accountability in order to improve LGNZ's impact in the Metro space.



Te Uru Kahika/Regional Sector

The online meeting of the Regional Sector in June covered a number of key issues for the sector, including emergency management system improvement, Taumata Arowai's work on wastewater performance standards, and work on the climate adaptation framework. Their October online meeting focused on the Finance and Expenditure Committee's Inquiry on Climate Adaptation, the Regional Sector's views on how Core Services should be defined in upcoming legislative changes, and NZTA's Public Transport programme's priorities.

The Regional Sector's ever-popular Regional Tour prior to SuperLocal explored a range of flood protection, recovery, and biosecurity and biodiversity initiatives across the Hawke's Bay and Wellington regions.



Support

Ākona

Ākona users continue to grow, with another 138 people logging in for the first time since July. We have started a monthly email that highlights new Ākona courses and content. Please let us know if you're not receiving it.

In July we launched a new course on the CE Relationship – featuring the insight of Mayor Sandra Hazelhurst, Nigel Bickle, Nigel Corry and Chair Daran Ponter. This course was developed after receiving multiple requests from members. In August we launched a course on Leading Complex Communities, which will eventually include at least two Ako hours with expert host Jo Cribb.

The Climate Change course (released two months ago) caught the attention of the Aotearoa Council Climate Network, who were impressed with the content and keen to encourage elected members to engage with the learning. To support that mahi, a cloned copy of the Climate Change course was made available to sustainability staff from all member councils two weeks ago.

Five Ako hours were run from June-August, including a session that was arranged in response to the change in Māori ward legislation. Another three Ako hours were scheduled during September/October. These sessions are becoming increasingly popular, whether through attending the live sessions or viewing the recordings later.

We are working to confirm logistics and continue development of materials for Induction 2025 before the end of 2024. A draft design was produced and tested with members across October along with a prototype for an upgraded Ākona platform and programme that delivers a more personalised learning experience. The response from testers was very positive and the tīma have now begun development, starting with the production of pre-elected materials ready for release in March 2025. Existing courses have been reviewed in preparation for the shift in format with their redevelopment due to begin in November.

Roundtable zooms

Our second zoom in this series on sovereign citizens was popular and provoked a lot of conversation and positive feedback. We then held a well-attended zoom for elected members on physical security in early August. Our next zoom on 24 September featured the Security Intelligence Service speaking about the new threat assessment for New Zealand, which contained specific commentary on the vulnerability of local government. The presentation provoked a lot of member questions.

These recordings and all other security-related resources can be found in a [special section of Ākona](#).

Hūtia te Rito – LGNZ Māori Strategy

Work continues on the development of this strategy. Related kaupapa include:



- **Toitū te Reo** – This annual symposium launched in Hastings at the start of August and is a partnership between Heretaunga District Council and Ngāti Kahungunu, with the support of many others. Three LGNZ team members attended.
- **Tangihanga of Kiingi Tuuheitia Pootatau te Wherowhero VII** – The Māori King passed away on 30 August and his tangi was held from 31 August-5 September at Tūrangawaewae. LGNZ acknowledged the King's passing on social media and issued a media release acknowledging the ascension of the King's daughter to the throne, to become Te Arikinui Kūiini Ngā wai hono i te po Pootatau te Wherowhero VIII. The team will firm up a plan to connect with the Kiingitanga in the coming months, in support of the Kōtahitanga vision.

Governance guides/support

LGNZ has worked with the Taituarā Democracy and Participation Working Party to update the LGNZ standing orders template. The update will ensure legislative consistency and introduce plain English. A draft has been circulated for member feedback and the final draft is now being legally reviewed. The changes made to the template involve updating it to include legislative amendment from the past three years and introducing plain English where possible. The templates, which include a territorial/unitary council version, a regional council version, and a community board version, are expected to be ready in early 2025.

MTFJ

MTFJ members and networks gathered for the Annual Breakfast meeting at the SuperLocal conference. At this event, Social Development and Employment Minister Louise Upston confirmed \$9 million in funding for the next financial year. Justin Lester of Dot Loves Data launched a revamped youth employment data dashboard, which sets out a council's local landscape in terms of youth and NEETs.

We would like to acknowledge Mayor Max Baxter's service and mahi for MTFJ. Max stepped down from the role in early October. MTFJ held a thank-you and farewell afternoon tea in his honour to celebrate his contribution.

Mayor Alex Walker has been elected as the new MTFJ Chair.

Moata Carbon Portal

This month we've extended the Moata portal subscription for Queenstown Lakes District Council for another 12 months. We've also provided a demo of the portal and had conversations on carbon accounting with Horowhenua District Council.



Mott MacDonald, LGNZ and the Infrastructure Sustainability Council held the 2nd Aotearoa Carbon Crunch event in Auckland on 12 September, with approximately 100 industry players and council staff attending the breakfast event.

14. NGĀ MĀNUKANUKA O TE IWI KOMITI MINUTES - 13 NOVEMBER 2024

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1812605
Reporting Officer/s & Unit:	Anna Eady, Team Leader Governance

14.1 Purpose of Report

The purpose of this report is provide the minutes from the Ngā Mānukanuka o te Iwi Komiti meeting held on 13 November 2024 for information.

To view the full agendas relating to these minutes please refer to the Napier City Council website at <https://napier.infocouncil.biz>

Officer's Recommendation

That Council:

- a) **Receive** for information the minutes of the Ngā Mānukanuka o te Iwi meeting held on 13 November 2024.

14.2 Background Summary

Due to the rescheduling of the Ngā Mānukanuka o te Iwi Komiti from 18 October 2024 to 13 November 2024 the recommendations of the Committee had not been available to be included in the Council agenda of 19 November 2024.

The agenda reports from the Komiti meeting of 13 November were information reports or for reports for noting. As such, unless the Council wish it, none of the recommendations require ratification.

14.3 Issues

N/A

14.4 Significance and Engagement

N/A

14.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

14.6 Options

The options available to Council are as follows:

- a) To receive Ngā Mānukanuka o te Iwi Komiti minutes of 13 November 2024.
- b) Not to receive Ngā Mānukanuka o te Iwi Komiti minutes of 13 November 2024.

14.7 Development of Preferred Option

N/A

14.8 Attachments

- 1 Ngā Mānukanuka o te Iwi Komiti minutes of 13 November 2024 (Doc ID: 1810563)
[↓](#)



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NGĀ MĀNUKANUKA O TE IWI (MĀORI COMMITTEE) Open Minutes

Meeting Date: Wednesday 13 November 2024

Time: 12:30pm – 2:39pm

Venue
Small Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook page

Present

Acting Chair: Mayor Kirsten Wise
Mana Ahuriri Trust (Evelyn Ratima)
Moteo Marae (Maureen Box)
Petane Marae (Shyann Raihania)
Pukemokimoki Marae (Tiwana Aranui)
Timikara Marae (Kirk Leonard)
Wharerangi Marae (Beverley Kemp-Harmer)
Sustainable Napier Committee Chair (Councillor Price)
Napier People & Places Committee Chair (Councillor McGrath)
Prosperous Napier Committee Chair (Councillor Crown)
Chief Executive (Louise Miller)
Executive Director Community Services (Thunes Cloete)
Executive Director Infrastructure Services (Russell Bond)
Executive Director City Strategy (Rachael Bailey)
Manager Community Strategies (Anne Bradbury)
Manager Strategy and Transformation (Stephanie Murphy)
Team Leader Governance (Anna Eady)
Team Leader Corporate Planning (Jane McLoughlin)
Māori Partnership Manager – Te Kaiwhakahaere Hononga Māori (Hilary Prentice)
Māori Partnership Manager (Jackie Ham)
Te Waka Rangapū Kaiawhina (Xanthia Ashby)

Ngā Mānukanuka o te Iwi (Māori Committee) – 13 November 2024 – Open Minutes

	Senior Policy Analyst (Michele Grigg) Strategic Planning Lead (Connie Mills) Manager City Development (Paulina Wilhelm) [online] Manager Water Reforms Transition (Andrew Lebioda)
In Attendance	Pou Whakarae (Mōrehu Te Tomo)
Administration	Governance Advisor (Jemma McDade)

Ngā Mānukanuka o te Iwi (Māori Committee) – 13 November 2024 – Open Minutes

NGĀ MĀNUKANUKA O TE IWI (MĀORI COMMITTEE) – Open Minutes

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ORDER OF BUSINESS

Karakia

Tiwana Aranui opened the meeting with a Karakia

Apologies

COUNCIL RESOLUTION	Beverley Kemp-Harmer / Kirk Leonard
	That the apologies from Deputy Mayor Brosnan and Krystal Haimona be accepted.
	Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Chairperson

Mayor Wise acknowledged the passing of Sir Robert ‘Bom’ Gillies, the last surviving member of the 28th Māori battalion, as a sad day for the nation. Tiwana Aranui recognised the local connection with the Māori battalion.

Announcements by the management

Nil

Confirmation of minutes

Evelyn Ratima / Mayor Wise
That the Minutes of the meeting held on Thursday 29 August 2024 were taken as a true and accurate record of the meeting.
Carried

AGENDA ITEMS

1. HOUSING STRATEGY

Type of Report:	Enter Significance of Report
Legal Reference:	Enter Legal Reference
Document ID:	1803568
Reporting Officer/s & Unit:	Anne Bradbury, Manager Community Strategies

1.1 Purpose of Report

This report outlines the final Housing Strategy and seeks endorsement for the Housing Strategy. It also asks the komiti (committee) to recommend the Housing Strategy is taken to the Council for adoption.

At the meeting

The officer presented the report providing the update that due to the postponement of this Komiti’s 18 October meeting, the Housing Strategy has been approved by Council. Amendments have been made following consultation and these changes are outlined in the paper. The Strategy is not the end point, the three focus areas for Council will continue.

Questions were answered clarifying:

- The development arm of Mana Ahuriri has been consulted. Although they are not providing housing yet, they are in the process of developing housing. There are no other Māori housing providers in Ahuriri that could have been engaged.
- Information has been sourced from Housing Aotearoa, Ministry of Housing and Urban Development, Kāinga Ora, Mana Ahuriri, Councillor Boag, and K3. These stakeholders provided the vision. The Strategy is wider than housing provision and seeks to enable the progression from sleeping rough to home ownership.
- This Strategy is still the start of this journey. The action plans developed from this strategy will be a collective and collaborative effort to overcome challenges and meet the needs of the community.
- Conversations with marae could form part of the climate resilience outcomes. Many of our marae are in the Hastings boundary. This would need to be a collaborative approach. Council's role is as regulator and enabler. Treaty partners would need to take the lead.
- Additional housing proposals and capacity fall within the District Plan and Future Development Strategy. Natural Hazards provide multiple constraints. Updates will be provided to the Committee at the relevant junctures.

Beverley Kemp-Harmer / Kirk Leonard

- The Ngā Mānukanuka o te Iwi (Māori Committee):
- a.

Endorse the Housing Strategy shown in Attachment 1 DOC ID 1800288 .
- ACTION:** Continue to provide updates to the Komiti
- Carried

2. UPDATE ON CLIMATE ACTION JOINT COMMITTEE AND COASTAL HAZARDS STRATEGY

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1803570
Reporting Officer/s & Unit:	Michele Grigg, Senior Policy Analyst Connie Mills, Strategic Planning Lead

2.1 Purpose of Report

To provide an update to Ngā Mānukanuka o te Iwi on the work of the Climate Action Joint Committee and an update on the Clifton to Tangoio Coastal Hazards Strategy.

At the meeting

The officers presented the report.

This paper was brought in response to a request from the Komiti.

The Climate Action Joint Committee includes five Councils, mana whenua representatives and a technical advisory group. The Committee focuses on promoting action to mitigate climate action changes through its endorsed work programme. A regional climate change risk assessment has been undertaken using data held by the councils and other entities to identify the climate risks and their impact.

The Clifton to Tangoio Coastal Hazards Strategy Committee was established in 2014 with the Strategy finalised in August 2024. Hawkes Bay Regional Council (HBRC) is best placed to implement the strategy with Napier City Council (NCC) remaining on the technical advisory group. Short, medium and long terms views are being considered, with most of the implementations for Ahuriri in the medium phase (20-30 years). This has been developed in collaboration with the community including academic, engineering experts. The next steps sit with HBRC.

Questions were answered clarifying:

- As the leading agency, HBRC will be working through the implications for coastal properties weighing up the private and public benefit. Information will be reported back as it becomes available.
- Staff from both planning and infrastructure directorates within NCC are part of the process. This will also ensures sound succession planning with the organisation.

- The Strategy review sits with HBRC. Membership is reviewed on a three yearly basis in line with the election cycle. NCC is involved in an advisory capacity.

Evelyn Ratima / Shyann Raihania

The Ngā Mānukanuka o te Iwi (Māori Committee):

- a. **Note** the update on the work of the Climate Action Joint Committee.
- b. **Note** the update on the work of the Coastal Hazards Strategy.

ACTION: Continue to provide updates to the Komiti

Carried

3. UPDATE ON SITES OF SIGNIFICANCE TO MĀORI VARIATION TO PROPOSED NAPIER DISTRICT PLAN

Type of Report:	Operational
Legal Reference:	Resource Management Act 1991
Document ID:	1803571
Reporting Officer/s & Unit:	Fleur Lincoln, Principal Policy Planner

3.1 Purpose of Report

The purpose of this report is to provide an update on the Sites of Significance to Māori variation to the Proposed Napier District Plan.

At the meeting

Manager City Development (Paulina Wilhelm) presented the report online.

Questions were answered clarifying:

- Council’s preferred approach is to engage with affected landowners in partnership with mana whenua.

Beverley Kemp-Harmer / Maureen Box

The Ngā Mānukanuka o te Iwi (Māori Committee):

- a. **Note** the update provided on the Sites of Significance to Māori variation to the Proposed Napier District Plan.

ACTION: Amend the report: Section 3.4 of the report will be amended to replace ‘dependent on mana whenua appetite to be involved’ with ‘whether mana whenua would like to be involved’.

Carried

4. DISTRICT PLAN SUBMISSIONS SUMMARY

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1803566
Reporting Officer/s & Unit:	Paulina Wilhelm, Manager City Development

4. Purpose of Report

To update Ngā Mānukanuka o te Iwi on the submissions for the Proposed District Plan

At the meeting

The officer presented the report online:

Questions were answered clarifying:

- The Māori Commissioner is Rauru Kirikiri.
- The District Plan covers a wide range of topics and is a long process involving officers and elected members.

Shyann Raihania / Beverley Kemp-Harmer

The Ngā Mānukanuka o te Iwi (Māori Committee):

- a. **Receive** the presentation on the summary of submissions for the Proposed District Plan. DOC ID 1799557

Carried

5. 2025 LOCAL GOVERNMENT ELECTION UPDATE

Type of Report:	Operational
Legal Reference:	Local Government Act 2002, Local Electoral Act 2001
Document ID:	1804240
Reporting Officer/s & Unit:	Anna Eady, Team Leader Governance Jane McLoughlin, Project Manager - Strategy and Transformation

5.1 Purpose of Report

This paper seeks insights from the Komiti on the best ways to increase community participation in the key steps of the 2025 Local Government Election, those being enrolment on the electoral roll, nomination and standing for election, and voting for the new Council and also on the Māori wards poll. The Komiti's input is essential in shaping our approach and ensuring a successful election.

This paper will also give an update on the Representation Review.

At the meeting

The officers presented the report.

Questions were answered clarifying:

- Council is keen to work alongside communities to encourage voter engagement. It was recognised that change is needed to increase voter turnout and get the community involved.
 - Engagement with rangatahi is key. Marae can play their part, having champions and promoting the importance of voting through appropriate social media channels. It was noted that rangatahi need to receive the message that their vote counts so that taking part in local and national elections becomes a normal practice for them. Messaging should be conveyed in a way that is relatable, accessible and meaningful to rangatahi.
 - Schools and Kura Kaupapa can be involved in the communication and education process. Information should be shared in an accessible way that outlines why voting is important and the impact it can have. Social media platforms could be utilised using local places and faces. Campaign elements would be targeted to specific groups. Youth Council could also be involved.
 - A Hui a Iwi will be held in December to brainstorm good ways to reach people. The Komiti are invited to this hui. Engagement will be an ongoing part of the election process. Officers are scoping how to best involve Youth Council in this part of the engagement.
-

Evelyn Ratima / Kirk Leonard

The Ngā Mānukanuka o te Iwi (Māori Committee):

- a. **Note** election planning is underway and officers seek the Komiti's insights on how to encourage participation at the 2025 local government election and Māori wards poll.
 - b. **Note** the following insights to facilitate enrolment on the electoral roll for Māori in Napier, in particular 18-24 year olds.
 - i. Feedback should be sought from youth and youth providers.
 - ii. Send information to organisations to post of their social media pages and to give to their champions to share.
 - iii. Through the schools, in particular the Kura Kaupapa.
 - iv. Through Radio Kahungunu.
 - v. Messaging to younger Māori should be relevant and focus on why their input is important.
 - vi. Provide suggested communications plan for iwi organisation input.
-

- c.

Note the following insights to encourage Māori candidates to stand in the 2025 local government election in the Te Whanga Māori ward, or one of the three general wards, and/or the Mayoralty.

i.

Send information to organisations to share with their people and to post on their social media pages.

ii.

Through Radio Kahungunu

iii.

Messaging to younger Māori should be relevant and focus on why their input is important.

iv.

Provide suggested communications plan for iwi organisation input.
- d.

Note Council has received legal advice that Councils cannot promote a position on whether or not to retain Māori ward(s). Promoting a ‘Council position’ would likely breach the principles in the Local Electoral Act 2001 and could cause the Poll to be declared void.

Carried

6. MARAENUI TO TE AWA STORMWATER PROJECT

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1806627
Reporting Officer/s & Unit:	Andrew Lebioda, Manager Water Reforms Transition

6.1 Purpose of Report

To provide the Committee with an update of the Maraenui to Te Awa Stormwater project to date.

At the meeting

The officer presented the report.

Questions were answered clarifying:

- An ecology expert has been engaged to assist with the skink habitat. Although prolific along the east coast, the habitat is shrinking and the species is protected. It has not been determined if this is a native species.
- A driver of this project is to mitigate the future flooding effects in Maraenui to allow for development.
- Mana whenua and tangata whenua contribution is welcomed particularly to the cultural narrative, plantings, storytelling and wayfinding sections of the detailed design. The full detailed design will come back to the Komiti as one of the gateways.
- Engagement with the Komiti will also be sought regarding other current water projects including stormwater.

Kirk Leonard / Tiwana Aranui

The Ngā Mānukanuka o te Iwi (Māori Committee):

- a. Receive the report titled 'Maraenui to Te Awa Stormwater Project' dated 13 November 2024.

ACTION: The Stormwater Improvements Since 2020 Napier Flood report from the 24 October Sustainable Napier Committee to be shared with the Komiti

Carried

Updates from Committee Representatives

Timikara Marae

The marae is waiting for their new marae and is working to maintain their identity; manaaki is key. The construction of a new wharenuui is anticipated.

Pukemokimoki Marae

It is positive to have such a busy Council marae and to have a two way conversation with Council to find solutions. The relationship has been cemented, in part, through working together in the last flood. The door is always open. A new project is to investigate the installation of solar panels on the marae and funding is currently being sought. This month saw the marae welcome it's 900,000 visitor, celebrating the legacy to be left for those who follow.

Wharerangi Marae

The marae opened in 2022 and has had many visits from schools. It was great to welcome the Council onto the marae last week to see the working of the marae and who we are. In December the harakeke group are coming in to work on the marae so there will be no visitors during this period. It takes a lot of mahi and the whole whanau to put together the whariki.

Petane Marae

The marae board have been involved in a cultural impact assessment with HBRC. We are nearly at the end of that process. On the positive side we have participated in many local activities. We are at the first stage of our relocation and are looking for whenua to be able to move to stage two and rebuild our whare. We are energised and ready for these next steps.

Moteo Marae

The marae is nearly there with the sewerage system being renewed following Cyclone Gabrielle. There was silt in the tank and pump. The wharenuui and wharekai have been relined and the white goods replaced. Monitoring has been taking place at the Tūtaekurī with tests for eels being carried out at Redclyffe. 75 eels were caught overnight and released back into the river. A cultural impact assessment has been carried out in the kawekas and of the bridges at Rissington, Patoka and Dartmoor. The reopening of the Puketapu bridge has begun and funding has been received from the Cyclone fund to replace equipment from the pā and add a bus shelter. There has been a safety concern since the cyclone due to an increase in heavy traffic. Timikara was the top marae at the Pā wars event at Greenmeadows school with over 419 registrations.

Mana Ahuriri

Mana Ahuriri were proud sponsors of the Pā wars. The attendees made the day a success and next year is being anticipated. The focus is building relationships; growing and getting

Ngā Mānukanuka o te Iwi (Māori Committee) - 13 November 2024 - Open Minutes

closer to people. On November 29 there are celebrations at Waiohiki to coincide with the opening of the wharekura. It is great to see the marae coming together after the Cyclone and gaining momentum. Our AGM is on 7 December. We have also hosted a symposium with 80 iwi who came together to build connections. We appreciate the relationship with councils and recognise the importance of working together and building strong relationships. Our commercial arm has housing projects coming up and is planning to lead the way in nurturing and building for the next generation.

Prosperous Napier Committee

Councillor Crown acknowledged the mahi that the marae are currently involved in. The Prosperous Napier Committee is the Corporate Services arm of Council. Work has started on the annual plan for 2025. The projects that are to be delivered, funded and tracked have been identified as part of the three year plan. Council is enabling development to happen and working to make good things happen that have an impact on the people who live here.

Napier People and Places Committee

Councillor McGrath informed the Komiti about the work of the Community Services directorate which includes the operation of Kennedy Park, Ocean Spa, McLean Park, the Pools and more. A major review of the facilities is currently being undertaken. This is a big time consuming task, the aim of which is to use the money in the best way we can.

Sustainable Napier Committee

Councillor Price updated the current projects from the Infrastructure directorate. A lot of work recently has been on progressing Local Water Done Well and working out what our long term model will be. The paper detailing work done since the 2020 floods will be sent out to the Komiti.

Questions were answered clarifying:

- Council welcomes mana whenua involvement and notes the offer of advice or guidance. Building and maintaining open and communicative relationships with mana whenua is important to Council.
- Recent news stories regarding the land at Riverbend road are frustrating. Council has been working with land owners to determine whether the site can be included as a potential development site. A significant process has to be undertaken before that can occur to ensure that it will not flood. Inadequate explanation of the situation was given in the article.

Updates from Pou Whakarae

The team is busy with the 150 year celebrations. We are looking forward to welcoming visitors from our sister city in Canada with 11 visitors set to attend a pōhiri at Wharerangi marae. The Te Aka project and Waka hub are progressing well. Te Reo Māori resources have been produced for all staff with inductions for new staff on the marae for half a day. Te Waka Rangapū are reviewing our Strategy which will go until July 2025. The Wall Walk event last month with Council staff was a huge success, excellent Kaupapa from a different point of view. We have the Hui a iwi coming up and are looking forward to the kōrero. Council staff have passed level 1 and 2 Te Reo classes recently and are looking forward to further success next year.

General business

Nil

Ngā Mānukanuka o te Iwi (Māori Committee) - 13 November 2024 - Open Minutes

Tiwana Aranui closed the meeting with a karakia at 2:39pm

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

Chairperson

Date of approval

15. AMENDMENT TO THE 2025 MEETING SCHEDULE

Type of Report:	Procedural
Legal Reference:	Local Government Act 2002
Document ID:	1812608
Reporting Officer/s & Unit:	Anna Eady, Team Leader Governance

15.1 Purpose of Report

The purpose of this report is to consider an amendment to the 2025 meeting schedule, which was adopted on 31 October 2024.

It is proposed that the meeting schedule be amended as outlined in the recommendation of this report.

Officer's Recommendation

That Council:

a) **Adopt** the following amendment to the 2025 meeting schedule:

- | | | |
|--|-------------|--|
| • Ngā Mānukanuka o te Iwi | New Date | 31 January 2025 |
| • Council | Change Date | 24 April 2025 (<i>previously 1 May 2025</i>) |
| • Standing Committees | Change Date | 15 May 2025 (<i>previously 8 May 2025</i>) |
| • Council (<i>Adopt Annual Report</i>) | New Date | 25 September 2025 |

15.2 Background Summary

The Local Government Act 2002, Schedule 7, Clause 19 states:

- ...
- (4) *A local authority must hold meetings at the times and places that it appoints.*
- (5) ...
- (6) *If a local authority adopts a schedule of meetings -*
- a) *the schedule-*
 - 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.

Although staff attempt to meet Council's needs in planning the schedule, it is inevitable that Council will need to amend the schedule from time to time. If approved, the proposed amendment will be notified to elected members via the Councillor diary.

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.

The schedule includes council meetings and the meetings of all committees, not only so that members can plan ahead, but also to ensure that meeting days are in fact available. If a scheduled meeting is not required, officers will advise members of the cancellation as early as possible.

15.3 Issues

No issues have been identified with this report.

15.4 Significance and Engagement

The amendment to the meeting schedule does not trigger the Significance and Engagement Policy or any other consultative requirements.

15.5 Implications

Financial

N/A

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.

15.6 Options

The options available to Council are as follows:

- a. To amend the 2025 meeting schedule as proposed.
- b. Not to amend the 2025 meeting schedule as proposed.

15.7 Development of Preferred Option

It is recommended that the amendment to the 2025 meeting schedule be adopted as proposed.

15.8 Attachments

- 1 2025 Meeting Schedule with amendments (Doc Id 1817068) [↓](#)

GOVE-1302670700-53

2025 Meetings Schedule - Napier City Council (Adopted by Council Resolution 31 October 2024) - Amended 12 December 2024

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
SAT		1	1								1		SAT
SUN		2	2			1					2		SUN
MON		3 Council (Freedom camping hrg)	3 DP Hearing			2 King's Birthday			1 DP Hearing		3	1	MON
TUE		4 Council (Freedom camping hrg)	4 DP Hearing	1		3	1		2 DP Hearing		4 Inaugural Council	2 Citizenship	TUE
WED	1 New Year	5	5 DP Hearing	2		4	2		3 DP Hearing	1	5	3	WED
THU	2 NY Holiday	6 Waitangi Day	6 Workshop	3 Zone 3 Meeting	1 Combined Sector Meeting	5 Workshop	3 Standing Cttes x 4		4 Workshop	2	6	4	THU
FRI	3	7	7	4 Zone 3 Meeting	2	6	4	1	5	3	7	5	FRI
SAT	4	8	8	5	3	7	5	2	6	4	8	6	SAT
SUN	5	9	9	6	4	8	6	3	7	5	9	7	SUN
MON	6	10	10 Ahuriri Regional JC	7	5 Ahuriri Regional Park JC	9	7	4	8	6	10	8	MON
TUE	7	11	11	8	6	10	8	5	9 Civic Awards	7	11	9	TUE
WED	8	12	12	9	7	11	9	6	10	8	12	10	WED
THU	9	13 Workshop	13 Audit & Risk / Workshop	10 Standing Cttes x 4	8 Workshop	12 Audit & Risk	10 Workshop	7 Audit & Risk	11	9	13 Combined Sector Meeting	11	THU
FRI	10	14	14 Ngā Mānukanuka o te Iwi	11	9	13 Ngā Mānukanuka o te Iwi	11	8 Ngā Mānukanuka o te Iwi	12	10	14	12	FRI
SAT	11	15	15	12	10	14	12	9	13	11 Election Day	15	13	SAT
SUN	12	16	16	13	11	15	13	10	14	12	16	14	SUN
MON	13	17	17 Creative NZ	14	12 DP Hearing	16 DP Hearing	14 DP Hearing	11	15	13	17	15	MON
TUE	14	18 Workshop	18	15 Council RMP Hrg	13 DP Hearing / Citizenship	17 DP Hearing	15 DP Hearing	12	16	14	18	16	TUE
WED	15	19	19	16 Council RMP Hrg	14 DP Hearing	18 DP Hearing	16 DP Hearing / LGNZ AGM	13	17	15	19	17	WED
THU	16	20 Council	20 Workshop - CDEM Training (EMs)	17 Council RMP Hrg	15 Standing Committes x 4	19 DP Hearing	17 DP Hearing / LGNZ AGM	14 Workshop	18	16	20 Council / Zone 3	18 Council	THU
FRI	17	21	21	18 Good Friday	16	20 Matariki Day	18	15	19	17 Notification of Election Results	21 Zone 3	19	FRI
SAT	18	22	22	19	17	21	19	16	20	18	22	20	SAT
SUN	19	23	23	20	18	22	20	17	21	19	23	21	SUN
MON	20	24	24	21 Easter Monday	19	23	21	18	22 Creative NZ	20	24	22	MON
TUE	21	25 Citizenship	25	22	20	24	22	19 Citizenship	23	21	25	23	TUE
WED	22	26 HB Crematorium	26	23	21	25	23	20	24	22	26	24	WED
THU	23	27 Standing Cttes x 4	27 Council / Combined Sector Meeting	24 Council	22 Workshop	26 Council (Adopt A/P & RMP)	24 Workshop	21 Standing Cttes x 4	25 Council (Adopt Annual Report)	23	27	25 Xmas Day	THU
FRI	24	28	28	25 ANZAC DAY	23	27	25	22	26	24 HB Anniversary	28	26 Boxing Day	FRI
SAT	25		29	26	24	28	26	23	27	25	29	27	SAT
SUN	26		30	27	25	29	27	24	28	26	30	28	SUN
MON	27		31	28	26 Council A/P	30 Community Grants Subcommittee	28	25	29	27 Labour Day		29	MON
TUE	28			29	27 Council A/P		29	26	30	28		30	TUE
WED	29			30	28 Council A/P		30	27		29		31	WED
THU	30 Workshop				29 Council A/P		31 Council	28 Council		30			THU
FRI	31 Ngā Mānukanuka o te Iwi				30			29		31			FRI
SAT					31			30					SAT
SUN								31					SUN
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	

	Public Holidays		School Holidays
	Council	9.30am (Thurs)	Finish 27 January 2025
	Standing Committees	9.30am (Thurs)	12-27 April 2025
	Audit and Risk Committee	9.30am (Thurs)	28 June - 13 July 2025
	Ngā Mānukanuka o te Iwi (Māori Committee)	11.00am (Fri)	20 Sept - 5 October 2025
	Election period		19 December 2025
	Weekend		

16. ACTION POINTS REGISTER AS AT 25 NOVEMBER 2024

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1811433
Reporting Officer/s & Unit:	Anna Eady, Team Leader Governance

16.1 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 25 November 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 as at 25 November 2024.

16.2 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.

16.3 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.

16.4 Significance and Engagement

N/A

16.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

16.6 Options

N/A

16.7 Attachments

- 1 2024-12-12 Open Action Points Register (Doc ID: 1814627) [↓](#)

Open Action Points Register – 2022/2025 triennium – as at 25 November 2024

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
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.	13 November 2024: Completed
						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.	13 November 2024: Completed
131	Future Napier	1/08/2024	Emerson Street Upgrade	Rachael Bailey	Georgina King	The project Roadmap (timeline) will be circulated to Elected members via email.	2 August 2024 The roadmap is being worked on and will be emailed once complete.
134	Ngā Mānukanuka o te Iwi	29/08/2024	Cultural Narrative for Emerson St Upgrade	Rachael Bailey	Hilary Prentice / Georgina King	Officers to determine how rangatahi and tamariki, specifically rangatahi māori were involved in consultation.	29 October 2024: Committee to be updated.
135	Ngā Mānukanuka o te Iwi	29/08/2024	Cultural Narrative for Emerson St Upgrade	Rachael Bailey	Hilary Prentice / Georgina King	To review the adopted principles with the Ngā Mānukanuka o te Iwi Committee and ensure they are embedded in projects.	29 October 2024: Committee to be updated.

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
139	Audit & Risk	5/09/2024	Policy Review Process Update	Caroline Thomson	JayJay Kettle/Talia Foster	Officers to provide clarity on the workflow and priority process, in relation to the Policy Review System at the next Audit and Risk Committee meeting.	17 September 2024: Will be provided at 29 November Audit & Risk meeting.
140	Audit & Risk	5/09/2024	Procurement and Contract Management Improvement Plan	Caroline Thomson	Sharon O'Toole	Officers requested to report back to the next Audit and Risk Committee meeting on the progress of the improvement plan and include any risks that may impact the programme of work being completed.	17 September 2024: Will be provided at 29 November Audit & Risk meeting.
141	Audit & Risk	5/09/2024	Asset Management Roadmap Progress	Russell Bond	Kate Ivicheva	Direct officers to set out in next report if the roadmap is to be reset as unable to meet the initiatives and assumed direction and outline what is now going to happen. Also attach the core key risks and any uncertainty for the programme to enable the Committee to provide support to the initiatives.	14 October 2024: Report going to Audit and Risk on 29 November 2024.
154	Prosperous Napier	10/10/2024	Fast Track Consenting Projects	Russell Bond		To update the Sustainable Napier Committee with progress on the Fast Track process in relation to the Taradale/Awatoto borefield.	29 October 2024: Complete. This will happen as part of the regular Capital Projects reporting.

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed
	Name	Date		ED	Officer		
155	Prosperous Napier	10/10/2024	Fast Track Consenting Projects	Russell Bond / Rachael Bailey		To determine the impact on Council's Regulatory team when processing Fast Track Consenting projects.	29 October 2024: Complete. Provided update in Management Comments at Future Napier Committee meeting 24 October 2024.
157	Sustainable Napier	24/10/2024	Licences for EV chargers on reserve land	Caroline Thomson	Bryan Faulknor / Michelle Duncan	Determine if Napier City council has a policy around Commercial Activity on Reserve Land.	
158	Council	31/10/2024	Housing Strategy	Thunes Cloete	Anne Bradbury	a. Remove the words 'Social Housing' from page 7 of the Housing Strategy.	
						b. In the Housing Strategy - Clarify Focus area 3 relating to sufficient housing options.	
159	Ngā Mānukanuka o te Iwi	13/11/2024	Maraenui to Te Awa Stormwater Project		Anna Eady	Stormwater Improvements Since 2020 Napier Flood report from the 24 October Sustainable Napier Committee to be shared with the Committee	19 November 2024 Completed.

17. NAPIER CITY COUNCIL SUBMISSION - PRINCIPLES OF THE TREATY OF WAITANGI BILL

Type of Report:	Procedural
Legal Reference:	N/A
Document ID:	1815321
Reporting Officer/s & Unit:	Anna Eady, Team Leader Governance

17.1 Purpose of Report

To present to Council for approval Napier City Council's draft submission on the Principles of the Treaty of Waitangi Bill.

Officer's Recommendation

That Council:

- a) **Receive** and **approve** the draft Napier City Council Submission on the Principles of the Treaty of Waitangi Bill to be submitted to the Justice Committee before 7 January 2025.

1.2 Background Summary

The Coalition Government introduced the Principles of the Treaty of Waitangi Bill (the Bill) to Parliament on 7 November 2024 that seeks to amend or remove references to te Tiriti / the Treaty principles from legislation.

The Bill implements the Government policy to introduce a Treaty principles Bill, based on existing ACT Party policy, and to support it to a select committee process.

The Explanatory Note released with the Bill states, the overarching objective of the Bill is to define what the principles of Te Tiriti o Waitangi / The Treaty of Waitangi are in statute; to be an instrument of Parliament created for the purpose of interpreting Parliament's intent when it passes legislation. The Note states the Bill does not alter or amend the text of te Tiriti itself and does not apply to the interpretation of a Treaty settlement Act.

Te Tiriti o Waitangi is a founding document of New Zealand and is fundamental to New Zealand's constitutional arrangements. Parliament introduced the concept of te Tiriti principles into legislation in the Treaty of Waitangi Act 1975, partially to reconcile the differences between the two texts. Parliament, however, did not define those principles.

Te Tiriti principles, as defined at this time, help reconcile differences between the te reo Māori and English texts and give effect to the spirit and intent of te Tiriti when applied to contemporary issues. They apply to policy and operational decisions by Government. They are used in the interpretation of legislation and are used by the Waitangi Tribunal to review proposed Crown action or inaction, policies, and legislation.

The Bill received its first reading on 14 November 2024 has been referred to Parliament's

Justice Committee for consideration. Public submissions on the Bill close on 7 January 2025.

The National and New Zealand First Parties have stated they will not support the Bill passed its first reading.

Napier City Council's Submission

The draft Napier City Council submission is attached to the report and is supported by Council's Te Waka Rangapū.

The submission requests the Bill is abandoned.

Options

The options available to Council are as follows:

- a. Approve the draft Napier City Council Submission on the Principles of the Treaty of Waitangi Bill to be submitted to the Justice Committee before 7 January 2025; or
- b. Make changes to the submission prior to it being submitted to the Justice Committee before 7 January 2025; or
- c. Not make a submission on the Principles of the Treaty of Waitangi Bill.

17.2 Attachments

- 1 Submission - Treaty Principles Bill (Doc Id 1815910) [↓](#)



29 November 2024

*Justice Committee
Parliament Buildings
Wellington*

RE: Submission to the Justice Committee on the Principles of the Treaty of Waitangi Bill

Tēnā koe,

Napier City Council (NCC) appreciates the opportunity to submit on the Principles of the Treaty of Waitangi Bill (the Bill). We do not wish to speak to our submission.

NCC is submitting in opposition to the Bill and will outline below our concerns regarding the Bill, and its wider implications for New Zealand's people, for its constitutional arrangements, and for the process used to get the Bill to Select Committee.

Introduction

The Treaty of Waitangi / te Tiriti o Waitangi (te Tiriti) is a binding agreement between the Crown and Māori which is fundamental to New Zealand's constitutional arrangements. It has been incorporated into law by the inclusion of the Treaty Principles in at least 40 pieces of legislation.

The Courts have articulated and tested the meaning of the statutory Treaty Principles, which Parliament introduced into legislation in the Treaty of Waitangi Act 1975, to provide a framework for assessing the Crown's obligation to Māori. The principles include partnership¹, protection² and participation³. They are designed to reflect the spirit and intent of te Tiriti as a whole, and the mutual obligations and responsibilities of the Crown and Māori.

Successive governments have recognised and upheld their obligation the Crown's guarantees under te Tiriti. The coalition government's Bill seeks to redefine in law the meaning of te Tiriti, by replacing the existing Treaty Principles with new ones which are said to reflect the three articles of te Tiriti. However they do not, and by enshrining in law new definitions of the three articles, the Bill seeks to rewrite te Tiriti itself, without the agreement of those iwi who signed te Tiriti in 1840.

¹ This principle recognises that the Crown has an obligation to actively protect Māori interests to the fullest extent practicable.

² This principle recognises the Crown's obligation to actively protect Māori interests to the fullest extent practicable.

³ This principle recognises the Crown's obligation to ensure equality of opportunity and outcomes for Māori to the fullest extent practicable.

The Bill's Proposed Principles

Principle 1

Principle 1 claims the Crown has absolute power to make laws over everyone and enforce those laws. This is not a principle of what was agreed in 1840. It was only ever discussed that the Queen would govern non-Māori.

Queen Victoria recognised Māori tino rangatiratanga over their lands, resources and lives, just as Britain had done in the 1835 Declaration of Independence. Queen Victoria promised to control British people and offer her protection if Māori gave her the sole right to buy land. Ten years ago, the Waitangi Tribunal said that *“in February 1840 the rangatira who signed te Tiriti did not cede their sovereignty... Leading scholars – both Māori and Pākehā – have been expressing similar views for a generation or more”*⁴.

While claiming absolute power, Principle 1 also claims the Crown will make laws in the best interests of everyone, according to the rule of law and a free and democratic society. The Crown has not always made laws in the best interest of everyone. This is evident in Māori health, education, and judicial system outcome statistics.

Principle 2

Principle 2 says the Crown will recognise the rights of Māori only if the Crown has a Treaty settlement with them.

This reinforces the claim of absolute power over everyone and is not what was agreed in 1840. Treaty settlements only give some redress for harm done to Māori in the past. They do not take away the agreement and the promise in te Tiriti not to remove Māori total authority over their lands, resources and lives.

Also, by recognising Māori rights only when incorporated into Treaty settlements with the Crown, this proposed principle also attempts to exclude the courts, which play a crucial role in developing the law and protecting indigenous and minority rights⁵.

Principle 3

Principle 3 says that everyone is equal and is entitled to equal rights without discrimination, but this does not change the claim of absolute Crown power over everyone in Principle 1. Again, the Crown does not treat everyone equally, and this is not what was agreed. In Article 2 of te Tiriti the Crown guaranteed Māori the right to be Māori and to have their tikanga Māori (customs, values and customary law) recognised and protected in law. It promised not to disturb Māori tino rangatiratanga over their lands, resources and lives.

⁴ He Whakaputanga me te Tiriti Report 2014

⁵ Minority group rights to culture are recognised in the New Zealand Bill of Rights Act 1990.

Process of the Bill

Unnecessary constraints have been imposed on this Bill's development timeframe which have limited the ability for in-depth policy analysis⁶ and created mistrust. Shortened timeframes have meant no opportunity for meaningful targeted engagement, including with constitutional and Treaty experts, and iwi/hapū during the Bill's development.

The introduction of the Bill and the intended referendum (a simple majority vote) on implementation of the Bill is totally inappropriate as a way of addressing an important and complex constitutional issue, particularly one which has such major impacts on Māori, who are in the minority.

Implications for Napier City Council

As local representatives of the Crown, Napier City Council enjoys a strong working relationship with Māori based on recognition of tangata whenua as our Treaty partners, under the principles of the Treaty as currently defined. We value this relationship which has enhanced our effectiveness as governors and provided checks and balances particularly in protection of the natural environment. Treaty settlements have seen mana whenua become significant economic players in our city in enhancing the well being of our Māori citizens, in housing, social, health and cultural areas – making our city a better place for all of us.

This Bill will take away all existing legal responsibilities we have to work with tangata whenua who will be lumped in with all other “ethnic” groups. It effectively removes all recognition of Māori rights that are guaranteed in Te Tiriti.

Our Treaty-based relationship with Māori adds immense value to our decision-making and we are strongly opposed to this Bill which rewrites our nation's founding document without seeking agreement from Māori.

Conclusion

The government of the day should not be reinterpreting a signed Treaty which is fundamental to New Zealand's constitutional arrangements. This goes against the basic principles which underpin New Zealand's representative democracy. A sensitive, good faith national conversation about constitutional reform, after adequate public education and engagement, would have been a more appropriate action to take, if called for by a majority of New Zealanders.

The Waitangi Tribunal, established as the expert body in relation to Treaty matters, has expressed grave concerns about the impact of the Bill. It has stated the Bill is in breach of Te Tiriti, discriminates against Māori, and will damage the relationship between Māori and the Crown, which will then have a negative impact on the rest of society. The Ministry of Justice has similar concerns noting the Bill could undermine confidence in New Zealand's

⁶ Regulatory Impact Statement 28 August 2024.

constitutional arrangements. Further, the Bill could cause significant legal confusion and uncertainty, inevitably resulting in unnecessary litigation and cost.

Recommendation

NCC requests that the Bill is taken no further. That the coalition government honours te Tiriti. The Bill has already cost the taxpayer a substantial amount in resources required to get it to Select Committee, and cost Members of Parliament valuable time which would be better spent on other matters. Further, it has created unrest and fuelled disruptive narratives in our communities. This Bill has not had sufficient input from Treaty and constitutional experts, is divisive, and should be abandoned.

18. ROYAL HUMANE SOCIETY OF NEW ZEALAND MEDAL PRESENTATION

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1811980
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

18.1 Purpose of Report

To facilitate a medal presentation on behalf of the Royal Humane Society of New Zealand in recognition of the brave actions during a water rescue in December 2021 at the Marine Parade beach by Community Constable Andrew Chantrey and Constable Ted-Stuart Symes.

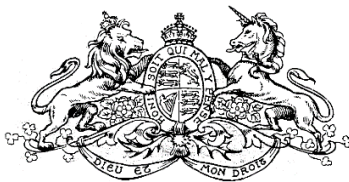
Officer's Recommendation

That Council:

- a) **Receive** the report titled "Medal Presentation" dated 12 December 2024.

18.2 Attachments

- 1 Medal Citation (Doc Id 1811972) [↓](#)



Royal Humane Society of New Zealand Inc.

Instituted 1898

Patron: Her Excellency the Governor-General of New Zealand

**CASE NO. 1797 CONSTABLE ANDREW CHANTERY
JEREMY LEE
CONSTABLE TED-STUART SYMES
CONSTABLE BRUCE WHITLEY**

On 10 December 2021, a mother took three children (including her 5 year old son) and their grandmother to Marine Parade beach adjacent to the Napier Aquarium. The mother took her son down to the water while the grandmother stayed with the other children. The mother and son were paddling in the water when a large wave knocked them over, the mother managed to recover however, her son was caught by the undertow and swept out to sea.

Lee was walking on the beach with his girlfriend when he heard the mother calling for help and observed the boy in the water some distance from the beach. He immediately entered the water to attempt a rescue. However, due to the surf and the severe undertow and the fact that he was not a strong swimmer he got into difficulty.

Constable Whitley was off duty driving along Marine Parade when he heard the Police alert about the incident. Constable Whitley immediately entered the water and spoke with Lee and told him to return to the shore.

While speaking to Jeremy Lee, Constable Whitley noticed a body floating some fifty metres further out to sea. When Constable Whitley reached the child he noticed he was face down and unresponsive. He then swam back to shore with the child and noted that the young male (Jeremy Lee) was still in the water struggling and calling for help.

Constable Symes observed that Constable Whitley had entered the water and was swimming out to rescue the young child. He could see Lee struggling in the breaking surf. He immediately entered the water and swam out to him. On reaching Lee he comforted him and attempted to bring him back to shore. However, after several attempts it was clear that the surf and undertow was preventing this, so he took Lee out beyond the backwash of the surf to await assistance.

Constable Chantrey was on duty at the Maraenui Police Station when he heard the Police alert about the incident and a call for ropes and floatation devices. He could not locate a rope at the Station however, he took a long extension cord. Being a competent swimmer he entered the water holding on to one end of the extension cord with the other end being held on shore by a Police colleague. He swam towards Constable Symes and Lee who were just beyond the breaking surf.

Constable Chantrey made numerous attempts in the breaking surf to pass the end of the extension cord to Lee and eventually succeeded and comforted him telling him to hold on to the cord. Lee was safely pulled ashore.

Lee was taken to Hawkes Bay Hospital for over night observation.

Given that Lee was unfamiliar with the beach and the rough surf (including the severe undertow), his immediate actions in entering the water to attempt the rescue of the young child and his subsequent call for the child to be rescued first were courageous.

Given the rough surf (including the severe undertow) and Lee's physical exhaustion the timely assistance of Constables Chantry, Symes and Whitley probably saved his life.

President of the Court of Directors: Mr Austin Forbes, CNZM, KC
Vice Patrons: The Mayor of Auckland, The Mayor of Hamilton,
The Mayor of Wellington, The Mayor of Christchurch, The Mayor of Dunedin

REPORTS / RECOMMENDATIONS FROM COMMITTEES

REPORTS FROM AUDIT AND RISK COMMITTEE HELD 29 NOVEMBER 2024

1. STRATEGIC RISK SR36

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1810797
Reporting Officer/s & Unit:	Bruce Lake, Enterprise Project Management Office (EPMO) Manager

1.1 Purpose of Report

To update the Committee on progress of Strategic Risk 36 – Delivery of Programmes and Change. The risk category is Service Delivery, with a risk appetite level of Low. This has a Revised Risk Rating of Out of Appetite. This Strategic Risk is Line Item 11 in the Strategic Risk table, which shows the Risk Treatment Completed as Red.

At the meeting

The Executive Director City Strategy, Ms Bailey advised that in April 2024, the ELT approved the creation of an EPMO (Enterprise Project Management Office) for Napier City Council (NCC). Ms Bailey introduced the new EPMO Manager, Bruce Lake who commenced in the role in August 2024.

Mr Lake displayed a PowerPoint presentation (Doc Id 1815542) providing a brief overview of the importance of having an EPMO in the organisation.

In response to questions the following was clarified:

- Risk owner comments referred to in the agenda still remain out-of-appetite however, with the recruitment of a full team further control will be met.
- The EPMO will help the whole organisation to select the right projects and deliver these projects by standardising processes, project talent and skills, Governance and Sponsorship and prioritising what is important.
- The EPMO's key responsibility is to ensure projects are implemented and measured to determine how successful projects are.
- Discussion has commenced around the EPMO and what is being done to establish a community of project managers to come together and discuss upcoming changes. Part of

the challenge is to get project community managers on board to provide regular reporting and the EPMO can assist with writing business cases etc. if necessary.

- When all the controls are effective the risk level will lower as tools become effective.

**COMMITTEE
RESOLUTION**

Councillor Crown / David Pearson

The Audit and Risk Committee:

- a. **Receive** the report titled “Strategic Risk SR36” dated 29 November 2024.

Carried

Attachments

- 1 EPMO Update presentation (Doc Id 1815542)
-

2. PROCUREMENT AND CONTRACT MANAGEMENT IMPROVEMENT PLAN - UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1808992
<i>Reporting Officer/s & Unit:</i>	Sharon O'Toole, Procurement Manager

2.1 Purpose of Report

The purpose of this report is to provide an update on the improvements intended to address the findings and recommendations from the Internal Audit Report: Contract Management Report 2024, completed by Crowe. Specifically, the initiatives and progress related to the development of a Procurement and Contract Management Framework.

The Procurement and Contract Management Framework will allow procurement and contract management to be used as strategic tools to deliver Council's work programme and asset management.

These improvement initiatives form an important part of a Programme Business Improvement Project to improve project delivery, this is led by the Enterprise Programme Management Office (EPMO).

At the meeting

The Procurement Manager, Ms O'Toole presented the report and provided an update on the work being undertaken on procurement and contract management and the work being done to improve delivery and manage workstreams.

In response to questions the following was clarified:

- The acronym PBI referred to in the report means Programme Business Improvement Group who work together with the EMPO and Finance Group.
- The PBI is chaired by the EPMO Manager, Bruce Lake and includes four representatives from the Executive Leadership Team (ELT).
- Good change management support is needed to implement changes successfully and this needs further scoping.
- It is intended to take a scalable approach and look at ways of delivery that are new to Council and still ensure a best practise approach is followed.
- The PBI and EPMO report regularly to the ELT.

COMMITTEE RESOLUTION

Bruce Robertson / Mayor Wise

The Audit and Risk Committee:

- a. **Note** The Procurement and Contract Management Improvement Plan – Attachment 1.
- b. **Note** The progress related to implementation of the Procurement and Contract Management Improvement Plan.

Carried

3. ASSET MANAGEMENT ROADMAP PROGRESS

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1809668
<i>Reporting Officer/s & Unit:</i>	Kate Ivicheva, Manager Asset Strategy

3.1 Purpose of Report

This report provides an update on the progress of the Asset Management Roadmap, summarising current achievements, challenges, and recommendations for the path forward. It seeks approval for the roadmap's timeline and confirms continuing the current strategic direction. Additionally, this report outlines core risks affecting roadmap delivery, providing the Audit and Risk Committee with insights to guide oversight and support effective implementation.

At the meeting

The Executive Director Community Services, Mr Cloete advised that he was part of the Asset Management Steering Group supporting and working with the Asset Team.

The Manager Asset Strategy, Ms Ivicheva presented the report and responded to questions.

- Phase 1 is the most extensive of the roadmap in terms of resource and is identified as a risk. ELT approved recruitment of two staff for existing vacant positions. The Steering Group has been put in place to assist.
 - The organisation is moving away from working in silos. A cross organisational approach is being created through the EPMO. Staff capacity to deliver change, plus business as usual, is highlighted as a risk.
 - It was agreed to remove the word "Potential" from "Potential Mitigation Actions" in the risks table as the actions would be implemented with good programme management.
-

COMMITTEE RESOLUTION

Councillor Browne / David Pearson

The Audit and Risk Committee:

- a. **Approve** the proposed timeline for roadmap delivery (Table 2)
- b. **Confirm** the roadmap's existing strategic direction.
- a. **Receive** the update on the progress of the Asset Management Roadmap.

Carried

INTERNAL AUDIT: RISK MANAGEMENT REPORT

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	1811071
Reporting Officer/s & Unit:	Alister Edie, Business Improvement Manager Dave Jordison, Risk and Assurance Lead Caroline Thomson, Chief Financial Officer

4.1 Purpose of Report

To table to the Committee the internal audit on Risk Management undertaken by Council's internal auditors, Crowe.

At the meeting

The Risk and Assurance Lead, Mr Jordison provided a brief summary of the Crowe Report which indicated senior management need to support risk management for the future. There was a lack of information being provided to senior management, however this is improving.

In response to questions the following was clarified:

- In regard to 6.3 – Deficiencies in strategic risk management and oversight, it was noted that future in-depth training would be provided.
- The timeline target date of 1 March 2025 is on track to be met. The Crowe Report will be presented to ELT and then to elected members.
- Once the target is met aiming for M3 score which will be embedded in the Uplift Programme.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Crown

The Audit and Risk Committee:

-
- a. **Receive** the report from Crowe titled 'Internal Audit – Risk Management'.

Carried

5. RISK MANAGEMENT REPORT

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1810504
Reporting Officer/s & Unit:	Dave Jordison, Risk and Assurance Lead Alister Edie, Business Improvement Manager

5.1 Purpose of Report

To provide the Committee a quarterly update on risk management workstreams and inform on the status of Council's Strategic and Operational risk profile.

At the meeting

The Risk and Assurance Lead, Mr Jordison presented the report.

In response to questions the following was clarified:

- The Strategic Risk Dashboard indicated grey for Council Reputation and it was noted that the risk had not been worked through for this yet.
- A high number of out-of-appetite operational risks are due to risk owners requiring further training.
- It is not uncommon for staff to say they are too busy for prioritisation and controls are being put in place to become more effective and prioritise.

**COMMITTEE
RESOLUTION**

Bruce Robertson / Councillor Mawson

The Audit and Risk Committee:

- a. **Receive** the report titled "Risk Management Report" dated 29 November 2024

Carried

6. POLICY REVIEW PROCESS UPDATE

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1808851
Reporting Officer/s & Unit:	JayJay Kettle, EA to Deputy Chief Executive & Executive Director Corporate Services Talía Foster, Financial Controller

6.1 Purpose of Report

To update the committee on the progress made to date with the policy review project.

At the meeting

The EA to Deputy Chief Executive / Acting Executive Director City Strategy, Ms Kettle presented the report noting that 21 policy reviews had now been approved by ELT. There were 101 policies and to date 70 had been assessed.

Ms Kettle advised that currently workflow processes for policies were not being undertaken as they were out-of-date and to ensure they were updated as quickly as possible they were being presented to ELT for approval. The review periods were being reassessed as they went through ELT and workflow processes could be reinstated.

COMMITTEE RESOLUTION

David Pearson / Councillor Browne

The Audit and Risk Committee:

- a. **Receive** the report titled "Policy Review Process Update" dated 29 November 2024.

ACTION: Officers to determine whether testing and tagging of electrical cords in Council be continued as was not mandatory by WorkSafe.

Carried

7. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1808845
Reporting Officer/s & Unit:	Talia Foster, Financial Controller

7.1 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

The Financial Controller, Ms Foster spoke to the report confirming that all items identified in the report for this quarter complied with Council's Policy. It was noted that cost for training was not only for the Chief Executive but included the Executive Directors.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Mawson

The Audit and Risk Committee:

- a) **Receive** the 30 September 2024 quarterly report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.

Carried

8. EXTERNAL AUDIT ACTIONS STATUS UPDATE

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1808850
Reporting Officer/s & Unit:	Talia Foster, Financial Controller

8.1 Purpose of Report

The purpose of this paper is to summarise the actions taken by management from recommendations made via our external audit process to provide assurance to the Audit and Risk Committee that these have been addressed.

At the meeting

The Financial Controller, Ms Foster spoke to the report advising that the latest issue raised was that one of the documents was entered into the system one minute before it was resolved and some service calls were not entered when they came were received.

Annual leave balances were being addressed, however there are some contractual obligations in place that needed to be worked through.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Crown

The Audit and Risk Committee:

a) **Receive** this report titled "External Audit Actions Status Update".

Carried

9.1 Purpose of Report

To inform the Audit & Risk Committee (ARC) of Health Safety & Wellbeing (HSW) strategic progress, performance and activities covering the period June 2024 to 20 August 2024. 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 programme.

At the meeting

The Health and Safety Operations Manager, Mr Wallace spoke to the report providing a brief summary and noting that SR14 should read as SR32.

It was noted that Ahuriri Alliance was not included in Council's Health and Safety Report as their reports would be provided to Downer.

COMMITTEE RESOLUTION

Councillor Crown / Bruce Robertson

The Audit and Risk Committee:

Receive The Audit and Risk Committee:

- a) **Receive** the Health and Safety Report for the quarter ended 30 October 2024.

Carried

REPORTS UNDER DELEGATED AUTHORITY

1. TENDERS LET

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1815351
<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 16 September to 29 November 2024.

Officer's Recommendation

That Council:

a) **Receive** the Tenders Let for the period 16 September to 29 November 2024 as below:

- **Contract 2747 - Anderson Park Stage 2 – Café Area** be awarded to Toa Civil Construction Limited in the sum of \$285,035.48 excl. GST.
- **Contract 2662 - 30 Herschell Street Retaining Wall** be awarded Lattey Group in the sum of \$357,991.87 excl. GST.
- **Contract 2786 Municipal Theatre Ticket & WCs** be awarded to MCL Construction Limited in the sum of \$599,770 excl. GST.
- **Contract 2347 - WWTP Overflow Storage Project – Award of Cell 3 as a Variation** be awarded to MAP Projects in the sum of \$2,486,704 excl. GST.

CONTRACTS OVER \$100,000.00 LET UNDER CHIEF EXECUTIVE / DIRECTOR INFRASTRUCUTRE DISCRETION

Contract 2747 - Anderson Park Stage 2 – Café Area

\$285,035.48 excl. GST

Six tenders have been received.

It has been recommended that the contract be awarded to Toa Civil Construction Ltd.

\$285,035.48

This recommendation has been approved.

Contract 2662 - 30 Herschell Street Retaining Wall

\$357,991.87 excl. GST

Six tenders have been received.

It has been recommended that the contract be awarded to Lattey Group.

\$357,991.87

This recommendation has been approved.

Contract 2786 - Municipal Theatre Ticket & WCs

\$599,770 excl. GST

Three tenders have been received.

It has been recommended that the contract be awarded to MCL Construction Limited.

\$599,770

This recommendation has been approved.

Contract 2347 - WWTP Overflow Storage Project – Award of Cell 3 as a Variation

\$2,486,704 excl. GST

Three tenders have been received.

It has been recommended that the contract be awarded to MAP Projects.

\$2,486,704

This recommendation has been approved.

1.2 Attachments

Nil

RECOMMENDATION TO EXCLUDE THE PUBLIC

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

Agenda Items

1. **1.30pm – 2.00pm** Hawke's Bay Civil Defence Emergency Management Transformation Strategy
2. **2.35pm** Memorial Square Community Rooms
3. Trade Waste and Wastewater Bylaw 2022 Delegation
4. Council Projects Fund - Festival opera Summer Production
5. Land Purchase
6. Action Points Register (Public Excluded) as at 25 November 2024

Reports from Audit and Risk Committee held 29 November 2024

1. Civic Precinct Main Contractor Procurement update
2. Audit New Zealand - Verbal Update
3. Chief Executive - Verbal Update

- b) That **Matt Boggs (HB Civil Defence Emergency Management) and Barbara Arnott, Simon Dunn and Jeremy Smith (Art Deco Trust)** be permitted to remain in the Public Excluded session to provide information and answer queries in relation to relevant Public Excluded reports Items 1 and 2.

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.	Plain English reason for passing this resolution in relation to each matter
Agenda Items			
1. Hawke's Bay Civil Defence Emergency Management Transformation Strategy	7(2)(f)(ii) Maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment	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	The Chair of the Joint Committee wishes to communicate this information in a more controlled manner, which will be detailed soon

		<p>exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	
2. Memorial Square Community Rooms	7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	Public Excluded so as not to prejudice contract negotiations for Stage 2 of the contract.
3. Trade Waste and Wastewater Bylaw 2022 Delegation	7(2)(g) Maintain legal professional privilege	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	The report sets out the legal advice on, and basis for, one of the recommendations to the Council relating to decisions under the Bylaw

<p>4. Council Projects Fund - Festival opera Summer Production</p>	<p>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</p>	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (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>	<p>Confidential discussions are required to ensure that the process is fair and equitable</p>
<p>5. Land Purchase</p>	<p>7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (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>	<p>Conduct negotiations of land purchase in confidence</p>
<p>6. Action Points Register (Public Excluded) as at 25 November 2024</p>	<p>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</p>	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would</p>	<p>To protect privacy, conduct negotiations and protect the source of information.</p>

	<p>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</p> <p>7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	
Reports from Audit and Risk Committee held 29 November 2024			
1. Civic Precinct Main Contractor Procurement update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	In the middle of a live tender process but wish to provide Audit and Risk an update
2. Audit New Zealand - Verbal Update	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	Commercial activity

		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. Chief Executive - Verbal Update	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.	Commercial activity
Public Excluded Text			
Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.			

ORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date:	Tuesday 19 November 2024
Time:	12:30pm – 1:37pm
Venue	Small Exhibition Hall War Memorial Centre Marine Parade Napier
<i>Livestreamed via Council’s Facebook page</i>	
Present	Chair: Mayor Wise Members: Deputy Mayor Brosnan, Councillors Browne, Chrystal, Crown, Greig, Mawson, McGrath, Price, Simpson, Tareha and Taylor
In Attendance	Chief Executive (Louise Miller) Acting Executive Director Corporate Services (Caroline Thomson) Acting Executive Director City Services (Jessica Ellerm) Executive Director City Strategy (Rachael Bailey) Executive Director Infrastructure Services (Russell Bond) Executive Director Community Services (Thunes Cloete) Manager Communications and Marketing (Julia Stevens) Team Leader Governance (Anna Eady) Manager City Development (Paulina Wilhelm) Principal Policy Planner (Fleur Lincoln) Policy Analyst (Jeriel Sajan)
Administration	Governance Advisors (Jemma McDade)

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 Crown / Browne
	That the apology from Councillor Boag be accepted.
	Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the management

Nil

Confirmation of minutes

COUNCIL
RESOLUTION

Councillors Greig / Price

That the Draft Minutes of the Ordinary Council meetings held on 31 October 2024 and 7 November 2024 be confirmed as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. ADOPTION OF DRAFT FUTURE DEVELOPMENT STRATEGY

Type of Report:	Operational and Procedural
Legal Reference:	Local Government Act 2002
Document ID:	1808867
Reporting Officer/s & Unit:	Fleur Lincoln, Principal Policy Planner

1.1 Purpose of Report

This Report recommends Council adopt the draft Napier Hastings Future Development Strategy (FDS) for public notification and public consultation under the Special Consultative Procedure (SCP) in Section 83 of the Local Government Act 2002.

At the meeting

Executive Director City Strategy (Rachael Bailey) and Manager City Development (Paulina Wilhelm) joined the Officer to present the report.

Questions were answered clarifying:

- Adopting the draft FDS for consultation does not give it any regulatory weighting in terms of the Resource Management Act 1991 (RMA).
- The Technical Advisory Group (TAG) contains officers from the three partner Councils, planners, and the Mana Ahuriri Trust. The TAG provides technical expertise.
- The TAG was unanimous in their recommendation of the sites in the draft FDS, taking into account natural hazards, highly productive soil, stormwater, infrastructure works and obligations under redress land classification.

-
- The draft proposal will be amended, for public transparency, to reflect the decision of each partner Council. The sites disputed by the Hawke's Bay Regional Council (HBRC) will remain in the draft proposal noting that HBRC recommends their removal.
 - The purpose of adopting the draft FDS is to move in to the consultation phase where community members can engage with Council to share concerns.
 - The sites at Riverbend Road and Ahuriri Station require technical work prior to being suitable for development. This detail is not part of a high level strategy. Including a site in the FDS is not a guarantee that it will be developed. The final FDS is still at least 8-10 months away. There will be further opportunity for public consultation. There are regulatory pathways that have to be satisfied before consent would be granted for any development.
 - The centre of the Riverbend Road site may have to be raised up to approximately 1.5 metres to mitigate flood risk. The technical information will be communicated through Council's Communications and Marketing team and will be available on Council's website.
 - Ahuriri Station is redress land. The process for redress land is the same as for other land. The Ahuriri Station site also has the option of the fast-track consenting process through Central Government. Council would be an interested party, but not the final decision maker in that instance. This won't impact other sites as this is the only redress land within the Napier boundary that forms part of the FDS. All sites were revisited following the addition of the new objective to ensure consistency.
 - The FDS is in development at the same time as the District Plan and HBRC's Regional Policy Statement. The National Policy Statement by Central Government on Natural Hazards will provide clearer direction on how to treat land subject to natural hazards. There are many complex legislative and regulatory changes coming into effect at the same time. The TAG and Regulatory team are assessing the sites against current requirement recognising that further legislation may converge on the FDS when it comes back after consultation.
 - No Napier land considered in the FDS is classed a highly productive (Class 1 or 2).
 - The proposed sites for development in the FDS are the most efficient and where exposure to natural hazards can best be mitigated. There is a requirement to provide more land for future development.
 - The FDS is a high level strategy for growth which looks at the best places for future development. The District Plan process and planning will follow on; any development may not eventuate for 30-40 years.

**COUNCIL
RESOLUTION**

Deputy Mayor Brosnan / Councillor Crown

That Council:

- a. **Receive** the report titled Adoption of the Draft Napier/Hastings Future Development Strategy for Public Notification and Consultation dated 19 November 2024.
 - b. **Receive the Napier Hastings Future Development Strategy Joint Committee (Committee) Resolutions** from its Committee Meeting on 23 October 2024.
 - That the Napier-Hastings Future Development Strategy Joint Committee receive the report titled Adoption of Draft Future Development Strategy for Notification dated 22 July 2024.
-

-
- That the Joint Committee adopt the following Objective, to be added to its 'Strategic Objectives' for the FDS, which the Joint Committee adopted at its meeting on 11 July 2023,
 - *"The values and aspirations of mana whenua for development are a priority and are recognised and supported"*.
 - That the Joint Committee adopt the draft 'Napier / Hastings Future Development Strategy' (FDS) attached as Attachment One and 'Summary of Information' attached as Attachment Two with the following variations,
 - i. That the Ahuriri Station land is identified for inclusion as redress land as detailed in Attachment 5.
 - ii. Hn3a- Middle Road (excluded).
 - iii. Hn3b- Middle Road extension (excluded).

On the basis for ii and iii that:

- These areas are not needed to provide sufficient development capacity to meet demand (including the 20% competitiveness margin),
- Hn3a and Hn3b are areas of land which are Highly Productive (including 'Land Use Capability' level 1 and 2 land),
- These areas are not included in Heretaunga Plains Urban Development Strategy (except as a reserve area in the case of Hn3a),
- It would be contrary to the objectives of the FDS to include these areas.

'That the Joint Committee recommend to the Partner Councils (Hastings District Council, Napier City Council and Hawke's Bay Regional Council) that they adopt the FDS and 'Summary of Information' (including the Variations in Recommendation B) for consultation under the Special Consultative Procedure as specified in Section 83 of the Local Government Act 2002 (LGA), and call for submissions in accordance with the Principles of Consultation under Section 82 of the LGA, and provide an opportunity for the hearing of submissions, under section 83 of the LGA'.

- c. **Adopt** (after consideration of Recommendation B) the draft 'Napier / Hastings Future Development Strategy' (FDS) attached as Attachment One (which includes the Joint Committee's recommendations with the exception of ii and iii to exclude Middle Road, HN3a and HN3b) and the 'Summary of Information' attached as Attachment Two.
 - d. **Confirm**, or otherwise, the Joint Committee's Recommendations ii and iii to exclude Middle Road, HN3a and HN3b from the consultation draft.
 - e. **Notify** the FDS and 'Summary of Information' for consultation under the Special Consultative Procedure as specified in Section 83 of the Local Government Act 2002 (LGA), and call for submissions in accordance with the Principles of Consultation under Section 82 of the
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LGA, and provide an opportunity for the hearing of submissions, under section 83 of the LGA.

- f. **Approve** an amendment to Section 6 (relates to Delegated Authority) of the Terms of Reference for the Napier Hastings Future Strategy Joint Committee (Committee) to allow the Committee to appoint an independent panel of up to five members that is representative of Mātauranga Māori, gender balance, equity, and technical knowledge of the legislation that encompasses the Future Development Strategy.

The amendment to Section 6 of the Terms of Reference will read as follows:

- 6.1 The Napier-Hastings Future Development Strategy Joint Committee has the responsibility delegated by the Partner Councils for:

Appointing an Independent Panel of up to five members that is representative of Mātauranga Māori, gender balance, equity, and technical knowledge of the legislation that encompasses the Future Development Strategy which will undertake Hearing and considering submissions on the draft strategy and making appropriate recommendations to the *Joint Committee ~~partner—councils~~, which will subsequently make appropriate recommendations to the Partner Councils.*

- g. **Note** the Independent Panel will act in accordance with the 'Principles of Consultation' under Section 82 of the Local Government Act 2002 (LGA), in the hearing of submissions, under the Special Consultative Procedure under section 83 of the LGA to assist the Committee by hearing all persons / parties who wish to submit on the FDS. The Independent Panel will prepare a summation of all submissions and provide recommendations to the Joint Committee, for consideration by the Committee. The Committee can then recommend a final FDS to the Partner Councils.

Carried

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. Notification of the PDP Ecosystems and Indigenous Biodiversity Variation

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.	Plain English reason for passing this resolution in relation to each matter
	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. Notification of the PDP Ecosystems and Indigenous Biodiversity Variation	7(2)(j) Prevent the disclosure or use of official information for improper gain or improper advantage	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	Prevent the disclosure or use of official information for improper gain or improper advantage
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		exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	
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Public Excluded Text

Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.

The meeting moved into the Public Excluded Agenda at 1:14pm.

The meeting resolved that the following Public Excluded Agenda item be released to the public following this meeting as the reason for exclusion no longer applies.

AGENDA ITEMS

1. NOTIFICATION OF THE PDP ECOSYSTEMS AND INDIGENOUS BIODIVERSITY VARIATION

Type of Report:	Legal and Operational
Legal Reference:	Resource Management Act 1991
Document ID:	1810402
Reporting Officer/s & Unit:	Jeriel Sajan, Policy Analyst
Reason for Exclusion	Section 7(2)(j) Prevent the disclosure or use of official information for improper gain or improper advantage.

1.1 Purpose of Report

The purpose of this report is to seek Council's endorsement for the notification of the ECO chapter, which addresses the management and protection of indigenous biodiversity within the district.

At the meeting

Manager City Development (Paulina Wilhelm) joined the Officer to present the report. The minutes and report can be released to the public once the resolution has been carried.

Questions were answered clarifying:

- Engagement with affected landowners has been ongoing since 2019. There will be further opportunities for affected landowners to engage in the submission process. All affected landowners have been contacted. Further contact will occur at the public consultation stage.
- The approach taken in the Officer’s report is in line with advice given by the Principal Ecologist taking into consideration the recent RMA amendments.
- This chapter will not affect public access to the privately owned reserves included in the plan.
- Council is committed to mapping sites and continuing to contribute to the biodiversity of Napier.

**COUNCIL
RESOLUTION**

Councillor Greig / Deputy Mayor Brosnan

That Council:

- a. **Endorse** the Ecosystems and Indigenous Biodiversity Chapter as a Plan Variation
- b. **Approve** the public notification of the Ecosystems and Indigenous Biodiversity Chapter on 25 November 2024 until 31 January 2025 to receive public submissions
- c. **Approve** the public release of this report following this meeting.

Carried

Attachments

- 1 Notification of the PDP Ecosystems and Indigenous Biodiversity Variation DOC ID 1810402

The meeting closed with a karakia at 1:37pm

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

Chairperson

Date of approval