



# EXTRAORDINARY COUNCIL

## Open Agenda

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Meeting Date: Thursday 4 June 2026

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Time: 1.30pm – (Simplifying Local Government)

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Venue: Large Exhibition Hall  
War Memorial Centre  
Marine Parade  
Napier

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*Livestreamed via Council's YouTube Channel*

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Council Members **Chair:** Mayor McGrath

**Members:** Deputy Mayor Taylor and Councillors Brownlie, Chrystal, Crown, Isaac-Sharland, Lawrence, Mawson, Morley, Price, Raihania and Simpson

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Officer Responsible Chief Executive

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Administrator Governance Team

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**Next Extraordinary Council Meeting**

## 2025-2028 TERM OF REFERENCE - COUNCIL

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<i>Chairperson</i>	<i>Mayor</i>
<i>Deputy Chairperson</i>	<i>Deputy Mayor</i>
<i>Membership</i>	<i>All elected members</i>
<i>Quorum</i>	<i>6</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 body<sup>1</sup>:

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 body<sup>2</sup>.
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.

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<sup>1</sup> Schedule 7, clause 32. Local Government Act 2002.

<sup>2</sup> Schedule 7, clause 30A

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.<sup>3</sup>

### **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 Orders<sup>4</sup>.
3. Approval or amendment the Code of Conduct for Elected Members<sup>5</sup>.
4. Appointment and discharging of committees, subcommittees, and any other subordinate decision-making bodies<sup>6</sup>.
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) <sup>7</sup>.
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 yearly<sup>8</sup>.
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.

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3 Shop Trading Hours Act 1990, section 5D.

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**

**Announcements by the Mayor**

**Announcements by the management**

**Agenda items**

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# AGENDA ITEMS

## 1. SIMPLIFYING LOCAL GOVERNMENT: HEAD START PROCESS

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<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1913400
<i>Reporting Officer/s &amp; Unit:</i>	Rachael Bailey, Executive Director Strategy & Urban Development Michele Grigg, Principal Policy Analyst Lauren Sye, Senior Policy Analyst

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 This report seeks Council's agreement to participate in a regional process to explore the Government's Simplifying Local Government Head Start Pathway and enter into a Memorandum of Understanding to guide the regional process.
- 1.2 Government announced updated policy settings for Simplifying Local Government on 5 May 2026. The announcement moved away from the earlier proposal of Combined Territories Boards and reorganisation plans (in the first instance) and introduced two pathways:
  - A voluntary Head Start pathway for councils that want to come together to form new unitary authorities; and
  - A compulsory Back Stop approach for councils that do not progress through the Head Start pathway process, with further detail expected in 2027.
- 1.3 Under the Head Start pathway, outline proposals are due with Government by midnight Sunday 9 August 2026. Proposals must meet Government criteria before they will be considered by Cabinet.
- 1.4 Entering the Memorandum of Understanding (MoU) does not commit Napier City Council to submitting a proposal to Government. It would establish an agreed framework for working with Central Hawke's Bay District Council, Hastings District Council, Wairoa District Council, and Hawke's Bay Regional Council to explore options, share information, engage with mana whenua and key stakeholders, and bring further decisions back to Council.
- 1.5 The decision sought through this report is a process decision; it is not a decision to support a particular local government structure, establish one or more unitary authorities, or submit an outline proposal to Government.
- 1.6 Agreement to explore the Head Start pathway through the regional process, and enter into the proposed MoU, would keep Council actively involved in shaping the region's response while preserving Council's ability to make its own future decisions.
- 1.7 Further decisions will be required by Council, including the following anticipated activities:

- Council workshop on options in late June 2026
  - A Council decision in mid July 2026 on an option or options to progress
  - Council workshops on the outline proposal in July 2026
  - A Council decision in early August 2026 on whether to submit an outline proposal to Government.
- 1.8 Any outline proposal submitted by 9 August 2026 should be explicit that it is conditional on a range of factors, including more detailed region-wide consultation and engagement, before any final proposal is submitted in March 2027.

## 2.0 Recommendations - *Ngā Tūtohunga*

### That Council

- a. **Receives** the report titled Simplifying Local Government: Head Start process dated 04 June 2026.
- b. **Notes** that the Government has announced:
  - i. a voluntary Head Start pathway for councils that want to come together to form new unitary authorities, with outline proposals due by midnight on Sunday 9 August 2026.
  - ii. a compulsory Back Stop approach for councils that do not progress through the Head Start pathway, with further detail expected in 2027.
- c. **Agrees** to Napier City Council exploring the Simplifying Local Government Head Start pathway as part of a regional Hawke's Bay process.
- d. **Agrees** to Napier City Council entering into the Regional Reform Memorandum of Understanding with Hastings District Council, Central Hawke's Bay District Council, Wairoa District Council, and Hawke's Bay Regional Council (Doc Id 1913978). (**Attachment 1**).
- e. **Notes** that agreeing to explore the Head Start pathway and entering into the Memorandum of Understanding does not commit Council to submitting an outline proposal to Government.
- f. **Authorises** Mayor McGrath to sign the Regional Reform Memorandum of Understanding on behalf of Napier City Council.
- g. **Delegates authority** to the Chief Executive, in consultation with the Mayor, to approve minor amendments to the Memorandum of Understanding before signing, provided those amendments do not materially change its purpose or effect.
- h. **Notes** the indicative regional work programme, including further Council decision points in July and August 2026.
- i. **Notes** that any future decision to submit an outline proposal to Government will be brought back to Council for formal consideration.

## 3.0 Background - *Ngā Tuāpapa*:

- 3.1 On 5 May 2026, the Government announced policy decisions under the Simplifying Local Government programme to progress local government reorganisation. These decisions move away from the approach consulted on earlier in 2026, replacing Combined Territories Boards and reorganisation plans with two pathways: a voluntary Head Start

pathway and a compulsory Back Stop pathway. The revised approach responds to concerns that the current local government system is complex, fragmented, and difficult for communities to navigate.

- 3.2 The Head Start pathway enables territorial authorities ('councils') to proactively develop and submit proposals for new governance arrangements, specifically the establishment of one or more new unitary authorities. Under this pathway, outline proposals must be submitted to Government by midnight on Sunday 9 August 2026. These will be assessed against five criteria: deliverability, support for the new planning system, simpler local governance, economies of scale, and maintaining a strong local voice.
- 3.3 Under the Head Start pathway, outline proposals are constrained to a single structural outcome: the establishment of new unitary authorities. Where an outline proposal meets the Government's criteria and is supported by Cabinet, councils would have until March 2027 to develop and submit a final proposal. Final arrangements will be implemented through bespoke legislation, with new governance structures in place ahead of the October 2028 local elections.
- 3.4 Regional councils cannot submit a Head Start proposal. However, Hawke's Bay Regional Council has important statutory responsibilities and regional functions that are relevant to any future governance and service delivery arrangements for Hawke's Bay. While Hawke's Bay Regional Council can part of the process, they are excluded from being a decision-maker under the Government's policy settings.
- 3.5 The Back Stop pathway would apply to councils that do not progress through the Head Start pathway. Councils in this pathway will be subject to a compulsory reorganisation process, with details about the approach being developed in 2027 and likely to include a standard approach to local government reorganisation.
- 3.6 The Hawke's Bay Leadership Forum ('the Forum'), comprising the Mayors of Napier, Hastings, Central Hawke's Bay, and Wairoa Councils, and the Chair of the Hawke's Bay Regional Council, has appointed Wayne Eagleson and Lawrence Yule as Independent Advisors to support regional discussions on the future of local government in Hawke's Bay.
- 3.7 The Forum has considered advice that Hawke's Bay councils should agree to explore the Head Start pathway and enter into a Memorandum of Understanding (MoU) to guide the regional process.

#### **4.0 Discussion - Ngā Whakamārama:**

- 4.1 At this early stage, no preferred reorganisation model or outcome has been identified. Napier City Council has an opportunity to explore the Head Start pathway alongside other Hawke's Bay councils.
- 4.2 The decision before Council is whether Napier City Council should join the regional process to explore the Head Start pathway and enter into the proposed MoU.
- 4.3 This is a process decision. It does not determine Council's final position on local government reorganisation. It does not commit Council to supporting a unitary authority, a particular boundary, a particular representation model, or a final proposal.
- 4.4 Outline proposals are due with Government by Sunday 9 August 2026. This leaves limited time for councils to explore options, test evidence, consider mana whenua and community interests, and make formal decisions. Should an outline proposal be

- submitted, this should be subject to councils being able to fulfil these adequately, ahead of submitting a final proposal in March 2027.
- 4.5 The Memorandum of Understanding is intended to support an organised regional process. It establishes a framework for the four Hawke's Bay territorial authorities and Hawke's Bay Regional Council to work together while preserving each council's autonomy.
- 4.6 The proposed MoU sets out a framework for collaboration, including:
- Purpose and scope of arrangements
  - Agreed shared principles
  - Governance and working arrangements
  - Expectations for engagement, including with mana whenua
  - Process commitments
  - Decision-making processes and recognition of council autonomy
  - Commitments relating to communication, confidentiality, duration, participation, and withdrawal.
- 4.7 The MoU recognises that the four territorial authorities will lead the exploration of potential future governance and service delivery arrangements under the Head Start pathway and are the decision-makers under the Government's policy settings. It also recognises the statutory responsibilities, regional functions and perspectives of Hawke's Bay Regional Council.
- 4.8 The MoU states that formal decisions on participation in any future local government reorganisation proposal or submission remain matters for each territorial authority to determine through its own formal decision-making process.
- 4.9 The principles in the MoU are:
- community consultation
  - regional benefit and collective responsibility
  - respect for local identity and democratic representation
  - good faith collaboration and constructive engagement
  - evidence-based and future-focused decision making.
- 4.10 These principles are important because the reform process raises matters that go directly to local democracy, local identity, service affordability and resilience, representation of communities, and the future delivery of key regional functions.
- 4.11 The MoU also acknowledges the importance of meaningful engagement with mana whenua, which is consistent with the Government's expectation that councils engage with post-settlement governance entities on how existing Treaty settlement arrangements could be transferred under any future local government reorganisation. It recognises the importance of maintaining and respecting existing relationships between councils and mana whenua and engaging constructively and in good faith.
- 4.12 Other Forum member councils are also considering the MoU through their respective decision-making processes on 2 and 4 June 2026.

- 4.13 Community engagement is a key issue. The Government has not required public consultation before the 9 August 2026 outline proposal deadline. However, any future proposal would have significant public interest and would require careful consideration under Council's Significance and Engagement Policy and the Local Government Act 2002.
- 4.14 Community communication and engagement throughout the Head Start process will align with the principles of the MoU, with high-level communications coordinated through the IRO to support consistency, transparency, and public understanding across the region. NCC will remain responsible for its own communications and engagement activities, while working collaboratively with partner councils on agreed timing and shared messaging where appropriate.
- 4.15 At this early stage, NCC's proposed approach is to take an "inform, educate and listen" approach to engagement. This light-touch engagement is intended to build community understanding of the Government's reform programme, the Head Start process and the regional approach being undertaken, while also providing an opportunity for early feedback on local priorities, opportunities and concerns. More detailed community consultation and engagement will occur as options and implications become clearer.
- 4.16 Given the compressed timeline, officers recommend that any outline proposal submitted under the Head Start pathway should be clear that it is conditional on community consultation before any final proposal is submitted in March 2027.

## 5.0 Options - He kōwhiringa anō:

### 5.1 Option One - Recommended Option

Council agrees to explore the Head Start pathway as part of the regional Hawke's Bay process and enters into the proposed MoU.

This option would allow Napier City Council to participate fully in the regional work programme and help shape the options that may come back to Council in July and August 2026.

This option does not commit Council to submitting an outline proposal to Government. It preserves Council's ability to consider the evidence, options, risks, community implications and mana whenua feedback before making any further decision.

#### Advantages

- Napier City Council remains actively involved in shaping the regional response to the Government's reform programme.
- Council can influence the evidence base, option development and assessment of local impacts.
- The MoU provides agreed process commitments and working arrangements.
- The approach supports a regional response.
- Council retains full autonomy over future decisions.
- The approach keeps open the opportunity to submit an outline proposal if Council later considers that to be in the city's best interests.

#### Disadvantages

- The work programme will require staff, governance and leadership time during a compressed period.

- The community may perceive the decision to explore the Head Start pathway as a decision to support reorganisation, unless communications are clear.
- There will be limited time for community engagement before the 9 August 2026 outline proposal deadline.
- Working regionally may require compromise on process, timing and messaging.
- Legal, financial, representation and service delivery implications cannot be fully assessed until more detailed options are developed.

## 5.2 Option Two – Status Quo

Council does not agree to enter into the MoU at this time and does not formally participate in the regional Head Start exploration process.

Under this option, Council could continue to monitor the Government's reform process and could consider developing a Head Start pathway proposal independent of the regional exploration process.

### Advantages

- Council would not commit staff and governance resources to the regional work programme at this stage.
- Council would avoid any perception that it has moved toward supporting a particular reorganisation outcome.
- Council could wait for further Government guidance before making process commitments.
- Council could proceed with developing a Napier-specific Head Start pathway proposal independent of the regional process.

### Disadvantages

- Council would have reduced influence over the regional evidence base and options.
- Other Hawke's Bay councils involved in the Head Start pathway would continue to develop a regional position without full Napier City Council participation.
- If Council chose to sign-up to the Head Start pathway at a later date, Council may have less time to consider whether any outline proposal should be submitted before the 9 August 2026 deadline.
- If Council chose not to be involved in the Head Start pathway at all, then Council would be left responding to the Government's future compulsory Back Stop approach.
- The option may weaken the region's ability to present a coherent Hawke's Bay response.

Officers do not recommend Option Two because the Government's timeframe is compressed and Council's interests are best protected by participating in the regional process while preserving future decision rights. Proceeding with an independent approach outside of the regional process is not recommended at this stage because the Government's criteria require consideration of regional governance, economies of scale, regional functions, and local voice.

## 6.0 Next Steps - Te Koke

## Extraordinary Council - 04 June 2026 - Open Agenda

- 6.1 Council could ask officers to seek changes to the MoU before signing. This remains available if Council identifies material issues. The recommendation includes a delegation for minor amendments only. Any material change would need to be agreed by all participating councils and could delay the work programme in an already compressed timeline.
- 6.2 If Council agrees to the recommendations, the Mayor will sign the MoU on behalf of Napier City Council subject to any minor amendments approved under delegation.
- 6.3 A draft regional work programme has been developed to support progression through the Head Start pathway, subject to agreement to enter into the MoU. The next phase of work will focus on developing and testing potential arrangement options. This will likely include consideration of Government criteria, local voice, regional functions, service delivery, affordability, planning system implications, mana whenua interests and transition risks.
- 6.4 The work programme is structured around three key Council decision points:
- Late May to early June: Council workshop and meeting (this meeting) to decide whether to explore the Head Start pathway and enter into the MoU.
  - Late June to mid July: Council workshop and meeting to consider and endorse option or options.
  - Early July to early August: Council workshops to review and consider draft outline proposal and meeting to decide whether to submit outline proposal to Government.
- 6.5 The high-level timeline for the subsequent stages of the Simplifying Local Government policy rollout is outlined below.

<b>2026</b>	
Sunday 9 August	Outline proposals due to Government
September	Cabinet agrees to outline proposals 'in-principle'
October	Cabinet response to outline proposals expected
TBC (Oct 2026 – Feb 2027)	Formal public consultation will be required ahead of final proposal submission
<b>2027</b>	
March	Final proposals due to Government
May	Cabinet confirms Head Start proposals and model for Back Stop arrangements
Quarters 3 / 4	Cabinet approves legislation and legislation introduced
<b>2028</b>	
Quarter 1	Legislation enacted
May	Proposal implementation begins Nominations for local elections
October	Back Stop stop begins Local elections

## 7.0 Attachments

- 1 [↕](#) Hawke's Bay Regional Reform Memorandum of Understanding Doc Id: 1913978

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### **Summary of Considerations - *Tuhinga Whakarāpopoto:***

Napier City Council has an opportunity to explore the Head Start pathway as part of the Government's Simplifying Local Government reforms, alongside other Hawke's Bay councils, through agreeing to a regional Memorandum of Understanding (MoU). Entering into the MoU does not commit Council to submitting a Head Start outline proposal.

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### **Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero***

The decision supports Council's ability to consider how local governance and service delivery arrangements may best support the present and future wellbeing of communities. The current decision is procedural. It enables Council to explore options and does not determine a future governance structure.

Councils participating in the Head Start process must continue to meet all statutory obligations (including representation reviews, long term plans, and planning reform) and must continue to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. This includes enabling democratic local decision-making and action by (and on behalf) of communities now and in the future.

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### **Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:***

The MoU acknowledges the importance of maintaining and respecting existing relationships between councils and mana whenua and commits to engagement that is constructive and in good faith. It also recognises that mana whenua perspectives will be critical in informing any future governance or service delivery arrangements. Meaningful engagement with mana whenua will be required throughout the process. Very early engagement has been initiated.

Government has signalled expectations that councils engage with post-settlement governance entities on how existing Treaty settlement arrangements could be transferred under any future local government reorganisation.

This report does not make a decision on a reorganisation proposal.

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### **Climate Change - *Te Huringa o te āhuarangi***

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks.

However, future governance and service delivery arrangements arising from any reorganisation may influence how climate change mitigation and adaptation are planned for and delivered at a wider regional scale.

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### **LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga***

Councils participating in the Head Start process must continue to deliver existing statutory obligations and must continue to give effect to the purpose of local government.

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### **Financial considerations - *Whai whakaaro Ahumoni:***

There are no direct capital or operational funding decisions sought in this report.

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The regional work programme will require officer time, Costs associated with developing an outline proposal (and any subsequent detailed proposal) under the proposed MoU, or through alternative arrangements, are expected to be met within existing baseline budgets.

Any future local government reorganisation options could have significant financial implications, including rating, debt, asset ownership, service levels, transition costs and long-term affordability. Those matters are not considered by this report and will need to be assessed in future reports.

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#### **Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:***

This decision has been assessed as high significance under the Council's Significance and Engagement Policy.

Community engagement is a key issue. The Government has not required public consultation before the 9 August 2026 outline proposal deadline. The compressed timeframe for developing an outline proposal limits opportunities for broad community consultation at this stage. Initial engagement will therefore focus on a light-touch approach to inform the community of the Simplifying Local Government reform programme and to seek early feedback on local priorities.

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#### **Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)***

A communications and engagement approach is being developed to support the regional process and ensure communities, staff and stakeholders receive clear and consistent information, with provision for local adaptation as required. As noted above, the timeframe for preparing an outline proposal may constrain the scale of community engagement in early stages, however any outline proposal resulting from this work will need to clearly signal full public consultation is required before any final proposal is submitted in March 2027.

Community communication and engagement throughout the Head Start process will align with the principles of the MoU, with high-level communications coordinated through the IRO to support consistency, transparency and public understanding across the region. NCC will remain responsible for its own communications and engagement activities, while working collaboratively with partner councils on agreed timing and shared messaging where appropriate.

At this very early stage, NCC's proposed approach is to take an "inform, educate and listen" approach to engagement. This is intended to build community understanding of the Government's reform programme, the Head Start process and the regional approach being undertaken, while also providing an opportunity for early feedback on local priorities. More detailed community consultation and engagement will occur as options become clearer.

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#### **Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumarū***

The key risk is that the Head Start pathway process is moving quickly, with limited time for detailed analysis, adequate mana whenua engagement or full community consultation before the August deadline. This risk can be managed, but not removed, by being clear that the current decision is only to explore options, and that any outline proposal submitted to Government would be conditional on a number of factors, including later community consultation before a final proposal would be submitted.

This work must be delivered alongside Council's statutory and other obligations (e.g. LTP, planning reform, water services entity), creating capacity pressure. While expected to be managed within baseline budgets, the scale of work could create cost pressures or require

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reprioritisation of the work programme. The financial implications of any reorganisation are not yet known and must be assessed before any future decision on an outline proposal.

Councils may not reach consensus on a preferred option. The MoU preserves each council's autonomy while supporting good-faith collaboration.

Legal, governance, and policy advice will be worked through before any later decision to submit an outline proposal to Government.

If no outline proposal is submitted, Council will be subject to a nationally determined reorganisation model.

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# Hawke's Bay Councils

## Regional Reform Memorandum of Understanding

### 1. Parties

This Memorandum of Understanding (MoU) is entered into between:

- Hastings District Council
- Napier City Council
- Central Hawke's Bay District Council
- Wairoa District Council
- Hawke's Bay Regional Council

(together referred to as "the Parties").

### 2. Purpose

The purpose of this MoU is to establish a collaborative framework through which the four Hawke's Bay territorial authorities and the Hawke's Bay Regional Council will jointly explore opportunities for future regional governance and service delivery reform in the context of the Government's Simplifying Local Government reforms. In particular, this includes agreement to consider options under the Head Start pathway.

This MoU is intended to support a constructive, evidence-based, and regionally focused process for considering future arrangements that may better support the long-term affordability, resilience and prosperity of Hawke's Bay communities.

This MoU relates to the process through which the Parties will work together and does not commit any Party to a predetermined governance, structural, or organisational outcome.

The understandings recorded in this MoU are subject to each of the Parties undertaking such consultation and engagement with its communities, mana whenua, and stakeholders on the proposed Local Government reforms and options available.

### 3. Role of the Territorial Authorities

The Parties acknowledge that the four Hawke's Bay territorial authorities are leading the exploration of potential future governance and service delivery arrangements under this MoU, including consideration of participation in the Government's Head Start local government reform pathway. The Parties further acknowledge the statutory responsibilities, regional functions, and perspectives of Hawke's Bay Regional Council and the importance of its participation throughout the process.

The Parties acknowledge that there may be aspects of the work programme associated with this MoU that are specific to the responsibilities, obligations, or decision-making requirements of the territorial authorities, and that the territorial authorities may, where appropriate, progress aspects of this work collaboratively and independently while continuing to keep Hawke's Bay Regional Council appropriately informed.

Formal decisions relating to participation in any future local government reorganisation proposal or submission under the Government's reform programme remain matters only for territorial authorities to determine through their own formal decision-making processes.

## 4. Principles

All work undertaken through this MoU must be informed and aligned with the following set of principles:

### 1. *Community Consultation*

The Parties recognise the importance of community views and commit to undertaking community consultation as part of any reform process. Each Party may conduct this in a manner of their choice, but the Parties agree that it would be beneficial for this to be done on an agreed common timeframe.

### 2. *Regional Benefit and Collective Responsibility*

The Parties acknowledge that the prosperity, resilience and wellbeing of Hawke's Bay are interconnected, and that many of the region's future challenges and opportunities are best considered collectively. The Parties also acknowledge that the delivery of local government services is becoming increasingly unaffordable for many in Hawke's Bay.

### 3. *Respect for Local Identity and Democratic Representation*

The Parties recognise the importance of local identity, community representation, and democratic accountability within Hawke's Bay and commit to ensuring these considerations remain central throughout the process.

### 4. *Good Faith Collaboration and Constructive Engagement*

The Parties commit to working collaboratively, respectfully and in good faith, including through the open sharing of information, constructive engagement, and a commitment to maintaining positive inter-council relationships.

### 5. *Evidence-Based and Future-Focused Decision Making*

The Parties commit to exploring future governance and service delivery options through robust evidence, strategic analysis, and a long-term focus on delivering sustainable outcomes for the communities of Hawke's Bay.

The Parties acknowledge the compressed timeframes associated with the Government's reform programme and commit to using their best efforts to progress constructive, evidence-based analysis and decision-making within the available timeframes.

## 5. Governance and Working Arrangements

The Parties agree to establish and maintain appropriate governance and working arrangements to support the process established under this MoU, which will include:

- A Mayoral Forum;
- A Chief Executive Steering Group;
- A Council Reference Group comprising senior officers from each Party;
- The Independent Advisors to the region;
- Engagement with mana whenua and key stakeholders; and

- Agreed work programmes and reporting arrangements.

The Chief Executive and Officers from the HBRC will be members of the officer-level groups.

The Interim Regional Office and the Council Reference Group will support coordination, information sharing, analysis, and the progression of work programmes associated with this MoU.

## 6. Engagement with Mana Whenua

The Parties acknowledge the importance of meaningful engagement with mana whenua throughout the process established under this MoU.

The Parties acknowledge the importance of maintaining and respecting existing relationships between councils and mana whenua and commit to engaging with mana whenua constructively and in good faith throughout the process.

The Parties further acknowledge that the perspectives of mana whenua will be important in informing consideration of any future governance or service delivery arrangements within Hawke's Bay.

## 7. Process Commitments

The Parties acknowledge the importance of maintaining momentum, transparency, and effective communication throughout the process established under this MoU.

Accordingly, the Parties agree that:

- The Mayoral Forum will meet at least monthly, unless otherwise agreed by the Parties;
- Each Mayor, Chair and Chief Executive is responsible for ensuring their respective council is appropriately informed regarding progress, key issues, and matters requiring consideration throughout the process;
- Each Party remains responsible for its own governance processes and decision-making requirements;
- The Parties will work collaboratively and in good faith to ensure that any decisions, approvals, or documentation required to support participation in the Government's Simplifying Local Government Head Start pathway are progressed within the relevant Government timeframes, including the initial proposal submission date of 9 August 2026;
- Where practical, the Parties will seek to align work programmes, reporting, and decision-making timeframes to support an efficient regional process.

## 8. Decision-Making

The Parties will seek to work collaboratively and reach consensus wherever possible throughout the process.

Each Party retains full autonomy regarding its own governance and formal decision-making processes in accordance with the requirements of the Local Government Act 2002.

Participation in this MoU does not limit or override the statutory obligations or decision-making responsibilities of any Party.

## **9. Communications and Media**

The Parties acknowledge the importance of maintaining trust, confidence, and constructive regional relationships throughout the process.

Accordingly, the Parties agree to speaking with respect to the views and positions of all Parties.

Where appropriate, the Parties may agree to joint communications, public statements, or coordinated engagement approaches.

## **10. Confidentiality**

The Parties acknowledge that frank discussion and the exchange of preliminary information will be necessary throughout the process and agree to maintain appropriate confidentiality where required to support constructive engagement.

## **11. Resources and Participation**

Each Party agrees to reasonably support the process through the provision of staff resources, participation in agreed work programmes, and the sharing of relevant information where appropriate.

## **12. Duration and Review**

This MoU will commence on the date it is signed by all Parties and will remain in effect until it is:

- Replaced by agreement of the Parties;
- Terminated by agreement of the Parties; or
- Withdrawn from by a Party in accordance with this MoU.

The Parties agree to periodically review the effectiveness and operation of this MoU

## **13. Withdrawal**

Any Party may withdraw from this MoU at any time by providing written notice to the other Parties.

Prior to withdrawal, the Parties commit to making reasonable efforts to discuss and resolve any matters giving rise to the proposed withdrawal.

## **14. Status of MoU**

Except where expressly stated, this MoU is not intended to create legally binding obligations between the Parties.

## 15. Signatories

### Hastings District Council

Mayor Wendy Schollum

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

### Napier City Council

Mayor Richard McGrath

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

### Central Hawke's Bay District Council

Mayor Will Foley

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

### Wairoa District Council

Mayor Craig Little

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

### Hawke's Bay Regional Council

Chair, Councillor Sophie Siers

Signed: \_\_\_\_\_

Date: \_\_\_\_\_