

EXTRAORDINARY COUNCIL

Open Minutes

Meeting Date: Thursday 4 June 2026

Time: 1.30pm – 1.44pm (Simplifying Local Government)

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's YouTube Channel

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

In Attendance Chief Executive (Louise Miller)
Deputy Chief Executive / Executive Director Corporate & Commercial Services (Jessica Ellerm)
Executive Director Strategy & Urban Development (Rachael Bailey)
Executive Director Water Services (Russell Bond)
Executive Director Community Services (Thunes Cloete)
Head of Finance, Data & Digital (Caroline Thomson)
Communications, Marketing & Engagement Manager (Julia Stevens)
Principal Policy Analyst (Michele Grigg)

Administration Governance Advisor (Carolyn Hunt)

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ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia.

Apologies

COUNCIL RESOLUTION

Councillors Mawson / Raihania

That the apology for absence of from Councillor Crown be accepted.

Carried

Conflicts of interest

Nil

Announcements by the Mayor

Nil

Announcements by the management

Nil

AGENDA ITEMS

1. SIMPLIFYING LOCAL GOVERNMENT: HEAD START PROCESS

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1913400
<i>Reporting Officer/s & 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.

At the meeting

The Executive Director Strategy & Urban Development, Ms Bailey supported by Ms Grigg highlighted key points in the report and whether Napier should participate in a regional process to explore the Government's new Head Start process.

Ms Bailey advised that Hastings District Council had confirmed signing the Memorandum of Understanding on Tuesday, 2 June 2026 and Central Hawke's Bay District Council had confirmed signing on 4 June 2026. There was no update from Wairoa District Council.

In response to questions the following was clarified:

- Ms Bailey advised that no Government funding has been provided for this process, and it is anticipated that the associated costs will be met by ratepayers. The regional work being undertaken by the Interim Regional Office is funded through contributions from each council that supported the Regional Recovery Agency, with those funds now extended to cover shared initiatives. Beyond this, the work will be absorbed by individual councils through officer time, which is funded by ratepayers.
- As options are explored, officers will identify what information can be provided to Council to help assess whether any future arrangements would improve affordability outcomes for communities.
- While the timeframe is challenging, as much economic affordability analysis as possible would be undertaken within this period. As affordability is one of the criteria the Government will use to assess the Council's application, it will be important to provide sufficient information to demonstrate how it is being met.

Noted at the meeting, the Government reform framework identifies PSGEs as the primary engagement partners. However, within our region many relationships and responsibilities sit at the hapū level. While recognising PSGEs it is important to ensure hapū are appropriately included and represented within iwi engagement processes. It was also noted that the term *mana whenua* is used in the paper, and that *mana whenua* status sits with our hapū.

COUNCIL RESOLUTION

Councillors Raihania / Chrystal

That Council

- a. **Receives** the report titled Simplifying Local Government: Head Start process dated 04 June 2026.
 - b. **Notes** that the Government has announced:
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- 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).
 - 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.

Carried

Minor matters

There were no minor matters to discuss.

The meeting closed with a karakia at 1.44pm

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

Chairperson

Date of approval