



AGENDA

Strategy, Finance and Risk Committee meeting Monday, 14 November 2022

I hereby give notice that a Strategy, Finance and Risk Committee meeting will be held on:

Date: Monday, 14 November 2022

Time: 9.30am

Location: BoP Regional Council Chambers
Regional House
1 Elizabeth Street
Tauranga

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

Marty Grenfell
Chief Executive

Terms of reference – Strategy, Finance & Risk Committee

Membership

Chairperson	Commission Chair Anne Tolley
Deputy chairperson	Dr Wayne Beilby – Tangata Whenua representative
Members	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley Matire Duncan, Te Rangapū Mana Whenua o Tauranga Moana Chairperson Te Pio Kawe – Tangata Whenua representative Rohario Murray – Tangata Whenua representative Bruce Robertson – External appointee with finance and risk experience
Quorum	Five (5) members must be physically present, and at least three (3) commissioners and two (2) externally appointed members must be present.
Meeting frequency	Six weekly

Role

The role of the Strategy, Finance and Risk Committee (the Committee) is:

- to assist and advise the Council in discharging its responsibility and ownership of health and safety, risk management, internal control, financial management practices, frameworks and processes to ensure these are robust and appropriate to safeguard the Council's staff and its financial and non-financial assets;
- to consider strategic issues facing the city and develop a pathway for the future;
- to monitor progress on achievement of desired strategic outcomes;
- to review and determine the policy and bylaw framework that will assist in achieving the strategic priorities and outcomes for the Tauranga City Council.

Membership

The Committee will consist of:

- four commissioners with the Commission Chair appointed as the Chairperson of the Committee
- the Chairperson of Te Rangapū Mana Whenua o Tauranga Moana
- three tangata whenua representatives (recommended by Te Rangapū Mana Whenua o Tauranga Moana and appointed by Council)
- an independent external person with finance and risk experience appointed by the Council.

Voting Rights

The tangata whenua representatives and the independent external person have voting rights as do the Commissioners.

The Chairperson of Te Rangapu Mana Whenua o Tauranga Moana is an advisory position, without voting rights, designed to ensure mana whenua discussions are connected to the committee.

Committee's Scope and Responsibilities

A. STRATEGIC ISSUES

The Committee will consider strategic issues, options, community impact and explore opportunities for achieving outcomes through a partnership approach.

A1 – Strategic Issues

The Committee's responsibilities with regard to Strategic Issues are:

- Adopt an annual work programme of significant strategic issues and projects to be addressed. The work programme will be reviewed on a six-monthly basis.
- In respect of each issue/project on the work programme, and any additional matters as determined by the Committee:
 1. Consider existing and future strategic context
 2. Consider opportunities and possible options
 3. Determine preferred direction and pathway forward and recommend to Council for inclusion into strategies, statutory documents (including City Plan) and plans.
- Consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 that are referred to the Committee by the Chief Executive.
- To take appropriate account of the principles of the Treaty of Waitangi.

A2 – Policy and Bylaws

The Committee's responsibilities with regard to Policy and Bylaws are:

- Develop, review and approve bylaws to be publicly consulted on, hear and deliberate on any submissions and recommend to Council the adoption of the final bylaw. (The Committee will recommend the adoption of a bylaw to the Council as the Council cannot delegate to a Committee the adoption of a bylaw.)
- Develop, review and approve policies including the ability to publicly consult, hear and deliberate on and adopt policies.

A3 – Monitoring of Strategic Outcomes and Long Term Plan and Annual Plan

The Committee's responsibilities with regard to monitoring of strategic outcomes and Long Term Plan and Annual Plan are:

- Reviewing and reporting on outcomes and action progress against the approved strategic direction. Determine any required review / refresh of strategic direction or action pathway.
- Reviewing and assessing progress in each of the six (6) key investment proposal areas within the 2021-2031 Long Term Plan.
- Reviewing the achievement of financial and non-financial performance measures against the approved Long Term Plan and Annual Plans.

B. FINANCE AND RISK

The Committee will review the effectiveness of the following to ensure these are robust and appropriate to safeguard the Council's financial and non-financial assets:

4. Health and safety.
5. Risk management.
6. Significant projects and programmes of work focussing on the appropriate management of risk.
7. Internal and external audit and assurance.
8. Fraud, integrity and investigations.
9. Monitoring of compliance with laws and regulations.
10. Oversight of preparation of the Annual Report and other external financial reports required by statute.
11. Oversee the relationship with the Council's Investment Advisors and Fund Managers.
12. Oversee the relationship between the Council and its external auditor.
13. Review the quarterly financial and non-financial reports to the Council.

B1 - Health and Safety

The Committee's responsibilities through regard to health and safety are:

1. Reviewing the effectiveness of the health and safety policies and processes to ensure a healthy and safe workspace for representatives, staff, contractors, visitors and the public.
2. Assisting the Commissioners to discharge their statutory roles as "Officers" in terms of the Health and Safety at Work Act 2015.

B2 - Risk Management

The Committee's responsibilities with regard to risk management are:

1. Review, approve and monitor the implementation of the Risk Management Policy, Framework and Strategy including the Corporate Risk Register.
2. Review and approve the Council's "risk appetite" statement.
3. Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance, significant projects and programmes of work, and significant procurement.
4. Review risk management reports identifying new and/or emerging risks and any subsequent changes to the "Tier One" register.

B3 - Internal Audit

The Committee's responsibilities with regard to the Internal Audit are:

5. Review and approve the Internal Audit Charter to confirm the authority, independence and scope of the Internal Audit function. The Internal Audit Charter may be reviewed at other times and as required.
6. Review and approve annually and monitor the implementation of the Internal Audit Plan.
7. Review the co-ordination between the risk and internal audit functions, including the integration of the Council's risk profile with the Internal Audit programme. This includes assurance over all material financial, operational, compliance and other material controls. This includes legislative compliance (including Health and Safety), significant projects and programmes of work and significant procurement.

8. Review the reports of the Internal Audit functions dealing with findings, conclusions and recommendations.
9. Review and monitor management's responsiveness to the findings and recommendations and enquire into the reasons that any recommendation is not acted upon.

B4 - External Audit

The Committee's responsibilities with regard to the External Audit are:

10. Review with the external auditor, before the audit commences, the areas of audit focus and audit plan.
11. Review with the external auditors, representations required by commissioners and senior management, including representations as to the fraud and integrity control environment.
12. Recommend adoption of external accountability documents (LTP and annual report) to the Council.
13. Review the external auditors, management letter and management responses and inquire into reasons for any recommendations not acted upon.
14. Where required, the Chair may ask a senior representative of the Office of the Auditor General (OAG) to attend the Committee meetings to discuss the OAG's plans, findings and other matters of mutual interest.
15. Recommend to the Office of the Auditor General the decision either to publicly tender the external audit or to continue with the existing provider for a further three-year term.

B5 - Fraud and Integrity

The Committee's responsibilities with regard to Fraud and Integrity are:

16. Review and provide advice on the Fraud Prevention and Management Policy.
17. Review, adopt and monitor the Protected Disclosures Policy.
18. Review and monitor policy and process to manage conflicts of interest amongst commissioners, tangata whenua representatives, external representatives appointed to council committees or advisory boards, management, staff, consultants and contractors.
19. Review reports from Internal Audit, external audit and management related to protected disclosures, ethics, bribery and fraud related incidents.
20. Review and monitor policy and processes to manage responsibilities under the Local Government Official Information and Meetings Act 1987 and the Privacy Act 2020 and any actions from the Office of the Ombudsman's report.

B6 - Statutory Reporting

The Committee's responsibilities with regard to Statutory Reporting relate to reviewing and monitoring the integrity of the Annual Report and recommending to the Council for adoption the statutory financial statements and any other formal announcements relating to the Council's financial performance, focusing particularly on:

21. Compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards.
22. Compliance with applicable legal requirements relevant to statutory reporting.
23. The consistency of application of accounting policies, across reporting periods.
24. Changes to accounting policies and practices that may affect the way that accounts are presented.
25. Any decisions involving significant judgement, estimation or uncertainty.
26. The extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed.

27. The disclosure of contingent liabilities and contingent assets.
28. The basis for the adoption of the going concern assumption.
29. Significant adjustments resulting from the audit.

Power to Act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.
- This Committee has **not** been delegated any responsibilities, duties or powers that the Local Government Act 2002, or any other Act, expressly provides the Council may not delegate. For the avoidance of doubt, this Committee has **not** been delegated the power to:
 - make a rate;
 - make a bylaw;
 - borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan (LTP);
 - adopt the LTP or Annual Plan;
 - adopt the Annual Report;
 - adopt any policies required to be adopted and consulted on in association with the LTP or developed for the purpose of the local governance statement;
 - adopt a remuneration and employment policy;
 - appoint a chief executive.

Power to Recommend

To Council and/or any standing committee as it deems appropriate.

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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022

File Number: A14194774

Author: Robyn Garrett, Team Leader: Governance Services

Authoriser: Robyn Garrett, Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022



MINUTES

Strategy, Finance and Risk Committee Meeting

Monday, 3 October 2022

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**MINUTES OF TAURANGA CITY COUNCIL
STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE BOP REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 3 OCTOBER 2022 AT 9.30AM**

PRESENT: Commission Chair Anne Tolley, Dr Wayne Beilby, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley, Mr Te Pio Kawe, Ms Rohario Murray, Mr Bruce Robertson

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Sarah Omundsen (General Manager: Regulatory and Compliance), Corinne Frischknecht (Senior Urban Planner), Alistair Talbot, (Team Leader: Structure Planning & Strategic Transport), Andrew Mead (Manager: City Planning & Growth), Ceilidh Dunphy (Community Relations Manager), Coral Hair (Manager: Democracy & Governance Services), Robyn Garrett (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Te Pio Kawe opened the meeting with a karakia.

2 APOLOGIES

2.1 Apologies

COMMITTEE RESOLUTION SFR10/22/1

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the apology for absence from Ms Matire Duncan be received.

CARRIED

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 12 September 2022

COMMITTEE RESOLUTION SFR10/22/2

Moved: Commissioner Stephen Selwood

Seconded: Dr Wayne Beilby

That the open and public excluded minutes of the Strategy, Finance and Risk Committee meeting held on 12 September 2022 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 BUSINESS

9.1 Adoption of Ōtūmoetai Spatial Plan

Staff Christine Jones, General Manager: Strategy, Growth and Governance
Corinne Frischknecht, Senior Urban Planner
Carl Lucca, Team Leader: Urban Communities

Key points

Sets out the vision for how and where growth would occur between 2022 and 2050 in the Ōtūmoetai peninsula.

Inclusive process in partnership with mana whenua and key stakeholders.

Two rounds of public consultation had been held including a successful social media pinpoint active tool receiving 1,200 comments.

The second round of engagement included 60 projects, with respondents able to share and comment on those projects.

Three Pou established to recognise the cultural significance through future growth - Mana Rangatiratanga, Mana Taiao, Mana Tangata.

Four key strategic outcomes to achieve - unique neighbourhoods, liveable neighbourhoods, connected neighbourhoods, healthy neighbourhoods.

Key centre plans provided an overview of expectations for planning and improvement with the key directions and actions to be taken.

The action plan outlined how to deliver the actions; some were funded, and others would need to be funded with project partners and future Long-term Plans.

Partnership with mana whenua would be essential.

Ongoing implementation would be tested through modelling etc to ensure actions continued to meet the plan and outcomes.

In response to questions

The overview should be changed to provide a stronger emphasis on the well-being of the people that currently lived there.

It was agreed that the area was growing and focus would be on it being a great place to live. Need to consider how to support the wellbeing of the community now and into the future through connected neighbourhoods, parks fit for purpose and used, safe ways to travel etc. Another stage to the project was to package and prioritise actions with funding requirements and whether they included external funding partners.

Adopting the plan did not commit the Council to implementation, it provided a direction of travel to achieve the plan's outcomes. Staff were looking for guidance on what items were considered priorities and would then look at the impact and could refine or remove as required. The plan needed to be finalised for the works to flow into the Long-term Plan (LTP).

Recommendation (c) was changed to - *Endorses in principle the intention and direction of the Ōtūmoetai Spatial Plan.*

The plan would need clear guidance and framework and the three Pou were an important part of that. Prioritisation would sit alongside other citywide discussions.

Consideration of the protection of marae with the growth in the area was being addressed by working closely with Ngai Tamarāwaho with the intensification around Brookfield. It would include how initiatives could be provided around the marae to improve the amenities and public transport links. It was noted that the ability for dwellings to be able to be built up to three stories was out of Council's control but there were view shaft provisions which would remain.

Discussion points raised

More emphasis to be given to the community already living in the area.

Looking into the future - with an anticipated 5,000 more people and 2,200 dwellings - funding required would be substantial, with limited funding in the current LTP. Some of the facilities serviced the city-wide area not just the local community and were a destination for the city.

The meeting congratulated staff on the plan, noting that the community consultation and engagement processes were innovative and good.

The consideration of the Action and Investment Plan would need to be extensively workshopped signalling what items would need to be included into the LTP, the implications of ability to fund through the LTP, which items were on a wish list to possibly be funded into the future and where the accountability lay to measure achievement over a long period of time.

There were items in the plan which could result in tangible change benefits/quick wins within the community.

COMMITTEE RESOLUTION SFR10/22/3

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

1. Receives the 'Ōtūmoetai Spatial Plan' report.
2. Acknowledges the contribution from the community through the engagement process and notes that this input has been reflected within the Ōtūmoetai Spatial Plan presented for consideration.
3. Endorses in principle the intention and direction of the Ōtūmoetai Spatial Plan.
4. Notes that a further Strategy, Finance and Risk Committee discussion is required to address the issue of prioritisation and funding of actions within the proposed Plan.

CARRIED

9.2 Transport Emissions Projection Tool

Staff Alistair Talbot, Team Leader: Structure Planning & Strategic Transport

External Craig Richards and Rick Lomax - BECA

Key points

A power point presentation outlined the purpose of the projection tool, which was to aid Council's understanding of potential for specific interventions or levers needed to achieve emissions reduction targets.

National decarbonisation level to reduce 41% by 2035 on the 2019 emissions level was set but how this would be achieved was still being engaged on.

The Ministry of Transport had determined a target for Tauranga City Council (TCC) of 21%.

Bay of Plenty Regional Council had provided a community carbon footprint assessment setting out greenhouse gas levels for TCC for three years – the assessment's broader emissions included marine and airport as well as land transport.

The projection tool developed covered all different modes of road transport, how people and goods were carted around, the type of vehicles and fuel used.

Model hierarchy noted the different variables included kilometres travelled, travel avoidance measures, mode shift, fuels to give outputs and changes in vehicle kms travelled 2035 and 2050 horizons.

Scenarios included working from home and the limited impact this had on emissions.

Scenario C noted that improving the way freight moved from road to rail with a greater shift to hybrid and electric vehicles would have a considerable impact on emissions.

Council was able to influence some levers more than others.

In response to questions

Queried how significant behaviour change proposed could be achieved without being given an understanding of why the changes in behaviour were needed.

It was suggested it would be interesting to compare the during and post Covid vehicle use with today's vehicle use, and whether there was an increase in people working from home, trips avoided, percentage of car sharing etc.

The tool showed the size of the challenges within a growing city that had a car dependency.

The government fundability was high on aspiration and low on funding with a suggestion that the TCC share would be around \$15m. This was not considered anywhere near enough and no rigour seemed to be given around the feasibility of that by the government.

Ongoing conversations were being held with the Ministry of Transport about confirming national targets and sharing the tool with them. Engagement would continue with key partners.

Waka Kotahi was developing guidance which would apply to a number of workstreams and business cases.

The Climate Change Action and Investment plan visions were already set and were working towards 2050 emissions.

Nationally there was no agreement for who was responsible for marine freight around the country, therefore there was currently no requirement to include marine freight. This may need to be integrated going forward.

The transference of mode from road to marine transport had pros and cons, it included the amount of freight and how it moved to and from the port. Air freight was more carbon intensive than other forms. There were opportunities at a national level to consider this.

Everyday use of vehicles was one of the areas that could not easily be addressed. Different land use patterns including intensification etc were not addressed. There may be other methods outside of the tool to assist with those.

Discussion points raised

Congratulations was passed on to the team for developing the tool, it was leading edge, and it was noted that the Ministry of Transport had expressed an interest in using the tool.

COMMITTEE RESOLUTION SFR10/22/4

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- Receives the report "Transport Emissions Projection Tool".

CARRIED

Attachments

- 1 Transport Emissions Projection Tool Presentation PDF

10 DISCUSSION OF LATE ITEMS

Nil

The closing karakia would take place at the end of the Council meeting to follow this meeting.

Resolutions transferred into the open section of the meeting after discussion

Nil

The meeting closed at 10.48 am.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 14 November 2022.

.....
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 Priority One - Annual Report 2021/22

File Number: A13875256

Author: Lisa Gilmour, City Partnership Specialist

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

PURPOSE OF THE REPORT

1. That Council receives Priority One's Annual Report for 2021/22, in accordance with the terms of the joint service delivery contract between Priority One and the two councils.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Priority One - Annual Report 2021/22".

EXECUTIVE SUMMARY

1. Priority One's Annual Report for 2021/22 covers the key outputs of their work during that period.
2. The report, provided at Attachment 1, addresses the requirements under the partnership agreement with Tauranga City Council and Western Bay of Plenty District Council to report annually to Council on actions taken.
3. Priority One align their agreed priorities set out in the partnership agreement with those of their board and membership base through their strategic plan.
4. The contract with Priority One is in accordance with the status and powers of local government as set out in section 12 of the Local Government Act 2002.

BACKGROUND

5. The Annual Report is provided by the economic development agency to Council as part of its role to ensure the organisation's performance is consistent with Council's partnership agreement with them.
6. Priority One is the Western Bay of Plenty's economic development organisation, established in 2001 by the business community in partnership with the sub-region's local authorities. Priority One's role is to grow the economy of the region. They work with local authorities to ensure local government and business needs and aspirations are aligned.
7. Key achievements outlined in the report include:
 - Ara Rau skills and employment hub have supported over 200 people into sustainable employment or training to work pathways in 2021/22. In addition, Ara Rau and Toi Kai Rawa (the region's Māori economic development agency) have worked actively to support Māori economic development and worked closely with local iwi to support their training and employment initiatives.
 - Priority One, in collaboration with member businesses, held a Future of Work Forum with Deputy Prime Minister, Grant Robertson, in February and are now developing a series of activations supporting the development, retention, and attraction of talent to the region.

- Priority One have been collaborating closely with the University of Waikato to support several initiatives to grow Tauranga's reputation as a tertiary destination, with the goal of attracting 5,000 students to study here.
- New scholarships and degree offerings have been announced and the first R&D lab has been opened specifically focussed on engineering and technology for primary industries. The lab offers students the opportunity to work on projects including automation, robotics, artificial intelligence, aquaculture, and marine biotechnology. It is another step on our collaborative journey to establish Tauranga as a global destination for innovation.
- Priority One has led the development of Tauranga's CBD Blueprint, which identifies \$1.5 billion in private sector investment into the city centre. This is the result of fostering relationships with key developers and city stakeholders, and promotes the reinstatement of Tauranga's city centre as the civic, commercial and cultural capital of the Bay of Plenty.
- A group called Hydrogen X has been set up to find alternative ways to fuel transport sectors across heavy machinery, port infrastructure, material handling, freight, and public transport. One of the many initiatives includes the establishment of Aotearoa New Zealand's first hydrogen education and training facility, through Te Pukenga – Toi Ohomai, and commencing late 2023.
- Priority One have led the collaboration to undertake a feasibility study investigating a community stadium. A business case is now being completed and due before the end of 2022.
- The Western Bay of Plenty Infrastructure Forum was established in early 2022 as a platform to highlight the infrastructure needs of the region. The group exists to actively discuss key challenges and advocate for the infrastructure needs critical for business success.

STRATEGIC / STATUTORY CONTEXT

8. Council's partnership with Priority One helps us deliver our community outcomes and contribute to a city that is well planned, with a variety of successful and thriving compact centres and resilient infrastructure.
9. A successful economic development organisation plays a key role in making a significant contribution to the social, economic, cultural, and environmental well-being of the region.
10. Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs, and a skilled workforce.

OPTIONS ANALYSIS

11. There are no options as Council is only receiving Priority One's Annual Report for 2021/22.

FINANCIAL CONSIDERATIONS

12. The financial considerations are outlined in the main body of the report.

LEGAL IMPLICATIONS / RISKS

13. The Annual Report meets the legislative requirements for the economic development agency to provide Council with an overview of performance.

CONSULTATION / ENGAGEMENT

14. No consultation or engagement is required or planned.

SIGNIFICANCE

15. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and

Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

16. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
17. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

18. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

19. Priority One will have an opportunity to present their Annual Report and answer any questions during the Committee's consideration of this paper on 14 November.
20. The report will be published on Priority One's website.

ATTACHMENTS

1. **Priority One - Annual Report 2021/22 - A14141184** [↓](#) 

9.2 Delivering Better Outcomes - City Waters Enhanced Procurement

File Number: A14113786

Author: Kelvin Hill, **Manager:** Water Infrastructure Outcomes

Authoriser: Nic Johansson, **General Manager:** Infrastructure

PURPOSE OF THE REPORT

1. To inform the Committee on a new approach to enhance the procurement for City Waters; Planning, Design and Physical Works of the capital programme.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Delivering Better Outcomes - City Waters Enhanced Procurement".
- (b) Endorses two procurement activities leading to new panels for:
 - (i) Detailed design services for water supply and wastewater network
 - (ii) Construction services for defined scope areas for City Waters.

EXECUTIVE SUMMARY

2. The City Waters team have determined the preferred procurement approach for delivering the next five years of the long-term plan which involves the establishment of two new panels.
3. This approach takes consideration of feedback from the supply chain, current procurement arrangements in place and the required design and construction activities over the next five years.
4. An Integrated Programme Approach is being developed in order to increase collaboration with the panel members to assist in delivering on the 9 outcomes.

BACKGROUND

5. Following a review of the current state of procurement across Council last year, and the development of 9 benefits and outcomes that Council aim to achieve, Arup was engaged to assist with the procurement strategy and executing delivery models for delivering the Long-Term Plan.

What does success look like for TCC?



Efficient LTP Delivery through new delivery model(s)



Easier Procurement for both TCC and suppliers (winwin)



Reduced Construction Costs with more transparent/open book commercial arrangements



Improved Project Delivery through collaboration and innovation



Reliable Supply Chain through longer term contracts & certainty



Workforce Security where key resources can be sought, and suppliers can invest in plant and people



Improved Safety & Wellbeing by collaboration and early engagement



Stronger Relationships and confidence to foster innovation and drive continuous improvement



Enhanced Sustainability & Community Support targeting zero carbon outcomes, leveraging relationships with local business and encouraging regional investment

Tauranga City Council

6. Initially the intent had been for one procurement strategy to cover the whole of the Long-Term Plan and any procurement model(s) adopted to be suitable for all procurement streams.
7. Following internal engagement, it was determined that City Waters should be the focus and that any procurement models put in place could then be scalable for the other areas at a later date.
8. As part of the engagement process key stake holders across the consultant and construction fields have provided feedback to Council on the potential benefits and outcomes a revised procurement process could deliver. The last update to the sector was provided at the yearly gathering of suppliers evening hosted by TCC in August 2022.
9. Following a detailed review with the City Waters team to look at current panels in place, the next five years of capital works required, works already contracted (or where no procurement is required e.g. developer payments, land purchase etc) and the forward spend profile, the procurement model outlined below was determined as achieving a balance between achieving the 9 outcomes, making best use of current panels and consideration for suitability for upcoming water reform. The impact on organisational change was also a key consideration to continue to allow the team to deliver the current annual spend targets.
10. Approximate spend per annum for the next 5 years is \$110M with an anticipated split of 90% construction, 5% detailed design and 5% modelling, planning and studies.
11. In order to meet the pace of required spend and delivery programme, early packages of works that could fall outside of the scope of the procurement model are being considered in the shorter term. However, the procurement model will be scalable to expand in the longer term and be in place to provide continuity during the potential changes that eventuate from water reform.

STRATEGIC / STATUTORY CONTEXT

12. Three Waters Reform has been considered in developing the procurement approach and the proposed panels ensure that delivery of the capital programme can continue unhindered while any transitions occur but will also be scalable to allow the addition of other packages of work should this be required under Entity B.

OPTIONS ANALYSIS

13. Multiple options have been considered taking into account the current panels in place and the upcoming program of works for City Waters. These included models such as delivery partnership, alliance, bundling packages of works, staged 'traditional' approach and fixed price D&C. However, based on the level of expected spend and the type of work required to be delivered over the next five years, each of these options were not considered to best leverage off the existing models in place and continue to enable the team to deliver good performance.
14. The City Waters team will create a new detailed design panel through a single stage RFT process which will consider financial and non-financial aspects. It is anticipated that there will be 3 to 4 suppliers on this panel.
15. The length of the new detailed design panel will align with the planning panels with a longer-term view that one planning and design panel could be established in the future.
16. The City Waters team will create of a new Construction panel through a 2-stage procurement process. The initial ROI phase will be based on non-financial aspects only. The second stage RFT will consider financial components through either example project pricing or rates and margin assessment.
17. The construction panel members will deliver allocated packages of work suited to their track record, capability and capacity which would be established through the procurement process. The number of panel members is still to be determined depending on how the packages are split but it is expected to be around 5 or 6.
18. Methodology for agreeing the pricing of the packages and ensuring value for money is still being finalised. This will include an element of open book style approach and independent review of the estimates.
19. The existing panels and new panels will be brought together under an integrated programme approach which will see improved collaboration between Council and the supply chain and this will evolve over time as relationships develops and collective capability increase.
20. Performance measurements to stay on the panel and keep delivering for TCC will be imbedded within the panel delivery documentation.

FINANCIAL CONSIDERATIONS

21. The proposed panels deliver for the City Waters elements of the long term plan. There are no further financial commitments required.
22. The proposed procurement models and the way in which the work packages would be allocated is intended to deliver in a more efficient manner.

LEGAL IMPLICATIONS / RISKS

23. As the panels are proposed for a duration of five years there could be some dissatisfaction from the supply chain that are not successful in securing a place on the new panels. Any risks associated with this will be mitigated through a number of measures including the engagement of a probity advisor, following the Council procurement rules and having a clear and approved procurement plan and having legal review of the contracts.
24. There will be consideration of the appropriate terms and conditions for including in the contracts to allow for the uncertainty of Three Waters Reform.
25. By grouping the works into packages and having earlier engagement with the supplier chain should reduce the delivery risk as any risks will be visible earlier and therefore allow time for suitable changes to be made or mitigations to be put in place.

CONSULTATION / ENGAGEMENT

26. There has been extensive engagement with the supply chain not only to get their feedback on the current procurement models but also ensuring they are aware of the status and program for new procurement activities.

SIGNIFICANCE

27. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
28. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the .
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
29. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

ENGAGEMENT

30. Taking into consideration the above assessment, that the matter is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

Click here to view the [TCC Significance and Engagement Policy](#)

NEXT STEPS

31. The procurement plan will be finalised, and the procurement activities carried out as per our draft programme.
- December 2022 Registration of interest sent out
 - February 2023 Submissions received, and procurement process undertaken
 - May 2023 Outcome of Procurement process completed

ATTACHMENTS

Nil

9.3 Draft Annual Plan 2023/24 - Approach and Key Financials

File Number: A14091423

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. In accordance with the Local Government Act 2002, Council is required to produce and adopt an annual plan, by 30 June 2023.
2. The purpose of this report is to discuss the high-level financials for the 2023-24 Annual Plan, outlining some of the key risks and challenges and shows some early benchmarking of operational expenditure.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Draft Annual Plan 2023/24 - Approach and Key Financials"
- (b) Notes high-level initial benchmarking data for transportation, three waters and spaces and places against other councils
- (c) Agrees the proposed approach to budgeting for the 2023-24 Annual Plan targeting key financials of year 3 of the LTP, but noting inflationary and interest rate pressures

EXECUTIVE SUMMARY

3. The Annual Plan for 2023-24 continues the priority expenditure of the 2022-23 year and is broadly consistent with the ten-year programme of work set out in the amended 2021-31 Long-term Plan (LTP). The 2023-24 Annual Plan is compared with year 3 of the LTP.
4. The overall financials in the draft annual plan remain broadly consistent with year three of the LTPA, which is now the new LTP. There is an overall rates requirement increase of approximately 7.5% after growth (estimated at 1.5%) and including water by meter. However, excluding water by meter revenue which is declining, the rates increase is 10%.
5. This has been achieved by a number of measures to reduce the impacts of increasing costs which are being experienced across the business. CPI has come in at about 5% above LTP assumptions. Interest rates have also risen significantly above budgeted levels. In addition, large cost increases have occurred across key service delivery areas including transportation and aspects of parks maintenance where budgets and contracts had been insufficient to meet service level requirements. There have been a number of proposals to keep cost increases and rates requirement down including greater use of debt, phasing in some costs and initiatives e.g. fully funding depreciation from revaluations.
6. The capital programme budget and work programme is proposed to remain close to the LTPA programme of \$434m for 2023/24 including vested assets. With rising costs of delivery this does indicate a slower rate of delivery of projects, noting that there is expected to be capital projects carried forward from 2022-23 to also be completed later than budgeted.
7. Further consideration and advice is being sought on requirements to consult on the annual plan, which will be addressed in December reports to Council.

BACKGROUND

8. The Annual Plan for 2023-24 continues the priority expenditure of the 2022-23 year and is broadly consistent with the ten-year programme of work set out in the amended 2021-31 Long-term Plan (LTP). The required comparator for the Annual Plan 2023/24 is the budgets for year three of the LTP. After considering estimated population growth and higher than expected inflation levels the total rates requirement is comparable to that in year 3 of the LTP.
9. The expenditure on level of service and capital investment in the LTP, which is reflected in the 2023-24 Annual Plan aims to improve outcomes across:
 - (a) transportation,
 - (b) housing supply,
 - (c) civic and community facilities,
 - (d) three waters expenditure
 - (e) resilience arising from climate change.
10. The Long-term Plan was amended in 2022 to include:
 - (a) a civic investment programme of \$303m including library, museum exhibition centre and community space, with \$150m of this expenditure funded by asset sales or grants. This investment is continuing as planned in 2023-24 subject to external funding.
 - (b) alternative funding for specific work programmes, including Infrastructure Funding and Financing (IFF) for the Transport System Plan (TSP) and Tauriko West. The alternative IFF funding for TSP has remained in the draft 2023-24 annual plan but the Tauriko West funding and capital has been amended to Waka Kotahi delivery with payment of a share made by TCC, which is partially offset by grant payments made by other entities, including developers and central government.
11. After allowing for much higher inflation than assumed in the LTP, the overall financials in the draft annual plan remain broadly consistent with year three of the LTPA, which is now the new LTP. There is an overall rates requirement increase at 7.5% after growth and including water by meter. Excluding water, the rates increase is 10%. This has been achieved by measures to reduce the impacts of increasing costs which are being experienced across the business. General price increases are about 5% above assumptions used in the LTP (CPI 7.3% to end of June 2022) against the LTP assumptions of about 3% per annum. In addition, large cost increases have occurred across key service delivery areas including transportation and aspects of parks maintenance where budgets and contracts had been insufficient to meet service level requirements. These additional pressures have meant we have had to look at other ways to address budgets than simply increasing rates and user fees. Proposals to keep cost increases down include:
 - (a) loan funded opex across planning and design expenditure that has longer term benefit e.g. intensification and growth area structure planning,
 - (b) phasing in of rate funding of additional depreciation arising from asset revaluations across transportation and buildings,
 - (c) application of the rates surplus from 2022 to interest rate risk reserve to fund part of the interest rate increases in 2023-24,
 - (d) reductions across some areas of expenditure primarily achieved by not applying CPI to costs,
 - (e) phasing in more slowly some new initiatives and expenditure.

12. The following table shows the comparison of key financials between the LTP and the annual plan 2024.

Key Financials	LTP 2023/24	Draft Annual Plan 2023/24
Total Rates Increase from 2023 including water by meter	6% after growth	Approx. 7.5% after estimated population growth of 1.5%
Rates excluding water by meter	6.5% after growth	Approx. 10% after estimated population growth, 8.4% residential and 19% commercial
Target to achieve a further 2% reduction in residential rates		Approx. \$5m reduction in rates funded expenditure
Total Capex \$m	434	400* (350 TCC delivered)
Total Debt \$m	1,038	Approx. 1,100

*Capex delivered by TCC plus vested and including Tauriko West now delivered by Waka Kotahi, excluding carry forwards from 2022-23

CAPITAL

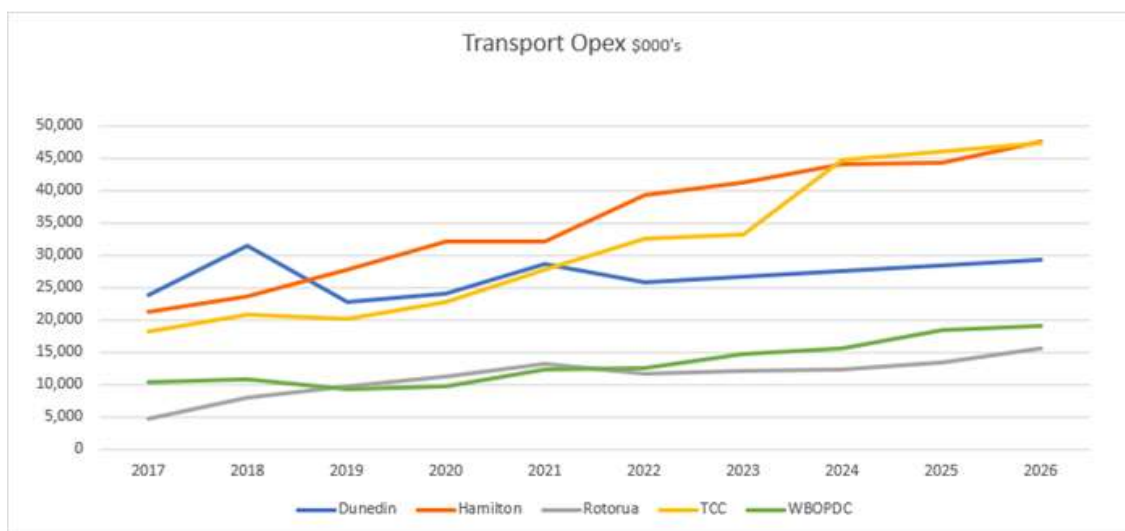
13. Overall, the capital programme is not significantly different to the LTP. The \$434m LTP budget included vested assets and \$50m Tauriko West expenditure. Tauriko West is now being delivered by Waka Kotahi with TCC's share of expenditure now recognised as operational costs and contributions from third parties are recognised as grant revenue. The other key changes to capital reflect timing and cost adjustments for projects. A capital delivery adjustment of \$44m is also included to give a total budget of \$350m.
14. There is additional funding proposed for strategic land purchase. To recognise the increasing cost of land, the budget has been increased by 40% to \$7.4m for the year in 2024. Budgets will also be included in activities to purchase land from the strategic acquisition fund and the funds made available to future strategic land purchase.

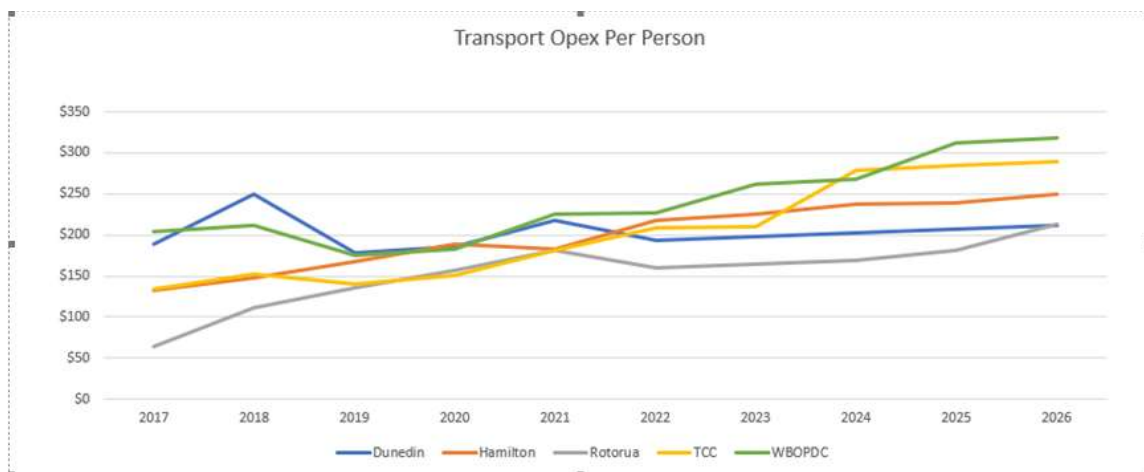
SIGNIFICANT OPERATIONAL DIFFERENCES BETWEEN ANNUAL PLAN AND LTP

15. Some operational revenue and expenditure has changed significantly from the LTP in key areas including:
- Interest expense from rapidly increasing interest rates
 - Transportation costs from large maintenance contract budget adjustments
 - Spaces and Places more realistic cost of maintenance is now reflected in budgets
 - Salary costs have increased reflecting
 - in-housing of some spaces and places contracts with a redistribution of budget from other operating costs
 - other staffing requirements to achieve higher delivery across the capital programme and other priority areas including transportation
 - Civic group with programme and delivery costs capitalised or proposed to be loan funded as part of the wider programme
 - Civic governance changes proposed which may be delivered through a CCO subject to consultation, with costs loan funded along with delivery costs of the civic programme

that are not capitalised. Approval for this will be sought through the annual plan report to council in December.

- (g) Depreciation expense arising from substantial asset revaluations across buildings and infrastructure
 - (h) Volume consumption of water has decreased relative to forecast level, generating a reduction in water by meter revenue despite a 7% increase in the cubic metre charge.
16. The interest-rate environment has undergone a huge shock over the last 12 months. Budgeted interest is now \$11m higher than in the LTP for year 3.
 17. During 2023 there has been a focus on improving service delivery across the core areas of transportation and spaces and places. In previous year’s budgets, and including year 3 of the LTP, budgets were held artificially low by existing maintenance contracts that under-priced the cost of maintenance and had resulted in inadequate service delivery across TCC’s assets. In addressing these issues, the true cost of adequate maintenance has been reflected in 2024 budgets leading to a significant increase in cost compared with the LTP year 3 in both spaces and places and transportation. Some of this increase has been offset by lower cost increases across other areas of Council.
 18. The following benchmarking charts confirm that TCC has underfunded transportation maintenance relative to peer councils such as Hamilton. Data has come from annual reports for the years up to 2021 and the latest LTP for the years from 2022. For TCC only, the LTP base for 2024 has been adjusted to reflect the draft annual plan budget for 2023-24. Hamilton is considered the best comparator for transport total costs given it is also an urban network and is a city of a similar size to Tauranga. The expenditure per person opex result shows Tauranga at the higher end of peers, noting that none of the comparative data has been adjusted for higher costs since the LTP was set in 2021 where TCC was at the midpoint of comparators.
 19. Attachment 2 includes benchmarking data for transportation stormwater, wastewater, water supply (three waters) and parks. The results for transportation and all three waters activities show that TCC costs are generally favourable to peers. The parks data is less complete with inconsistent measurement approaches and performance outcomes across councils. Therefore, it is currently not possible to draw conclusions around our cost and quality of parks delivery relative to our peers. Further work is proposed in this area.





20. Changes to operating cost structures have also been included in the 2024 annual plan to reflect the in-housing of a number of maintenance contracts in order to better control quality of delivery. Increases in employment costs will offset decreases in other operating expenditure.
21. Staff resource required to support the delivery of the work programme continues to be a challenge to both anticipate and to recruit.
22. Asset revaluations for roading, land and buildings in 2021/22 were significantly higher than that anticipated in the LTP. This has in turn caused an increase to rates-funded depreciation that is difficult to absorb in a single year (alongside other factors). Recent forecasts indicate that current inflationary pressures will ease within the 2023/24 financial year and the core inflation for that year will be 4.2%. However, base costs in the 2023 budget had been adjusted in the LTP by 3% but actual inflation has been over 7%. The difference has required a catch up in costs across capital and some operational expenditure.

Mitigations

23. Staff have identified areas where expenditure can be minimised or delayed without significant impact on the work programme. However, it is noted that where this uses debt to fund some operational costs or phases in funding such as with depreciation there will be ongoing pressure on rates increases into the future as this debt funding and phasing unwinds.
24. Budgets have been set at a realistic level, with a proposal to bring forward additional budget if delivery of priority areas exceeds budget across both capital and operational projects and service areas.
25. The broad mitigations to control cost pressures include:
 - (a) Forecast vacancy levels and the general difficulty recruiting in some areas has justified an increase in temporary reductions of salary budgets for the year, which would be removed in the following year as recruitment is phased in.
 - (b) Increasing the capitalisation of staff time after a thorough review of how this is calculated.
 - (c) Deferral of some new FTE requested to be considered within the priority of the next 2024-34 LTP.
 - (d) Phasing in of additional depreciation resulting from 2021/22 revaluation over the early years of the 2024-34 LTP.
 - (e) Not applying an inflation increase across the board (as would be normal practice), recognising that there were notable operating underspends against budget in 2021/22.

Expenditure in the current year is also being monitored with slow expenditure in some areas informing adjustment to next year's budget.

- (f) Reducing the cash balances carried in some activities.
- (g) Loan funding operational expenditure (by resolution) where it is directly attributable to a programme of capital works or offers longer term benefit (e.g. structure planning for Keenan Road and transportation planning). Items for loan funding will be specifically identified for Council approval consistent with the revenue and financing policy.
- (h) Reduction in targeted rates for debt retirement in:
 - (i) community infrastructure reflecting the slower delivery of capital
 - (ii) wastewater to avoid increasing rates in these areas above LTP levels.
- (i) Recognising further revenue to offset or subsidise further expenditure where it is likely this might eventuate.
- (j) Defer or phase in some new initiatives over the 2023-24 financial year and into late 2024.

Requirement for Consultation

26. Further consideration is being given to whether and what consultation is required as part of the Annual Plan. While the target budgets are close to LTP budgets and therefore may not require consultation, there are issues that are included in the annual plan that may require further consultation. The approach to these items will be presented to a December Council meeting.

Proposed timeframe for the Annual Plan

27. The following table outlines the proposed timeline for the Annual plan 2023/24 from now until adoption. A report will be presented to Council in December updating this timeline based on a full assessment and programme of consultation requirements:

Type	Date
Council meeting – indicative draft annual plan	12 December 2022
Present update collating any outstanding issues and options for Council consideration.	7 February 2023
Consider Draft Annual Plan for adoption or consultation if required	27 Feb 2023
Consideration of consultation document, if required	20 March 2023
Consultation, if required	23 March-26 April 2023
Hearings, if required	8-11 May 2023
Deliberations, if required	22-24 May 2023
Consideration of Annual Plan for adoption, if required	26 June 2023

STRATEGIC / STATUTORY CONTEXT

28. The preparation of an annual plan is required under the Local Government Act 2002. Where areas of expenditure and budgets are in line with year 3 of the LTP consultation may not be required or could be limited to specific items of difference.

OPTIONS ANALYSIS

29. This information presents broad areas to address in order to stay close to LTP financial parameters. The committee may provide feedback on various initiatives proposed to limit rates increases.

FINANCIAL CONSIDERATIONS

30. This report covers the issues and approach to developing the draft Annual Plan 2023/24. The initial financials for the development of the draft annual plan will be presented to the 12 December 2022 Council meeting.

LEGAL IMPLICATIONS / RISKS

31. The process of preparing and adopting an Annual Plan is set out under the Local Government Act 2002.

CONSULTATION / ENGAGEMENT

32. While there is no requirement to consult on each Annual Plan where it is consistent with the operational Long-term Plan, staff are doing further work to support consideration as to whether consultation is appropriate.

SIGNIFICANCE

33. The matter considered by this report, the draft Annual Plan 2023/24, is considered of high significance in terms of council's Significance and Engagement Policy. This is because it affects all residents, ratepayers and businesses in, and visitors to, the city, and because it involves council's resource allocation decisions and rating decisions for the next year.
34. However, the decisions to be made in response to this report are considered of low significance as they are just one interim step in the process of developing the draft annual plan.

ENGAGEMENT

35. Taking into consideration the above assessment, that the decision in this report is of low significance, staff are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

36. The indicative draft annual plan financials will be reported to Council on 12 December 2022.

ATTACHMENTS

1. **Benchmarking by activity for Annual Plan - A14178755** [↓](#) 

9.4 Annual Report - Update with Consolidation and Final Asset Revaluations

File Number: A13762389

Author: Sheree Covell, Treasury & Financial Compliance Manager
Kathryn Sharplin, Manager: Finance
Jolene Nelson, Team Leader: Corporate Planning

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide the committee with an update of the year-end financial and non-financial results of the annual report. This update includes the consolidated financial accounts and amendments to the introductory sections of the report as requested by Strategy Finance and Risk at the meeting on 12 September 2022. It is noted that the report is still subject to final audit changes so the final consolidated accounts are subject to final audit adjustments.
2. The secondary purpose of this report is to provide an update on the status of three waters revaluation.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report - Tauranga City Council Draft Consolidated Annual Report 2021/22
- (b) Agrees the transfer of \$1.5m from rates surplus to either
 - (i) the interest rate contingency reserve (or)
 - (ii) the risk reserve

EXECUTIVE SUMMARY

3. The annual report is the key document for Tauranga City Council (TCC) to report back to the community on its achievements for the year. The report provides background information on the operations of council, its governance and the year in review by major activity. It provides comparisons against its non-financial performance targets and financial budgets as set out in year one of the 2021-31 Long-term Plan.
4. The consolidated annual report includes the results for TCC's council-controlled organisations Bay Venues Limited BVL, and Tauranga Art Gallery Trust.
5. The updated annual report reflects changes from the report presented on 12 September 2022, this included the draft financial statements and notes to accounts which were not consolidated and did not include the revaluation of land and buildings assets.
6. The financial statements and notes are now progressing through to completion including consolidated CCOs and are currently going through the audit process.
7. A three waters revaluation is being progressed with external valuers and will be included in the 2022/23 Annual Report as an out of cycle revaluation. This revaluation will form the basis for waters assets and depreciation in the 2024 -2034 Long Term Plan.
8. Non-financial performance currently remains unchanged from those presented on 12 September, however eight measures relating to Transportation, Building Services and Water Supply are still being investigated by audit.

9. There are currently two matters relating to drinking water and rainfall measurement that audit have highlighted and staff are working to resolve. These are outlined in detail in the non financial performance section of this report. Staff have engaged external resource to investigate and resolve. This will mean that the adoption of the annual report will likely be delayed to mid December.
10. The draft result for the full financial year is currently 60% achieved (60 measures), 37% not achieved (37 measures) and 3% not measured (3 measures).

BACKGROUND

Financials

11. The key financial results for TCC (unconsolidated are as follows)

Key metric	12 September 2022	14 November 2022
Total operating revenue	\$303m	\$303m
Total operating expenditure	\$306m	\$308m
Capital & operating subsidies	\$52m	\$51m
Net debt	\$701m	\$701m
Capital Expenditure	\$208m	\$208m
Debt to revenue ratio	205%	204%
Total Assets	\$6.0bn	\$6.4bn

12. The noteworthy changes that have occurred since the draft financial statements were presented in September 2022 are:
 - Land & Building revaluation is now included. This resulted is a \$417m increase to assets
 - Consolidation of CCOs is now included. The CCO Annual Reports were presented to the committee on 3 October and summaries of the year's performance are included in section 06.
13. The financial statements and notes to accounts remain in draft form and could change as a result of final tax calculations and final audit adjustments.
14. In this draft the rates surplus of \$1.5m has been transferred to the interest rate contingency reserve to minimise the impact of increasing interest costs for the 2022/23 and 2023/24 financial year. This is the recommended treatment for the surplus as it has the most beneficial rates impact.

Revaluations

15. Council's assets total \$6.4bn of which \$5.9bn are Property Plant & Equipment which is subject to independent revaluations of its major asset classes on a three-year rolling cycle.
16. The asset classes due for revaluation in the 2022 financial year are marine and roading. These revaluations have been completed and resulted in a reduction in marine assets of \$7m and an increase in roading assets of \$404m.
17. Due to the significant valuation increases in the property market and cost escalation in the construction industry a fair value assessment of waters, land and buildings assets was completed in order to determine whether a formal revaluation would be required in order to report the most accurate asset values and comply with appropriate accounting standards.

18. The fair value assessment of land and buildings resulted in significant increases to asset values which required a formal revaluation. This revaluation has been completed resulting in an increase to land and building assets of \$417m.
19. A fair value assessment was carried out on the three waters asset by GHD which came back with a movement of 11% increase overall. After discussions with Audit NZ this was considered not material and the financial statements were not adjusted. An out of cycle revaluation will be completed for the 2022/23 financial year.

Non- financial

20. Of the 100 non-financial performance measures, 97 have been measured during the financial year.
21. The draft result is currently 60% achieved (60 measures), 37% not achieved (37 measures) and 3% not measured (3 measures).
22. Measures relating to Transportation, Building Services and Water Supply are still being investigated by audit.
23. Of the Water measures, there are currently two matters highlighted by audit which staff are working to resolve. The following two matters have meant that the final adoption of the annual report will be delayed to mid December in order to engage the appropriate expertise and allow time for audit to review:
 - (a) Independent review of TCC's drinking water testing. All councils have been requested to provide proof of independent testing of their drinking water. TCC carry out their own testing via their laboratory. From Audits perspective our laboratory is not deemed independent. TCC has employed an independent water testing expert called Wai Comply to carry out an independent assessment.
 - (b) Audit have identified from their testing sample on the non financial measures for Wastewater that there is some discrepancy in dry weather days recorded which will need to be investigated further and if this is not resolved could result in a potential modified audit. Further work will be carried out by staff to provide comfort to Audit that we are carrying out the ground testing of rainfall correctly.
24. As a result of the feedback received at Strategy Finance and Risk Committee on 12 September, the following changes were made to the presentation and content of the front sections:
 - Section one
 - infographics have been updated to include iwi and hapū, marae and two universities.
 - Section two
 - text for *Cameron Road, Te Papa* updated to include housing choice.
 - amended text to *Ātea-ā-Rangi* to align with other sections.
 - Section three
 - commissioners' attendance at council and committee meetings recalculated
 - corrected text to Public Transport Committee: Alternate: Commissioner Wasley.
 - Section five
 - updates to whole of council funding impact statements.
 - minor text updates to non-financial performance measures commentary in accordance with audit discussions.

- Section 6
 - financial performance for CCOs updated
 - performance measure tables updated to include results that had not been entirely available for the last Strategy, Finance and Risk Committee meeting.

STRATEGIC / STATUTORY CONTEXT

25. The annual report is prepared consistent with requirements of the Local Government Act 2022 and International Public Sector Accounting Standards.

OPTIONS ANALYSIS

26. The option of treatment of the \$1.5m rating surplus is presented below:

	Option	Advantages	Disadvantages
1	Transfer rates surplus to the interest rate contingency reserve (Recommended)	<ul style="list-style-type: none"> • \$1:\$1 rating benefit • Minimises impact of increasing interest costs • Allows buffer for unplanned borrowing costs associated with unbudgeted expenditure and cost escalation 	<ul style="list-style-type: none"> • Risk reserve surplus remains low • Can only be used to offset interest costs
2	Transfer rates to the general risk reserve	<ul style="list-style-type: none"> • Flexibility to be utilised for a range of matters 	<ul style="list-style-type: none"> • Approx \$1:\$0.7 rating benefit

FINANCIAL CONSIDERATIONS

27. The financial statements and information presented is for the financial year ended 30 June 2022. The presentation of the financials section is guided by the requirements of the Local Government Act 2002, accounting standards (International Public Sector Accounting Standards (IPSAS)) and generally agreed accounting policies. It is audited by Audit New Zealand. The financial statements and note to accounts are prepared on a going concern basis and any incidence or allegations of fraud, non compliance or misstatement should be disclosed.

LEGAL IMPLICATIONS / RISKS

28. The Local Government Act 2002 requires the annual report to be adopted within four months of balance date. However, for the years ended 30 June 2021 and 2022 there is a legislative extension of time allowing adoption no later than 31 December 2022.

CONSULTATION / ENGAGEMENT

29. The annual report will be made publicly available after adoption. The 2021-31 Long Term Plan which the years results are measured against were consulted on before being adopted. There is no consultation on the annual report itself.

SIGNIFICANCE

30. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and

Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

31. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
32. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.


ENGAGEMENT

33. Taking into consideration the above assessment, that the matter is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

34. The final designed annual report will be presented to Council / the Committee for adoption on 28 November 2022.
35. A summary annual report will be prepared.

ATTACHMENTS

1. **Annual Report Update - Attachment 1 - A14178599 (Separate Attachments 1)** 

9.5 Open Space Level of Service Policy Hearings

File Number: A13868678

Author: Sharon Herbst, Policy Analyst
Clare Abbiss, Open Space & Community Facilities Planner

Authoriser: Barbara Dempsey, General Manager: Community Services

PURPOSE OF THE REPORT

1. To receive submissions on the draft Open Space Level of Service Policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Open Space Level of Service Policy Hearings
- (b) Receives the written submissions on the draft Open Space Level of Service Policy
- (c) Receives the verbal submissions from those submitters who wish to speak to their submission.

EXECUTIVE SUMMARY

2. On 1 August 2022, the Strategy, Finance and Risk Committee (committee) approved a minor change to the Open Space Level of Service Policy, and approved a draft Open Space Level of Service Policy (draft policy) for community consultation.
3. Submissions were sought from 12 September to 30 September 2022.
4. 14 submissions were received and are attached in **Attachment 2**. Five of the submitters wish to speak to the committee at the hearings today.

BACKGROUND

5. The Open Space Level of Service Policy (the policy) was adopted in 2009 and aims to ensure existing and new communities in Tauranga have open spaces (parks and reserves) that are accessible, high quality, and deliver a range of functions. This ensures all residents can access a variety of experiences within certain distances from their home.
6. To achieve this, the policy prescribes standards for accessibility, quality, function and quantity. Application of these standards results in the provision of a network of open space across the city.
7. While planning for open space provision in new greenfield areas it has become clear that applying the existing quantity standard created practicality issues, mainly because the current policy assumed a housing density of 15 dwellings per hectare and new developments are now seeking much higher densities. Application of the current policy would not support good urban design and would not support the provision of more housing.
8. On 1 August 2022, the committee considered a minor amendment to the policy to provide more flexibility in the provision of open space in new greenfield developments. The recommended amendment is to change the quantity standard for neighbourhood reserves, provided that the accessibility standard can still be achieved. A refresh of the policy format was also proposed to align with the Tauranga City Council (council) current policy template, and to update definitions and cross references. Early feedback from key stakeholders suggested general support for the proposed change.

9. The committee approved the draft policy for community consultation. Consultation ran from 12 September to 30 September 2022. The consultation document, which includes the submission form and draft policy, is attached to this report (**Attachment 1**).
10. 14 Submissions were received and are attached in **Attachment 2**. Five of the submitters wished to speak to the committee at the hearings today. Table one below provides a list of submitters speaking to the committee. An updated schedule will be provided at the hearings.

Table One

Submission number	Submitter name or organisation
004	Mary Dillon
008	Jason Wright
010	Nathan York (Bluehaven Group)
011	Jeff Fletcher (Ford Land Holdings Pty Ltd)
012	Jeff Fletcher (Tumu Kaituna 14 Trust)

11. The consultation was advertised widely on the council website, through social media and advertisements in the Weekend Sun and Bay of Plenty Times Newspapers. A copy of the comments received through social media can be found in **Attachment 2**.
12. Copies of the draft policy and submission form were available at the Customer Service Centre, at libraries and on the council website.
13. The community was specifically asked:
- *Do you agree or disagree that the suggested change to our Open Space Level of Service Policy is an acceptable approach in new greenfield urban development areas?*
 - *Why did you agree/disagree?*
 - *How else do you think council could provide acceptable access to a range of open spaces in new greenfield urban development areas?*
14. Targeted consultation was carried out with developers (Te Tumu, Tauriko West, SmartGrowth- Property Developers Forum), Te Kauae a Roopu, Te Rangapū Mana Whenua o Tauranga Moana, and Sport BOP to seek feedback prior to the policy coming to the committee for approval in August for consultation. These stakeholders were also advised the consultation had opened and encouraged to make a submission.
15. Public pre-consultation on the suggested revised quantity standard was also undertaken in May and June 2022 in conjunction with pre-consultation on the Tauriko West plan change. People who responded to this engagement were also contacted via email and encouraged to make a submission.
16. Council newsletters were also used to engage particular interest groups: the City News e-newsletter and the Tauranga Toolbox (Building Services) e-newsletter.

STRATEGIC/STATUTORY CONTEXT

17. Currently Council is refreshing its strategic framework, and has recently adopted the Vision for Tauranga 'Tauranga, together we can', which has three pillars of prioritising the environment, lifting up our communities, and fuelling opportunities. Council's strategic framework outlines Council's response to the vision for Tauranga. The framework will allow both the organisation and the community to see how the council's day to day operations deliver on strategic outcomes for the city.
18. Policies, such as the open space provision policy, are an intrinsic part of the chain, ensuring that higher level strategic goals are operationalised in a consistent and transparent manner.

19. The proposed policy amendment aligns with the direction of Urban Form and Transport Initiative (UFTI) to ensure residents can access local social/community opportunities within a 15-minute journey time.
20. This proposed policy amendment is consistent with the strategic direction provided by SmartGrowth as it facilitates practical planning in greenfield developments and takes into account the need for open space to provide for those future communities.
21. When the strategic framework and associated strategies and action and investment plans are completed, a review of the entire policy may be needed to ensure it continues to align with the new strategies.

FINANCIAL CONSIDERATIONS

22. There are no financial considerations in receiving and listening to the submissions.

LEGAL IMPLICATIONS / RISKS

23. There are no legal implications arising from receiving and listening to the submissions.

SIGNIFICANCE

24. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
25. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
26. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance. However, the decision to receive and hear the submissions is of low significance.



ENGAGEMENT

27. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to the committee receiving the submissions.

NEXT STEPS

28. The committee will deliberate on the issues raised by submitters on 5 December 2022.

ATTACHMENTS

1. **Open Space Level of Service -Consultation document and draft policy - A14025126 (Separate Attachments 2)** 
2. **Open Space Level of Service Consultation- All Submissions (PDF) - A14137837 (Separate Attachments 2)** 

9.6 Use of Council Land Policy Hearings Report

File Number: A13781817

Author: Vicky Grant-Ussher, Policy Analyst

Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. To receive submissions on the draft use of council land policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the written submissions on the draft use of council land policy (Attachment 1)
- (b) Receives the results of the two pop-up consultation sessions (Attachment 2)
- (c) Receives the summary of feedback from the three sessions with commercial operators (Attachment 3)
- (d) Receives the verbal submissions from those submitters who wish to speak to their submission.

EXECUTIVE SUMMARY

2. On 1 August 2022, the Strategy, Finance and Risk Committee (the committee) approved a draft use of council land policy for community consultation.
3. Submissions were sought from 12 September to 12 October 2022.
4. 59 online submissions were received and are attached in Attachment 1. Twelve submitters want to speak to the committee at the hearings. The results of two pop-up consultation sessions are provided in Attachment 2. We ran three sessions for commercial operators on council land and a summary of feedback is provided in Attachment 3.

BACKGROUND

5. The draft use of council land policy combines 10 existing policies related to land use into one consolidated policy. The policy aims to provide a single, easy to use policy to cover the use of council land.
6. On 13 December 2021, 14 February 2022, and 1 August 2022 the committee considered options to change or clarify policy positions from the 10 existing polies. The options selected were included in the draft policy for community consultation. This included matters relating too:
 - the principles of the policy
 - commercial activities on council land (including quality standards)
 - activities that need to book or hold a licence or permit
 - lease provisions
 - high performance sport
 - other matters such as stormwater, memorials, playcentres, and community gardens.
7. The committee approved the draft policy for community consultation on 1 August 2022. The council agreed to engage with Sport Bay of Plenty, High Performance Sport New Zealand and Bay Venues Limited on the provisions related to high performance sport ahead of the

wider community consultation. Feedback from these organisations supported consulting on the draft provisions, and the wider community consultation proceeded.

8. The community consultation ran from 12 September to 12 October 2022. The consultation document, which includes the submission form and draft policy, is attached to this report (Attachment 4).
9. Licence holders, leaseholders, and those who had booked council land in the last year were notified of the consultation. Sport Bay of Plenty also notified sports clubs of the consultation through their newsletter. Stakeholders such as the main street associations, Bay Trust, TECT, Tourism Bay of Plenty, Department of Conservation, and Bay of Plenty Regional Council were also notified of the consultation. Two print media advertisements were run, one in the Bay of Plenty Times and one in the Weekend Sun.
10. The community consultation included two pop-up consultation sessions requesting feedback on activities within the draft use of council land policy and raising awareness of the policy review. Attachment 2 provides more detail on the engagement and the feedback received.
11. We also ran three sessions aimed at commercial operators on council land: two drop-in sessions at Mount Maunganui Library and one session directly with surf schools and Surfing New Zealand. Feedback from those sessions is provided in Attachment 3.
12. 59 submissions were received and are attached in Attachment 1. Twelve of the submitters wanted to speak to the committee at the hearings today. Table one below provides a list of submitters speaking to the committee. An updated schedule will be provided at the hearings.
13. Table one: Verbal submitters

Submission number	Submitter name and organisation
4	Ian Waite
10	Angela Smith
22	Barry Scott
31	Nevan Lancaster – Mt Cats and Yaks
34	Porina Mcleod – Mauao Adventures
38	Peter Monteith – Inspired Kindergartens
39	Ellen White
40	Koenraad Groot
47	Matthew King
54	Roydon Lowe
55	Mac O'Brein
58	Renee McMillan – Mount Maunganui Playcentre

STRATEGIC / STATUTORY CONTEXT

14. Policies, such as those which guide use of council's land, are an intrinsic part of ensuring that higher level strategic goals are operationalised in a consistent and transparent manner and providing staff with delegated authority where appropriate. The principles in this policy link closely with the themes from the City Vision and the implementation of this policy will support the future direction for the city of Tauranga.

FINANCIAL CONSIDERATIONS

15. There are no financial considerations in receiving and listening to the submissions.

LEGAL IMPLICATIONS / RISKS

16. There are no legal considerations in receiving and listening to the submissions.

SIGNIFICANCE

17. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
18. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
19. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.





ENGAGEMENT

20. Taking into consideration the above assessment, that the issue is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

21. The committee will deliberate on the issues raised by submitters on 5 December 2022.

ATTACHMENTS

1. **Attachment 1: Written submissions - A14160370 (Separate Attachments 2)** 
2. **Attachment 2: Results of pop-up consultation - A14160343 (Separate Attachments 2)** 
3. **Attachment 3: Feedback from sessions with commercial operators - A14160193 (Separate Attachments 2)** 
4. **Attachment 4: Consultation documents - A14141347 (Separate Attachments 2)** 

9.7 First Quarter Financial and Non-Financial Monitoring report to 30 September 2022

File Number: A14114696

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager
Jolene Nelson, Team Leader: Corporate Planning
James Woodward, Finance Lead Projects Assurance

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide information of council's performance for the first quarter of the 2022-23 financial year and identify key variances risks and implications for the performance for the year. This report also provides an overview of the results from the resident perceptions survey for the first quarter.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "First Quarter Financial and Non-Financial Monitoring report to 30 September 2022".

EXECUTIVE SUMMARY

2. The financial results for the first quarter are presented in **Attachment 1**. The results are favourable to budget overall with a first quarter surplus for operational budgets, primarily because of slower than budgeted expenditure across a number of activities in the first quarter. At this stage there has been no adjustment to forecasts for the full year, but slower spend across consultants and other operational expenditure is being monitored and may be reflected in lower forecasts in this report for the second quarter. The operating surplus (including Asset Development Revenue) is \$5.7m at the end of the first quarter, \$17m favourable to year to date budget. Capital Expenditure is currently tracking under budget, however expenditure has been increasing over the first quarter closing in on the required monthly spend required for to reach the full year budget. The forecast year end expenditure is currently forecasting just under budget, however it is likely the forecast will be revised down as the year progresses.
3. **Attachment 2** presents how Council and the community are tracking towards achieving Council's non-financial performance measures and levels of service.
4. Of the 100 non-financial performance measures, two measures (2%) have achieved the annual target, 60 measures (60%) are on track and 21 measures (21%) are off track. Data is not yet available for 17 (17%) of measures.
5. **Attachment 3** presents a high-level summary of the wave one results of the Annual Residents Survey.

BACKGROUND

6. This report is for monitoring and reporting purposes showing Council's financial and non-financial quarterly performance in delivering services to the community.
7. The operational budgets were set during the annual plan process with some changes to year two of the Long-term Plan (LTP) to deliver on agreed service levels and capital investment. In an LTP, the level of service that the council will deliver along with operational budgets and

capital investment programme are agreed upon by the council in consultation with the public. Rates and user charges are set based on these budgets.

8. The Local Government Act 2002 stipulates that local authorities are required to report on how well they are performing in delivering these levels of service to their communities as measured by the non-financial performance indicators.
9. In the 2021-31 LTPA there were 100 KPIs that were agreed upon, 23 of which are mandatory measures as per section 261B of the Local Government Act.

STRATEGIC / STATUTORY CONTEXT

10. Maintaining expenditure within budget ensures delivery of services in a financially sustainable way.
11. Monitoring non-financial performance is a key function of the committee.

DISCUSSION

Part 1: Financial Performance

12. The budgets for 2022-23 included were a significant increase from the 2021-22 financial year as summarised in the table below:

Budget component	Current year budget \$m	Increase from previous year budget \$m
Operating Revenue	344	43
Operating Expenditure	386	60
Rates Requirement	270	36 (13%)
Capital Subsidies	105	47
Capital Programme & Other Capital* (including carry forward of \$19m from 2021/22)	354	68
Debt	853	209

*Other Capital includes net land sales and capital delivered by other (developers including vested assets, WBoPDC, BoPRC, BVL and Waka Kotahi). Also includes carryforwards from 2021-22.

13. The rationale for the substantial increase in budgets and rates requirement was to acknowledge increasing workload and costs to meet existing levels of service and to increase expenditure and focus in a number of key operational areas including:
 - (a) Infrastructure planning
 - (b) Grants and support for community initiatives
 - (c) Core services and contracts
 - (d) Civic centre and 90 Devonport Road
14. Attachment 1 shows that the financial result for the first quarter is favourable to budget overall with a first quarter surplus for operational budgets. This result is primarily because of slower than budgeted expenditure across consultants, community contributions and grants and other operational costs. Capital expenditure is under budget for the first quarter, primarily in the Transport and Spaces & Places activities. Spaces & Places are still forecasting to deliver close to budget, however Transport has revised down their forecast, which has been impacted mainly by the Tauriko West Network project, which has \$32m now phased for delivery in FY24 to reflect the current delivery programme. Transport are also

experiencing internal and external resource constraint, these are being mitigated backfill of resource and providing early visibility of the pipeline to the market.

15. Attachment 1 also includes the High Strategic Programmes and Projects for 2022/23, these make up 75% of this years total capital programme, representing high profile and significant projects in this years capital programme.
16. At this stage there has been no adjustment to forecasts for the full year. The report on the 6-month result will update expenditure on the above areas and provide revisions to full year forecasts where appropriate. Areas of slower expenditure are being closely looked at as part of the 2023-24 annual plan. The total capital programme is forecasting to be very close to budget, however there are some variances within projects already referenced as part of Attachment 1.

Part 2: Non-Financial Performance

17. **Attachment 2** presents how Council and the community are tracking towards achieving Council's non-financial performance measures and levels of service.
18. Of the 100 non-financial performance measures, two measures (2%) have achieved the annual target, 60 measures (60%) are on track and 21 measures (21%) are off track. Data is not yet available for 17 (17%) measures.
19. Where data is not available, the majority relate to annual measures which are only surveyed at one point through the year.
20. Of the 21 measures off track, across eight activity groups, 57% relate to Regulatory and Compliance (43% or nine measures) and Community Services (14% or three measures). Transportation, Water Supply and Community, People and Relationships each have two measures off track (10%), with City and Infrastructure Planning and Emergency Management accounting for one measure each (5%).
21. We will continue monitoring any measures that are off track and report on the likelihood of these achieving target over the next three quarters.

Part 4: Residents Survey

22. The Annual Residents' Survey supports non-financial reporting by measuring the perceptions of residents regarding various aspects of services that Council provides.
23. The survey is conducted in four waves across the year. Each wave's mail out quotas are applied according to age, gender and ward, to ensure that a representative sample of Tauranga City's population is achieved. The data is weighted to account for variances in the achieved quotas and to ensure that the sample reflects the population profile achieved.
24. The overall results have an anticipated margin of error of +/- 4.6% at the 95% confidence level. Scores for the reporting periods exclude 'Don't know' responses.
25. A summary of the highlights is attached at **Attachment 3**. The summary helps provide an insight into how different elements of Council's core service deliverables, reputation and the perception of value for money contribute to respondents' perception of Council's overall performance.
26. Under overall performance, the wave one result is that 38% of respondents are satisfied or very satisfied with Tauranga City Council in general, which is greater than the results from 2021/22.
27. Reputation measures the community's perception of four key areas – leadership, faith and trust, financial management and quality of services/facilities. Under reputation, the wave one result is that 30% of respondents are satisfied or very satisfied, up from the full year result for 2021/22 which was 23%.

28. Within reputation, there is the measure in terms of respondent's faith and trust in Council, the wave one result is that 31% of respondents are satisfied or very satisfied, up from the full year result for 2021/22 which was 24%.
29. A summary of the rest of the high-level survey results of the 2021/22 full year and the comparative wave for 2021/22 and their trend is summarised in the table below:

Measure	2021/22 full year result	2021/22 wave 1	2022/23 wave 1	Trend (compared to wave 1 2021/22)
Overall performance	32%	32%	38%	▲
Overall image and reputation	23%	27%	30%	▲
Overall value for money	36%	41%	36%	▼
Overall core services deliverables	56%	61%	66%	▲
Overall water management	55%	55%	60%	▲
Overall road and footpaths	44%	48%	33%	▼
Overall waste management	63%	65%	76%	▲
Overall outdoor spaces	73%	78%	71%	▼
Overall public facilities	70%	73%	72%	▼

30. The next wave is due to be collected predominantly during December 2022 with the results scheduled to be reported to this committee in early 2023.

OPTIONS ANALYSIS

31. There are no options associated with this report. The report is provided as information only.

FINANCIAL CONSIDERATIONS

32. This report monitors performance to budget to ensure council delivers on proposed expenditure within allocated budgets to ensure financial sustainability and accountability.

LEGAL IMPLICATIONS / RISKS

33. This monitoring report has no specific legal implications or risks.

CONSULTATION / ENGAGEMENT

34. This report is made public.

SIGNIFICANCE

35. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
36. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- the current and future social, economic, environmental, or cultural well-being of the district or region
 - any persons who are likely to be particularly affected by, or interested in, the matter.

(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

37. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.




ENGAGEMENT

38. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

39. This report ensures monitoring of Council performance to ensure compliance with Council's budgets, policies and delegations. The non-financial monitoring report summary will be presented on the Council website.

ATTACHMENTS

1. **September 2022 Financial Report - A14160270** [↓](#) 
2. **Non Financial Performance Measures - A14146002** [↓](#) 
3. **Annual Residents Survey 2022_23 - Wave 1 - Performance Report PDF - A14163638** [↓](#) 

9.8 Credit rating from Standard and Poors Global Ratings

File Number: A14158832

Author: Kathryn Sharplin, Manager: Finance
Sheree Covell, Treasury & Financial Compliance Manager

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. This report provides a copy of Standard and Poors Global Ratings (S&P) credit ratings for 2022 and summarises key factors raised in the report that affect the current rating and future upside and downside risk to this rating.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Credit rating from Standard and Poors Global Ratings".

EXECUTIVE SUMMARY

2. Standard & Poors (S&P) has confirmed it's A+/A-1 long and short term issuer credit ratings on Tauranga City Council (TCC). The report noted strength for TCC in relation to the economic outlook and New Zealand's robust institutional framework.
3. The outlook remains stable. S&P noted future rating has upside risk and downside risk.

BACKGROUND

4. S&P noted that their stable outlook for Tauranga City Council incorporates their expectation that commissioners will follow through with planned rates increases. Council's requirement to continue to borrow meet its new infrastructure requirements also affects the rating. S&P has adjusted the level of capital expenditure it expects to be achieved given current difficult conditions.
5. The strengths for TCC's credit rating include Tauranga's strong economy and liquidity and the countries robust institutional framework.
6. Upside risks, which are factors that could raise ratings include post-election that the council delivers on financial outcomes in line with S&P forecasts. Also, an upside opportunity would be stronger budgetary performance resulting in a lower ratio of debt to operating revenue, such as could occur for Tauranga City Council as a result of water reform (because of the high debt and capital requirements associated with three waters).
7. Downside risks, which are factors that could lead to a lowering of credit rating in the future, include a capital expenditure level above that forecast by S&P or if revenue growth, including rates and capital grants are lower than expectations.

STRATEGIC / STATUTORY CONTEXT

8. TCC chooses to have a credit rating to access lower interest margins and to support LGFA by ensuring the majority of its lending is to rated councils, which supports the LGFA credit rating of AA+ foreign currency and AAA local currency.

OPTIONS ANALYSIS

9. This report is for information only.

FINANCIAL CONSIDERATIONS

10. The confirmed rating for TCC means that we will continue to access borrowing at LGFA margins for A+ rated councils

LEGAL IMPLICATIONS / RISKS

11. There are no legal implications arising from this rating.

CONSULTATION / ENGAGEMENT

12. No engagement is required. S&P has published its rating report.

SIGNIFICANCE

13. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
14. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
15. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

16. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

17. The discussion within the report is of relevance to the 2023-24 annual plan and the 2024-34 Long-term Plan. TCC maintains dialogue with S&P who will continue to monitor our governance decisions and budgetary performance through annual plans and the annual report. The credit rating is renewed each year.

ATTACHMENTS

1. **Credit rating from Standard and Poors Global Ratings Attachment 1 - A14160761** [↓](#) 

9.9 Review of the Grants for development contributions on Papakāinga Housing and Community Housing Policies

File Number: A13885518

Author: Sharon Herbst, Policy Analyst

Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. To consider amendments to the Grants for Development Contributions on Papakāinga Housing Policy and Grants for Development Contributions on Community Housing Policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Review of the Grants for development contributions on Papakāinga Housing and Community Housing Policies.
- (b) Makes the following amendments to the Grants for Development Contributions on Papakāinga Housing Policy:
 - (i) Outline explicitly at 5.1.4 that any unused funds will roll over after the three-year timeframe has passed.
- (c) Make the following amendment to the Grants for Development Contributions on Community Housing Policy:
 - (i) Outline explicitly at 5.1.4 that any unused funds will roll over after the three-year timeframe has passed.
 - (ii) Remove 'emergency housing' from the definition of community housing at 3.1
 - (iii) Amend the scope at 2.2 to include 'transitional housing providers with Level 3 Ministry of Social Development Social Sector Accreditation and a Transitional Housing Services Agreement'. This will include amendments for consistency at 2.5, 3.1, 4.1, 4.2, 5.1.3, 5.2.1, 5.2.3, 5.3.1 and 5.5.2.
 - (iv) Amend the scope at 2.2 and funding eligibility at 5.2.1 to replace 'that are operating under a not-for-profit structure' with 'that are developing housing with a not-for-profit intent'. Add in the funding allocation process at 5.3.1 item 2 to notify TCC of.... 'and evidence to show the housing development has a not-for-profit intent'.

EXECUTIVE SUMMARY

2. The 2021-31 Long-term Plan Council established two housing grant funds of \$500,000 each per year for three years. The Community Housing Grant Fund is to assist registered community housing providers to increase and retain the stock of community housing in Tauranga city by fully or partially subsidising citywide development contributions. The Papakāinga Housing Grant Fund is to reduce the financial burden of citywide development contributions (DCs) on papakāinga housing developed for the benefit of shareholders and/or beneficial owners of Māori land.
3. The Grants for Development Contributions on Community Housing Policy (the community housing policy) and the Grants for Development Contributions on Papakāinga Housing Policy (the papakāinga housing policy) were adopted in October 2021 to set out a structured and transparent approach to the distribution of grant funds.

4. When the policies were adopted, they included a requirement to be reviewed annually.
5. Working with recipients and potential recipients of the grant fund, staff have reviewed the policies and made recommendations for amendments. Direction is sought from the committee before the amended policies are adopted and implemented. Those issues are presented in this report.

BACKGROUND

Development of the policies

6. On 15 March 2021, Council resolved that two new grant funds, each being \$250,000 per year, were to be included in years 1 to 3 of the draft Long-term Plan 2021-2031, funded from the proceeds of the Elder Housing portfolio sale.
7. The purpose of the two grant funds is to assist the development of community and papakāinga housing within the city. Council intended that the grant funds should be available to fully subsidise citywide DCs on papakāinga housing and on community housing developments by registered community housing providers (CHPs).
8. In response to public submissions to the draft Long-term Plan, both grant funds were subsequently doubled to \$500,000 per annum for years 1 to 3 of the Long-term Plan 2021-2031. Council directed policies be developed for the two grant funds.
9. In October 2021, the policies were adopted by Council and set out the eligibility criteria and the application, assessment, approval and distribution processes for the grant funds. They both included a requirement to be reviewed annually following completion of the grant payment process.
10. This paper reviews both these policies and provides recommendations on potential amendments.

Review of the papakāinga housing policy

11. A review of the papakāinga housing policy was conducted to determine whether the distribution policies are operating as intended.
12. The policy approach distributes grants on a first in, first served basis, where eligible developments have their DCs paid directly by the council at the time they fall due. This is done through in-house transfer processes at the time building consents are approved and requires streamlined internal processes and clear eligibility criteria to ensure consents are issued as soon as possible. The Takawaenga Unit took the lead and assigned a kaiarahi to manage the application assessment process.
13. In the first year, up until 30 June 2022, a total of five applications had been received and one grant distributed for \$10,615.47. This resulted in \$489,384.53 carried over into the next financial year, making \$989,384.53 available to distribute in the current year. At the date of writing, a further six applications have been received, with four grants distributed totalling \$92,413.09, and a further two grants for around \$36,000 approved but awaiting payment confirmation. In total \$103,028.56 has been distributed so far.
14. Council staff involved in establishing and operating the grant fund provided feedback on its implementation. Feedback was also sought and received from Te Rangapū Mana Whenua o Tauranga Moana, local Māori Land Trust representatives, Te Puni Kokiri (TPK), and parties that applied for a grant. Kainga Ora, Western Bay of Plenty District Council (WBoPDC) and Bay of Plenty Regional Council (BoPRC) were approached but did not provide any feedback.
15. Feedback showed that the grant has supported a small number of papakāinga housing to be developed.
16. The main issues raised by the council staff were about some complexities in the application and approval process, raising more awareness of the grant, the three-year term of the grant, and a suggestion that the scope and eligibility criteria could be extended to provide more of an incentive to build (such as including local DCs and Building Consent Fees).

17. External stakeholders noted a lack of uptake potentially being because there is a lack of awareness about the grant, confusion about the process to apply or that the amount available fails to impact the challenges of building on Māori land. Feedback emphasised that building on Māori land is a long process, taking years of planning, with difficulty accessing funding support and rural Māori land especially facing major infrastructure barriers compared to those in Urban Growth Areas. Suggestions were made to allocate the grant more equitably across the city, include local DCs, or to widen the eligibility to include applications for housing built before 1 July 2021 and Māori land returned as commercial redress. The fund could continue to rollover until it is spent. It was also suggested that more time is needed to see the impact of the grant before any changes are made.
18. Staff involved in promoting and managing the grant fund acknowledge there is a lack of awareness of the fund. A communication strategy is being put into place to explore opportunities to raise awareness, make the application process easy to understand, and provide ongoing support through avenues such as pānui, wananga and radio, and through key stakeholders (Māori Land Trusts, Te Puni Kokiri (TPK), Kainga Ora and Ministry for Housing and Urban Development (MHUD)).
19. As the affected parties have had the opportunity to input to the policy review process, and as the substantive decision to implement the grant funds was made as part of the Long-term Plan 2021-2031 process, staff consider that no further public consultation on the draft policies is required.

Review of the community housing policy

20. A review of the community housing policy was conducted to determine whether the distribution policies are operating as intended.
21. The community housing policy outlines a grant fund distribution process that occurs at the end of the financial year. Eligible developments receive a retrospective grant on a pro-rata basis according to the dollar value of citywide development contributions paid during the previous year.
22. In September 2022 all Community Housing Providers (CHPs) were contacted and asked to provide details of eligible developments. There were six eligible developments notified for the 2021/22 year, the applications are yet to be finalised but are estimated to be around \$120,000 in total. This will result in approximately \$380,000 carried over into the next financial year, making approximately \$880,000 available to distribute in the current year.
23. At the date of writing, four CHPs have confirmed 37 dwellings are being built this year and will be eligible for the grant in the 2022/23 year, and 43 dwellings planned for next year that will be eligible for the grant in the 2023/24 year, with an estimated total of around \$1.6 million in DCs for these dwellings.
24. Council staff involved in establishing and operating the grant fund provided feedback on its implementation. Feedback was also sought and received from registered CHPs and Community Housing Aotearoa. Community Housing Regulatory Authority (CHRA), Ministry of Social Development (MSD) and Ministry of Housing and Urban Development (MHUD) were also contacted but did not provide feedback.
25. Overall feedback showed there has been a lag in the uptake of this grant due to the time taken for developments to reach the building consent stage, not because the fund is inappropriate.
26. Council staff questioned the contradictory nature of the purpose, the scope of eligible recipients and the definition of community housing in the policy. In particular, the inclusion of progressive home ownership does not align with the stated purpose to increase the stock of community housing as the homes become privately owned. The inclusion of emergency housing in the definition is confusing as this housing is only intended for temporary housing (7 days). Transitional housing is included in the definition and provides support to individuals for around 3 – 18 months and so expansion would increase the stock of housing for individuals. However, the transitional housing providers are excluded from the scope as they

are not CHPs. There was also confusion about the scope being limited to CHPs with a not-for-profit structure, as two CHPS do not have a not-for-profit organisational structure. Other issues raised by stakeholders were the three-year term of the grant fund, whether other alternatives could support community housing, and whether the grant should be retrospective or first in first served.

27. As the affected parties have had the opportunity to input to the policy review process, and as the substantive decision to implement the grant funds was made as part of the Long-term Plan 2021-2031 process, staff consider that no further public consultation on the draft policy is required.

Approach of nearby councils

28. WBoPDC support papakāinga and community housing in three ways:
- Ongoing funding in the [Long-term Plan](#) (page 186-187) to support papakāinga housing of \$55,000 for 2022, and then inflation adjusted each year across the 10 year plan.
 - Better Off Funding* applications, of which \$700,000 will be allocated to progress specific Māori housing aspirations. See the WBoPDC [Council report](#) (page 102) for more detail.
 - As part of the [Schedule of Fees and Charges 2022/23](#) (page 38), papakāinga and community housing will receive a 100% reduction in financial contributions (FINCOS) for additional dwellings (over and above the base charge of one Household Equivalent), for applications up to a maximum of 10 dwellings, subject to specific criteria.
29. The waiving of FINCOS is a mechanism similar to the grants for development contributions that the TCC policies cover. The difference is that it applies only to additional dwellings, and has a limit up to 10 dwellings, compared to our policies which cover the full citywide DCs for all eligible applications from a maximum fund pool of \$500,000 per year.
30. WBoPDC are also investing in redeveloping and increasing their stock of elder housing.

STRATEGIC / STATUTORY CONTEXT

31. Housing supply across all sectors-of-need is a significant issue in Tauranga. Through the Long-Term Plan 2021-31 process, it was recognised that reducing the cost of developing new community and papakāinga housing by subsidising development contribution fees was a priority action that Council could take to assist these sectors.
32. Current research indicates the percentage of total social housing stock in the region is 1.7% in Tauranga and 2.6% in the WBOP against the national average of 4.7%. This is well below the ideal of between 7-9% of total housing stock. There is high demand locally for emergency and transitional housing.
33. Based on current housing register data, as at 30 June 2022 there were approximately 825 people on the register in Tauranga and 222 in the WBOP. Approximately 330 individuals/families on the register are currently housed in emergency and transitional housing.
34. Council has adopted the following principles to guide the reinvestment of the remaining proceeds from the sale of the elder housing villages and Pooles Road properties. Funds will be used in such a way as to:
- deliver an increase in public, social, affordable and elder housing for Tauranga
 - minimise private individual profit
 - provide opportunity to leverage for additional external funds
 - ensure funds remain within non-profit entity control (i.e. if reinvestment does return a profit, the resulting profit will be reinvested to deliver further public and/or affordable housing and would not return to the council)
 - result in community benefit being retained long term.

35. Council has signalled the potential of investing a minimum of \$20m of sale proceeds in a proposed Housing Equity Fund being established by BayTrust. Currently Council, alongside BayTrust and other likely investors, is participating in a co-design process for the fund, as well as completing independent due diligence investigations. The proposed Housing Equity Fund would cover the Bay of Plenty region and be focused on identifying and meeting housing needs of people across the region, through provision of housing options which are not being adequately delivered by the market. It may include working in partnership with CHPs and Iwi/Hapū. Council will consult with the community prior to making a decision on how the remaining proceeds of sale will be spent (i.e. before investing in the Housing Equity Fund or any other housing initiative).

OPTIONS ANALYSIS

36. The options for responding to the issues raised are set out below. The draft policies in **Attachment 1 and 2** show tracked changes based on the recommendations below. Should the Committee adopt other options, the appropriate clauses would need to be amended, with delegated authority to the General Manager Strategy, Growth & Governance to approve the final wording of the policy.

Overall Issues Raised

37. Three issues raised through consultation applied to both grant funds:

Issue 1: Allowing more time before making amendments

38. Due to the low uptake and low awareness of the grant funds, an option could be to consider making no changes to both policies until another year has passed. However, some issues have been raised and small changes may make the policies operate better.

	Option	Advantages	Disadvantages
1A	<p>Make no changes to the policies until after a review in July 2023</p> <ul style="list-style-type: none"> (Status quo) 	<ul style="list-style-type: none"> The papakāinga housing grant fund has only been open for applications since March 2022 (six months) More time is needed to raise awareness of the papakāinga housing grant There has been small uptake of the community housing grant fund, but dwellings are planned for the next two years It is too early to know if the policies are working well or not 	<ul style="list-style-type: none"> Potential risk that the funds will continue to be under-utilised for another year If the grant funds remain under-utilised there may be pressure to redirect the funds to other projects
1B	<p>Amend the policies to reflect feedback received</p> <p>(Recommended)</p>	<ul style="list-style-type: none"> Provides opportunity to consider the feedback and make the policies operate better 	<ul style="list-style-type: none"> Potential risk that not enough information is available to make an informed decision.

Issue 2: Long-term commitment of the grant funds

39. The process for preparing to build papakāinga housing can be lengthy, with at least two years of planning before building commences. This may include whānau planning (12 months), information gathering and research (6 months), project planning and feasibility (6

months), due diligence (negotiating with funders) (3 months), and then building and project management (18 months).

40. Community housing providers also take time to plan and execute their developments. In some cases, a developer may build the house on behalf of the CHP with a turnkey agreement, however the CHP will only take ownership of the house when it is fully built. This can delay the time from lodging the building consent to taking ownership by about a year, creating a lag in eligibility for the grant.
41. Due to the time to plan developments, the short-term nature of the grant fund may make it hard to commit if the grant fund is not available when they are ready to build. Extending the grant fund beyond the three-year term would provide more surety for those planning developments. At the least, the policy could make explicit that funds that have rolled over after three years should be ring-fenced for this purpose until fully allocated.
42. The committee could consider extending the grant fund, rolling over any remaining funds after three years, or focus on a different strategy to support housing.

	Option	Advantages	Disadvantages
2A	No change to the timeframe for the grant (Status quo)	<ul style="list-style-type: none"> • Continues with the current approach 	<ul style="list-style-type: none"> • Does not recognise long-term planning and timeframe challenges of building
2B	Any unused funds will roll over after the three-year timeframe has passed (Recommended)	<ul style="list-style-type: none"> • Shows commitment that the grant fund will not be repurposed for other projects (this was assumed at the time of original adoption but would benefit from being clarified) 	<ul style="list-style-type: none"> • Partially recognises long-term planning and timeframe challenges of building

Papakāinga Housing Policy issues

Issue 3: Expand the fund to increase the costs covered and the eligibility criteria

43. Only \$103,028.56 has been distributed from the grant, leaving \$896,971.44 available for the current year.
44. The policy only funds citywide DCs on papakāinga housing developed or owned by shareholders and/or beneficial owners of Māori land where the purpose is not primarily to achieve a commercial benefit from that housing development.
45. As only a small portion of the fund has been allocated, feedback suggested expanding the scope of the policy to include other building related charges (such as local DCs and Building Consent Fees) and widening the eligibility criteria to include land returned to Māori ownership in general title.

Development Contributions

46. This grant fund was established to reduce the financial burden of citywide DCs but did not address the cost of feasibility studies (\$60-100k), infrastructure or other building related charges. TPK offers support for papakāinga developments by contributing to the cost of planning and feasibility assessment, as well as infrastructure and construction costs – typically for a site with more than one home. However, TPK have limited funds available currently. The council (sometimes in partnership with MHUD) has also supported some Māori Land Trusts with other grants in the past, supporting infrastructure and resource consent costs. The council also contracts a kaiarahi to support Māori Land Trusts to navigate the process of unlocking their land for building.

47. The two types of DCs are citywide and local. Citywide DCs are charged at the same rate across the city (around \$21,000 per lot for a two-bedroom dwelling) and cover the cost of citywide infrastructure (such as water, wastewater, community infrastructure). They are charged at the time of building consent and have a much closer nexus to the development of new housing. Local DCs, in contrast, cover specific location infrastructure, and the amount varies across the city (around \$4,000 to \$41,000 per lot). They are charged at the resource consent stage and may be several years prior to housing being provided. If the development is unable to connect to specific infrastructure, the DC for that activity is not payable, and the applicant must provide and fund their own infrastructure (e.g. septic tanks).
48. During the development of the policy there were mixed views as to whether the grant funds should be applied to both types of DCs or just to citywide DCs. The decision by Council was to only include citywide DCs in the policy.
49. Feedback noted that local DCs should be considered again to provide a larger grant amount and more incentive to build at the earlier stage. The five recipients of the DC grant were able to build because the Resource Consent for the land had been obtained by their Māori Land Trust several years ago with other funding from TCC supporting this process.
50. Consideration could be given to increasing the eligibility criteria to also include local DCs, or allocating some of the grant to support with the resource consent process and/or infrastructure costs to help prepare the land for building.

Rural versus Urban Land

51. During the review of the policy, two stakeholders raised the issue that building on rural land is harder than urban land and this is not currently addressed by the policy.
52. For example, a development on urban Māori land is likely to connect to all infrastructure and pay the full portion of the citywide DCs, and thereby access a higher grant payment. However, a development on rural Māori land might only connect to some infrastructure and thereby pay a lower portion of the citywide DCs and have access to a smaller grant payment. Additionally, they would still need to source alternative funding to develop their own infrastructure (e.g. septic tanks). The policy therefore disproportionately serves development on urban land compared to rural land.
53. Consideration could be given to supporting barriers to rural infrastructure costs through other funding avenues, as has been done in the past.

Land returned as commercial redress

54. The scope of the policy currently only includes Māori land where the purpose is not primarily to achieve a commercial benefit from that housing development.
55. Council has recently updated and adopted the “Remission and Postponement of Rates on Māori Freehold Land Policy” (the rates remission policy) which previously did not include land returned for commercial redress as eligible for remission. Land returned to Māori ownership in general title is not always immediately transferred to Māori freehold land. An overview of the difference between Māori Freehold Land and General Land can be found in the report to the March Committee.¹
56. A submission on the rates policy from Ngā Pōtiki noted a significant amount of land was returned as commercial redress and will be used for housing Ngā Pōtiki whānau and not for commercial gain. They noted excluding this land from the rates remission policy and the papakāinga housing policy might be inconsistent with the policy purpose (and relevant legislation).
57. The adopted rates remission policy now includes a special clause:

¹ https://infocouncil.tauranga.govt.nz/Open/2022/03/SFR_20220328_AGN_2415_AT.PDF

2.3 Land returned for commercial redress will not generally be eligible for remission under this policy. Such land may be eligible for rates postponement as per 6.7.1 below.

6.7.1 Rates may be postponed on land returned as commercial redress where a portion of the land will be retained and developed by iwi or hapū-owned entity for housing whānau. Rates will be postponed until such time as the development is complete or there are persons residing in the houses at which time all postponed rates will be waived. The postponed rates will only become payable when any portion of the land retained for housing is used for a non-housing, including commercial, purpose or sold on the open market.

58. This recognises the collective ownership by Māori of this land, despite not having the status of Māori freehold land, and recognises that land tagged for housing whānau should have rates postponed and waived until such time that housing is developed. If the principle was transferred into the papakāinga housing policy, it would acknowledge that the land has been set aside for papakāinga housing, and when these are developed, and DCs paid, they would be eligible for the DC grant.
59. Whilst this general land is tagged for papakāinga housing, the papakāinga housing policy aims to address the specific barriers to building on Māori land, including requiring whānau and trustee consensus, and challenges in securing funding, as the house will be owned under a licence to occupy. Building on general land does not have these barriers, and so including general land in the papakāinga housing policy would disadvantage those building on Māori land compared to general land.

60. Option Assessment

	Option	Advantages	Disadvantages
3A	<ul style="list-style-type: none"> Only citywide DCS are included in the policy (Status quo)	<ul style="list-style-type: none"> Maintains the status quo that was decided when the policy was developed 	<ul style="list-style-type: none"> Does not acknowledge the initial challenge of getting the land ready for building (i.e. resource consent)
3B	Extend the policy scope to also include local DCs (Not recommended)	<ul style="list-style-type: none"> All DCs have an impact on the cost of new housing and therefore potentially the supply of new housing May incentivise more building as a higher cost is covered by the grant at an earlier stage of the process 	<ul style="list-style-type: none"> The decision to exclude local DCs has already been considered and excluded by Council because the intention was to incentivise more housing to be quickly developed by supporting citywide DCs Local DCs, charged at the time of resource consent, may be several years prior to housing being provided
3C	Allocate some of the grant to support early planning (i.e. resource consent and infrastructure costs) (Not recommended)	<ul style="list-style-type: none"> Acknowledges the challenges in getting the land ready for building 	<ul style="list-style-type: none"> Moves away from the purpose of the policy to reduce the financial burden of DCs
3D	Only shareholders and/or beneficial owners of Māori land covered by the policy. (Status quo)	<ul style="list-style-type: none"> Mitigates any risk of distributing a grant toward papakāinga housing that may be later used for a 	<ul style="list-style-type: none"> Does not align with the principle of the recently adopted Remission and Postponement of Rates on Māori Freehold Land Policy. This recognised that some land

		<p>commercial purpose</p> <ul style="list-style-type: none"> Acknowledges that building on Māori land is more challenging compared to general land Where a CHP supplies papakāinga housing they could instead apply for a grant from the TCC community housing grant 	<p>returned as commercial redress is developed by iwi or hapū-owned entities for housing whānau</p>
3E	<ul style="list-style-type: none"> Include “<i>and land returned as commercial redress</i>” in policy scope (Not recommended) 	<ul style="list-style-type: none"> Recognises that some commercial redress land may be used for housing whānau (i.e. papakāinga housing) Aligns with the intent of the recently adopted Remission and Postponement of Rates on Māori Freehold Land Policy. Provides more opportunity for an underutilised grant to be accessed 	<ul style="list-style-type: none"> Does not acknowledge that building on Māori land is more challenging compared to general land Potential risk that the fund is all spent and individual whānau building on Māori land with more inherent challenges may miss out due to larger developments on general land

Issue 4: Applications for housing built before 1 July 2021

61. During the development of the draft policy a request was made for the grant fund to consider papakāinga housing built before 1 July 2021 under certain circumstances. These circumstances included where the matter had been formally raised with Council (e.g. via letter or LTP/AP submission), but the development had started before this grant fund was available.
62. During the review of the policy the issue was raised again by a stakeholder group.

	Option	Advantages	Disadvantages
4A	<p>Confirm the policy is not to be applied before 1 July 2021 (Status quo)</p>	<ul style="list-style-type: none"> Consistent with standard council approach that grant funds are not applied to activities that took place before the grant was established. Ensures that grant funds are allocated to the provision of new housing (not housing that has already been built) This option does not preclude separate consideration of such retrospective issues at a governance level, but it excludes them from what is otherwise a fairly simple, forward-focused 	<ul style="list-style-type: none"> Does not acknowledge the many years of advocating by a particular group to acquire funding support for papakāinga housing and the expectation that they would be eligible for the grant

		policy and grant fund	
4B	Amend the policy to include housing built before 1 July 2021 in specific circumstances. (Policy wording would need to provide clarity on the circumstances) (Not recommended)	<ul style="list-style-type: none"> Creates a formal route to revisit an issue that has been raised in the past but not resolved to the satisfaction of affected parties. May not directly affect the cost or viability of the provision of new housing. 	<ul style="list-style-type: none"> Could quickly exhaust the fund on retrospective applications and not be able to fund the main purpose of the policy to support new housing

Issue 5: More equitable split of grant funding across the city

63. Council could consider allocating the grant in a more equitable way across the city.

	Option	Advantages	Disadvantages
5A	No change to the way the grant is allocated • (Status quo)	<ul style="list-style-type: none"> Maintains a consistent approach First in first served was a conscious direction from stakeholders at the time the policy was first adopted. 	<ul style="list-style-type: none"> Does not recognise the inherent challenges of building on Māori land in some parts of the city, especially on rural land
5B	Allocate the grant in a more equitable way across the city. This could include an equal split across hapū, or an equal split across urban vs rural land. (Not recommended)	<ul style="list-style-type: none"> Provides a more equitable way of spreading the grant across the city 	<ul style="list-style-type: none"> Potential for grant funds to sit untouched if no housing is planned by certain hapū or in certain areas of the city Difficulty in deciding how to split the fund in an equitable manner

Community Housing Policy issues

Issue 6: Considerations of the purpose, scope and community housing definition

Lag in applications

64. There has been a lag in applications with six eligible developments (approximately \$120,000) due to be paid out for the 2021-22 year, and awareness of 80 further houses in the pipeline to be built in the next two years (around \$1.6 million assumed to be allocated). The lack of funds allocated thus far should not be seen as an indication that the fund is not meeting a need, but rather a reflection of how long it takes to plan and execute developments. Over the next two to three years, it is likely that the full grant fund of \$1.5 million will be allocated.
65. Although option 4E above is not recommended, if the committee did opt for this change (to include land returned as commercial redress in the papakāinga housing policy) it would impact on the community housing fund. In some circumstances, where a CHP also delivers papakāinga housing, there is potential to access either but not both funds. If 3E was accepted then we are aware that approximately \$600,000 could be applied for from the papakāinga fund, thereby freeing up funding in the community housing fund.

Contradictory nature of the purpose, scope and community housing definition

66. A number of issues were raised about the purpose, scope and definition of community housing being contradictory. The Committee could consider these issues which may include widening the scope or eligibility of the grant fund.
67. In 1.2, the policy outlines 'the purpose of the Grant Fund is to assist registered community housing providers to increase and retain the stock of community housing in Tauranga city.'
68. In 2.2, the scope of the policy outlines that 'the Grant Fund can only be used to fully or partially subsidise citywide development contributions on community housing developed and owned by registered community housing providers (registered CHPs) that are operating under a not-for-profit structure.'
69. In 3.1, the definition of community housing is 'non-market rate housing that may include progressive home ownership housing and/or one or more of the following categories of rental housing: social housing (including housing specifically for the elderly), affordable housing, transitional housing, emergency housing, or supported living housing.'
70. Tightening or loosening the policy could bring more clarity to the purpose of this grant fund.

Including or Excluding Progressive Home Ownership

71. The inclusion of progressive home ownership currently contradicts the purpose of the policy to increase and retaining the stock of community housing, as these homes become owned by individuals as private property. This issue was considered when the policy was first adopted and Council chose to include progressive home ownership.
72. At this stage, of the 86 proposed dwellings notified by CHPs, only 6 are for progressive home ownership and so it constitutes a very small percentage of eligible applications.

Excluding Emergency Housing

73. The inclusion of emergency housing is confusing because emergency housing is now typically provided by private/for-profit organisations. Emergency housing is only intended for immediate needs (7 days) although timeframes have been much longer over the last couple of years due to increasing demand and housing supply. For clarity's sake it would make sense to remove emergency housing from the policy definition of community housing.

Expanding the scope beyond registered CHPs to include transitional housing providers

74. Transitional housing is currently included in the definition, but some transitional housing providers are not CHPs, and therefore are not eligible for this grant. There is a great need for more transitional housing in Tauranga.
75. Transitional housing providers offer temporary accommodation for 12 weeks or more (currently around 18 months due to demand) and social support. They are supported by MSD with a Transitional Housing Services Agreement and Level 3 MSD social sector accreditation, which includes regular reporting and accountability. Including them in the eligibility scope would enable them to increase their capacity for transitional housing through building developments. We recognise the risk that transitional housing could become commercial housing in the future, however the risk is considered low because of the accountability required to become MSD accredited.

Making clearer what is meant by not-for-profit structure

76. The scope is currently limited to registered CHPs that are operating under a not-for-profit structure. This has been interpreted as being a registered charity. However, discussion with the original policy development team highlighted the intent was not for the entire organisation to be not-for-profit, but for the specific housing project to be not-for-profit.
77. A few of the registered CHPs do not operate under a not-for-profit structure, however their provision of community housing is not for commercial benefit. For example, Manawa Community Housing Trust does not operate under a not-for-profit structure but have notified their intent to build 30 community houses for whānau Māori. They have received conditional grant funding from MHUD who have confirmed these 30 homes will be affordable rentals

(maximum 80% median market rent) for whānau Māori. They have therefore been assessed as being eligible for the grant.

78. The policy wording could be tweaked to make its intent clearer.

Retrospective or First in First Served

79. One CHP suggested that the current retrospective application process is cumbersome. A first in first served model could enable funds to be released sooner. However, knowing that there are 80 dwellings in the pipeline, the current intent of splitting the fund pro-rata would ensure that the fund will be distributed fairly across the eligible dwellings, and not just to those who built their dwellings first. When the policy was developed, the majority of CHPs favoured the retrospective application process and so there is not a strong argument to change this.

80. The following table outlines the options to be considered:

	Option	Advantages	Disadvantages
6A	<ul style="list-style-type: none"> Make no changes to the purpose, scope and definition of community housing (Status quo) 	<ul style="list-style-type: none"> Maintains a consistent approach 	<ul style="list-style-type: none"> Does not address the current contradictions in the policy wording
6B	<ul style="list-style-type: none"> Remove 'emergency housing' from the definition of community housing at 3.1 <p>Recommended</p>	<ul style="list-style-type: none"> Removes confusion about why this is included in the definition 	
6C	<ul style="list-style-type: none"> Amend the scope at 2.2 to include 'transitional housing providers with Level 3 MSD Social Sector Accreditation and a Transitional Housing Services Agreement' <p>Recommended</p>	<ul style="list-style-type: none"> Supports transitional housing providers to increase the stock of transitional community housing 	<ul style="list-style-type: none"> Would include more providers alongside registered CHPs
6D	<ul style="list-style-type: none"> Amend the scope at 2.2 and funding eligibility at 5.2.1 to replace 'that are operating under a not-for-profit structure' with 'that are developing housing with a not-for-profit intent.' Add in the funding allocation process at 5.3.1 item 2 to notify TCC of.... "and evidence to show the housing development has a not-for-profit intent" <p>Recommended</p>	<ul style="list-style-type: none"> Makes the original intent of the policy more clear to interpret 	

FINANCIAL CONSIDERATIONS

81. Funding of \$500,000 per annum (for three years) was provided through the Long-term Plan 2021-2031 process. Other than staff time to assess and process the distribution of grant funds, there are no further costs associated with the development and application of the distribution policy.

LEGAL IMPLICATIONS / RISKS

82. There are no know legal or risk implications of amending the policies as recommended.

CONSULTATION / ENGAGEMENT

83. The substantive decision to create the new grant fund was made, and consulted on, as part of the Long-term Plan 2021-2031 development process.
84. The draft policies relate solely to the distribution (eligibility, application, assessment and approval) processes for the new grant fund. As there are only a small number of potential recipients for the grant funds, council staff worked directly with those parties to review the distribution policy to ensure it continued to best meet the intended purpose of the grant fund.
85. Feedback was sought on the papakāinga housing policy from Te Rangapū Mana Whenua o Tauranga Moana, local Māori Land Trust representatives, the Joint Agency Group (Kainga Ora, Te Puni Kokiri, WBOPDC, BOPRC), and parties that applied for a grant.
86. Feedback was sought on the community housing policy from registered CHPs, Community Housing Aotearoa, CHRA, MSD and MHUD.

SIGNIFICANCE

87. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
88. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
89. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter of the grant fund is of medium significance, however the decision proposed in this report to amend the policies are of low significance.

ENGAGEMENT

90. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

91. If the Committee agrees to the minor amendments to the policy, stakeholders involved in the review of the policy will be informed of Council's decision and the adoption of the policy. The updated policy will be published on Council's website. Internal processes and communication will continue to be developed to raise awareness and enable simple implementation of the policies.
92. If the Committee requests further consideration of issues, these will be considered and brought back to the next committee meeting.

ATTACHMENTS

1. **Draft Grants for DCs on Papakainga Housing Policy 2022 - A14153087**  
2. **Draft Grants for DCs on Community Housing Policy 2022 - A14153106**  

9.10 Tauranga's Community Carbon Footprint

File Number: A14070029

Author: Jeremy Boase, **Manager: Strategy and Corporate Planning**

Authoriser: Christine Jones, **General Manager: Strategy, Growth & Governance**

PURPOSE OF THE REPORT

1. To provide the updated Tauranga community carbon footprint report to the Committee.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Tauranga's Community Carbon Footprint".

BACKGROUND

2. In late September 2022, the Bay of Plenty Regional Council ("BoPRC") released to this council a report prepared for them by AECOM titled 'Tauranga Community Carbon Footprint' (included as **Attachment 1** to this report and referred to hereinafter as "the 2022 AECOM report"). BoPRC commissioned this work as part of the development of community carbon footprints for each district within the region.
3. The 2022 AECOM report assesses Tauranga's community carbon footprint for the 2020/21 financial year (the latest completed year for which data was available when the project commenced). It is the first such study since a similar piece of work, also conducted by AECOM, relating to the 2015/16 financial year and reported in 2017 ("the 2017 report").
4. The 2022 AECOM report was referenced and quoted from in a report to the Committee's 3 October 2022 meeting titled 'Transport Emissions Projection Tool'. The finalised full report had not been received at the time that agenda closed and therefore it was not included. Instead, it is provided to this meeting for the Committee's consideration.

Approach

5. The methodology used to calculate emissions follows the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory v1.1 ("GPC") published by the World Resources Institute 2021. The GPC methodology represents international best practice for city and regional level greenhouse gas emissions reporting.
6. The GPC approach includes emissions from Stationary Energy, Transport, Waste, Industrial Processes and Product Use, Agriculture, and Forestry activities.
7. All major assumptions made during data collection and analysis are detailed within Appendix A of the 2022 AECOM report. Of particular note to Tauranga are the following:
 - (a) Marine freight emissions are split evenly between origin and destination ports, and then all emissions attributable to the Port of Tauranga are split across the Bay of Plenty districts based on the population of those districts. This means that no emissions are allocated to districts outside of the Bay of Plenty for exports originating from those districts or imports being consumed in those districts.
 - (b) Land transport emissions are based on regional fuel sales figures apportioned to each district based on vehicle kilometres travelled ("VKT") figures provided by Waka Kotahi NZTA. This approach is not as granular as figures used within the western Bay of Plenty's sub-regional Transport Model which informed the Transport Emissions

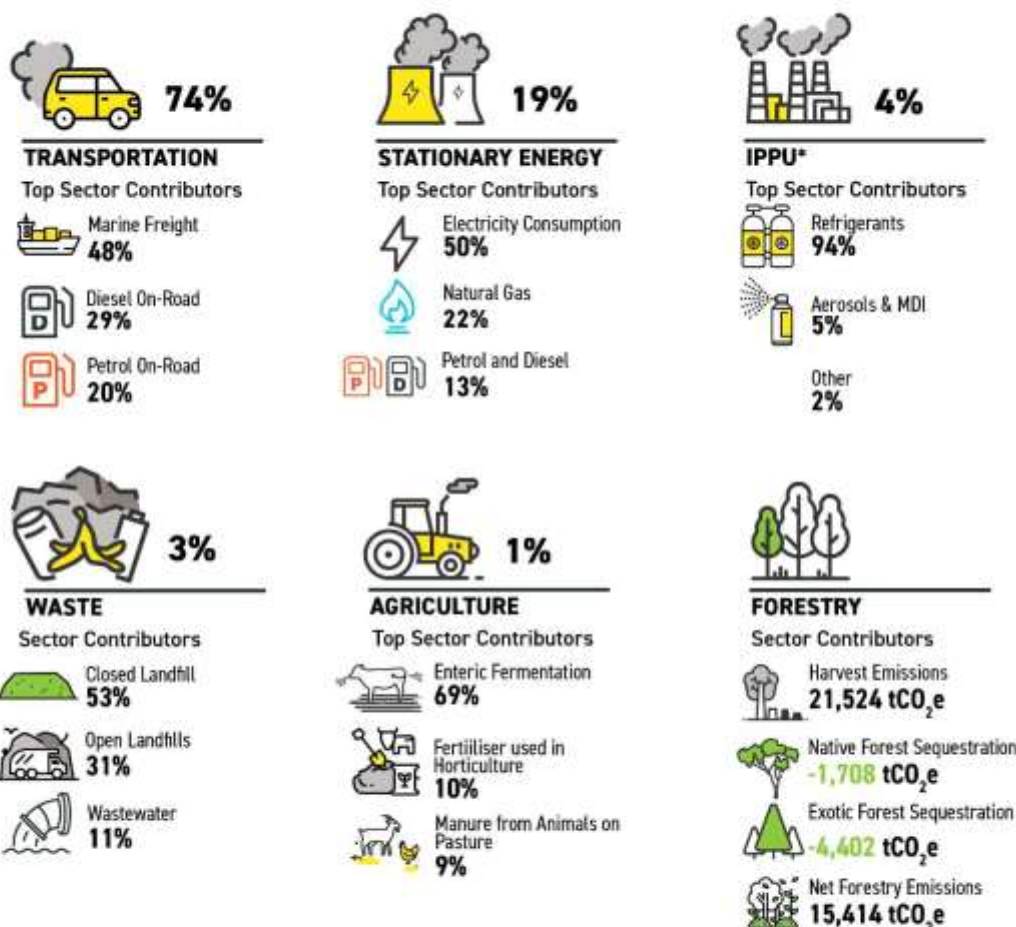
Projection Tool. Work is underway to understand the implications of the different methodologies on future VKT reduction and emissions reduction planning.

- (c) Electricity demand has been calculated using grid exit point (“GXP”) information sourced from the Electricity Authority’s website and apportioned between residential, commercial and industrial sectors based on national data from the Ministry for the Environment.
8. A full review of the assumptions in Appendix A to the 2022 AECOM report is recommended for the interested reader.

Major findings

9. The major findings of the study are included in the Executive Summary of the 2022 AECOM report, the most notable of which are:
- (a) In the 2020/21 reporting year (1st July 2020 to 30th June 2021), total gross emissions in Tauranga were 1,345,115 tonnes of carbon dioxide equivalent (“tCO₂e”).
 - (b) Transport (e.g. emissions from road and air travel) is the largest source of emissions in Tauranga, representing 74% of total gross emissions, with petrol and diesel consumption accounting for 36% of Tauranga’s total gross emissions and marine freight accounting for 35% of Tauranga’s total gross emissions.
 - (c) Stationary Energy (e.g. consumption of electricity and natural gas) is the second highest emitting sector in the region, producing 19% of total gross emissions. Electricity consumption accounts for 10% of Tauranga’s total gross emissions.
 - (d) Between 2015/16 and 2020/21, total gross emissions in Tauranga increased from 1,096,155 tCO₂e to 1,345,115 tCO₂e, an increase of 23%.
 - (e) Over this time the population of the district increased by 22%, with per capita gross emissions in Tauranga remaining stable with a slight increase of 1% between 2015/16 and 2020/21, from 8.7 to 8.8 tCO₂e per person per year.
10. The 2022 AECOM report summarises the greenhouse gas emissions under the six GPC categories as follows:

Tauranga Greenhouse Gas Emissions 2020/21



**Total Gross Emissions
(excluding Forestry): 1,345,115 tCO₂e**

**Total Net Emissions
(including Forestry): 1,360,530 tCO₂e**

*IPPU = Industrial Processes and Product Use

- Section 3 of the 2022 AECOM report provides further detail on each category and the sub-categories within.

Changes since 2015/16

- The pattern of city-wide emissions is broadly similar to that in 2015/16. However, the headline reports are slightly different.
- The 2017 report included data that led to the oft-repeated statement that transport (and predominantly land transport) constituted 60% of the city's emissions. The 2022 AECOM report shows that transportation contributes 74% of the city's emissions, split evenly between marine freight and road transport.
- The reason for the difference is that the 2017 report, undertaken using best practice methodology of the day, did not include marine freight.
- Removing marine freight from the 2022 AECOM report results in transportation contributing 59% of remaining total emissions, very similar to the 60% in the 2017 report.

16. Similarly, retrospective inclusion of marine freight into the 2015/16 figures results in all transportation accounting for 68% of total emissions at that time which is broadly similar to the 74% in the 2022 AECOM report (the difference being that marine emissions have increased faster than other transport emissions for reasons set out in section 4.1 of the 2022 AECOM report).
17. Category-by-category changes in emissions in the five years between the two reports are set out in section 4 of the 2022 AECOM report. A same-methodology update to the 2015/16 figures in the 2017 report is included in section 7 of the 2022 AECOM report.

STRATEGIC / STATUTORY CONTEXT

18. Council's draft Environment Strategy includes as one of five goals for Tauranga to be a low emissions and climate resilient city. The document recognises that reducing emissions, and particularly transport emissions, is a key element in achieving the above goal.
19. Council is currently in the process of preparing its first climate plan. The 2022 AECOM report has been referred to that project and incorporated in the analysis currently underway.

SIGNIFICANCE

20. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
21. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
22. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of Tauranga's community carbon footprint is of high significance, but that the decision to receive this report is of low significance.

ENGAGEMENT

23. Taking into consideration the above assessment, engagement on the decision to receive this report is not considered necessary. Engagement with the community on the development of the climate plan is underway and further community consultation is planned in 2023 prior to that plan being adopted.

ATTACHMENTS

1. **2022-09-28 BOPRC Community Carbon Footprint 2022 Tauranga 220928 Final - A14155216** [↓](#) 

9.11 Q1 Report 2022/23 LGOIMA and Privacy Requests**File Number:** A14113949**Author:** Emily Clarke, Democracy Services Advisor

Kath Norris, Team Leader: Democracy Services

Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance**PURPOSE OF THE REPORT**

1. The purpose of this report is to update the Committee on Local Government Official Information and Meetings Act 1987 (LGOIMA) and Privacy requests for the first quarter of 2022/23.
-

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Q1 2022/23 LGOIMA and Privacy Requests.
-

EXECUTIVE SUMMARY

2. These reports are provided to the Committee to provide assurance on statutory compliance for LGOIMA and Privacy requests.

ATTACHMENTS

1. **Q1 Report LGOIMA and Privacy Requests - A14127477** [↓](#) 

9.12 2023 Q1 Jul-Sep Health and Safety Report**File Number: A13966175****Author: Tony Aitken, Manager: Human Resources
Tracy Benjamin, Health Safety & Wellness Business Partner****Authoriser: Alastair McNeil, General Manager: Corporate Services****PURPOSE OF THE REPORT**

1. To provide a summary of Health, Safety and Wellbeing activities over the July to September 2022 quarter.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the 2022 Q1 Health and Safety Report
- (b) Receives the 2022 Q1 Mental Health and Wellbeing Report

EXECUTIVE SUMMARY

2. This is a quarterly report provided to the Committee, designed to monitor Health, Safety and Wellbeing activities, and share learnings.
3. Any feedback regarding content or topics that the Committee would like is welcomed.

ATTACHMENTS

1. [3_2022 Q1 Health & Safety Report_PDF - A14173147](#)  
2. [3_2022 Q1 H&S_MHW Report_PDF - A14173143](#)  

10 DISCUSSION OF LATE ITEMS**11 PUBLIC EXCLUDED SESSION****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATIONS**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are 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 for the passing of this resolution
11.1 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a) - the public conduct of 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 under section 6 or section 7</p>
11.2 - Litigation Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain</p>	<p>s48(1)(a) - the public conduct of 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>legal professional privilege</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>exist under section 6 or section 7</p>
<p>11.3 - Internal Audit & Assurance - Quarterly Update</p>	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a) - the public conduct of 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 under section 6 or section 7</p>
<p>11.4 - Corporate Risk Register - Quarterly Update</p>	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - the public conduct of 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 under section 6 or section 7</p>

12 CLOSING KARAKIA