



MINUTES

**Strategy, Finance and Risk Committee
Meeting**

Monday, 14 November 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, 14 NOVEMBER 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, Mr Bruce Robertson (via Zoom)

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), Ceilidh Dunphy (Community Relations Manager), Kelvin Hill (Manager: Water Infrastructure Outcomes), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights & Reporting Manager), Sheree Covell (Treasury and Financial Compliance Manager), Clare Abbiss (Open Space & Community Facilities Planner), Sharon Herbst (Policy Analyst), Ruth Woodward (Team Leader: Policy), James Woodward (Finance Lead Projects Assurance), Jeremy Boase (Manager: Strategy & Corporate Planning), Tony Aitken (Manager: Human Resources), Darren West (Team Leader: Health, Safety and Wellbeing), Coral Hair (Manager: Democracy & Governance Services), Robyn Garrett (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston gave the opening karakia.

2 APOLOGIES

2.1 Apologies

COMMITTEE RESOLUTION SFR11/22/1

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the apologies for absence received from Ms Rohario Murray and Ms Matire Duncan be accepted.

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 3 October 2022

COMMITTEE RESOLUTION SFR11/22/2

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

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

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Te Pio Kawe declared an interest in Item 9.9 - Review of the Grants for development contributions on Papakāinga Housing and Community Housing Policies and did not vote on the item.

9 BUSINESS

9.1 Priority One - Annual Report 2021/22

External Nigel Tutt - Chief Executive, Priority One

Greg Simmonds - General Manager - Workforce and Policy, Priority One

Copies of the Priority One Tauranga Moana Talent Action Plan and Annual Report were provided to members.

Key points

- Would like to present to Council a full economic update at some stage in the future.
- Noted the role the commissioners were playing in city development, a lot had been achieved and were heading in a positive direction for the city.
- Tauranga mean annual earning was \$59,461 which was below the national average of \$66,000. As New Zealand's fifth largest city it was not good to be below the national average and a focus was needed to deliver prosperity to the community, to get people good jobs and to be paid well. Vital to encourage, create and grow good industries to be able to get people into jobs.
- The Tauranga Moana Talent Action Plan was presented to the recent AGM. Noted the low unemployment in the area and the desire to see business competing to attract and retain good quality people.
- A business membership had been formed and was part of the sectors' business plans. Each sector had their own plan for talent and Priority One would assist to push these out to get incomes up within the sectors.
- The biggest constraint was housing and this was seen as a barrier to recruiting talent, for people to move into the area or to retain their staff. Some had to move out of the city as they could not get onto the housing ladder or secure rental accommodation.
- Congratulations and appreciation to the Commissioners for their support and huge change of focus onto delivery.

In response to questions

- Noted that immediate priorities needed to be to open up freight routes and housing. Looking at an extension of the berths at the Port and the provision of more options for future industrial land. The business sector supported rates increases for transport infrastructure, but a better story needed to be told.
- There were few managerial or government jobs in Tauranga with high incomes and very few government departments. Part of the reason for this was the industry structure and “Sunshine Tauranga” mindset. To get off the bottom quartile needed to be careful not to add more unskilled jobs.
- There had been a lot of work done in the Māori business and employment sector within the region and, while it was high, it was still not at the rate of the rest of the population. There was a lot of work going into education and pathways to gain better skilled jobs.
- In order to achieve planned growth in the education sector, international students needed to be attracted back to the area. Basics needed to expand educational opportunities included student accommodation, better transport routes and positioning as a forward thinking place where a student could get a good job afterwards.
- TCC’s student scholarships were a positive step, and more companies needed to link with the university to offer the same opportunities to students.
- Priority 1 was working in close collaboration with Māori Land Trusts, many of whom were keen to invest into the city and diversify from more traditional land-based developments.
- There were social procurement opportunities in local government and government agencies and they would continue to develop, evolve, grow capability and capacity and grow locally.
- TCC adopting a social procurement policy was an excellent way to help Māori outcomes. Important to work with all entities as closely and as early as possible to provide them with opportunities for uptake.
- Roads were congested, people wanted to pay for investment in better roading. Even with high inflation, there was still an appetite for improvement; however, the capacity to pay may be less this year than in previous years.

Discussion points raised

- Appreciation expressed to Priority One for their work and for their focus on lifting the income and skills of the workforce.

COMMITTEE RESOLUTION SFR11/22/3

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

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

CARRIED

9.2 Delivering Better Outcomes - City Waters Enhanced Procurement

Staff Kelvin Hill, Manager: Water Infrastructure Outcomes
Nic Johansson, General Manager: Infrastructure

Key points

- An integrated approach was being developed for the lowest cost and best value.
- Nine success factors and outcomes were outlined in the report, to contribute to stronger partnerships.
- Meetings with the sector outlined that the pipeline to building capacity was priority.
- Six months had been spent understanding the pipe sizes and diameters to see what packages could be put together. This was now in hand for water, and could be scaled into spaces and places and transport activities.

In response to questions

- This was not a new implementation, staff were looking at baselining data from around NZ to ensure that prices and costs represented value for money.
- It was within the objectives of the corporate sustainability strategy e.g. carbon levels, the four well beings, te Ao Māori.
- Work was being done on social procurement adoption with other plans such as the Auckland City Council and Bay of Plenty Regional Council's sustainability strategies.
- Moving forward, the focus was on water and waste water reticulation construction over the next five years, using the nine core values, and to get construction on the same page. It would also provide security of work over a five-year period and would take the workforce from one job to another.
- In terms of how to benchmark the process to create the panels and confirm the nine factors with the panels, the history of panels, their core structure and capacity to deal with complex processes were being analysed. Delivery of water was shifting direction, adding and scaling up significantly - this was the main reason for selecting the panel over other possible models.
- In relation to the methodology still being finalised, staff needed to engage with the sector as soon as possible. There were a number of projects ready to go out for pricing, with 70% committed spend being on track and 25% committed as part of the work programme. The aim was to transition as moving forward, not to stop the current spend.
- Mana whenua and tangata whenua involvement was part of the consideration with success sitting on the shoulders of all panel members to ensure that the nine outcome were delivered.
- If this system could create a better balance and the right delivery between suppliers it would also minimise poaching within the sector and provide strong continuous delivery of a good quality with good pricing.

COMMITTEE RESOLUTION SFR11/22/4

Moved: Commissioner Stephen Selwood

Seconded: Dr Wayne Beilby

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.

CARRIED

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

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

Key points

- The first round of re-budgeting for 2023-24 had been completed following the direction within the LTP. There was nothing significant or new apart from cost adjustments.
- Significant costs increases included interest rates and borrowing with an upward movement of 0.5% equating to \$11m.
- Cost price adjustments across all services and cost fluctuations were higher at 9%. The LTP rate was 4% and would be impacted by asset revaluations, decreases in depreciation, changes to Tauriko West funding, grants out and financial contributions in.
- Ways to mitigate upward cost measures included financial adjustments to phase-in cost increases and balancing rate funding depreciation with loan funded. Also looking at small surpluses so rate increase would not be impacted as much.

- Noted that the Transportation and Spaces and Places budgets had not been sufficient for the level of service required, resulting in big increases. Benchmarking with other cities was being undertaken to consider what was realistic and what was over ambitious.
- A realistic look at what was likely to be delivered within the capital programme was needed, looking at what items needed to be brought forward or moved out.
- Benchmarking slides were provided, noting transportation, three waters and spaces and places were consistent with other councils. Transport showed TCC was less favourable to Hamilton while spending similar with debt servicing, amount of investment, new roads and cost per person investment. It noted that TCC maintenance budget was insufficient.
- Three waters was influenced by infrastructure planning work and further work was needed on this impact in relation to other comparatives. With the national waters benchmark TCC sat competitively on cost, but unclear whether growth planning was included in the other authorities' numbers. TCC had higher debt servicing which was growing with city growth.
- Open spaces did not have standardised benchmarking so it was harder to compare. Further information would be provided early next year to show better comparatives.
- Summary identified LTP Year Three indicators at a rate level rather than an expenditure level. The LTP had 6% increase which included water by meter. It was now at 7.5% accounting for growth; however, with the water saving measures, there had been a loss in water consumption volumes which had been factored in.
- Excluding water, the general and targeted rate was 8.4% for residential and 19% for commercial. A difference of \$5m which would need to be found or it would impact on the levels of service requirements.

In response to questions

- It was not expected that consultation would be required for the changes.
- At present there was a 7% increase in water user fees. Water had been promoted as a valuable resource so it was not expected that the price would reduce over time. TCC was not subsidising water at present, but this would be watched annually. There was a small debt retirement in the account. Waste water was tighter at present with the revenue being held to expenditure.
- In response to a query regarding capital investment and whether the water revenue was covering costs, it was noted that extensive evaluation had been undertaken. TCC water charges were lower than other areas, but unsure if the true cost was provided for comparison. The new quality demands and testing would result in increased costs in the future.

Discussion points raised

- Well done to the team, it was a difficult budget to set with many challenges.
- If cut backs were made on infrastructure it would result in less land supply, more expensive houses, lower skilled workers and decreased productivity.

COMMITTEE RESOLUTION SFR11/22/5

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

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.

CARRIED

At 10.54am the meeting adjourned.

At 11.14am the meeting reconvened.

9.5 Open Space Level of Service Policy Hearings

Two submitters spoke to the policy.

Mary Dillon

Key points

- The 50% balance in relation to greenspace and recreation needed to be open to being more flexible than it was. There was a need to look at greenspaces differently within the open space framework and to build in flexibility to allow for factors such as change in population.
- Access to greenfield sites was important for communities - nature had to have an opportunity to develop and to be present and visible where people were every day.
- Noted concern at the workload associated with the Council's strategy and implementation, and how to coherently manage to connect all the implementation plans that were happening. In high level authorities where reporting was to a management team, there was a risk that people would work in silos .
- There was likely to be a review at some stage – questioned how tight this should be, keeping in mind greenspace was incredibly important, as was connecting to nature as part of the well-being of a city.

In response to questions

- More negotiation would occur between parties. The submitter had been involved with the development of The Lakes and noted that a lot of the negotiation was done beforehand, with all parties sitting and talking. Some small reserves were traded off for green space and the ability to walk and be connected to nature; the best way was to sit down at the beginning to develop key principles including putting nature first.

Jeff Fletcher - Fordland Holdings and Kaituna 14

- The holdings included two of the three main land owners in the area that were looking to be rezoned, so the policy was important.
- The owners supported the approach and the provision of neighbourhood reserves. A survey was carried out two years ago, with a pragmatic alignment of reserves.
- Kaituna 14 had a uniqueness as a growth area, with a coastal strip on one side and the river on the other. 50% of the land was protected and would remain so when the plan changed. The 50% landscape was biodiversity, archaeological and stormwater reserves and the owners wanted flexibility to be able to arrive at a pragmatic approach to a range of neighbourhood reserves. There were opportunities to provide community experiences and to work with the Council and the community to ensure flexibility and diversity of reserve and green areas, rather than having set areas for set activities.
- The aspiration was for a network of reserves and parks in between the coast and the river, providing a natural recreation experience with the landowners still privately owning the land.
- There had been a series of hui with the owners and a clear message they wanted to retain all of their land and partner with the Council to improve the land. Trustees were open to creating reserves and working with the Council but retention of ownership needed to be recognised within the policy, with leases being put in place by the owners for the reserves.

In response to questions

- Noted that the infrastructure utilities on reserves were too restrictive, with a challenge how to service areas efficiently and appropriately. The restrictions of underground services were

important but it was a shame to see good outcomes being compromised to avoid some inground pipe infrastructure. The submitter suggested that the Council be more pragmatic and flexible in that regard. When an area was developed and planned, placing a waste water pump station in the corner of a reserve so that it could be accessed easily was not a big compromise to visual aspects. Important to look at need in the context of each individual reserve.

- Conversations had been held with Ngai Pōtiki who had incorporated Māori land ownership into their development, and took great pride in the reserves and the successful example of how it worked. Credit to the Council for enabling that development and now owners wished to see it recognised it to get great outcomes for their blocks of land.

COMMITTEE RESOLUTION SFR11/22/6

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

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.

CARRIED

9.6 Use of Council Land Policy Hearings Report

Six submitters spoke to the policy.

Porina McLeod

- Operated Moana Adventures from Pilot Bay with stand up paddle boarding, waka ama and land-based activities servicing schools, visitors and locals.
- They were there to connect people with the moana and whenua as tangata whenua. The area could be managed better for the business operators and the community and it was good to see some of the considerations in the policy.
- Supported consideration of a three-yearly lease period rather than annually, which was the case at present. It was quite a process for operators and was the same thing every year.
- Supported the request for proof of credibility from operators, those that were there worked hard to keep their space and to make sure what they were providing was safe and of a high quality; and any other operators that come in should have the same level, quality and credibility.
- Noted the connection to te awa Māori in the area and that operators were considering goals and strategies around maintaining the area and the environment.
- Currently did not have a space to park their trailer as the operation had to remain mobile. They had to hope there was a park when they got to the beach each morning.
- The majority of their work was pre-booked activities with schools etc - an approved space for parking was needed as at present they were unofficially leaving the trailers in a space for the time they were there. It would make the job easier and provide for the safe transportation of the equipment in and out of area if a parking space was provided. Backing the trailer into the traffic was not safe. A system such as taking the operators' registration numbers and allowing them to park would work.
- Closing off of the road for cruise ships was also of some concern as it had an impact on access to the area around the summer. The size of the area closed off was not always necessary, as there was not as much congestion. The operators worked closely with BOP Tourism.

In response to questions

- The operators wanted to be legal when parking. To use the boat ramp carpark a vehicle must be attached; other spaces did not allow overnight parking.

- It was noted that a parking plan was being developed for the Mount, and feedback from operators would be helpful as part of that process.

Peter Monteith and Hayley Dunbar - Inspired Kindergartens

Tabled submission.

- Inspired Kindergartens was a not for profit community based charity, comprising of 25 kindergartens, with over 200 staff and a turnover of \$15m per annum.
- Had 12 kindergartens within TCC, with all but two operating under the early childhood education subsidy from the government and supplemented by parent donations.
- High enrolment numbers with 1,100 children, they were one of the top ranked providers in the country.
- Were committed to sustainability and were involved in the EnviroSchools project which would see them off the grid by 2025. They also act as kaitiaki for the parks around where they had their lease sites.
- Regular interaction with iwi through marae experiences and professional learning interactions.
- Play centres were excluded from the policy with no explanation for the exclusion; assumed this was either because of their not for profit status or that two were relocated from sites that the Council wished to use for other purposes. The kindergartens asked to be treated the same as the playcentres as they were also not for profit.
- The proposed lease termination clause would mean their lease terminated in 2027. Considered the notification of termination timeframe was an unreasonable requirement, especially as it would take well over a year to find an alternative site. The cost of construction and land was hard to fund as they did not have access to bank funding. TCC should maintain the existing terms of the lease.
- Avenues Kindergarten was located in a higher density development area of the city; it would be counterproductive to expect to have more children in an area and then reduce the preschool services.
- Offers of finding another suitable site had not identified any. The buildings were brick so were not moveable. The established replacement cost of a building would be \$1.7m plus the cost of the land.
- The Avenues Kindergarten was located in a crown reserve administered by TCC; requested that a delayed decision similar to the Tauranga racecourse also applied.
- The area was not a historical position, so it was hard to understand TCC's position to address plans for recreation.
- The group would like to meet with the Council and find ways forward that would be beneficial to all parties.

In response to questions

- In response to what was an appropriate termination period, the submitter noted that the preference was for the lease to stand. The current cost of building was prohibitive; a \$800,000 building plus environmental costs was now expected to be double that cost and the kindergartens did not have access to that sort of money. Fundraising the amount needed would take decades.
- The Scout hall on the reserve was empty for a decade before it was demolished at a cost to the Council. The time for a building to be dispensed with was when it had no longer had a genuine use.

Discussion points raised

- Commissioner Tolley noted that the racecourse decision was on hold while the provision of health services was being considered and while NZ Thoroughbred Racing considered the position of racing in the BOP.

Roydon Lowe

- Wanted to reinforce the point made in his submission that the noise from the generators used by mobile vendors was unnecessary.
- The submitter and his family used Memorial Park regularly and to have a noisy generator next to the playground and beach was not needed. It should be a peaceful place and a walk should be uninterrupted by noise.
- Kulim Park had power points installed, this should also happen in Memorial Park.
- Concerned with allowing the positioning of an ice cream truck next to a playground. He had three young children and when they were out in reserves for rest, relaxation and exercise, he did not need them always asking for an ice cream. Council should be aware of avoiding long term unhealthy habits that could perpetuate into health issues later on.

Discussion points raised

- Commissioner Tolley noted that Memorial Park was changing and would include shade, water and power.

Matthew King - Ōtūmoetai Tennis Club

- The tennis club was one of largest in the country with 300 children and 200 senior members. There were no other tennis courts in the area.
- There was no basis or any specific purpose in the draft policy to include a termination period of one year. Considered one year unfair, Council did not need that much flexibility.
- They had built 12 tennis courts to an international grade at a valuation of \$3.5 m for the courts and the lights, all put there by their own fundraising or community funders.
- Council should not be able to terminate the lease within one year when it would not fund development maintenance and upkeep of the courts spaces. The community services and infrastructure were poorly invested in by Council - the club was doing that work and doing it without assistance from the Council.
- The club were successfully achieving one of the aims of the council which was for the community to get outside and get active.
- The club requested that the termination clause be removed from the policy as it would destroy any possibility of funding proposed capital upgrades. Funders would not want to provide funding for a lease with that type of clause.
- The termination clause was not a requirement of the Reserves Act and the club could see no rational basis for it.

In response to questions

- Balance and flexibility of use over time could be achieved without the termination clause as renewal periods were entered into throughout the lease. These could be decided on a site by site basis. Section 24 of the Reserves Act noted it was the Minister's decision so could be achieved at each site.
- The Club loved where they were located and were unsure if they could move the buildings or find alternative land.

Discussion points raised

- Acknowledged that consideration must be given to the termination times in the policy as 33 years was a long period of time and did not provide flexibility. Concerns regarding the termination clause had also been raised by a number of other submitters.
- From a public point of view, the Council had to have the ability to say what land was suitable for at different times, to give flexibility for the city to grow and develop.
- Council may not have struck the balance correctly and would thoroughly consider the termination clause; the policy should support activity and allow communities to develop.

Nevan Lancaster

- Submitter had run a business in Pilot Bay for 15 years. The business had been in the same location for 40 years, which pre-dated TCC.
- Had been involved in a number of changes since 2007 and supported the lease being reviewed every three years rather than annually.
- Cruise ship management needed to be heavier between Christmas and the second week of January, considered the Council was spending a lot of money at other times with five people opening and closing road cones.
- Accident figures had not changed over time. The submitter asked that Council let people be smart - they did not have to show people how to cross a road.
- The submitter noted that he needed to get to his area by 5.30 am to find suitable parking, and if he removed his trailer he could not get it until around 9 pm. Would be useful to have his own parking spot as he had a large trailer with kayaks etc and needed to be close to the business as they were not allowed to leave anything on the beach. He did not produce any generator noise as he was powered from solar panels; he also had a rescue boat if needed.
- Council was doing a great job with recycling rubbish and local volunteers and operators picked up rubbish at Pilot Bay.
- Application for the location was generally done in August/September every year, it would be helpful to the businesses if this could be done at the end of the previous season rather than the start of the new season. For his business he needed to know at the beginning of winter whether or not to spend money on new equipment.
- The submitter suggested that the amount of money spent by Council each year on road management in the area was unnecessary. There had been changes made with buses now being able to get into the port.
- Blocking off the area up to Prince Ave was not needed and was excessive Monday to Friday. Be flexible when it was needed or if something special was happening. Considered there were a lot of traffic management plans competing with each other and a lot of money spent for little result.

COMMITTEE RESOLUTION SFR11/22/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the written submissions on the draft use of council land policy (Attachment 1) and the Inspired Kindergarten's submission tabled at the meeting.
- (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.

CARRIED

Attachments

1 Tabled item - Inspired Kindergartens submission

At 12.26pm the meeting adjourned.

At 1.16pm the meeting reconvened.

At 1.16 pm, Mr Bruce Robertson left the meeting.

9.4 Annual Report - Update with Consolidation and Final Asset Revaluations

Staff Sheree Covell, Treasury and Financial Compliance Manager
Jeremy Boase, Manager: Strategy and Corporate Planning
Paul Davidson, Chief Financial Officer

Key points

- Consolidated report that included rates surplus from last year.
- Land and building revaluation notes to accounts were now complete with one outstanding issue of tax being with PWC for advice. The impact of the increase was \$427m, taking the total to \$6.4b, with all other key metrics remaining the same.
- The Annual Report would be provided to the 12 December 2022 Council meeting for adoption, but there was a risk that date might not be met as there was a big demand on the contractors' time.
- It was recommended that the surplus of \$1.5m be brought into the contingency reserve to manage the risk of interest rates increases over the next few years; and that recommendation (ii) be removed from the suggested resolutions.

Discussion points raised

- Discussion on the best placement of the Tauranga Moana map in the Annual Report.
- Suggested a top 25 list of opportunities and challenges be created for the LTP.
- Suggested reordering 'Highlights, opportunities and challenges' in the Report to bring a delivery focus forward to the beginning.
- Suggested that civic precinct, reliability and sustainability were brought further to front of the document and other sections rearranged to give a clearer message up front.
- The delivery focus should be increased, there was more happening than noted in the report – e.g. Cameron Road.
- Requested that the explanation of statutory responsibilities was made easier to understand.
- The chart for building consents needed to also provide the actual number of houses delivered in the year.
- An explanation was needed for the operational expenditure, rate revenue and debt going up - people could wrongly think that the rising debt was to funding operational expenditure. Suggested an explanation be included that the development levies were calculated with forward planning and debt funding had a longer life span than one year.

COMMITTEE RESOLUTION SFR11/22/8

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

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 the interest rate contingency reserve.

CARRIED

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

Staff Tracey Hughes, Financial Insights & Reporting Manager
James Woodward, Finance Lead Projects Assurance
Jeremy Boase, Manager: Strategy and Corporate Planning

Key points

- The first quarter was tracking favourably to budget.
- Forecasting would be carried out in Quarter 2, looking at expenditure and funding last year and any opportunities to carry forward expenditure and funding to next year.
- Debt was tracking to budget of \$853m to the end of the year.
- Capital expenditure was slower to start this year with expenditure expected to catch up by the end of the year. Biggest risks included internal and external resource capacity and the rising inflation rate.

In response to questions

- Significant forward thinking was put into the accessing of materials and supplies with orders being placed early in many cases.
- The transport team currently had 31 vacancies, so there were more projects on the books than there were people to deliver them. Noted the size of the current programme of works with three big businesses cases happening and a major suite of network improvements. Waka Kotahi also had the same problems and the significance of land transport on the end of year numbers was increasing. This would be on par early next year with Three Waters in terms of the scale of delivery.
- Bottleneck of delivery due to lack of staff resources was being mitigated by use of contractors and consultants. This did cost more, but was working well and put the focus on delivery rather than placing a value lens on it.
- Some work could not be undertaken because of the wet winter and staff were working hard to catch up.

COMMITTEE RESOLUTION SFR11/22/9

Moved: Commissioner Stephen Selwood

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

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

CARRIED

9.8 Credit rating from Standard and Poors Global Ratings**COMMITTEE RESOLUTION SFR11/22/10**

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

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

CARRIED

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

Sharon Herbst, Policy Analyst

Christine Jones, General Manager: Strategy, Growth & Governance

Ruth Woodward, Team Leader: Policy

Discussion points raised

- It was agreed that the fund be reported on to Council six months before the term finished and to consider at that time whether annual reviews and reporting were required. The Commission wanted to know if the policy was working and the number of houses being delivered was critical.
- It was suggested that the review could align with the LTP - if it was changed it would be logical to do as part as 2024-34 LTP.
- Noted that It would take some time to get the programme up and running. Some funds had been accessed and some housing delivered, but there was a need to monitor how funds were applied, where the blockages were and whether the funds were assessable, useable and applied.
- Council's Takawaenga unit was aware of the policy and was working on a strategy with local land trusts and other key stakeholders.
- The Chairperson allowed Mr Kawe to speak due to his knowledge of the process. Mr Kawe noted:
 - 15 whare were built in 2022, 12 last year and 10 the year before. It was not known how many had actually applied or were successful since the programme started in 2017.
 - Land use consent was not part of an opportunity to seek reinvestment and consideration, which disadvantaged some trusts. Engagement could not happen overnight as the groups involved may need to go out to their people several times.
 - Iwi were moving forward with the development process, but some did not yet have a trust established, whereas others like Ngāti Toa were well advanced.
 - There was a wider concept around provision of resources to get land trusts up to a state that they could build homes on their whenua. Te Puna Kokiri had five steps in their toolkit, and were only supporting iwi when they got to the fifth step, whereas it took a whole process to get to that point.
 - There was a long lead-in time – three to five years – to get land trusts to development stage. Costs were continually going up - it was not a fault of the policy but a wider approach was needed.
- The policy flagged an intent and when the trusts reached a certain stage they knew there was a system. There was a lot more work to go and Council and iwi were working with SmartGrowth on delivery and measurement. There had been a shift in the intent to build with Te Puna Kokiri and some of the trusts would take advantage of that.

COMMITTEE RESOLUTION SFR11/22/11

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Stephen Selwood

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) Makes 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'.

CARRIED

9.10 Tauranga's Community Carbon Footprint

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

Key points

- The predictions were the same as previously, with transport providing the bulk of emissions. Marine freight was now incorporated.
- The ten key elements listed in the diagram in the report flowed into the development of the action plan which would be provided to Council in the new year for review and prioritisation.

In response to questions

- The major challenge was how to shift transport around the city. Council was seeking specific advice about tangible ways to reduce emissions, but unsure how successful it would be.
- In 2017 the formula did not include marine transport - but if the same methodology was used transport still had the same proportion of emissions. Much of a ship's journey was within international waters, but was included in the destination target. The Port was also questioning how the emissions were shared.
- The totals also included cruise ships which were needed tourism - it was a matter of how to balance it.
- Practical solutions were being sought from the Carbon Emissions Reduction Group on the targets. It was the Council's role to measure the emissions, develop public transport and cycle and walkways.

COMMITTEE RESOLUTION SFR11/22/12

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

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

CARRIED

9.11 Q1 Report 2022/23 LGOIMA and Privacy Requests

COMMITTEE RESOLUTION SFR11/22/13

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

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

CARRIED

9.12 2023 Q1 Jul-Sep Health and Safety Report

Staff Darren West, Team Leader: Health, Safety and Wellbeing

Key points

- Mental health and wellbeing statistics were trending slightly lower than the national average of 8-10%.
- Mental Health week - ideas were received from the wider team on how to build mental wellbeing strategies. A framework would be provided on how to look after TCC's people and would be reported in the new year.
- There were three health and safety audit items outstanding. The finalisation of the Drug and Alcohol policy would be provided to the executive team before the end of the year
- PCBU relationships was a newly formed team which now had a full contingent of staff and were working with business partners, co-ordinators and health and safety.
- ISO provided a reliable standard to help reduce work-related risks and was measurable; providing good guidelines on how to look after the work force.
- There had been a positive uptake from Executive around due diligence with the Chief Executive taking the lead.

In response to questions

- Leading into the end of year, business partners were out and encouraging conversations with staff to ensure they were looking after themselves and their families.

Discussion points raised

- Commissioner Tolley noted that governance should also take responsibility and were visiting sites.
- The lack of resources throughout the organisation was noted and it was pleasing to see the focus on the mental health and wellbeing of staff who were working hard to make a difference in the city. No one had really come to terms with the long term effect of Covid and mental wellbeing.
- Staff were commended on providing an excellent report.

COMMITTEE RESOLUTION SFR11/22/14

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

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

CARRIED

9.13 Use of Council Land policy hearings - continued

Nathan York and Craig Batchelar

Key Points

- The policy required a review as it had not been reviewed since 2016.
- The new urban growth areas overlay was around quality rather than quantity, and did not apply the same metrics to consenting developed areas where there was still a quantity metric in place. It was hard to meet the requirements of the policy if intensification of residential areas was subject to the number of people in the area. Requested the same approach to 5.3.1 in all areas, especially if TCC wanted developers to intensify.

- More clarification was needed on how to measure quality as this was important for developers going forward.

Discussion points raised

- It was noted that Council was aware of the Te Papa peninsula where intensification was encouraged and also where existing reserves were occupying green space. Many user groups had 33 year leases and it was expensive to move them off these areas. Council was considering wider spaces and equitable distribution across the city of green and reserve space which would make a difficult LTP.
- The Lakes had 14 small playgrounds dotted around as a requirement of the development, but there was no place to kick a ball around or play a sport or for older children. Council was required to cater for a mixture of recreational, active and passive accessible activities across all age ranges. Planners were advising that flexibility was needed when structure planning was being put in place.
- Mr York noted that this was the long term picture, but they were also interested in the here and now. There was a well-designed development area in Wairakei that worked on minimum residential standards. The rule was 15 but TCC wanted intensification - if this was to be city-wide maybe the Wairakei area would be able to deliver a network of reserve space, rather than smaller discrete areas, which would allow more flexible development and design. He suggested getting the rule hard wired in so that people knew what was expected and allowed.
- It was noted that the key message from the environmental and development sectors was to understand the overall context and make sure it fitted the context rather than fitting a set of rules.

At 2.40 pm, Mr Robertson rejoined the meeting.

10 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

COMMITTEE RESOLUTION SFR11/22/15

Moved: Commissioner Shadrach Rolleston

Seconded: Dr Wayne Beilby

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</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>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>	
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 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>	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
11.3 - Internal Audit & Assurance - Quarterly Update	<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>	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
11.4 - Corporate Risk Register - Quarterly Update	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	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

	<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>	withholding would exist under section 6 or section 7
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CARRIED

11 CLOSING KARAKIA

The closing karakia was provided at the end of the following Council meeting.

Public excluded resolutions transferred into the open section of the meeting

11.3 Internal Audit & Assurance - Quarterly Update

COMMITTEE RESOLUTION SFR11/22/16

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- a) Receives the Audit & Assurance quarterly update report.
- b) Transfers this report to open at the conclusion of this meeting.

CARRIED

11.4 Corporate Risk Register - Quarterly Update

COMMITTEE RESOLUTION SFR11/22/17

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the Corporate Risk Register - Quarterly Update report.
- (b) Transfers this report and attachments to open at the conclusion of this meeting.

CARRIED

The meeting closed at 3.16 pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 5 December 2022.

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CHAIRPERSON