



AGENDA

Strategy, Finance and Risk Committee meeting Thursday, 17 November 2022

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

Date: Thursday, 17 November 2022

Time: 9.30am

Location: Ground Floor Meeting Room 1
306 Cameron Road
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:

- (a) 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;
- (b) to consider strategic issues facing the city and develop a pathway for the future;
- (c) to monitor progress on achievement of desired strategic outcomes;
- (d) 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:
 - Consider existing and future strategic context
 - Consider opportunities and possible options
 - 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:

- Health and safety.
- Risk management.
- Significant projects and programmes of work focussing on the appropriate management of risk.
- Internal and external audit and assurance.
- Fraud, integrity and investigations.
- Monitoring of compliance with laws and regulations.
- Oversight of preparation of the Annual Report and other external financial reports required by statute.
- Oversee the relationship with the Council's Investment Advisors and Fund Managers.
- Oversee the relationship between the Council and its external auditor.
- 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:

- 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.
- 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:

- Review, approve and monitor the implementation of the Risk Management Policy, Framework and Strategy including the Corporate Risk Register.
- Review and approve the Council's "risk appetite" statement.
- 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.
- 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:

- 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.
- Review and approve annually and monitor the implementation of the Internal Audit Plan.
- 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.

- Review the reports of the Internal Audit functions dealing with findings, conclusions and recommendations.
- 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:

- Review with the external auditor, before the audit commences, the areas of audit focus and audit plan.
- Review with the external auditors, representations required by commissioners and senior management, including representations as to the fraud and integrity control environment.
- Recommend adoption of external accountability documents (LTP and annual report) to the Council.
- Review the external auditors, management letter and management responses and inquire into reasons for any recommendations not acted upon.
- 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.
- 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:

- Review and provide advice on the Fraud Prevention and Management Policy.
- Review, adopt and monitor the Protected Disclosures Policy.
- 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.
- Review reports from Internal Audit, external audit and management related to protected disclosures, ethics, bribery and fraud related incidents.
- 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:

- Compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards.
- Compliance with applicable legal requirements relevant to statutory reporting.
- The consistency of application of accounting policies, across reporting periods.
- Changes to accounting policies and practices that may affect the way that accounts are presented.

- Any decisions involving significant judgement, estimation or uncertainty.
- The extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed.
- The disclosure of contingent liabilities and contingent assets.
- The basis for the adoption of the going concern assumption.
- 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:
 - o make a rate;
 - o make a bylaw;
 - o borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan (LTP);
 - o adopt the LTP or Annual Plan;
 - o adopt the Annual Report;
 - o 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;
 - o adopt a remuneration and employment policy;
 - o appoint a chief executive.

Power to Recommend

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

Order of Business

| | | |
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| 1 | Opening karakia | 9 |
| 2 | Apologies | 9 |
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| 4 | Acceptance of late items | 9 |
| 5 | Confidential business to be transferred into the open | 9 |
| 6 | Change to order of business | 9 |
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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 DECLARATION OF CONFLICTS OF INTEREST**

8 BUSINESS

8.1 Revised Draft Local Alcohol Policy - Hearings

File Number: A14015069

Author: Jane Barnett, Policy Analyst
Nigel McGlone, Manager: Environmental Regulation

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

PURPOSE OF THE REPORT

1. To receive feedback on the revised draft Local Alcohol Policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the written submissions on the revised draft Local Alcohol Policy (Attachment One)
- (b) Receives the verbal submissions from those submitters who wish to speak to their submission
- (c) Amends the timeline for the Local Alcohol Policy review to deliberate on submissions in March 2023 instead of December 2022.

EXECUTIVE SUMMARY

2. On 1 August 2022 the Strategy, Finance and Risk Committee (committee) approved a revised draft Local Alcohol Policy (LAP) for community consultation.
3. Submissions were sought from 16 August 2022 to 16 September 2022.
4. 339 submissions were received and are attached in **Attachment One**. 25 of the submitters wish to speak to the committee at the hearings today.
5. Staff recommend deliberations on the submissions take place in March 2023 instead of December 2022. This amended timeline allows for the Bill that proposes to remove the appeal process from the Sale and Supply of Alcohol Act 2012 (the Act) to be in place.

BACKGROUND

6. As part of the required LAP review¹, the committee developed a draft LAP, which was open for consultation between 17 November and 20 December 2021.
7. After considering the 158 submissions, the Committee decided to revise the draft policy and carry out further consultation in response to the issues raised by submitters.
8. The key changes included in the revised draft LAP, following the 2021 consultation, are:
 - changing the final alcohol sales time to 3am from the proposed 2am for all on-licensed premises (such as bars and nightclubs) in the central city
 - removing the one-way door provision (allowing patrons to leave licensed premises but not enter or re-enter during specified times)

¹ All LAPs are required to be reviewed every six years to meet the provisions of the Sale and Supply of Alcohol Act 2012.

- changing the opening sales time to 10am instead of 7am for all off-licensed premises (such as bottle stores and supermarkets)
- no new on-licensed premises to be established in industrial zoned areas
- no new licences issued for bottle stores located within suburbs where alcohol is likely to have greater impact on the community
- introducing a range of discretionary conditions for all off-licensed premises.

9. Table one below shows how the proposed policy has changed during the LAP consultation process

Table One: Changes to the LAP during the review process

| Current Policy | First proposed changes (draft LAP) | Revised proposed changes (revised draft LAP) |
|---|---|--|
| One-way door entry from 2am. | One-way door entry from 2am. | No one-way door. |
| Off-licences can sell alcohol from 7am. | Off-licences can sell alcohol from 7am. | Off-licences can sell alcohol from 10am. |
| No location restrictions for on-licensed premises. | No location restrictions for on-licensed premises. | No new on-licensed premises to be established in areas zoned industrial. |
| No location restrictions for off-licensed premises. | No location restrictions for off-licensed premises. | No new bottle stores to be established in areas with a deprivation index of 7 or more. |
| 3am final alcohol sales time for on-licences in city centre. | 2am final alcohol sales time for on-licences in city centre. | 3am final alcohol sales time for on-licences in city centre (unchanged)). |
| No discretionary conditions included for off-licensed premises. | No discretionary conditions included for off-licensed premises. | A range of discretionary conditions for off-licensed premises. |

10. On 1 August 2022, the committee approved the revised draft LAP and Statement of Proposal for community consultation, in accordance with the Special Consultative Procedure.
11. The community consultation ran from 16 August 2022 to 16 September 2022. The consultation document which includes the statement of proposal, submission form and revised draft policy is attached (**Attachment Two**).
12. Current licence holders, Treaty partners and all those who had previously submitted on the original draft LAP were notified of the consultation.
13. The consultation was widely advertised on council's website, social media, print advertisements (Weekend Sun and Bay of Plenty Times) and on radio (61 advertisements across the five stations). Digital and Google display advertising were also used.
14. A copy of the comments we received through our social media can be found in **Attachment Three**.
15. 339 submissions were received and are attached in **Attachment One**. 25 of the submitters wish to speak to the committee at the hearings today. Table two below provides a list of these submitters. An updated schedule will be provided at the hearings.
16. The submission received from the New Zealand Police includes an attachment that is marked 'In confidence'. We have received permission from the Police to include this in the public agenda. The Police have also included their submission from the first community consultation process.

Table Two: Submitters wishing to speak

| Submitter number | Submitter name or organisation |
|------------------|--|
| 308 | Cherie Elsegood |
| 309 | Graham Gough |
| 310 | Joseph Bourne |
| 311 | Rod Luxton |
| 312 | Harrison Foreman |
| 313 | R (<i>incomplete details provided</i>) |
| 314 | Luke Van Veen |
| 315 | Denim Feder-McDonald |
| 316 | Timi Tawa |
| 317 | Glenn Meile |
| 319 | Ashleigh Gee - Miss Gee's Bar and Eatery |
| 320 | Grant Simpson - Tasman Liquor Company |
| 321 | Dawn Meertens and Dr Lynne Lane - Toi Te Ora Public Health |
| 322 | Nathan Cowie and Dr Nicki Jackson - Alcohol Healthwatch |
| 323 | Mark Fogerty |
| 324 | Melissa Renwick - BOP Hospitality NZ |
| 325 | Greg Hoar - Super Liquor Holdings |
| 326 | Susan Comrie Hodgkinson |
| 327 | Sergeant Dan Roser - New Zealand Police |
| 328 | Brian Berry - Mainstreet Tauranga |
| 329 | Rob McGregor - PAK'N Save Papamoa |
| 330 | Gurnek Brar |
| 331 | Olivia Taylor - Foodstuffs North Island |
| 332 | Kate Mason - Cancer Society |
| 333 | Mel Bennett - Ngai Te Rangi Iwi |

17. The Government recently announced that a Bill proposing to remove the ability to appeal LAPs will be introduced this year, with the aim of passing it into law by mid-next year.
18. Given this development staff recommend amending the timeline of the review by deliberating on submissions in March 2023 instead of December 2022. This allows for the Bill to be in place, so the Committee has this information when considering the issues.

STRATEGIC / STATUTORY CONTEXT

19. Currently Council is refreshing its strategic framework. This work will ensure Council has a current and cohesive strategic framework, that provides a clear line of sight from Council activities and policies to strategy documents and from there to the City's Vision and adopted Community Outcomes.

20. The LAP is one tool in working towards council's community outcome of 'An inclusive city'. This includes people feeling safe in their homes, neighbourhoods, and public places.
21. As noted above, a LAP is required to be reviewed every six years. LAPs are restricted in what they can contain (section 77 of the Act).
22. Councils must not produce a draft policy without having consulted the Police, inspectors and Medical Officers of Health (section 78(4) of the Act) and having regard to the matters set out in section 78(2) of the Act.

FINANCIAL CONSIDERATIONS

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

LEGAL IMPLICATIONS / RISKS

24. The legal implications and risks are dependent on the changes if any made to the revised draft policy but at this stage the Committee is only receiving and listening to submissions.

SIGNIFICANCE

25. 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.
26. 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.
27. 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

28. 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 the Committee receiving decisions.

NEXT STEPS

29. If the Committee decides to amend the timeline of the LAP review it will deliberate on the issues raised by submitters in March 2023.

ATTACHMENTS

1. **Submissions - A14070790 (Separate Attachments 1)** 
2. **Consultation Pack - A14153002 (Separate Attachments 2)** 
3. **Social media comments - A14159748 (Separate Attachments 2)** 

9 DISCUSSION OF LATE ITEMS

10 CLOSING KARAKIA