



MINUTES

**Strategy, Finance and Risk Committee
meeting**

Monday, 5 December 2022

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	4
5	Confidential business to be transferred into the open	4
6	Change to order of business	4
7	Confirmation of minutes	4
7.1	Minutes of the Strategy, Finance and Risk Committee meeting held on 14 November 2022.....	4
8	Declaration of conflicts of interest	4
9	Business	4
9.1	Six Monthly Treasury Update	4
9.2	Mount Maunganui Planning and Delivery Programme.....	5
9.3	Integrity Framework Policies	7
9.4	Open Space Level of Service Policy Deliberations and Adoption	8
9.5	Use of Council Land Policy Deliberations Report	9
9.6	Growth & Land Use Projects Progress Report - December 2022	11
9.7	City Waters Planning Update Report.....	12
10	Public excluded session	13
11.1	Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 14 November 2022.....	13
11.2	Commercial Land Assessable for Rates.....	14
9.8	Capex Programme 22/23: Challenges and Opportunities.....	14
9.9	Community Funding Policy Review - Issues and Options.....	17
11	Discussion of late items	19
12	Closing karakia	19

**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, 5 DECEMBER 2022 AT 9.30AM**

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

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), Sarah Omundsen (General Manager: Regulatory and Compliance), Sheree Covell (Treasury and Financial Compliance Manager), Sharon Herbst (Policy Analyst), Chris Quest (Team Leader: Risk), Clare Abbiss (Open Space & Community Facilities Planner), Vicky Grant-Ussher (Policy Analyst), Andy Mead (Manager: City Planning & Growth), Ruth Woodward (Team Leader: Policy), Claudia Hellberg (Team Leader: City Waters Planning), Sandy Lee (Policy Analyst), Richard Butler (Community Partnerships Funding Specialist), James Woodward (Manager: Capital Programme Assurance), Brendan Bisley (Director of Transport), Wally Potts (Director of City Waters), Kelvin Hill (Manager: Water Infrastructure Outcomes) Amanda Davies (Manager: Spaces and Places Project Outcomes), Mike Naude (Director of Civic Development), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION SFR13/22/1

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the apologies for lateness from Te Pio Kawe and absence from Bruce Robertson 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

The public excluded section would be held prior to items 9.8 and 9.9

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 14 November 2022

COMMITTEE RESOLUTION SFR13/22/2

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the minutes of the Strategy, Finance and Risk Committee meeting held on 14 November 2022 be confirmed as a true and correct record.

CARRIED

Commissioner Tolley noted that the Kindergarten Association had brought up a number of issues within their submission and would like staff to consider how these could be worked through into the future.

8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Wasley noted that his family had property in Keenan Road.

At 9.40am, Mr Te Pio Kawe entered the meeting.

9 BUSINESS

9.1 Six Monthly Treasury Update

Staff Paul Davidson, Chief Financial Officer
Sheree Covell, Treasury and Financial Compliance Manager

External Suresh Ranchhod – Head of Treasury Advisory, Bancorp Group

Key points

Mr Ranchhod gave a presentation noting the following:

- Inflation had remained elevated and NZ was starting to see a peak or an end.
- NZ quarterly updates saw increases in food, construction, house utility and transport costs.
- The Reserve Bank still saw inflation peaking and continuing to rise early into the next year.
- Many businesses had mispriced inflation and made it higher, resulting in most businesses looking to put up their prices.
- Key reasons for price increases included wages and labour costs with NZ currently outperforming Australia in this field.
- Reserve Bank projections included wage pressure up by at least 5.5% into next year.

- Migration data - there had been an increase in work visas being approved, but these were still not back to pre-covid levels, especially in the education sector where there had not yet been a rebound in students returning.
- There was a strong downward tilt in the worldwide manufacturing space which was of concern for the Reserve Bank. This would continue into the September quarter.
- Swap rates had a 1% range up and down - they had quickly shot up but were now going down again. The two-year swap rate was at 5.5%.
- The ten-year rate was now at 4.25%, with bank forecasts pushed higher each month. The banks were just under 8% which would have an effect on households.
- Neutral rate for cash rate - there was a short run average of between 2.5-4% on the average cash rate and 2.5-3% for a neutral basis. There was nearly 25% more debt in mortgage portfolios and any cash rate above 4.5% would really hurt.
- The Reserve Bank was looking for the unemployment rate to go up, with 5.5-6% projected.
- Tradeable inflation - transport was a problem with the likes of Ukraine being a key component. There was upward price pressure on food, housing and general construction. Rent was remaining stable as there was a limit to what people could pay.
- Challenges for the Council included inflation as the key driver with repercussions expected to be seen next year.

In response to questions

- 1 July 2024 remained a risk for all councils as it was not known how much debt would disappear and whether Three Waters would remain with the council.
- The borrowing plans had not changed for the new year. Scenario B in the report looked at water in 2025. The funding would be put on investment and brought down when needed. The debt was managed and kept within the bands based in the LTP forecasts.

Discussion points raised

- Providing an explicit link to the scenarios in the report would be helpful going forward.

COMMITTEE RESOLUTION SFR13/22/3

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Six Monthly Treasury Update".
- (b) Approves the issuance of long and short term debt on a wholesale basis to manage cashflows
- (c) Approves the management of fixed rate interest hedging in the target range of 50% to 60% at two years forward, and 30 to 40% at five years forward
- (d) Approves maintenance of a minimum of \$10m of cash and short-term investments to manage cash flows.
- (e) Approves hedging of all significant foreign exchange exposure.

CARRIED

9.2 Mount Maunganui Planning and Delivery Programme

Staff Sarah Omundsen, General Manager: Regulatory and Compliance

Key points

- The report introduces the planning and delivery of programmes across Mount Maunganui with 30 currently underway.

- The report provided an overview on eight of the projects, each of which would be brought to Council individually for a decision.
- The information had been provided to a number of groups within the Mount, including the Mount Business Association, as many of the projects were important to the business community. Staff would undertake key engagement with these groups with the formal community engagement being between March and May 2023.

In response to questions

- The working group was made up of project leads across the organisation to ensure projects were connected. The initial key steps were to map out when projects would be occurring so that consultation and engagement could be co-ordinated. All of the General Managers were also involved with the governance group, which would report to this committee.
- There was a connection between the work on the Mount Spatial Plan, and the industrial planning study underway.
- The Mount industrial study would set long term aspirations alongside a spatial growth study, which was for the longer term across the Western BOP sub region.
- Both plans would be considered at the same time with the crossover of residential and industrial areas. The mapping showed the two areas were adjacent to each other. The options for the industrial area would be critical to the spatial plan.
- The Spatial plan would also provide an overview of all the projects and explain how they were working and how they would be integrated. The plan would tell the story for the community and would note where to go to get further information.
- The Medical Officer of Health was undertaking a study at present on the air quality over the industrial area for the BOPRC Air Quality group. The report was expected early in the new year and a copy would be provided to Council once it was to hand.
- Caution was given on the use of the term mana whenua as it was not one natural or legal grouping in itself, each group had its own Rangatira and mana so staff needed to ensure that they were not leaving someone out that may need to be included. It was noted that the information on how staff were working and engaging with mana whenua would be provided to the next meeting.
- In response to a query about how the Council was engaging with the community and stakeholders when there were so many projects in train, and to provide clarity on how the engagement fitted together, it was agreed that the challenge was complex. Staff would make it as easy as possible while working through the options by pulling together the intended engagement plans for the various projects, rather than work with the community on each single project.
- There were a number of other participants such as Waka Kotahi with the State Highway networks, the Port, and the education and health sectors who were also responsible for particular parts of the community. Conversations would need to be had with them to ensure all were moving in same direction.
- It was noted that there were also health and wellbeing concerns within the mana whenua space; with such big projects it was taxing on the members of that community. A query was raised as to whether the health and well-being of the community was being monitored, and whether there was a distinction between tangata whenua and mana whenua groups. Mana whenua groups should be included and staff needed to ensure that they were being consulted.

Discussion points raised

- The Commissioners noted that it was critical that the information for the public was kept simple and that there were opportunities for the public to provide feedback into the overall plan.
- The Commission Chair noted that no decisions were being made at the meeting today. It was important for the Commissioners to be given an oversight, and to get the engagement co-ordinated so that the public were not overwhelmed with a variety of different projects occurring.
- The Commissioners noted that they wanted regular updates on the programme and requested that an update item be included in each committee meeting agenda.

COMMITTEE RESOLUTION SFR13/22/4

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the Mount Planning and Delivery Programme report.
- (b) Notes the coordination across significant projects in the Mount Maunganui area, proposed governance structure to assist delivery, and planned community and stakeholder engagement over the next 12 months.

CARRIED

9.3 Integrity Framework Policies

Staff Alastair McNeil, General Manager: Corporate Services
Sharon Herbst, Policy Analyst
Chris Quest, Team Leader: Risk

Key points

- The three policies had been to the Auditor General and Council approval was now sought; as was a recommendation to Council to amend the terms of reference for this committee to enable it to review the strategy.

In response to questions

- The organisational cultural development started with the policies to ensure they were clear, clean and transparent. The Code of Conduct would be provided early next year.
- Communication and development, encouraging accountability and ownership with colleagues was important. The policies would be provided through engagement with current staff and included in the recruitment stage for new staff and a performance measure would be included.
- Concern expressed at the protective disclosure policy and what would be done to encourage people to speak up and provide confidence that this would not be damaging to their careers. It was noted that the challenge was retaliation, which could sometimes be subtle e.g. not being picked for a project. There would be anonymity with a check in on a confidential level and data tracked.
- In response to concern about people maybe not wanting to approach their line manager, the wording in the policy allowed for the Chief Executive to be approached.
- It was noted that all Council policies were included in a schedule of review and the schedule could be provided to members if required.
- There was no sense of the size or scale of problems, or if there were any. Staff were not anticipating any problems and, as there was no data available, they had no sense of any existing problems. The intent was to provide an opportunity for people to speak up.
- There were various reporting and monitoring methods in place including reporting to the police and the Office of the Auditor General. However, the final accountability lay with Council to have the policies in place and provide protection for the staff.
- In response to a query whether the framework connected with the CCOs, it was noted that all policies, including statutory ones, were offered to the groups, but as they were independent organisations it was up to them whether they accepted these or created their own.
- A query was raised as to whether appointed committee members were included along with the elected members; it was noted that, if so, the policy would be amended to include them.
- Delegation for minor changes to the risk frame work was being given to the Chief Executive to allow small changes to be made as the policies were being developed.

Discussion points raised

- The meeting noted that a large piece of work had been undertaken and were impressed with the work done by staff.

COMMITTEE RESOLUTION SFR13/22/5

Moved: Dr Wayne Beilby

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Integrity Framework Policies".
- (b) Adopts the revised Protected Disclosures (Protection of Whistleblowers) Policy and Procedure.
- (c) Adopts the revised Fraud Prevention and Management Policy.
- (d) Adopts the revised Risk Management Policy.
- (e) Recommends to Council that it amends the Strategy Finance and Risk Committee Terms of Reference (*B2 Risk Management*) to reflect the decisions made in the revised Risk Management Policy and remove 'Framework and Strategy' so they read '*Review, approve and monitor the implementation of the Risk Management Policy, including the Corporate Risk Register*'.

CARRIED

9.4 Open Space Level of Service Policy Deliberations and Adoption

Staff Barbara Dempsey, General Manager: Community Services
Sharon Herbst, Policy Analyst
Clare Abbiss, Open Space & Community Facilities Planner
Ruth Woodward, Team Leader: Policy

Key points

- Minor amendment to the policy for the Tauriko West Urban Growth area to allow more flexibility in greenfield developments and remove the 50% requirement for reserves as it was impractical in that area.
- The whole policy would be reviewed next year and would also consider how to achieve good open spaces outcomes as noted in the report.

In response to questions

- Some of the city structure planning was undertaken by TCC and some by developers, it was dependent on whether it was a private plan change or a Council-led plan change.
- In response to a query whether there was sufficient landscape knowledge on the panel to provide that assistance, it was noted that if there was insufficient capacity, another person would be added onto the panel. The TCC landscape team would also provide assistance.

Discussion points raised

- It was agreed to include at the end of recommendation (b) (ii) *with guidance from the urban design panel* in order to help close the loop and use the knowledge of the panel, and ensure another pair of eyes was utilised for policy implementation.

COMMITTEE RESOLUTION SFR13/22/6

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Open Space Level of Service Policy Deliberations and Adoption .
- (b) In relation to the key deliberation matters that arose from feedback during the consultation period:
 - (i) Agrees to adopt the proposed amendment to the policy at 5.3.2 for new greenfield developments to retain the minimum requirement for 1.7ha/1000 population of neighbourhood and local areas reserves but remove the requirement for at least 50% to comprise neighbourhood area open space, on the proviso that accessibility standards are achieved.
 - (ii) Agrees to amend the reason to remove the 50% requirement at 5.3.2 to read *“If, during planning for neighbourhood and local area open space, it can be demonstrated that it is impractical to apply a minimum 50% neighbourhood area open space composition and achieve good urban design outcomes, then some of the 50% requirement can be replaced with local area open space, as long as the accessibility standard is met that requires neighbourhood area open space within 400 metres of most residents” with guidance from the urban design panel.*
- (c) Adopts minor amendments to correct errors in the definitions.
- (d) Adopts the revised Open Space Level of Service Policy included as **Attachment 1** in this report.

CARRIED

9.5 Use of Council Land Policy Deliberations Report

Staff Barbara Dempsey, General Manager: Community Services
Vicky Grant-Ussher, Policy Analyst
Ruth Woodward, Team Leader: Policy
Clare Abbiss, Open Space & Community Facilities Planner

Key points

- There were 13 issues and options and more for mobile shops as a result of the consultation held with key stakeholders
- The proposal was to take 10 existing policies and make one single overarching policy with principles to guide decisions for the use of council land.
- 42 submitters agreed with the change and 11 disagreed.
- There were a number of changes to commercial operators to show the public benefit and to ensure that they were of a high quality.
- While staff were originally looking at a hallmark qualification, it was felt that the value was not there as it would cost \$1,000 for the certification and involve a three-hour audit review. Reviews for the surfing schools were undertaken by Surfing NZ and were done annually.
- Some lessees wanted the new policy implemented sooner, but as it would require additional resources to do that, they would be done on renewal or as new applications were received.
- There was a small adjustment to ensure that the condition of sites was left in good condition after use.
- Staff had met with local funders BayTrust and TECT regarding the termination clause as raised by submitters. The proposal was to extend the termination clause to two years with discretion to extend it to seven years where certain criteria were met.

- The categorisation of playcentres was parent-led, therefore not included in the definition of early childhood education.
- Staff had worked through the concerns regarding high performance sport not comprising local sport and, rather than having a criteria sit within policy, there would be site specific plans in place.

In response to questions

- Include in the policy that staff had the discretion whether to seek bonds from users.
- It was noted that memorial seats were for a 10-year period from installation and a query was raised as to whether the family was contacted if they were to be removed after that time. It was noted that with any approaches for memorial items, tree planting would be suggested in the first instance.
- It was noted that there were times when family or friends wanted to be able to contribute something to the city and, if memorial seats were being discouraged, there needed to be other opportunities made available for individuals to be able to contribute in some small way to the ongoing development of city. It was agreed to create an additional discretion for other items as agreed to on a case by case basis and this be delegated to staff.
- It was noted that high performance sporting codes were coming to Tauranga more often, and there was concern that they would utilise community reserves leaving the locals without a space. The use of the reserves was outlined in the Reserve Management Plan and that would set the direction of what was an appropriate space for each activity. A conversation would be held with the community if any reserve use was to change.
- It was requested that Council monitor this to ensure there was a sufficient balance of active and passive spaces within the community. This would also be a factor taken into account when the open spaces review was undertaken.

Discussion points raised

- Staff were complimented on the good work undertaken with the development of the policy.
- Include at the end of recommendation 6 (vi) - *as they were parent-led and similar to other playgroup activities*

COMMITTEE RESOLUTION SFR13/22/7

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Use of Council Land Policy Deliberations Report".
- (b) Agrees to:
 - (i) remove the Qualmark requirement for commercial operators
 - (ii) include a requirement that surf schools hold a current Surfing New Zealand registration
 - (iii) maintain a gradual approach to transitioning to new requirements for commercial operators
 - (iv) amend the partnership principle to include the expectation that users work with council to care for sites
 - (v) adopt a maximum 33-year lease term with 10-year renewal and a two-year termination clause for operational property, with an extension to seven years available (in accordance with section 8.5 of the policy) and an exclusion for property that is leased on commercial terms
 - (vi) confirm that Playcentres are not considered Early Childhood Education (ECE) facilities as they were parent-led and similar to other playgroup activities

- (vii) remove the high-performance sport criteria from the policy and rely on site specific criteria included in the masterplans and reserve management plans to determine priority
- (viii) other minor drafting and consequential changes identified in the draft policy included at Attachment 1
- (c) Adopts the Use of Council Land Policy 2022 at Attachment 1 as so amended
- (d) Rescinds the following policies on adoption of the Use of Council Land Policy:
 - (i) Community, private and commercial use of council-administered land
 - (ii) Community gardens
 - (iii) Encroachments onto reserves
 - (iv) City events
 - (v) Operation of markets and stalls
 - (vi) Sponsorship signage on reserves
 - (vii) Network operator licences
 - (viii) Outdoor spaces booking
- (e) Rescinds the following policies one year and one month following the adoption of the Use of Council Land Policy:
 - (i) Temporary commercial activities on reserves
 - (ii) Mobile shops.

CARRIED

9.6 Growth & Land Use Projects Progress Report - December 2022

Staff Christine Jones, General Manager: Strategy & Growth
Andy Mead, Manager: City Planning & Growth

Key points

- A second meeting for the Parau farm site had been arranged with Ngāti Kahu before the end of the year. The first meeting had met the aspirations of both parties.
- Information and updates would continue to be provided to Council. The aspiration to use some of the site for housing was still the approach being taken by TCC, along with providing greenfields, sports fields and protected cultural sites.
- The Keenan Road structure planning had commenced in earnest and staff were expecting to engage with partners, mana whenua and tangata whenua on the technical work to put the plans together. Working with Waka Kotahi was a struggle and taking longer than anticipated.
- Eastern corridor - Te Tumu - critical processes were under way with TK14 Māori Land Block owners currently voting on whether to negotiate with the Council around the delivery of infrastructure corridors through their land. The outcome would be known before the end of the year and, if it was positive, a re-engagement process would be commenced.
- Work was progressing through the policy setting for liquefaction to reach a core outcome. The standards could now be lowered, with standard intervention through the consent processes for building and subdivisions etc.
- In relation to queries made at the last meeting regarding housing shortages, the need to move forward, the impact of land banking and a breakdown of housing supply was addressed in the report. There was a need for more engagement to take this forward.
- Land banking was not a substantial issue within the city as all large sites were being developed. Some were in stages as they were large pieces of land and the pace was

sometimes slower than hoped.

In response to questions

- The shortfall of housing in the area was 4,700; facts and figures on the gaps had been provided by SmartGrowth. It was considered that it would be helpful for the public to see this information.
- In response to a query about how the density levels in the Western Corridor could be updated from the 2012 level to the current level, so that organisations such as Waka Kotahi could use the up to date data, it was noted that the update of housing potential was through future development strategy. Staff were also working with Waka Kotahi on transport options and accounting for all growth potential.
- The National Policy Statement indigenous biodiversity changes should come into effect by the end of this year. No detail had been received on the drafting of those provisions, but staff were working directly with Ministry and were hopeful it would be picked up. It was critical for the land at Tauriko West.
- There were long standing issues with the Western Corridor, with the first serious investigations in early 2000's aligned with a number of Waka Kotahi investigations that did not go anywhere. As a result there were development and transport options that were now too expensive to be considered so the number of options has narrowed. There had been significant change in government policy statements, with projects being put on hold to create the enabling works business cases needed to get work started. There was still no solution to rezone the area with confidence.
- It was frustrating with all the development throughout the city that none were being considered with transport options, which was holding up significant housing and development in the city and had done so for the past 10 years.
- Concern was noted that there did not seem to be an alignment process with all of the agencies within the western corridor and that it was time for a reset and to start to talk a common language around the overarching strategy to be able to open up the corridor. It was crucial to be able to proceed.

Discussion points raised

- Suggestions were made to use every opportunity and side agreement, within limits, to bring land forward for development, and have defined time frames for when a development must be done by.
- It was noted that there was enormous pressure on the Trustees involved with Tauriko West, many of whom were part time and coming in to do the work.
- A quarterly update was requested.

COMMITTEE RESOLUTION SFR13/22/8

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Growth & Land Use Projects Progress Report - December 2022".

CARRIED

9.7 City Waters Planning Update Report

Staff Nic Johansson, General Manager: Infrastructure Services
Claudia Hellberg, Team Leader: City Waters Planning

Key points

- Purpose was to secure the future water supply for the city and understand the aquifers, the

supply and demand.

In response to questions

- The coastal area would be supplied from the joint treatment plant. The western corridor could be supplied from the Waiāri supply.
- Planning commenced four years ago for all growth areas, and they were in a good position on what was needed for water and waste water.
- There was a need to be prepared for water reform before it happened and to know what it meant for TCC.
- Staff noted consultation with tangata whenua; there were representatives on the governance groups as well as talking with each hapū in specific areas on the health of the whole water basin.

COMMITTEE RESOLUTION SFR13/22/9

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "City Waters Planning Update Report".

CARRIED

10 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

COMMITTEE RESOLUTION SFR13/22/10

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

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 14 November 2022	<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)(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</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>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)(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)(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 - Commercial Land Assessable for Rates	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	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

CARRIED

At 12.15 pm the meeting adjourned.

At 1.07pm the meeting reconvened.

9.8 Capex Programme 22/23: Challenges and Opportunities

Staff James Woodward, Manager: Capital Programme Assurance
 Brendan Bisley, Director of Transport
 Wally Potts, Director of City Waters
 Kelvin Hill, Manager: Water Infrastructure Outcomes
 Amanda Davies, Manager: Spaces and Places Project Outcomes
 Mike Naude, Director of City Developments

Key points

Mr James Woodward noted:

- Context around the capital programme budget and spend for a mix of projects.
- 60% higher in terms of expenditure to the end of October this year than last year and they

were ramping up more with the results being seen within the community. While they were still behind, it would likely be caught up by the end of the year.

- \$55m negative project budget had two purposes - for debt reduction and to provide additional funding to individual teams without having to ask for more budget.
- Inflation was an issue. The market update was the trend due to covid was now static, but it was not expected to tail off as much as depicted so would take longer to drop off.
- There was potential for a recession and any private sector reduction could see the council work getting increased resources. The issues with capacity of skilled labour would be monitored over time.
- Most of Council's investments were horizontal whereas the private sector was vertical.

In response to questions

- In response to a query whether Council was looking for support from the government, it was noted that it depended on the five to ten year private perspective and was reliant on land opening up for development. There was a lot of investment within the city centre. Tauranga was possibly in a different position to the rest of the country.

Mr Brendan Bisley noted:

- Transport was tracking to full budget as present, but TCC did not control all of it, especially around the Tauriko area. The business case mirrored what Waka Kotahi had provided.
- The balance of the programme was around the projected assets and the delivery of infrastructure and anticipated a spend of \$12.8 not \$19.9m.
- Covid had caused delays and the cost escalations were coming up. This would be included in the LTP report.
- Waka Kotahi was looking at tendering in March 2023 for the Papamoa East works. There was a local road component and a bridge included in the next year.
- Walking and cycling projects were on track and were being realigned as they had to go through a business case. There was a reduction of \$1m on those projects.
- The transport team was only at 60% staffing levels with a number of positions still vacant. There was a constrained market and the consultant infill to complete some of the work was also getting more difficult as they were also getting busier.
- There were times when only one tender was received for a project. Bitumen costs had increased by 48% in the last six months, which meant that there were higher prices for some of the business cases which may also affect the viability of a project.

In response to questions

- With regards to the Papamoa Eastern intersection, the contracts required different skill sets so it was not viable to combine them.

Mr Wally Potts and Mr Kelvin Hill noted:

- The water activity was on track for the four months and they were looking at opportunities within the space.
- The Waiāri project would hopefully be blessed on site on 12 December 2022 as they were ready to put the water into the network. The project was completed within budget.
- Te Maunga 2nd Bioreactor - a liquefaction trial was being undertaken, the results of which would be known in a couple of weeks. A plan B was in place if needed. An underspend may occur due to the delays.
- Te Maunga 3rd clarifier project ground trials went well and they were looking at saving money.
- The Eastern and Western corridor projects were progressing well.

In response to questions

- Congratulations was passed on to staff for the completion of the Waiāri project on time and on budget.

Ms Amanda Davis noted:

- A lot of work had been put into delivery with a number of tender contracts now in place. There was an 83% spend for the period.
- The offloading wharf project was behind schedule while consenting and piling issues were worked on but hoped it would go to procurement early next year.
- Omanawa Falls - staff were working through the proposals to understand the cliff stabilisation required which could be significant. There had been a lot of bad weather which had degraded the rock face on the site.
- Construction would begin on the Marine Parade boardwalk next year.
- Kopurererua Valley development was ahead of schedule.

In response to questions

- Cross-council project dependencies were ensuring that all projects were progressing at the same rate - e.g. the skatepark was dependent on the Maunganui Road works progressing so that people could cross the road safely.

Mr Mike Naude noted:

- There were two major components to the programme - the Civic Centre development, and the water front and public realm development which also included the upgrade of the Elizabeth and Spring Street carparks. Confidence was high that these projects would enter the delivery stage with the options being finalised.
- The seismic works on Spring Street were on time and within budget.
- The highest risk for Te Manawataki o Te Papa was the accessing of the \$150m external funding required.
- The library and community hub would be the first of the projects to commence building.
- There were some supply chain issues for the materials on the water front and public realm projects as they had to be sourced overseas. This was being addressed by early contractor involvement and ensuring there was resilience through appropriate governance.
- A report would be provided to the Council 12 December 2022 on the preliminary designs and cost estimates for Site A and Te Manawataki o Te Papa.

In response to questions

- The timing of the development plans for the library included the removal of the high voltage line running through the site. Staff were working with Powerco to ensure the works were completed prior to construction.
- In response to a question regarding capability resourcing, it was noted that staff had visibility of future timeframes so the team could be built to undertake works. Funding constraints did not let TCC put out all of the works with any certainty at this stage.
- The intent was to go broadly across the organisation when problems were encountered like with a recent Waka Kotahi agreement when it took longer to get to the point of approval.
- Going to market with \$500m worth of work in the water space over six years, it was intended to expand to as greater extent as possible which may result in greater competition in the tender box.
- A six year contract with Willis Bond for the precinct allowed them to be able to build their resources within that pipeline. Once TCC was able to go out with certainty, they would have the ability to have different conversations with providers for bundles of work across the network.
- The organisation was moving into a phase of contractual arrangements where contractors could see the momentum building and they would continue to build on it which would create the ability to be able to deliver large scale programmes. Council spend was anticipated to be \$0.5b in the next five years.

Discussion points raised

- Acknowledgement of the very good reporting providing a good picture and common risks across the organisation.

COMMITTEE RESOLUTION SFR13/22/11

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Capex Programme 22/23: Challenges and Opportunities"

CARRIED

9.9 Community Funding Policy Review - Issues and Options

Staff Barbara Dempsey, General Manager: Community Services
Sandy Lee, Policy Analyst
Richard Butler, Community Partnerships Funding Specialist
Ruth Woodward, Team Leader: Policy

Key points**Issue One - more balanced funding across the sector**

- The policy was adopted by the Council last year and covered three grant funds at this stage.
- Consultation had noted concern from some sources that more funding had been given to sporting codes than for other items like art, environmental, culture or wellbeing.
- Only 33% of the applicants received funding, due mostly to lack of funding available.

In response to questions

- The environmental applicants only received 3% of the funding as there were only a few applications from those groups.
- In response to a query regarding where a formula was used based on the number of participants compared to the amount of money invested, it was noted that this would be hard as not all clubs were the same - one example was that some owned their building and others did not.
- A better way for the policy to determine equity was discussed. It was noted that some groups may be seeking funding for a capital investment and others working within a neighbourhood so it was hard to quantify the benefits.
- It was requested that a schedule be created of the applications received and funded to provide a snapshot for members so they could determine whether to pursue the process further.
- It was considered that if the policy was too rigid, they may ending up funding average applications rather than good applications. It was suggested that in order to give life to the vision and promote inclusiveness, grants could be tied into the city vision.

Issue 2 - robust accountability:

- This differed with the different funds for organisations to deliver on their objectives and meet their needs.
- Others were not proportional to community benefit, such as lease subsidies, some of which had been in place for 20 years and subject to a number of changes. This was a chance to improve these funding streams.

Issue 3 - eligibility:

- There was no explicit positions on whether organisations could receive multiple funding from different sources. This was an opportunity to make a decision that they could only receive one form of community grant.

In response to questions

- It was noted that a recommendation would be made to be taken into account when allocating, but unsure whether specifying a limit would work if the circumstances for the funding was different. This would need to be weighed up and used for equity.

Issue 4 - size and structure of community grants

- There were small, medium and community funding pathways for projects last year. These had not functioned in the way intended with only two medium grants being applied for.
- The distinction between matched and community funds was queried as both were funding community initiatives.
- Some organisations with small one off projects had to use an umbrella organisation as their legal entity.

Issue 5 - partnership agreements

- There were currently eight partnership agreements with organisations that Council had funded either historically or for the delivery of a programme aligned with the strategic priorities or key cornerstone organisations.
- Clarity of partnerships was needed as they did not always reflect the arrangement. Improvements were needed on how the funds were distributed to make them fair and consistent.

In response to questions

- The partnerships were not just about funding but also about working together with particular groups in the community such as Envirolink. More conversations were needed with these groups in case there were misunderstandings. Objectives to be achieved needed to be considered, with a clear understanding for the committee on what the organisation was seeking in terms of a partnership role.
- It was requested that information be provided to the committee on the eight partnerships, including who they were with and what they looked like. If the committee had concerns that they were not equitable with other groups it was a good opportunity for a discussion on which of these were partners, which were contracts or which were priority agreements.
- It was noted that other departments may also need to step into the partnership space rather than leaving it in a funding policy.
- Both the Council and the community could deliver, working together as partners alongside or on behalf of Council.

Issue 6 - community funding purpose and priorities

- Support for community organisations to meet community outcomes and how projects contributed to the community wellbeing.
- There was a high demand for the fund with only 33% being able to be funded for community grants and 50% for medium grants.

Issue 7 - legal status limiting kaupapa Māori groups

- Some groups worked closely with the Council and provided significant benefits, however others did not have legal status so could not access funding under the current system.

In response to questions

- The requirement to have legal status was questioned, noting that as long as there were checks and balances around the funding it should not matter.
- It was noted that to receive funding all other organisations needed to be an Incorporated Society, or have an organisation to act as a legal umbrella for them to obtain funds.
- Concern was expressed at signalling out one rule for kaupapa Māori when there may other types of groups in a similar situation.
- It was noted that Māori groups without a legal status could work with their marae. Sometimes they were a trust, and some may not be associated with a marae. This created another barrier

for Māori groups to access community funding. The Ministry for the Environment funded groups with no legal entity and had ways that they mitigated any accountability concerns. It was suggested to consider making it an open fund and addressing the concerns raised at the Rangapū hui.

- It was agreed that the proposal needed more work done and information sought on what the public sector did.

Issue 8 - inconsistent boundaries

- It was agreed that the organisations did not always need to align with TCC's boundaries, and that any site that was across boundaries may be acknowledged as one with joint ownership.

COMMITTEE RESOLUTION SFR13/22/12

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Community Funding Policy Review - Issues and Options".

CARRIED

11 DISCUSSION OF LATE ITEMS

Nil

12 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 2.18 pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 13 February 2023.

.....
CHAIRPERSON