



MINUTES

**Strategy, Finance and Risk Committee
meeting**

Monday, 13 February 2023

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Unconfirmed

**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, 13 FEBRUARY 2023 AT 9.30AM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), 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), Gareth Wallis (General Manager: City Development & Partnerships), Marin Gabric (Senior Financial Accountant (Compliance & External Reporting)), Tracey Hughes (Financial Insights & Reporting Manager), Stephanie Keller-Busque (Circular Economy & WMMP Lead), Coral Hair (Manager: Democracy & Governance Services), Robyn Garrett (Team Leader: Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor), Sandy Lee (Policy Analyst), Richard Butler (Community Partnerships Funding Specialist), Dianne Bussey (Contractor – Three Water Reforms), Chris Quest (Team Leader: Risk), Heather Burden (Risk Advisor)

Anton Labuschagne and Leon Pieterse (Audit NZ)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

COMMITTEE RESOLUTION SFR1/23/1

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That apologies from Dr Wayne Beilby for absence and Mr Bruce Robertson for a short absence then return to meeting be received and accepted.

CARRIED

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

COMMITTEE RESOLUTION SFR1/23/2

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That item 11.2 Public excluded business – Re-purposing the City Centre Development Incentive Fund - be transferred into open.

CARRIED

6 CHANGE TO ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 5 December 2022

COMMITTEE RESOLUTION SFR1/23/3

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 5 December 2022 be confirmed as a true and correct record

CARRIED

7.2 Minutes of the Strategy, Finance and Risk Committee meeting held on 17 November 2022

COMMITTEE RESOLUTION SFR1/23/4

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 17 November 2022 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Ms Rohario Murray declared a conflict of interest in relation to matters regarding the Resource Management Act, and that she was a member of the Trust referred to in item 9.3.

9 BUSINESS

9.1 Audit New Zealand Report on the audit of Tauranga City Council for the year ended 30 June 2022.

Staff Christine Jones, General Manager: Strategy & Growth
Marin Gabric, Senior Financial Accountant (Compliance and External Reporting)

External Anton Labuschagne and Leon Pieterse (Audit NZ)

Key points

- Audit NZ provided feedback that Tauranga City Council was well prepared, and had committed staff who provided timely and accurate work.
- Audit NZ was in general happy with the internal controls and noted that recommended minor improvements had been made. The open work queue had continued to have items closed and many were in process of being closed or completed.
- The areas of focus on revaluation and on uplift accounting were well covered and timely accurate work.
- The consolidation of journals was well done and no areas of management oversight showed any evidence of fraud.

In response to questions

- Staff to provide the Committee with a six-monthly progress update tracking closed line items.
- The Committee endorsed previous positive comments on reporting and accuracy.
- The Committee sought clarification from staff that they were in agreement on the recommendation of page 81 of the agenda, that pay roll master files were an area that would be a more significant project in future; staff confirmed that was the intention, moving forward.
- There would be further work on the master rolls and, should the project be a large venture, Audit would work with council to make sure vesting numbers were correct.
- The Committee noted their thanks to staff and Audit for the work completing the report.

COMMITTEE RESOLUTION SFR1/23/5

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Audit New Zealand Report on the audit of Tauranga City Council for the year ended 30 June 2022."

CARRIED

9.2 Second Quarter Financial and Non-Financial Monitoring report to 31 December 2022

Staff Christine Jones, General Manager: Strategy & Growth
Tracey Hughes, Financial Insights & Reporting Manager
Josh Logan, Team Leader: Corporate Planning

Discussion points raised

- Large issues, including cost increases, staff retention and project management, were considered and looked into in the report and it was noted that these affected year end forecasts and had the potential for large flow on effects.
- The Committee sought to hold a workshop regarding internal KPIs, accounting treatments,

- previous forecasts and whether these had a large impact on the current capital programme.
- The Committee saw this as a chance for robust discussions on issues such as implications of cost being carried forward.
- Noted the indicative timeframe for the uplift of Ministry For the Environment funding for Tauriko West.
- The Committee sought further staff commentary around the previous residents' survey to provide an understanding of what good looked like and to identify actions moving forward and how this was reflected in the narrative of the report.

COMMITTEE RESOLUTION SFR1/23/6

Moved: Mr Bruce Robertson

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Leaves the report "Second Quarter Financial and Non-Financial Monitoring report to 31 December 2022" to lie on the table until the next Committee meeting, with the report content to be workshopped with Committee members.
- (b) Notes that accounting treatment requires preliminary costs of Te Manawataki o Te Papa to be expensed in the current financial year.
- (c) Recommends to Council to loan fund in 2022/23 the expenditure for the Te Manawataki o Te Papa project that is unable to be capitalised, to be repaid over 10 years.

CARRIED

9.3 Community Funding Policy Review - Issues & Options Report

Staff Sandy Lee, Policy Analyst
Richard Butler, Community Partnerships Funding Specialist

Key points

- The Committee, while noting that they did not intend to be overly prescriptive, wanted to make the best and widest distribution of funding based on their understanding of how this funding was determined.
- The Elms should have a level of service agreement as with "the neighbourhood report" which set standards for the surrounding area.
- The Committee appreciated the detail of the report and would advise staff any other areas such as sport and recreation that they would like to receive information on.
- The Committee would provide information to staff on partnerships they wished to receive updates and information on, including ownership, delivery and possible advisory roles council could play.
- Staff would provide further feedback to the Committee on risk factors around agreements with Māori providers and non-legally bound or other umbrella groups, and what advice Council could provide to them.
- The wording of the resolution was amended to read 'strategic priorities' in resolution (vii).

COMMITTEE RESOLUTION SFR1/23/7

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

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

(b) Provides the following direction for the purpose of revising the current policy:

Issue 1: More Balanced Funding Across the Sectors

(i) Agree to identify priorities for community grant funding that help balance council's support of different sectors.

Issue 2: Robust Accountability for All Community Funding Streams

(ii) Agree to requiring all forms of community funding to have formal agreements in place with specific accountability, reporting and monitoring requirements commensurate with the value of the funding received.

Issue 3: Clarity and Consistency in Community Organisations' Eligibility for Multiple Sources of Council Funding

(iii) Agree to make explicit that decisions on community grant funding applications will take into consideration any other funding (in-kind and cash) the applicant has received in the last financial year, or currently, and that preference will be given to those who do not already receive some other form of support from council.

(iv) Agree to specifying that any community organisation can only receive one type of community grant (excluding the Development Match Fund Grant) from council for a specific project and/or initiative.

Issue 4: Size and Structure of the Community Grants

(v) Agree to increase the Match Fund Small Grant to \$5,000 max., remove the Match Fund Medium Grant and incorporate the remaining value into the Community Grant Fund (from \$10,001 min. to \$5,001 min.) with the details provided in Table 4, option 4a.

Issue 5: Options to Clarify the Purpose of Partnership Agreements

(vi) Agree to separate partnership agreement funding into two distinct funds: 'Partnership Agreements' and 'Multi-Year Funding' as per the details provided in Table 5, option 5a.

Issue 6: Options for More Specific Purpose and Priorities for Community Funding

(vii) Agree to align the purpose of community funding with the approved strategic vision and the strategic priorities within the approved Action and Investment Plans.

Issue 7: Legal Status Requirement Limiting Kaupapa Māori Groups

(viii) Agree to keeping the status quo, requiring Kaupapa Māori groups without legal status to work with other entities so they provide a legal umbrella for them when making funding applications.

Issue 8: Inconsistent Community Funding Boundaries

- (ix) Agree to include exceptions to the boundary restrictions only for community-led projects that are located on TCC co-managed and/or co-owned sites that are outside TCC boundaries.

CARRIED

Mr Bruce Robertson left the meeting at 10.31am

9.4 Q2 Report 2022/23 LGOIMA and Privacy Requests

Staff Christine Jones, General Manager: Strategy, Growth and Governance
Coral Hair, (Manager: Democracy & Governance Services),

Key points

- The report was taken as read.

COMMITTEE RESOLUTION SFR1/23/8

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Q2 2022/23 LGOIMA and Privacy Requests.

CARRIED**9.5 Local Alcohol Policy Review**

Staff Sarah Omundsen, General Manager: Regulatory and Compliance

Key points

- Staff provided a brief introduction that noted the recommendation to delay further work until legislation had been passed by central government. A correction was noted that paragraph 5 at point 4 should read *do not support*.

Discussion points raised

- The Committee noted the correction and supported the recommendation.

COMMITTEE RESOLUTION SFR1/23/9

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Local Alcohol Policy Review".
- (b) Approve delaying decisions on the revised Local Alcohol Policy until the Sale and Supply of Alcohol (Community Participation) Amendment Act comes into force.

CARRIED

9.6 Three Waters Reform Update

Staff Nic Johansson, General Manager: Infrastructure Services
Steve Burton, Interface Lead: Three Waters Transition

Key points

- There were two work streams under submission. The Committee noted the work required on staff transition and retention, and that the general public was not aware of how far legislation had progressed.
- The Committee acknowledged staff for the work already underway.
- Staff retention and opportunities were of concern to both the Committee and executive leadership.
- The cost of Council's asset base and how Entity B would ultimately be run were of concern, with Three Waters legislative reform far more advanced than was realised by the general public. There was uncertainty within local government on how the transition would be run.
- Te Rangapū and wider iwi groups were appreciative that consultation was underway, wide ranging and giving a voice in the transition.

COMMITTEE RESOLUTION SFR1/23/10

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Three Waters Reform Update".
- (b) Endorses the Three Waters Project Team to continue with the next steps as documented.

CARRIED

9.7 2022 - 2028 Waste Management and Minimisation Plan - Action Plan Progress Report

Staff Nic Johansson, General Manager: Infrastructure Services
Stephanie Keller-Busque, Circular Economy & WMMP Lead
Dan Smith, Manager: Sustainability and Waste

Key points

- Staff provided the Committee with an overview update on projects in progress and future work as per the action plan.

In response to questions

- Staff would include information on business-as-usual vs uptake, bin size reduction, better collection over the holiday period and what current statistics provided information. Information from around the region on household vs commercial waste stream sizes, and work programmes from other territorial authorities and where these could benefit from cooperation would be useful.

COMMITTEE RESOLUTION SFR1/23/11

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2022 - 2028 Waste Management and Minimisation Plan - Action Plan Progress Report".

CARRIED

9.8 2022 Q2 Oct-Dec Health and Safety Report

Staff Alastair McNeil, General Manager: Corporate Services
Darren West, Team Leader: Health, Safety & Wellbeing

Discussion points raised

- Staff provided the Committee an overview of the report noting that the incident at Fergusson Park on New Year's Eve was under investigation by both Worksafe and Tauranga City Council.
- While accident and incident reported data trends continued downwards from October 2022, a programme of upskilling and work safety and risk awareness was being rolled out to contractors.
- This would also flow through to providing more information and guidance at an executive and committee level. Anti-social behaviour at libraries and other council community facilities was noted as increasing and the reasons for this increase were being investigated. These issues had existed at past facilities, particularly libraries, and a balance was needed to be welcoming for our community yet providing a safe environment for staff. The development of Te Manawataki o Te Papa would consider this and other security issues in its design.
- A recent example of success was the installation at the pound of a grated window to allow staff to feel more secure when dealing with the public in fraught or potentially dangerous situations. The window had not received negative feedback from the public or increased tensions.

COMMITTEE RESOLUTION SFR1/23/12

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the 2022 Q2 Oct-Dec Health and Safety Report.
- (b) Receives the 2022 Q2 Mental Health and Wellbeing Report

CARRIED

9.9 Risk Management Policy

Staff Alastair McNeil, General Manager: Corporate Services
Chris Quest, Team Leader: Risk
Heather Burden, Risk Advisor

Key points

- The report was taken as read.

COMMITTEE RESOLUTION SFR1/23/13

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Risk Management Policy".
- (b) Note changes made to the Risk Management Policy post discussion with the Committee as indicated in **Attachment 1**.

CARRIED

11.2 Re-purposing the City Centre Development Incentive Fund

Staff Gareth Wallis, General Manager: Central City Development
Nick Chester, Principal Strategic Advisor

Key points

- Staff provided a brief summary of the report noting that the aim was to allow broader use of existing funding and that staff would bring a full report to a Council meeting in the near future. The purpose was to provide more flexibility for use of the fund around existing and critical projects to maintain current impetus in the city. Provision of student accommodation would still be a focus.
- The importance of partnering with Downtown Tauranga was noted.

COMMITTEE RESOLUTION SFR1/23/14

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Re-purposing the City Centre Development Incentive Fund".
- (b) Endorses broadening the scope of the City Centre Development Incentive Fund to enable a wider range of initiatives that will support the ongoing growth and development of the city centre.
- (c) Notes staff will update the framework for the City Centre Development Incentive Fund and report back to Council for final approval.

CARRIED

10 DISCUSSION OF LATE ITEMS

Nil

11 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

COMMITTEE RESOLUTION SFR1/23/15

Moved: Ms Rohario Murray

Seconded: Commissioner Bill Wasley

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 - Update on Reserves Projects Funded from Collected Development Contributions	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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
11.2 - Re-purposing the City Centre Development Incentive Fund	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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	s6(b) - The making available of the information would be likely to endanger the safety of any person s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons 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 s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege 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	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

<p>11.4 - Corporate Risk Register - Quarterly Update</p>	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>11.5 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 5 December 2022</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>11.6 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 17 November 2022</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>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>

CARRIED

At 11.23am the meeting adjourned.

12 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

Resolutions transferred into the open section of the meeting after discussion

Item 11.2 was transferred and heard in the open meeting and items 11.3 and 11.4 were transferred to the open after discussion.

11.3 Internal Audit & Assurance - Quarterly Update

COMMITTEE RESOLUTION SFR1/23/17

Moved: Mr Bruce Robertson

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- a) Receives the Audit & Assurance quarterly update report.
- b) Approves the Audit & Assurance plan for the next 3 years.
- c) Transfers this report to open at the conclusion of this meeting.

11.4 Corporate Risk Register - Quarterly Update

COMMITTEE RESOLUTION SFR1/23/18

Moved: Mr Bruce Robertson

Seconded: Commissioner Bill Wasley

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.

The meeting closed at 12.16pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 27 March 2023.

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CHAIRPERSON