



MINUTES

**Strategy, Finance and Risk Committee
meeting**

Tuesday, 6 June 2023

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**MINUTES OF TAURANGA CITY COUNCIL
STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE GROUND FLOOR MEETING ROOM 1, 306 CAMERON ROAD, TAURANGA
ON TUESDAY, 6 JUNE 2023 AT 1PM**

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, Mr Bruce Robertson

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paula Naude (Acting 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), Gareth Wallis (General Manager: City Development & Partnerships), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights & Reporting Manager), Jeremy Bose (Manager Strategy and Corporate Planning), Ruth Woodward, (Team Leader Policy), Vicky Grant-Ussher (Policy Analyst), Marin Gabric (Team Leader: Financial Accounting and Compliance), Anne Payne (Principal Strategic Advisor), Carl Lucca (Team Leader: Urban Communities), Alistair Talbot (Team Leader: Structure, Planning & Strategic Transport), James Woodward (Manager: Capital Programme Assurance), Amanda Davies (Manager: Spaces and Places Project Outcomes), Wally Potts, Director of City Waters), Kelvin Hill (Manager: Water Infrastructure Outcomes), Brendan Bisley (Director of Transport), Mike Naude (Director of Civic Development), Darren West Team Leader: Health, Safety & Wellbeing, Stuart Kokaua (Health, Safety and Wellbeing System Support), Kath Norris, Team Leader: Democracy Services, Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor),

1 OPENING KARAKIA

Mr Te Pio Kawe opened the meeting with a karakia.

APOLOGY

COMMITTEE RESOLUTION SFR3/23/1

MOVED: MR BRUCE ROBERTSON

SECONDED: COMMISSIONER STEPHEN SELWOOD

THAT THE APOLOGY FOR EARLY ABSENCE RECEIVED FROM COMMITTEE MEMBER MATIRE DUNCAN BE ACCEPTED.

CARRIED

2 PUBLIC FORUM

Nil

3 ACCEPTANCE OF LATE ITEMS

NOTE: An update to Item 9.3 Financial and Non-Financial Monitoring report has been distributed to the Committee to cover the full financial period to 31 April 2023.

4 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

5 CHANGE TO ORDER OF BUSINESS

Nil

6 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 27 March 2023

COMMITTEE RESOLUTION SFR3/23/2

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the minutes of the Strategy, Finance and Risk Committee meeting held on 27 March 2023 be confirmed as a true and correct record.

CARRIED

7 DECLARATION OF CONFLICTS OF INTEREST

Committee Member Rohario Murray declared a potential conflict of interest in matters relating to Resource Management Act Reform and the implementation of the Three Waters Programme.

Committee Member Shadrach Rolleston declared a potential conflict of interest in matters relating to Resource Management Act Reform and the implementation of the Three Waters Programme.

8 BUSINESS

9.1 Audit Plan for 2023 Annual Report, Fees and Engagement Letter

Staff Marin Gabric, Team Leader: Financial Accounting and Compliance

External Leon Pieterse and Anton Labuschagne (Audit NZ)

Key discussion and question points

- Mr Pieterse introduced himself and outlined his work experience with Audit NZ, other Territorial Authorities and Crown Entities/Projects.
- Presented two letters of engagement from Audit NZ to the Tauranga City Council (TCC) that set out the engagement and responsibility of engagement between Audit NZ and the TCC and explained the key focus for the year were set out in paragraph 5 of the report.
- The report the Committee received in October 2022 was the draft management report.
- The sale of 90 Devonport Road to Willis Bond and the transfer of the land at Willow Street to Otamataha Trust were identified as key accounting issues Audit NZ was working through with TCC.
- Investment properties were revalued annually.

- Confirmed that a further valuation assessment had been completed for the Three Waters programme as well as those in 2021 and 2022. This was both prudent going into a Long-Term Plan process as well as a legislative requirement

COMMITTEE RESOLUTION SFR3/23/3

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Audit Plan for 2023 Annual Report, Fees and Engagement Letter".

CARRIED

9.2 Q3 Update of Capital Programme, presentations from Delivery Teams

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

Refer to power point presentation "Quarter 3 Capital Programme Deep Dive"

Key question and discussion points

- The Committee received reports from the major project groups that provided an update on current project deliverables including budget targets, over or under spending, and an updated risk matrix for projects.
- The Committee directed that this update be attached to the confirmed minutes.

COMMITTEE RESOLUTION SFR3/23/4

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report " Quarter 3 Update of Capital Programme, presentations from Delivery Teams "

CARRIED

Attachments

- 1 Quarter 3 Capital Programme Deep Dive

9.3 Q3 Financial and Non-Financial Monitoring report to 31 March 2023

Staff Jeremy Bose, Manager Strategy and Corporate Planning
Tracey Hughes, Financial Insights & Reporting Manager

Key points

- An update on the council's financial performance to 30 April 2023 was tabled. There was no substantive difference to the third quarter result. A total surplus of \$91M was forecast with an operating deficit of \$55M, which was \$13M higher than projected.

- As a result of the increased capital programme, which was forecast to be 90% spent by the end of the financial year, there was an overspend in depreciation from the extensive capitalisation.
- Debt was forecast to be \$970M which was \$70M more, and this had been approved through borrowing resolutions.

In response to questions

- Lower staffing levels and the increasing complexity of applications had impacted on the ability to meet the statutory timeframes for resource consents, even though consent numbers had dropped.
- A variety of levers were being used to reduce the backlog of resource consents, including the use of contractors, setting up project teams for complex applications and developing career paths for graduate planners.
- Recruiting staff was challenging due to the nationwide shortages of principal and senior planners as well as a trend for planners to do their overseas experience, deferred because of Covid-19.
- There would be a slight improvement by the end of quarter 4 for resource consent statistics.
- The non-financial performance measures would be reviewed through the Long-Term Plan process.

COMMITTEE RESOLUTION SFR3/23/5

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Q3 Financial and Non-Financial Monitoring report to 31 March 2023".

CARRIED

Attachments

- 1 Updated Item 9.3
- 2 April 10 2023 Update to Executive and Commissioners

9.4 Traffic and Parking Bylaw Review Issues and Options Paper

Staff Ruth Woodward, Team Leader Policy
Vicky Grant-Ussher, Policy Analyst

Key points

- The current bylaw was overdue for review but remained in place until October 2024.
- This bylaw review contained no major changes but was updating the bylaw to make it easier to use as an enabling framework and provided some future proofing.
- Forms of permitted and free time parking
- Enable updated and proactive education of builders and developers on Council's policy for secondary vehicle crossings.

In response to questions

- The query on the use of grass or plantings instead of concrete for vehicle crossings to enable more sustainable environments would be referred to the asset team for comment.
- Education and information for the public of any future changes to parking would be key as these required behavioural change from the community.

COMMITTEE RESOLUTION SFR3/23/6

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Traffic and Parking Bylaw Review Issues and Options Paper".
- (b) Agrees to the following recommended options for the purpose of updating the bylaw, including:
 - (i) removing redundant provisions now covered under relevant legislation to reflect legislative updates since the last review
 - (ii) introducing a registered parking category to better monitor time-limited parking
 - (iii) clarifying that secondary vehicle crossings require written council approval.
- (c) Confirms that primary vehicle crossings which comply with the Infrastructure Development Code do not need council permission.

CARRIED

9.5 Growth & Land Use Projects Progress Report - May 2023

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Alistair Talbot, Team Leader: Structure Planning & Strategic Transport
Carl Lucca, Team Leader Urban Communities

External David Phizacklea, Regional Integrated Planning Manager, Bay of Plenty Regional Council

Key questions and discussion points

- Progress on key projects relating to managing growth enabled the Committee to monitor these projects. These included land use planning projects and related transport, infrastructure and funding workstreams.
- Plan change 33 hearings would be held in two hearing sessions, July and October 2023.
- Otūmoetai Spatial Plan has been adopted.
- Mount Spatial Plan was making good headway and design sprints had proceeded.
- Opportunities to intensify existing housing stock and allow building on currently available land, as well as opening new land that was previously not considered for subdivision were needed given the current and predicted long term housing shortfalls across Tauranga Moana.
- Work on the SmartGrowth Strategy was progressing and would need to demonstrate how residential and business shortages identified in the SmartGrowth Housing and Business Assessment (HBA) would be resolved.
- Commissioners' discussions with Central Government were continuing the need for further large-scale infrastructure and roading work to support the building of new housing to meet existing and future shortfalls. The funding options open or that could be used to complete this development work.
- The timeline to rezone Tauriko west and funding implications. was on track to be completed in September 2023 however delays to the commencement of building had adverse impacts on increasing costs. An amended resolution b on housing statistics for iwi/hapū and Māori Land Trusts.

COMMITTEE RESOLUTION SFR3/23/7

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Growth & Land Use Projects Progress Report - May 2023".
- (b) Requests Iwi/hapū and Māori Land Trust Housing statistics are included in the schedule for future reports.

CARRIED

Matire Duncan left the meeting at 3:14 pm.

9.6 Wairoa River Valley Strategy review - project update

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Anne Payne, Principal Strategic Advisor

Key question and discussion points

- Staff provided updated highlights of the work that had been completed since the last update on the Wairoa River review process.
- Noted that the review was not progressing or active at this point.
- It was proposed that a phased approach be used, as recommended from the SmartGrowth Leadership Group (report attached to the agenda item).
- Included in the report were the review and recommended approaches in Tauranga Moana and information on review work completed to date and how that had shaped the recommended approaches.
- At present Wairoa River Iwi and Hapu Representatives were the representatives for Māori as part of the review.

COMMITTEE RESOLUTION SFR3/23/8

Moved: Dr Wayne Beilby

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the Wairoa River Valley Strategy review project update report.
- (b) Endorses the approach to:
 - (i) Retain the current strategy with an intent to review when the freshwater management plan change process is complete.
 - (ii) Develop and widely promote a 'strategy on a page' for the Wairoa River Valley Strategy.
 - (iii) Support the updated connections between Tauranga Moana Iwi/Hapū and the Regional Council so that Iwi/Hapū can participate in the planned National Policy Statement on Freshwater Management (NPS-FM) hui
 - (iv) In early 2026, with our Iwi/Hapū partners, assess what is needed to fill any remaining gaps for the Wairoa River Valley area.

CARRIED

9.7 Capacity and Capability of Civil Defence Emergency Management

Staff Paula Naude, Acting General Manager: Community Services

Key points

- TCC has a comparatively young Emergency Management Team and newly established Emergence Operations Centre.
- Tauranga had in the main not been severely or widely affected from recent weather events but was in contact with other councils to learn from their reviews, for instance having insurance staff ready internally for those events.
- Currently five maraes provide full CDEM support and a further five that could provide community support.
- Some money has been invested already in ensuring marae could easily stand up their CDEM function and staff were looking at more areas that TCC could provide funding and investment.
- Management partnering is that happening in an early stage through Takawaenga educational resources and relationships.

COMMITTEE RESOLUTION SFR3/23/9

Moved: Dr Wayne Beilby

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Capacity and Capability of Civil Defence Emergency Management".

CARRIED

9.8 Mount Planning and Delivery Programme Update - May 2023

Staff Sarah Omundsen, General Manager: Regulatory and Compliance
Carl Lucca, Team Leader: Urban Communities

Key questions and discussion points

- The report was presented as it was delivered to the project group to ensure continuity of messaging.
- The hub has now been open for three weeks and had sparked interest and shared ideas to be worked into the design sprints.
- Work with local industrial and business groups continued at pace.
- The Committee appreciated the change of design and information presentation in the report.

COMMITTEE RESOLUTION SFR3/23/10

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Mount Planning and Delivery Programme Update - May 2023".

CARRIED

Bruce Robertson left the meeting at 4:00 pm.

9.9 2023 Q3 Jan-Mar Health and Safety Report

Staff Darren West Team Leader: Health, Safety & Wellbeing

Key questions and discussion points

- Safety culture has matured which has seen more and better reporting.
- Libraries and service centres were still challenging spaces and work to trespass recidivist offenders was actioned in the form of trespass notices and increased police patrols.
- Working with staff to provide them wraparound support and services.
- The workforce Drug and Alcohol policy was in the final stages of being prepared.
- Wellbeing trended well against national averages.
- The OCP service had been added as a part of wellbeing to the Health and Safety Committee remit.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the 2023 Q3 Jan-Mar Health and Safety Report.
- (b) Receives the 2023 Q3 Jan-Mar Mental Health & Wellbeing Report.

9.10 Q3 Report 2023 LGOIMA and Privacy Requests

Staff Kath Norris, Team Leader: Democracy Services

Key questions and discussion points

- LOGIMA requests continue to be on an upward swing.

COMMITTEE RESOLUTION SFR3/23/11

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Q3 Report 2023 LGOIMA and Privacy Requests".

CARRIED

10 DISCUSSION OF LATE ITEMS

Nil

11 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

COMMITTEE RESOLUTION SFR3/23/12

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

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

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Corporate Risk Register - Quarterly Update	<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>	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 - Internal Audit & Assurance - Quarterly Update	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
11.3 - Litigation Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The meeting adjourned at 4:20pm

The meeting resumed at 4:28pm

12 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

Resolutions transferred into the open section of the meeting after discussion

Item 11.1 Corporate Risk Register - Quarterly Update

COMMITTEE RESOLUTION SFR3/23/12

Moved: Dr Wayne Beilby

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.

CARRIED

Item 11.2 Internal Audit & Assurance - Quarterly Update

COMMITTEE RESOLUTION SFR3/23/13

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

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

CARRIED

The meeting closed at 4:51pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 26 June 2023.

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CHAIRPERSON