



AGENDA

Strategy, Finance and Risk Committee meeting Monday, 18 September 2023

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

Date: Monday, 18 September 2023

Time: 9.30am

**Location: Bay of Plenty Regional Council Chambers
Regional House
1 Elizabeth Street
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Terms of reference – Strategy, Finance & Risk Committee

Membership

Chairperson	Commission Chair Anne Tolley
Deputy chairperson	Dr Wayne Beilby – Tangata Whenua representative
Members	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley Matire Duncan, Te Rangapū Mana Whenua o Tauranga Moana Chairperson Te Pio Kawe – Tangata Whenua representative Rohario Murray – Tangata Whenua representative Bruce Robertson – External appointee with finance and risk experience
Quorum	Five (5) members must be physically present, and at least three (3) commissioners and two (2) externally appointed members must be present.
Meeting frequency	Six weekly

Role

The role of the Strategy, Finance and Risk Committee (the Committee) is:

- to assist and advise the Council in discharging its responsibility and ownership of health and safety, risk management, internal control, financial management practices, frameworks and processes to ensure these are robust and appropriate to safeguard the Council's staff and its financial and non-financial assets;
- to consider strategic issues facing the city and develop a pathway for the future;
- to monitor progress on achievement of desired strategic outcomes;
- to review and determine the policy and bylaw framework that will assist in achieving the strategic priorities and outcomes for the Tauranga City Council.

Membership

The Committee will consist of:

- four commissioners with the Commission Chair appointed as the Chairperson of the Committee
- the Chairperson of Te Rangapū Mana Whenua o Tauranga Moana
- three tangata whenua representatives (recommended by Te Rangapū Mana Whenua o Tauranga Moana and appointed by Council)
- an independent external person with finance and risk experience appointed by the Council.

Voting Rights

The tangata whenua representatives and the independent external person have voting rights as do the Commissioners.

The Chairperson of Te Rangapu Mana Whenua o Tauranga Moana is an advisory position, without voting rights, designed to ensure mana whenua discussions are connected to the committee.

Committee's Scope and Responsibilities

A. STRATEGIC ISSUES

The Committee will consider strategic issues, options, community impact and explore opportunities for achieving outcomes through a partnership approach.

A1 – Strategic Issues

The Committee's responsibilities with regard to Strategic Issues are:

- Adopt an annual work programme of significant strategic issues and projects to be addressed. The work programme will be reviewed on a six-monthly basis.
- In respect of each issue/project on the work programme, and any additional matters as determined by the Committee:
 - Consider existing and future strategic context
 - Consider opportunities and possible options
 - Determine preferred direction and pathway forward and recommend to Council for inclusion into strategies, statutory documents (including City Plan) and plans.
- Consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 that are referred to the Committee by the Chief Executive.
- To take appropriate account of the principles of the Treaty of Waitangi.

A2 – Policy and Bylaws

The Committee's responsibilities with regard to Policy and Bylaws are:

- Develop, review and approve bylaws to be publicly consulted on, hear and deliberate on any submissions and recommend to Council the adoption of the final bylaw. (The Committee will recommend the adoption of a bylaw to the Council as the Council cannot delegate to a Committee the adoption of a bylaw.)
- Develop, review and approve policies including the ability to publicly consult, hear and deliberate on and adopt policies.

A3 – Monitoring of Strategic Outcomes and Long Term Plan and Annual Plan

The Committee's responsibilities with regard to monitoring of strategic outcomes and Long Term Plan and Annual Plan are:

- Reviewing and reporting on outcomes and action progress against the approved strategic direction. Determine any required review / refresh of strategic direction or action pathway.
- Reviewing and assessing progress in each of the six (6) key investment proposal areas within the 2021-2031 Long Term Plan.
- Reviewing the achievement of financial and non-financial performance measures against the approved Long Term Plan and Annual Plans.

B. FINANCE AND RISK

The Committee will review the effectiveness of the following to ensure these are robust and appropriate to safeguard the Council's financial and non-financial assets:

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

B1 - Health and Safety

The Committee's responsibilities through regard to health and safety are:

- Reviewing the effectiveness of the health and safety policies and processes to ensure a healthy and safe workspace for representatives, staff, contractors, visitors and the public.
- Assisting the Commissioners to discharge their statutory roles as "Officers" in terms of the Health and Safety at Work Act 2015.

B2 - Risk Management

The Committee's responsibilities with regard to risk management are:

- Review, approve and monitor the implementation of the Risk Management Policy, including the Corporate Risk Register.
- Review and approve the Council's "risk appetite" statement.
- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance, significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and/or emerging risks and any subsequent changes to the "Tier One" register.

B3 - Internal Audit

The Committee's responsibilities with regard to the Internal Audit are:

- Review and approve the Internal Audit Charter to confirm the authority, independence and scope of the Internal Audit function. The Internal Audit Charter may be reviewed at other times and as required.
- Review and approve annually and monitor the implementation of the Internal Audit Plan.
- Review the co-ordination between the risk and internal audit functions, including the integration of the Council's risk profile with the Internal Audit programme. This includes assurance over all material financial, operational, compliance and other material controls.

This includes legislative compliance (including Health and Safety), significant projects and programmes of work and significant procurement.

- Review the reports of the Internal Audit functions dealing with findings, conclusions and recommendations.
- Review and monitor management's responsiveness to the findings and recommendations and enquire into the reasons that any recommendation is not acted upon.

B4 - External Audit

The Committee's responsibilities with regard to the External Audit are:

- Review with the external auditor, before the audit commences, the areas of audit focus and audit plan.
- Review with the external auditors, representations required by commissioners and senior management, including representations as to the fraud and integrity control environment.
- Recommend adoption of external accountability documents (LTP and annual report) to the Council.
- Review the external auditors, management letter and management responses and inquire into reasons for any recommendations not acted upon.
- Where required, the Chair may ask a senior representative of the Office of the Auditor General (OAG) to attend the Committee meetings to discuss the OAG's plans, findings and other matters of mutual interest.
- Recommend to the Office of the Auditor General the decision either to publicly tender the external audit or to continue with the existing provider for a further three-year term.

B5 - Fraud and Integrity

The Committee's responsibilities with regard to Fraud and Integrity are:

- Review and provide advice on the Fraud Prevention and Management Policy.
- Review, adopt and monitor the Protected Disclosures Policy.
- Review and monitor policy and process to manage conflicts of interest amongst commissioners, tangata whenua representatives, external representatives appointed to council committees or advisory boards, management, staff, consultants and contractors.
- Review reports from Internal Audit, external audit and management related to protected disclosures, ethics, bribery and fraud related incidents.
- Review and monitor policy and processes to manage responsibilities under the Local Government Official Information and Meetings Act 1987 and the Privacy Act 2020 and any actions from the Office of the Ombudsman's report.

B6 - Statutory Reporting

The Committee's responsibilities with regard to Statutory Reporting relate to reviewing and monitoring the integrity of the Annual Report and recommending to the Council for adoption the statutory financial statements and any other formal announcements relating to the Council's financial performance, focusing particularly on:

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

- Any decisions involving significant judgement, estimation or uncertainty.
- The extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed.
- The disclosure of contingent liabilities and contingent assets.
- The basis for the adoption of the going concern assumption.
- Significant adjustments resulting from the audit.

Power to Act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.
- This Committee has **not** been delegated any responsibilities, duties or powers that the Local Government Act 2002, or any other Act, expressly provides the Council may not delegate. For the avoidance of doubt, this Committee has **not** been delegated the power to:
 - o make a rate;
 - o make a bylaw;
 - o borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan (LTP);
 - o adopt the LTP or Annual Plan;
 - o adopt the Annual Report;
 - o adopt any policies required to be adopted and consulted on in association with the LTP or developed for the purpose of the local governance statement;
 - o adopt a remuneration and employment policy;
 - o appoint a chief executive.

Power to Recommend

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

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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 7 August 2023

File Number: A15050485

Author: Sarah Drummond, Governance Advisor

Authoriser: Sarah Drummond, Governance Advisor

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 7 August 2023 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Strategy, Finance and Risk Committee meeting held on 7 August 2023**



MINUTES

Strategy, Finance and Risk Committee meeting

Monday, 7 August 2023

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**MINUTES OF TAURANGA CITY COUNCIL
STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 7 AUGUST 2023 AT 9.30AM**

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

IN ATTENDANCE: Christine Jones (Acting Chief Executive), Paul Davidson (Chief Financial Officer), Nic Johansson (General Manager: Infrastructure), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Brendan Bisley (Director of Transport), Diane Bussey, (Contractor - Three Water Reforms), Jeremy Boase (Manager: Strategy and Corporate Planning) Sheree Covell, (Treasury & Financial Compliance Manager), Amanda Davies (Manager: Spaces and Places Project Outcomes), Cathy Davidson (Manager: Directorate Services) Malcolm Gibb, (Contractor - Rating Review), Vicky Grant-Ussher, (Policy Analyst), Kelvin Hill (Manager: Water Infrastructure Outcomes) Sarah Holmes, (Corporate Planner), Kathryn Hooker, (Corporate Planner), Tracey Hughes, (Financial Insights & Reporting Manager), Josh Logan, (Team Leader: Corporate Planning), Rob Lahey, (Principal Strategic Advisor) , Kathryn Sharplin (Manager: Finance), Frazer Smith, (Manager: Strategic Finance & Growth), Jim Taylor, (Manager: Rating Policy and Revenue), Kath Norris, (Team Leader: Democracy Services), Darren West (Health, Safety & Wellbeing Manager), Reece Wilkinson (Parking Strategy Manager), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor),

External Suresh Ranchhod, Head of Treasury Advisory, (Bancorp)
Philip Jones, Principal, (PJ and Associates)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION SFR5/23/1

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the apology for absence received from Commissioner Bill Wasley be accepted.

CARRIED

3 PUBLIC FORUM

Nil

At 9.34 am, Mr Te Pio Kawe entered the meeting.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 26 June 2023

COMMITTEE RESOLUTION SFR5/23/2

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

That the Open and Public Excluded minutes of the Strategy, Finance and Risk Committee meeting held on 26 June 2023 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Shadrach Rolleston declared that he had worked on the Three Waters Legislation and Resource Management Act reform and would not take part in discussion or voting of any reports on the agenda that regarded these matters.

Committee Member Rohario Murray declared that she had worked on the Three Waters Legislation and Resource Management Act reform, and would not take part in discussion or voting of any reports on the agenda that regarded these matters.

9 BUSINESS

9.1 Six Monthly Treasury Strategy Update

Staff Paul Davidson, Chief Financial Officer
Sheree Covell, Treasury & Financial Compliance Manager
Kathryn Sharplin, Manager: Finance

External Suresh Ranchhod, Head of Treasury Advisory, Bancorp Treasury

Key points

- Mr Ranchhod of Bancorp attended the meeting on-line and provided a presentation to the Committee.
- Inflation was still an unfolding story and a matter of concern. It appeared that the peak of

inflation had been reached and globally inflation was on a downward trend as evidenced in the United States of America (USA) where inflation had last been reported at 3%.

- Due to quarterly reporting (as opposed to monthly in other Countries) used in New Zealand inflation was last reported at 6%. That showed more work would be required to control inflation, and that we were yet to see a peak in the reported inflation number. An assumption had been made that inflation had moved, reducing from that peak.
- A greater concern for New Zealand was the position of our largest trading partner the Peoples Republic of China (China) where inflation was reported at 0%. That was a new concern and caused more significant worry than inflationary pressure, as it indicated the possibility of an unstable inflationary environment in China that could tip their economy into deflation that could affect our trading market.
- Inflation cost for household food increased by 12.3% and household utilities (rent, rates and related household services) increased by 6%.
- Commodity prices had fallen, and the New Zealand dollar was under pressure at the value of 0.61 cents against the American Dollar.
- Fonterra New Zealand had released their forecast milk commodity price payment to farmers and it had reduced by one dollar. The effect of that reduction had cost the New Zealand economy an estimated \$5 billion dollars.
- Most sectors are declining in their borrowing, especially household and business borrowing.
- The agriculture sector had for the previous five years paid down debt and the slight increase in borrowing in the sector was seen as a case of having to borrow to keep business going.
- There was still a concern that New Zealand placed at number 55 of 56 of the worst worldwide markets that ranked housing unaffordability. That was an improvement from 2022 when New Zealand was ranked number two behind Turkey (with an inflation of between 50% and 80%). That measurement reflected unease on the position of high interest rates in New Zealand, that were considered unsustainable for the long term but the current curtailment of inflation seemed to be working..
- The Reserve Bank of New Zealand (RBNZ) considered house price inflation had peaked. Noted that house prices were now at the level last reached during the 2007 Global Financial Crisis (GFC). Headline mortgage interest rates would peak at an expected 7%. The effect of that rate on consumer spending and household expense had not been seen, as a tranche of households had yet to be required to refix/refinance their mortgages rates. The rate was currently at around the 4% mark.
- The effect of that anticipated interest rate rise had been seen in the projected and actual number of resource consents lodged to build new houses or develop new housing areas and investment in those areas. It was expected that high interest rates would continue to cause a downward trend in the number of houses available.
- Further change to the Official Cash Rate (OCR) (last adjusted by the RBNZ in May 2023). The RBNZ still saw the neutral rate between 2% and 3.75%, with the OCR well above that at 5.50%, and this would expect to do damage to the economy. .
- The rates were at their peak and the swap rates reflected guidance on when interest rates would fall. The market had priced cuts by August 2024 with the OCR anticipated below 5%. This would depend on how the economy behaved. Hopefully next year all councils would get some relief on interest rates.
- Staff then provided a brief overview of the report and highlighted pertinent points to the Committee.
- The report sought to increase cash holdings from \$10 Million Dollars (\$10M) to \$15M reflected the increased cash flow requirements in monthly outflows.
- Ongoing work had been completed on where our retentions would be held, either in Trust or through another financial vehicle. Further information on this would be provided next month.
- Outstanding debt as at 30 June 2023 had increased from the projected \$903M to \$948M, an increase of \$45M, that had been approved during the year to cover borrowing requirements.
- The level of debt for 2024 would be \$1.1 Billion.. The average cost of borrowing was 3.92%.
- The fixed debt profile of Council was projected both with and without Three Waters included and was based on high level assumptions around the debt settlement.

- Debt swaps had allowed this profile to remain above the line until there was certainty on water reform

In response to questions

- The Committee thanked Mr Raschhod for his insight and presentation and acknowledged that while the situation was largely unchanged from previous reports, it made for depressing reading at times.
- Household costs were already under extreme pressure and the drivers of those costs (increase in food, rent, mortgages, rates, power, debt levels), were mostly outside the control of households and had to be paid.
- Under pressure households would find cost increases, including potential rate rises, a further burden. The situation was not unique and was faced by most Territorial Authorities in New Zealand. There would be a flow through in potential debt risk of unpaid rates and a downturn in the local economy, that resulted from reduced discretionary spending as people prioritised budgets and household commitments under those constraints.
- Staff confirmed that retentions would be held in trust to protect subcontractors who had completed Council contracted work.
- Staff were in constant negotiations and conversations with the National Transition Unit (NTU) Three Waters Reform . Negotiations would be ongoing, although agreement had been reached on the numbers to the end of 2022.
- That issues had not yet concluded, and staff had been in close contact with the NTU on the matter and noted that while there was still on-going work, the numbers were close to the debt ceiling and did not allow for large movement.
- .
- Staff constantly monitored rates collection data.
- Interest rates were factored into the Long Term Plan with the best information that was provided at the time of preparation.
- In the preparation of the Long-Term Plan, the modelling of the debt to revenue ratio, staff provided for internal limits that built in capacity for unforeseen circumstances..

Discussion points raised

- In the near term (three years) potential would occur that a “new normal” for household costs and pressures would be reached, that reduced discretionary spending and the flow on effects to the wider economy. In that term, interest rate rises, and inflationary pressures, would encourage councils to look at funding models and sources that were not provided through rates.
- Noted increased pressure to find new funding sources and other tools to manage risk and the potential rate arrears that could occur would require further investigation by Council.
- Those investigations were to be included in the ongoing conversation with Central Government on the shape and funding of Local Government, Three Waters and the need for Local Government to continue to provide services and the investment that infrastructure and other priority areas required.
- The Committee Chair Anne Tolley noted that council had begun to look at all the services provided by the Council to consider who was benefiting from these services to ensure those who benefitted paid their fair share of these services. .
- Concern was expressed that should the peak inflation last longer than anticipated, or have a longer tail than expected, there was assurance that this would not impact negatively on council’s budget.

COMMITTEE RESOLUTION SFR5/23/3

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Six Monthly Treasury Strategy Update".
- (b) Approves the issuance of long- and short-term debt on a wholesale basis to manage cashflows.
- (c) Approves maintenance of a minimum of \$15M of cash and short-term investments to manage cashflows.
- (d) Approves hedging of all significant foreign exchange exposures.
- (e) Approves to hold new retentions monies in a trust account to adhere to new legislation.

CARRIED

Attachments

- 1 Presentation from S Rachhod - Bancorp - Update - to Strategy Finance and Risk Committee - 7 August 2023

9.2 Review of Rating Categories to Differentiate Industrial Ratepayers

Staff Paul Davidson, Chief Financial Officer
Jim Taylor, Manager: Rating Policy and Revenue
Kathryn Sharplin, Manager: Finance
Malcolm Gibb, Contractor - Rating Review

External Philip Jones, Principal - PJ and Associates

Key points

- The Rating Policy was amended in the 2022/2023 Annual Plan that phased in a commercial rating differential for the general rate and a transportation targeted rate that reflected a 50/50 funding split between commercial and residential rating units.
- The differential was considered insufficient by commercial sector and they sought that further differentiation be considered by Council to reflect the significant benefits received by the industrial sector..
- The Judgement of the Supreme Court of New Zealand in the successful appeal by Auckland Council, for a targeted rate on commercial accommodation providers, had provided important principles in setting rates by a local authority.
- Commissioners requested and staff had investigated whether there was justification to introduce a new industrial rating category which provided a fairer and more equitable funding outcome.
- Staff concluded there was insufficient data that supported further separation of the commercial and industrial rating category. That was in part reflected by Tauranga City Council's (TCC) data limitations. The earlier studies had not considered the impact of heavy vehicles on the Council's costs or community wellbeing.
- Mr Philip Jones, of PJ and Associates, had been engaged and investigated and reported on whether the introduction of a new rating category could be supported.
- Noted that the report focused of the assessment of proposed Council expenditure to the developed Asset Management Plan, in conjunction with the development process followed for the Draft Long-Term Plan 2024/34.

- A lack of data had made support of that process unsustainable.

In response to questions

- S101(3)(b) Local Government Act (LGA) could be used by Council to assess data collected and the effect on not only the City but how that affected the four wellbeings for all residents not only industrial and commercial users. This was not commonly done around the country, but there were some cases before the courts that had opened the door. This needed to be carefully explained and articulated. Council would need to understand the impacts and clearly articulate why it would have a higher differential for that group of properties.
- It was noted that the industrial categories had effect on people and communities using the four wellbeing measures set out in s101(3)(b) of the LGA and this would allow Council to assess impacts on people and infrastructure
- That further allowed for the use of differentials for calculations and forecasting of budgets.
- There remained a number of unidentified issues that were not covered in data collected to date. That included differentials that were not in common use (two had been identified at present), Congestion and projected City Growth and its impact.
- The primary data to be collected would be congestion on local roads and State Highways, and the impact of congestion on residents and ratepayers ability to undertake their normal course of activities.
- As data collection increased other challenges had been identified, e.g. there was no state highway access to the Port of Tauranga which created additional impacts.
- Environment Impacts would also need to be considered to include in the differential.
- City expansion in areas such as the Industrial estate in Tauriko highlighted the need for timely and accurate collection of data to enable future planning and budgeting.

Discussion points raised

- Future growth demand would require further investment in the quality of the roading network.
- Using the collated data would allow Council to create policy where costs were paid for using a 'fair share' model. Determining the benefits derived from the industrial sector, identifying the costs and identifying who were the beneficiaries and who were the exacerbators would build evidence to justify more equitable funding models.
- Industrial and Commercial users had indicated a willingness to pay increased costs, however, there remained a risk that ratepayers would be burdened with increased costs as work was completed and paid for from rates revenue.
- As more accurate data was received, Council had the ability to develop policy that would look at additional funding sources outside of rates e.g. road tolls and partnership agreements with industrial users and determine impacts of growth on environment effects and roading congestion.
- Data that related to bus use and effects was already collected, and not included in the data collected for this report.
- The current resolution did not clearly reflect Council's ability to use s101(3)(b) in the development of a 'Fair Share, user pays model.
- The Committee thanked Mr Jones and staff for a clear and informative report.

COMMITTEE RESOLUTION SFR5/23/4

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the council report "Review of Rating Categories to Differentiate Industrial Ratepayers".
- (b) Receives the attachment "Report on Rating Categories – Differential by P J and Associates".
- (c) Recommends to Council to consider introducing a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.

CARRIED

9.3 Capital Programme 23/24 Update

Staff Nic Johansson General Manager: Infrastructure
 Amanda Davies, Manager: Spaces and Places Project Outcomes
 Kelvin Hill, Manager: Water Infrastructure Outcomes
 Brendan Bisley, Director of Transport

Refer to attached Presentation Capital Programme Update 23/24

Key points

- The Committee received reports from the major project groups that provided an update on current project deliverables and recent projects completed.
- The Committee directed that this update be attached to the confirmed minutes.

Spaces and Places – Amanda Davies

- Graphics and brief updates of completion dates for specific projects.
- Marine Parade Coastal Path – completion early 2024
- Pāpāmoa shared pathway – completion early 2024
- Kopurererua steam – northern alignment and path network – completion summer 202
- Omanawa Falls – completion early 2024
- Destination Skatepark – completion early 2024
- Gate Pa and Merivale Community Centres
- Gordon Spratt Community Sports Pavillion
- Links Ave Artificial Turf

Transport Brendan Bisley

- Artificial intelligence was revolutionising fault data collection of our roading network.
- 50 safety improvement projects completed before the end of the year.
- Te Okuroa Drive and Sands intersection – completion by Christmas 2023.
- Pāpāmoa East Interchange – embankment works completed and would allow for ground settlement. Construction would be later in the year.
- Positive feedback provided to staff on smaller projects, such as the crossing outside St Mary's School showed that small jobs could have high positive impact for communities.
- Totara Street resealing had taken longer than projected, the delay had occurred due to two factors. Concrete was used in sealing the road to provide a longer life before replacement was needed. Inclement weather lengthened the curing time for the road.

Waters – Kelvin Hill

- Waters was a 24/7 operation that had faced a challenging year.
- Opal Drive work had progressed well and was on track.
- Tatau raw water pipeline duplication to enhance supply resilience between the stream intake pump station and Oropi Gorge Road reservoir.
- Bioreactor ground improvements were being constructed under adverse weather conditions to stop liquefaction in earthquake conditions.
- A robot was designed to investigate the ocean outfall and had the capacity to take CCTV camera footage of the pipe as well as pull out large pieces of concrete material from the previous joint repairs.
- As part of the upgrade of the wastewater pipe a boardwalk had been installed behind Fashion Island to mount the pipeline alongside the board walk. This had proved a popular addition to the area. Residents raised concerns on the lack of security along the boardwalk and Council had responded with the installation of CCTV. This was appreciated by residents.

City Centre and Civic Programme – Gareth Wallis

- Work was now completed on the Dive Crescent North car park and would be opened shortly.
- Dive Crescent South carpark – completion before Christmas 2023.
- Elizabeth Street East – completion before Christmas 2023.
- 97 carparks at 160 Devonport Road – completion before Christmas 2023.
- Red square and Grey street activation – completion before Christmas 2023.
- End of trip cycle facilities – Grey Street - 80 bike parks – completion before Christmas 2023.
- Detailed design of Library/Community Hub – completion by Christmas 2023
- Concept design and costings for Memorial Park -completion by Christmas 2023
- 79 Grey Street Laneways concept design – completion Christmas 2023
- Waterfront Boardwalk construction – completion – March 2024.
- Strand North and shared pathway construction – completion – April 2024
- Beacon Walk – completion April 2024
- Masonic Park and Tauranga Art Gallery– start 1 October 2023 completion by mid-2024.
- Waterfront Playground – completion July 2024.
- Northern Sea Wall – commence before year end 2023.
- Elizabeth Street West streetscape and laneway – completion February 2024.

In response to questions

- Project Management had been an ongoing area of assessment, process improvement and training for staff. A further report would be brought back to the Committee.
- A cultural lens was used in all project planning. Project Teams worked closely with the internal teams and external iwi and hapū groups to provide that lens.
- Noted a threefold increase in capital expenditure programmes in three years.
- Noted the work completed by the teams was a great news story and one that should be told to Tauranga through media channels.
- Health and Safety procedures and adherence to guidelines had received a renewed focus and was included in all contracts with external suppliers. That work was being actively managed with training and ensuring expectations were understood and met.
- Delayed roading work had caused concern there was a lack of communication from Council on that work. Delays were at times not able to be identified until work had commenced. Staff had taken learnings of earlier projects and had improved communication plans for the active projects.

Discussion points raised

- More communication of the fantastic work on-going in the city was needed.
- More communication of timeframes and delays in projects.
- The Committee was extremely proud of the Dive Crescent project now completed and commended all involved.

COMMITTEE RESOLUTION SFR5/23/5

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the council report "Capital Programme 23/24 Update".

CARRIED

Attachments

- 1 Capital Programme Update Presentation

At 11.30am the meeting adjourned.

At 11.36am the meeting reconvened.

9.4 Q4 Financial and Non-Financial Monitoring report to 30 June 2023 - Draft results

Staff Paul Davidson, Chief Financial Officer
Tracey Hughes, Financial Insights & Reporting Manager
Jeremy Boase, Manager: Strategy and Corporate Planning

Refer to attached Memorandum - Draft Results Amendment to Report Attachment 7.

Key points

- A minor corrections memorandum was provided to the Committee, that updated figures from the original report. The Committee directed that this be attached to the minutes.
- Noted that the financial figures were still preliminary and would be refined.
- A year end adjustment from the purchase and licence agreements for Software as a Solution (SaSS) was an operational expenditure (OPEX) and a resolution would come to the Council to loan fund that expenditure of \$10M.

In response to questions

- No questions were received from the Committee.

Discussion points raised

- There were no surprises in the report or memorandum figures that had not already been communicated to the Committee.
- The Committee was pleased to see the timeframes for processing resource consents was improving, but still allowed for reporting of any long-term lag in the timeframe data.
-

COMMITTEE RESOLUTION SFR5/23/6

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Q4 Financial and Non-Financial Monitoring report to 30 June 2023 Draft results and tabled Memorandum - Draft Results Amendment to Report Attachment.

"CARRIED

Attachments

- 1 Memo to Item 9.4 - Draft Results Amendment to Report - Attachment - 7 August 2023

9.5 Annual Residents' Survey 2022/23

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Jeremy Boase, Manager: Strategy and Corporate Planning

Key points

- The report brought together four 'waves' of Community feedback.
- The report was taken as read.

In response to questions

- There were no questions from the Committee

Discussion points raised

- A majority of measures surveyed had risen.
- Roading and footpaths and outdoor spaces continued to be of concern to residents.

COMMITTEE RESOLUTION SFR5/23/7

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Annual Residents' Survey 2022/23".

CARRIED

9.6 2024 - 20234 Long-term Plan - Revenue and Finance Policy Framework - Funding Needs Analysis

Staff Paul Davidson, Chief Financial Officer
Kathryn Sharplin, Manager: Finance
Jeremy Boase, Manager: Strategy and Corporate Planning

Key points

- Analysis was ongoing of depreciation and funding requirements.
- Proposed fee for flood protection was included, despite there being a targeted Three Waters Levy, it did not allow for flood related damage or issues.
- A proposed targeted rate for swimming pool inspections to be paid by one third each year over three years.
- Fair Share/user payments. There have been a number of these proposed in the Long Term Plan discussion on user fees and charges, e.g., boat ramps and use of sports fields and facilities and parking charges.

In response to questions

- There were no questions to the report.

Discussion points raised

- A separate report would be provided to Council regarding the Industrial and Commercial Rates.
- The targeted rate for swimming pool inspections was the preferred method as it did not incur set up costs.

COMMITTEE RESOLUTION SFR5/23/8

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024 - 20234 Long-term Plan - Revenue and Finance Policy Framework - Funding Needs Analysis".
- (b) Adopt the draft Funding Needs Analysis (Attachment 1) to confirm step one of the processes and to inform the drafting of the Revenue and Finance Policy for consideration at Council on 21 August 2023.

CARRIED

9.7 2024 - 2034 Long-term Plan - Update - Funding and Reserves

Staff Paul Davidson, Chief Financial Officer
Kathryn Sharplin, Manager: Finance
Frazer Smith, Manager: Strategic Finance & Growth

Key points

- Depreciation and funding to the Council (over the ten-year long-term plan) in the current economic climate remained challenging.
- Reserves for liabilities e.g., weather tight building pays outs, resulted in there being some head room in Council budgets.
- If Council was required to 'smooth' funding in the event of unexpected increases in values and or of larger than expected depreciation, budgets could, at the current data be moved back to their original terms. That would have the effect of smaller rates revenue and require increased debt levels.

In response to questions

- No questions were asked by the Committee

Discussion points raised

- The funding and financing of Local Government in New Zealand was no longer relevant or sufficient to meet the demands placed on councils. The level of funding to run operations on a day to day level and provide future investment in infrastructure was too large a burden for growth councils. Central Government was receiving the benefit of these works at the detriment of councils.

COMMITTEE RESOLUTION SFR5/23/9

Moved: Commissioner Shadrach Rolleston

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024 - 2034 Long-term Plan - Update - Funding and Reserves".
- (b) Recommends to Council that the following matters are considered in the LTP to address both the significant impacts of large asset revaluations on depreciation and the current risks and impacts on the depreciation reserves.
 - (i) Phasing in of increased funding of depreciation expense in the early years of the LTP to mitigate the otherwise significant up-front increases in rates arising from significant asset revaluation.
 - (ii) Restoring depreciation funding and the level of reserve balances within the ten years of the LTP.
 - (iii) Short term loan funding of capital renewals for activities where there are insufficient depreciation reserves.
 - (iv) additional rates funding to retire debt for those activities where there are insufficient depreciable assets to repay debt over time.
- (c) Recommends to Council that the phased retirement of debt in the weathertight and unfunded liabilities reserve subject to rates affordability should aim to significantly reduce these reserve deficits through the period of the LTP.
- (d) Recommends that Council consider the value of risk reserve funded through the LTP taking into account both debt headroom maintained in the debt to revenue ratio below LGFA funding limits and the value of the reserve.

CARRIED

9.8 2024-2034 Long-Term Plan - Non-Financial Performance Measures

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Rob Lahey, Principal Strategic Advisor

Key points

- The Local Government Act 2002 required councils to consult on 24 Mandatory performance measures.
- Tauranga City Council previously had consulted on 100 measures.
- Staff had reviewed those measures and provide a sharpened focus of measures.
- Measures were reduced to 80 and further work on how these would be presented was underway and would be reported back through the Long Term Plan process.

In response to questions

- A report on measurements would be brought to the Committee in early 2024 prior to final adoption of the Draft Long-Term Plan 2024-2034.

Discussion points raised

- The Committee would like to see further rationalisation of measures and that they were produced in a format that would allow the public to easily see and understand the measurements based on high level outcomes under key metrics relating to the existing pillars of the Council's Vision and Strategic Direction

COMMITTEE RESOLUTION SFR5/23/10

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024-2034 Long-Term Plan - Non-Financial Performance Measures".
- (b) Approves the draft non-financial performance measures for inclusion the Groups of Activities section of the Long-term Plan 2024-2034 as proposed in **Attachment 1 – Appendices 1-12**.
- (c) Recommends to Council that Council:
 - (i) Adopts the draft non-financial performance measures for inclusion in the Long-term Plan 2024-2034 (**Attachment 1 – Appendices 1-12**) to form part of the supporting documentation for the purpose of public consultation for the proposed Long-term Plan 2024-2034.
 - (ii) Authorises the Chief Executive to make any minor amendments to the documentation necessary to ensure accuracy and to correct minor drafting errors.

CARRIED

9.9 Parking Management Plan roll out adjustment.

Staff Nic Johansson, General Manager: Infrastructure
Reece Wilkinson, Parking Strategy Manager
Brendan Bisley, Manager of Transport

Key points

- As proposed in the parking management plan, Council was due to roll out the next phase of changes from 1 November 2023 onwards. The reduced number of all-day parking spaces in

the city centre, disruption caused by ongoing development and cost of living concerns among residents were seen as barriers to the roll out of the policy.

- There was an opportunity for Council to consider and amend the timeframe of the roll out.
- Transactions showed that the majority of payments were made on Wednesday and Thursday. Changes to extend parking to 11th Avenue in October 2023 could have unforeseen issues that may affect parking use.
- There was a need for flexibility around parking with ongoing road and construction work in the city centre.

In response to questions

- Reserved parking spaces were increasing in the City as building work was completed.
- The Committee noted that there were still misconceptions on the availability of parking in the City and more positive communications were needed.
- Further work with the Regional Council and Central Government was needed to further investigate bus routes and fees, recovery of parking costs and where those funds were spent.

Discussion points raised

- Staff had initiated a stream of work that investigated options for parking for construction workers.

COMMITTEE RESOLUTION SFR5/23/11

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Parking Management Plan roll out adjustment.
- (b) Approves the following changes to the Parking Management Plan, to modify the implementation of parking restrictions across the city centre fringe and wider areas in Te Papa up to Eleventh Avenue as follows:
 - (i) Parking restrictions to be introduced on First Avenue, Second Avenue West, Third Avenue, Fourth Avenue and Mclean Street from 1 November 2023.
 - (ii) From 1 April 2024 paid parking will be expanded West of Cameron Road from Third Ave until Wharepai Domain. From 1st September 2024 will see the introduction of time restricted zones down to 11th Ave (map showing proposed changes in below report).

CARRIED

9.10 Street Use Policy Review - Issues and Options Report

Staff Nic Johansson, General Manager: Infrastructure
Vicky Grant-Ussher, Policy Analyst

Key points

- The review would retire old policy that was not in use and bring together a number of policies in one place.
- The review provided for input from both applicants and council that used good principals and design in the streetscape.
- Use of zones for outdoor dining including balconies.
- Greater clarity for business owners on expectations.

In response to questions

- The Committee was pleased to see the changes proposed allowed for clarity for business.

- Would like to see vaping and smoking banned in dining areas.
- Artificial grass had issues relating to microplastics entering the environment, was wasteful in that it needed to be replaced often (2-10 years) and then went to landfill and degraded quickly with cigarettes melting the plastic. It did not provide the same permeability as grass and other planting options other than grass would be preferable.
- Balcony dining areas could be considered differently however the commercial benefit was similar to street dining. Flexibility in the future for road space was also a factor to be considered. Airspace could be charged for the private benefit of balcony dining and this would be a policy decision and there was discretion on postponing the introduction of this charge.
- Feedback on smoking and vaping free requirements would be discussed with businesses and brought back to the Committee.

Discussion points raised

- The Committee directed staff to contact the Main Streets Association to discuss the proposed policy, and that staff provide the Committee with further information on the proposal in relation to balcony areas of establishments.

UNCONFIRMED

COMMITTEE RESOLUTION SFR5/23/12

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Street Use Policy Review - Issues and Options Report".
- (b) Gives direction on the following issues to inform the creation of a combined street policy:

Issue One: Principles of the policy

- (i) Include the proposed tailored policy principles (outlined in Attachment One).

Issue Two: Inconsistent charging for street and balcony dining

- (ii) Include eligibility criteria for a temporary reduction in street dining fees.
- (iii) Include zoned dining charges for street dining.
- (iv) Include aligned charges for balcony dining and street dining.

Issue Three: Compliance issues

- (v) Require application fees reflective of the costs of inspection and administration and require bonds to cover potential remediation that could be required from private or commercial users of the street.
- (vi) Waive application fees and bonds where an activity is a community activity or has a primarily community benefit.
- (vii) Do not require design features or verandas approved by council to have a lease or licence to occupy, and do not require ongoing fees.

Issue Four: Accessibility

- (viii) Progress accessibility improvements through a working group made up of council, businesses, disability representatives, mainstreet associations, and community members.

Issue Five: Other matters

- (ix) Include a reference to street dining aesthetics and design guidelines in the policy.
- (x) Include smoke-free and vape-free requirement for new licences or leases for street dining.
- (xi) Include information on vehicle crossing relocations in the policy.
- (xii) Do not permit artificial grass in the policy.

CARRIED

9.11 Water Services Reform Update

Staff Nic Johansson, General Manager: Infrastructure
Diane Bussey, Contractor - Three Water Reforms
Cathy Davidson Manager: Directorate Services

Key points

- A high level of uncertainty around the requirements and expectations of council around water reform still existed.
- The submission from the Council to Government on Water Reform was prepared in a short

timeframe at a high level only given the information available.

- Ongoing work included consultation with Te Rangapū Mana Whenua o Tauranga Moana on an issue-by-issue basis, The work was still guided by the original intent of the legislation until such time as more information was released from Central Government.
- Transition matters had been handed to the Department of Internal Affairs from Central Government. This had created extra time for information to be received by Council.

In response to questions

- Council would continue to work with other councils that had expressed support of its submission.

Discussion points raised

- Commissioners, and following the end of their term in office Councillors, would continue to work with the Minister responsible for transition to Three Waters and local Members of Parliament to ensure that a clear understanding of the issues facing the region, including the cost and financing expected from Council in relation to this transition.
- Given the existing uncertainties work with neighbouring councils was essential.

COMMITTEE RESOLUTION SFR5/23/13

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Water Services Reform Update".
- (b) Notes that a joint submission on the Water Services Entities Amendment Bill was submitted on 5 July 2023 (Joint between TCC and Te Rangapu).
- (c) Endorses the Water Services Reform project team to continue with the next steps, summarised as follows: -
 - (i) Engage with the remaining legislative processes for Water Services Reform, with relevant communication and engagement activities,
 - (ii) Completion of outstanding deliverables, per National Transition Unit (NTU) advice, and revise transition planning for reforms, once the establishment date for Entity C and regional transition approach have been confirmed.

CARRIED

9.12 2023 Q4 Apr-June Health and Safety Report

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

Key points

- The report was taken as read.

In response to questions

- Work had been finished on contracts and standards, that allowed a start to finish process of expectations, health and safety training and site management with contractors completing Council work.
- This would feed into procurement processes.
- There was still a level of concern at disorder incidents in library spaces Council had been proactive in engagement with local Community Constables and Human Resources business partners that resulted in library staff expressing that they felt supported.

- Animal Control staff had been equipped with body cameras for safety.

Discussion points raised

- From the 2019 Policy Review the only outstanding issue was completion of the Drug and Alcohol Policy.
- Data used in reporting could not be shared with other bodies given its sensitive nature or that it was related to the procurement process.
- Staff had worked proactively to facilitate the provision of monthly reports to the Committee.

COMMITTEE RESOLUTION SFR5/23/14

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2023 Q4 Apr-June Health and Safety Report".

CARRIED

9.13 LGOIMA and Privacy Annual Report and Q4 for 2022/2023 year

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Kath Norris: Team Leader, Democracy Services

Key points

- A good year had been had for the team, there had been a steady increase in information requests, those were seen to relate to construction work in the city and health and safety issues.
- The marked increase in requests during March 2023 was determined to be in relation to requests regarding extreme weather events and by requests from the Tax Payers Union for their annual reporting.
- The Ombudsman had no questions of Council.

In response to questions

- No questions were asked by the Committee

Discussion points raised

- No points raised by the Committee.

COMMITTEE RESOLUTION SFR5/23/15

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "LGOIMA and Privacy Annual Report and Q4 for 2022/2023 year.

CARRIED

10 DISCUSSION OF LATE ITEMS

Nil

11 PUBLIC EXCLUDED SESSION**Resolution to exclude the public**

COMMITTEE RESOLUTION SFR5/23/16

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

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

CARRIED

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 report

COMMITTEE RESOLUTION SFR5/23/17

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

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.

Item 11.2 Audit & Assurance quarterly update report

COMMITTEE RESOLUTION SFR5/23/18

Moved: Mr Bruce Robertson

Seconded: Commissioner Stephen Selwood

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.
- (c) Retains the Attachments (Unexpected failure of a critical infrastructure asset) as confidential to prevent the disclosure or use of official information for improper gain or improper advantage.

The meeting closed at 2.25pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 18 September 2023.

.....
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 2022/23 Interim Audit Report

File Number: A14851336

Author: Sheree Covell, Treasury & Financial Compliance Manager
Marin Gabric, Senior Financial Accountant (Compliance & External Reporting)

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. This report presents Audit New Zealand's report to Council following the interim phase of the annual Council audit for 2022/23.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2022/23 Interim Audit Report".
- (b) Note the recommendations contained within the report to Council by Audit New Zealand, including recommendations from the previous audit.
- (c) Notes the management responses and support on going implementation of improvements as required.

EXECUTIVE SUMMARY

2. This report presents Audit New Zealand's report to Council following the interim phase of the annual Council audit for 2022/23.
3. The interim audit phase was focused on the assessment of Council's control environment and review of a number of prior year audit recommendations. There is one new recommendation and six resolved recommendations. The attached report includes management responses to the recommendations.

STRATEGIC / STATUTORY CONTEXT

4. The audit process helps build trust in Council's systems and processes for service provision, management control and financial accountability. The audit of Council's systems and Annual Report is a key element of Council's accountability to the community.

BACKGROUND

5. Prior to the interim audit there were 24 open recommendations for council to address. Audit New Zealand focused on 11 of these outstanding matters during the interim audit, six have been closed and the five that were not closed have been addressed below. There are a further 13 matters that were not reviewed during the interim audit and will be reviewed at the final. There is also one new item.
6. The five matters that were reviewed and not closed during the interim audit are listed below along with the business area responsible. TCC's management comment and audit's responses are available on pages 8-11 of the attachment.
 - Access to payroll systems (Human Resources)
 - Timing and review of reconciliations (Finance)

- Clearing of suspense accounts (Finance)
 - Completeness of Interests Register (Risk)
 - P- Card Policy – cancellation or destroying cards (Finance)
7. Staff have been working on improvements on the above open items and will continue to work with audit NZ to clear these matters.
 8. The new item relates to annual fraud risk assessments which staff have responded to on page 6 of the attachment.
 9. The 13 matters that remain open and have not been reviewed by audit cover business areas in digital, finance, waters and policy. The Council Financial Compliance and Risk teams are working with relevant staff across the organisation to address the remaining open matters and expect the majority to be closed once reviewed by audit.
 10. The Audit New Zealand report includes Council's response to the issues raised and the actions that will be taken.
 11. A representative of Audit New Zealand will attend the meeting to discuss the report as necessary.

NEXT STEPS

12. The audit is expected to be finalised and the Annual Report adopted on 27 November 2023. The final audit management report will be received after that time and presented at the first SFR Committee available.

SIGNIFICANCE

13. The audit of Council's Annual Report is a significant element of Council's accountability to the community. However, in terms of the significance and engagement policy, the interim audit and the subsequent report received is of low significance and community engagement is not planned.

SIGNIFICANCE

1. The audit is expected to be finalised and the Annual Report adopted on 27 November 2023. The final audit management report will be received after that time and presented to this committee.

ATTACHMENTS

1. **TCC - Final Interim Report to Council (23J) - A14986695** [↓](#) 

9.2 Treasury Policy Review

File Number: A14721343

Author: Sheree Covell, Treasury & Financial Compliance Manager

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. This report seeks approval for the proposed Treasury Policy amendments.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Treasury Policy Review".
- (b) Adopt the amended Treasury Policy

EXECUTIVE SUMMARY

2. Section 8 of the Treasury Policy requires review on a triennial basis. Bancorp Treasury Services Limited was engaged to perform this formal review. This report outlines the amendments to the Treasury Policy as recommended by Bancorp.

BACKGROUND

3. The Treasury Policy objective is to ensure that investments and liabilities (treasury risks) are managed in a prudent, effective and efficient manner, as well as ensuring that all external borrowing, investments and incidental financial arrangements meet the requirements of the Local Government Act 2002. The Treasury Policy sets the treasury operational risk framework. The policy was last reviewed as part of the Long Term Plan 2021-2031 in November 2020.
4. The Treasury Policy is required to be formally reviewed on a triennial basis under section 8 of the policy.
5. There are a number of proposed changes to better align with current market operational practice, recognise the new interest rate environment and the increasing size of Council's balance sheet.
6. Key changes to the Treasury Policy relate to:
 - (a) Interest Rate Exposure
 - (b) Liquidity
 - (c) Borrowing
 - (d) Investing
 - (e) Reporting
 - (f) Instruments
 - (g) Delegations
 - (h) Borrowing Resolution
 - (i) Retentions

7. The changes are outlined below:

Interest Rate Exposure (Section 5.1.1)

8. It is proposed to revise the fixed interest rate hedging time bands from 12 years to 15 years. The extended time band allows council to utilise all LGFA fixed term maturities and aligns to the significant investment in long life infrastructure assets (25 to 100 years).

Period	Minimum Fixed Interest Rate	Maximum Fixed Interest Rate
0 to 2 years	40%	100%
2 to 5 years	20%	80%
5 to 8 years	0%	60%
8 to 10 years	0%	30%
10 to 15 years	0%	10%

Liquidity (Section 5.1.2)

9. The wording regarding how net cash surpluses are treated has been amended to reflect the current cash management strategy which is to retain a \$10-\$15m buffer in the operating account at any given time to meet unexpected cashflows. Following the Global Financial Crisis the flexibility for Council to terminate term deposits at no costs in order to meet unexpected expenditure no longer exists and short term borrowing can be expensive and a time consuming exercise. A favourable interest rate on all operational accounts has been negotiated with Council's transactional banker so short term investment of small surpluses is not necessary.
10. The maximum debt maturity in any rolling 12 month period is reduced from 33% to 25%. As Council's debt levels continue increase, the dollar amount maturing in any given period is going to increase at the same rate, requiring Council to refinance larger amounts of debt, relative to the overall size of the market at potentially unfavourable rates. Reducing this percentage from 33% to 25% helps to spread mitigate this risk.

Borrowing Limits (Section 5.1.5)

11. This section has been updated to reflect the current and future debt to revenue ratio limits as per the Local Government Act 2002. For the 2023/24 financial year the limit is 290%, 2024/25 the limit is 285% and from 2025/26 onward the limit remains at 280%.

Acquisition of New Investments (Section 5.2.3)

12. This section changes the maximum term for investments of bank deposits, registered certificates of deposit, treasury bills and commercial paper investments from three months to six months to support the overall increase in debt levels and cash outflows, providing Council more flexibility to manage its liquidity.

Reporting (Section 7)

13. This table has been updated to reflect the frequency and targeted audience of specific reporting provided by treasury.

Appendix 1 – Instruments

14. The maximum term of interest rate swaps or fixed term debt has been reduced to 10 years unless otherwise approved by council resolution. This aligns to the interest rate exposure rules in section 5.1.1.
15. The restriction to only enter into forward start swaps or collar options with a start date no more than 24 months has been removed. This limited Council's ability to enter into future dated swaps to manage its long term interest rate risk in later years, limiting certainty of its future interest rate expense given the materially increasing debt profile.

Appendix 4 and Appendix 6 – Relevant Delegations

16. Investments with counterparties, specifically Term Deposits with Banks need to be spread across the main institutional credit rated banks in order to spread counterparty risk. The policy has been amended increase the deposit limit allowed with each counterparty from \$70m to \$120m. This allows flexibility as the total value of investments fluctuate throughout the year and also reflects the increasing size of Council's balance sheet.

Borrowing Resolution

17. In recent years a detailed borrowing resolution has been presented and approved at the Strategy, Finance, Audit & Risk Committee Meetings. Going forward the borrowing resolution will be included in the adoption of Annual Plan and Long Term Plan Reports. The reason for this is to simplify reporting requirements. External legal advice on this matter has confirmed inclusion of borrowing resolution in adoption reports is sufficient.

Retentions (Section 6)

18. A new section has been added to reflect how Council are securing retention moneys in accordance with new legislation.

Additional Changes

19. There have been further changes made to the policy document to tidy up grammar, update positions titles, committee names and simplify language etc. All changes are visible in the attached tracked document.

STRATEGIC / STATUTORY CONTEXT

20. The Treasury Policy sets the framework in which staff manage funding, interest rate, liquidity and credit risks to achieve a balance between the lowest possible net interest cost to Council and certainty over net interest costs. This covers all borrowing, investments and hedging activities. This contributes to financial sustainability and sound financial management.

OPTIONS ANALYSIS

21. The committee is recommended to approve the revisions to the Treasury Policy as outlined above.
22. The committee may decide to not approve the amendments proposed in this report and continue with the existing policy. However this is not a recommended option as it does not reflect best practice for Council.

FINANCIAL CONSIDERATIONS

23. Treasury Policy sets the risk framework to manage net debt to achieve a balance between the lowest possible net interest costs and certainty.

LEGAL IMPLICATIONS / RISKS

24. The Local Government Act requires Council to have Liability Management and Investment Policies. Treasury Policy covers both liability management and investments which include all external borrowing, financial investment and incidental financial arrangements.



SIGNIFICANCE

25. While the levels of debt and investment and related interest flows are significant, the above changes are not considered significant in terms of Council's Significance and Engagement policy. These changes are part of ongoing management operational risk in relation to treasury activities.

NEXT STEPS

26. Staff to incorporate these changes in the day to day decision making and operation of the Treasury function.

ATTACHMENTS

1. **Treasury Policy November 2023 - A14956012** [↓](#) 
2. **Treasury Policy November 2023_Tracked changes - A14801700** [↓](#) 

9.3 Mainstreets' Monitoring Reports for the period 1 January to 30 June 2023

File Number: A14811276

Author: Kendyl Sullivan, City Partnerships Specialist

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

PURPOSE OF THE REPORT

1. For mainstreet organisations to report to Council on their activities for the period 1 January to 30 June 2023, to highlight issues, provide a financial update, and to outline plans for upcoming activities.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Mainstreets' Monitoring Reports for the period 1 January to 30 June 2023.
- (b) Receives the Mount Business Association Report to 30 June 2023, Annual Plan for 2023/24, and Strategic Plan.
- (c) Receives the Greerton Village Community Association Report to 30 June 2023 and Annual Plan for 2023/24.
- (d) Receives the Papamoa Unlimited Report to 30 June 2023 and Annual Plan for 2023/24.
- (e) Receives the Mainstreet Tauranga Report to 30 June 2023 and Annual Plan for 2023/24.

EXECUTIVE SUMMARY

2. Mainstreet organisations receive a targeted rate through Council.
3. As part of Council's agreement with the four mainstreet organisations, they are required to report every six months on activities achieved, activities planned, and any issues they want to bring to the attention of Council. They are expected to provide a financial update for each reporting period, and audited financials after the end of the financial year.
4. This report reflects the period 1 January 2023 to 30 June 2023.
5. A summary of performance, both financial and non-financial, is provided in the main body of the report (below) for Mount Business Association, Greerton Village Community Association, Papamoa Unlimited, and Mainstreet Tauranga. All mainstreet organisations are currently in good financial health.
6. The four mainstreets have submitted their Annual Plans for 2023/24 and have complied with the requirements of their respective agreements.
7. Annual Plans show an ambitious range of activities and promotions across the respective areas, planned to achieve a lot with their current budgets.
8. Staff continue to support the mainstreets on a range of matters including reporting, transparency and organisation information, collaboration, and development of strategic plans.
9. In addition, the four mainstreet organisations have received notification of the cancellation of their current Agreement, and we are working with them to confirm the new Agreement. This report is based on the conditions of the previous Agreements.
10. A process has been drafted for expanding a mainstreet targeted rate area with support from the Policy and Strategy team. Staff will progress work on this in the coming weeks.

BACKGROUND

11. There are agreements in place between Council and the four mainstreet organisations for the delivery of services. The intent of the agreements is to the effect that:
 - (a) The mainstreet organisations will contribute to the achievement of a strong and vibrant city and town centres, by promoting the appeal of their respective areas to residents and visitors through events, promotions, and other means.
 - (b) That Council will provide funding for these mainstreet services by way of a targeted rate on commercial property within each of the mainstreet business areas.
 - (c) The mainstreet organisations are incorporated societies and all business operators within their respective targeted rates areas are regarded by the mainstreet organisations as being their members.

DISCUSSION

12. Audited financial accounts are due from all mainstreet organisations by 30 September (per current agreement) and will be included in the next reporting period.
13. Financial statements provided by Greerton Village Community Association indicate they are in good financial health, showing annual operating surpluses and positive equity.
14. Mount Business Association has finished the year in a good financial position and under budget. The profit and loss statement provided by Mount Business Association shows a net loss of \$46,777.43 which will come out of reserves. The allocated spend of built-up funding is clearly referenced in the profit and loss statement.
15. Mainstreet Tauranga has finished the year in a good financial position and under budget. The profit and loss statement provided by Mainstreet Tauranga shows a net loss of \$1,320.00, which will come out of reserves.
16. Draft financial statements provided by Papamoa Unlimited show the organisation finished the year under budget with a net loss of \$18,249.48 coming out of reserves. The proposed 2023/24 annual plan and budget forecasts expenses beyond their confirmed income, with the remainder to be supplemented by sponsorship. The organisation has been advised that the indicative date for Matariki 2024 falls on 28 June, within this current financial year, which has not been planned or budgeted for in the documentation received at the date of this report.
17. Results of an independent survey of businesses within the mainstreet areas was collated, with key themes and relevant feedback shared with each of the mainstreets and the Commissioners on 31 March 2023.

Mount Business Association

18. The Mount Business Association Monitoring Report and Profit and Loss Statement is provided at Attachment 1.
19. The Mount Business Association Annual Plan and Budget 2023/24 is provided at Attachment 2.
20. The Mount Business Association Strategic Plan Overview is provided at Attachment 3. A copy of the expanded Strategic Plan can be found [here](#).
21. The agreement for the delivery of mainstreet services for this reporting period has been in place since 1 July 2011. Funding of \$188,550 from targeted rates is provided by Council under the agreement for the year ending 30 June 2023.
22. Mount Business Association contracts a Marketing Manager for 25 hours per week, responsible for implementing the strategy of the Board. An Operations Manager working 4-6 hours per week provides a support and oversight role, and a Digital Marketing Manager deals with social media.
23. Mount Business Association set three KPIs for this past financial year, which they will report on in their presentation to the Strategy, Finance and Risk Committee:

- (a) Increase member engagement and satisfaction with the association.
 - (b) Effectively govern the organisation in line with their constitution and ensure a balanced Board.
 - (c) Create a vibrant and inviting environment down the street to drive an economic return.
24. For the financial year 2023/24, they have set the following KPIs:
- (a) Membership sign-ups: 80% of businesses in their targeted boundary complete their MBA membership form by 31 December 2023.
 - (b) Member engagement: Increase level of member engagement to 30% by the end of the year.
25. Highlights over this period include undertaking the strategic plan process and creating a five-year plan, sponsoring the Tauranga Jazz Festival in the Mount and the subsequent increase in visitors to the region, the STUFF mainstreet collaboration, and the increased reach achieved by the web page.
26. Areas of concern include street safety (including vandalism, graffiti, unsafe laneways, and vehicle speed), rough sleepers, new street light installation delays, lack of planning co-ordination between the Mount Spatial Plan and Plan Change 33, and overflowing bins.*
27. Mount Business Association is looking forward to their August Spend and Win Promotion, delivering their 'Many Hands, Light Work' street clean, the September School Holiday Ice Rink, holding the AGM, Christmas Movie in the Park, and continued advocacy particularly around Plan Change 33.

**The City Partnerships Specialist facilitated a meeting with the Waste Management Team who have a plan for the upcoming summer season. Mount Business Association provided feedback to their plan and look forward to seeing the results of these changes.*

Greerton Village Community Association

28. The Greerton Village Community Association Monitoring Report and draft Financial Statements to 30 June 2023 are provided at Attachment 4.
29. The Greerton Village Community Association Annual Plan and Budget 2023/24 is provided at Attachment 5.
30. The agreement for the delivery of mainstreet services for this reporting period has been in place since 1 July 2011. Funding of \$141,406 from targeted rates is provided by Council under the agreement for the year ending 30 June 2023.
31. Greerton Village Mainstreet employs a manager who is responsible to the organisation's Board for the day-to-day delivery of the mainstreet programme in Greerton, including a range of events and promotions designed to attract people to the Greerton business area.
32. Greerton Village set five KPIs for this past financial year, which they will report on in their presentation to the Strategy, Finance and Risk Committee:
- (a) Reporting on estimated crowd attendance at events.
 - (b) Increasing business participation in promotions.
 - (c) Confirming that the correct processes are in place to ensure membership databases are kept up-to-date.
 - (d) Foster and support growth in art and culture via annual yarn bombing activities.
 - (e) To create and deliver a 'welcome pack' to all new businesses.
33. For the financial year 2023/24, they have set the following KPIs:
- (a) Gain traction and audiences through social media.
 - (b) Continue to learn and grow with governance training.
 - (c) Change events to suit the changes in our community.

34. Highlights over this period include the Easter egg hunt, Winter online giveaways promotion, and annual Yarn Bombing activities.
35. Issues include Greerton Village development work for Cameron Road Stage 2, and homeless and transient people.
36. Greerton is looking forward to their new voucher booklet promotion, the conclusion of the yarn bombing installations, the annual Cherry Blossom Festival, and celebrating 150 years of Tauranga Racing.

Papamoa Unlimited

37. The Papamoa Unlimited Monitoring Report and draft Financial Statements to 30 June 2023 are provided at Attachment 6.
38. The Papamoa Unlimited Annual Plan and Budget 2023/24 is provided at Attachment 7.
39. The agreement for the delivery of mainstreet services for this reporting period has been in place since 1 July 2014. Funding of \$50,000 from targeted rates is provided by Council under the agreement for the year ending 30 June 2023.
40. Papamoa Unlimited is managed by a volunteer chair, who engages a contractor to assist with the running of events. Papamoa Unlimited is a committee of business owners and retailers whose purpose is to promote Papamoa as a destination for locals and tourists.
41. Papamoa has set three KPIs for this past financial year, which they will report on in their presentation to the Strategy, Finance and Risk Committee:
 - (a) To deliver three to four events annually to promote Papamoa Unlimited as a destination for locals and tourists alike.
 - (b) To build on turnout from previous events.
 - (c) To further promote Papamoa Unlimited to ensure transparency of information for all eligible members and the Papamoa community.
42. Papamoa Unlimited believe that these KPIs are still relevant for this coming year, and is aiming to put further focus onto these alongside a new KPI:
 - (a) Extending the boundary to build member engagement, giving more businesses the opportunity to join the association.
43. Highlights over this period included their Pedal and Pump event and planning for their Matariki event.
44. No issues were raised in the monitoring report.
45. Papamoa Unlimited is looking forward to Matariki "Light Up the Waterways", Halloween Pedal & Pump, and the Santa Parade.

Mainstreet Tauranga

46. The Mainstreet Tauranga Monitoring Report, Profit and Loss statement and Balance Sheet to 30 June 2023 are provided at Attachment 8.
47. The Mainstreet Tauranga Annual Plan and Budget 2023/24 is provided at Attachment 9.
48. The agreement for the delivery of mainstreet services for this reporting period has been in place since 1 July 2009. Funding of \$364,552 from targeted rates is provided by Council under the agreement for the year ending 30 June 2023.
49. Over this reporting period Mainstreet Tauranga contracted Tuskany Agency for the day-to-day management and delivery of the mainstreet programme in downtown Tauranga. The contract with Tuskany Agency concluded on 30 June 2023 as Mainstreet Tauranga decided to change their organisation delivery model.*
50. A new Chairperson was elected and the Board decided to directly employ a mainstreet manager, tasked with achieving the annual plan and strategic plan goals (once strategic plan is in place). Mainstreet Tauranga have appointed a manager starting on 18 September 2023.

51. Mainstreet Tauranga set three KPIs for this past financial year, which they will report on in their presentation to the Strategy, Finance, and Risk Committee:
 - (a) Consistent reach, engagement, and growth across digital marketing channels.
 - (b) Outcome focused member engagement.
 - (c) Audited Financials.
52. For the financial year 2023/24, they have set the following KPIs:
 - (a) Increased engagement and satisfaction with Mainstreet Tauranga.
 - (b) Increased confidence in the city centre with established safety programmes.
 - (c) Submit on areas of concern and provide feedback on behalf of members.
 - (d) Effectively promote and support members using efficient marketing tools, events, and promotions.
53. Highlights from the last six months include a new chairperson elected, new and strengthened relationships with key city stakeholders, a new approach to the city centre, and new businesses moving into the city centre.
54. No issues were raised in the monitoring report.
55. Mainstreet Tauranga is looking forward to their new manager starting, re-engaging with their members, the Arts Festival, member-focused events, and Christmas.

**A small token of appreciation was given to Tuskany Agency on behalf of Council to thank them for their ten-year contribution to Mainstreet Tauranga.*

STRATEGIC / STATUTORY CONTEXT

56. Mainstreet organisations are considered key strategic stakeholders in Council's Plans. They provide a valuable link between businesses and Council and are involved in several projects including Tauranga City Council's City Centre Action and Investment Plan, which outlines an overarching plan for the city centre and the programmes of work required to bring it to life.
57. Other plans in which the mainstreets are key stakeholders include the Mount Spatial Plan, Plan Change 33, Cameron Road Upgrades in Greerton, and numerous action and investment strategies, and policies.
58. In terms of Council's community outcomes that are in [Our Direction – Tauranga 2050](#), well-run mainstreet programmes make a worthwhile contribution to city centre vibrancy and to “a well-planned city with a variety of successful and thriving compact centres, resilient infrastructure, and community amenities.”
59. Well-run mainstreet programmes also have a key role in making a significant contribution “to the social, economic, cultural and environmental well-being of the region.”

FINANCIAL CONSIDERATIONS

60. Mainstreet organisations receive a targeted rate through Council, as detailed above, totalling \$744,508 per annum across the four organisations.
61. It is difficult to measure the outcomes achieved by the mainstreet programmes in economic terms. However, informal measures, such as pedestrian counters, Eftpos data, and estimated numbers of people at events can be useful to ascertain the effectiveness of mainstreet events and promotions.
62. Multi-modal camera reports and Eftpos spend data continue to be supplied to the mainstreets, with further data to be supplied when available.

LEGAL IMPLICATIONS / RISKS

63. Each of the mainstreet organisations has met their funding agreement requirements by providing Council with their half yearly reports for 1 January 2023 to 30 June 2023, and Annual Plan for the period to June 2024.

64. Mainstreets are asked to consider their organisational risks and how those risks may impact on their relationship with Council, with any risks being raised with the City Partnerships Specialist and/or included in Council's Risk Register.

CONSULTATION / ENGAGEMENT

65. It is not required or expected to consult on mainstreet organisation half yearly reports under the Local Government Act 2002.

SIGNIFICANCE

66. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's [Significance and Engagement Policy](#). Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
67. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- the current and future social, economic, environmental, or cultural well-being of the district or region;
 - any persons who are likely to be particularly affected by, or interested in, the matter; and
 - the capacity of the local authority to perform its role, and the financial and other costs of doing so.
68. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance as the receipt of the half yearly reports and activities of the mainstreet organisations would have an impact on a subgroup of people within the city, and it is likely those documents will be of moderate public interest.








ENGAGEMENT

69. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

70. Feedback will be provided to the mainstreet organisations at the Strategy, Finance and Risk Committee on 18 September 2023, where representatives from the four mainstreets will briefly speak to their reports.
71. Council staff will support mainstreets with their new agreements and compliance related to these.

ATTACHMENTS

- Mount Business Association six monthly monitoring report January - June 2023 - A14926642 (Separate Attachments 1)** 
- Mount Business Association Annual Plan 2023 - 2024 - A14926591 (Separate Attachments 1)** 
- Mount Business Association Strategic Plan Overview - A14927922 (Separate Attachments 1)** 
- Greerton Village and Community Association six monthly monitoring report January - June 2023 - A14955084 (Separate Attachments 1)** 
- Greerton Village Community Association Annual Plan 2023 - 2024 - A14926632 (Separate Attachments 1)** 
- Papamoa Unlimited six monthly monitoring report January - June 2023 - A14988475 (Separate Attachments 1)** 
- Papamoa Unlimited Annual Plan 2023-2024 - A14988638 (Separate Attachments 1)** 

8. **Mainstreet Tauranga six monthly monitoring report January - June 2023 - A14955086 (Separate Attachments 1)** 
9. **Mainstreet Tauranga Annual Plan 2023 - 2024 - A15007356 (Separate Attachments 1)** 

9.4 FY21-24 Waka Kotahi Procedural Audit

File Number: A14891002

Author: Brendan Bisley, Director of Transport

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

- The Transportation procedural audit was completed by Waka Kotahi in February 2023. This audit was against Transportation's \$287m budgeted programme in the 2021-2024 NLTP and covered the period 1st July 2019 to 30th June 2022.

This report details the audit recommendations received by Waka Kotahi and current progress against resolving these recommendations.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- Receives the report "FY21-24 Waka Kotahi Procedural Audit".

DISCUSSION

- The four financial year (June 2019 to July 2022) involved in the audit were during the period Council dis-established the PMO and returned project delivery to the asset owners, Council moved our financial systems across to SAP and the two years of the Covid disruptions.
- The Investment Audit Report was received on 11 April 2023 with the following audit rating assessment.

Subject Area		Rating Assessment	Current Status	Comment
1	Previous Audit Issues	N/A		
2	Financial Processes	Significant Improvement Required	Effective	Processes are now in place and part of business as usual.
3	Procurement Processes	Significant Improvement Required	Effective	Processes are now in place and part of business as usual.
4	Contract Management	Some Improvement Needed	Some Improvement Needed	Processes are now in place, and since Dec 2022, all projects should now be following the WK funding guidelines/requirements. Implementation is now planned in relation to specifically resolving Concord Ave.
5	Professional Services	Effective	Effective	
Overall Rating		Significant Improvement Required	Effective	

- Findings and recommendations from the audit report covers transportation, finance and procurement processes. Responding to audit recommendations has required action from all teams to address.

5. A lessons learned exercise was completed in June 2023 with transportation, finance and procurement staff in attendance to review the findings of the report and provide input to the actions required to address these findings. Feedback from the lessons learned has been integrated into the content of this report.
6. Audits from KPMG and Waka Kotahi, as well as further process reviews have been beneficial in improving project and programme management maturity.
7. Progress against Waka Kotahi audit findings and recommendations are provided in the table on the following pages.
8. **Financial Processes**

ID	Audit Recommendations	TCC Response	Update
R2.1	Council reviews the claiming process in order to ensure that miscoding is minimised.	<p>A process has been put in place in December 2022 whereby a monthly review of expenditure occurs.</p> <p>A spreadsheet has been developed by Finance that is sent to the Transport team monthly.</p> <p>This spreadsheet shows spend per cost centre and is also linked to Work Categories (WC's).</p> <p>Managers can drill down into the detail of each WC's transactions to investigate as required.</p> <p>Finance also performs a high-level reasonableness check of expenditure for each category and investigate large variances if identified.</p> <p>To assist with identifying what each WC relates to, hyperlinks have been inserted into this monthly spreadsheet which direct users to the Waka Kotahi website. This spreadsheet is then reconciled to the claim which is submitted within Transport Investment Online (TIO).</p> <p>This revised process has been audited by KPMG.</p>	<p>Complete.</p> <p>Process is now in place and business as usual.</p> <ol style="list-style-type: none"> 1. Finance provide monthly financial management reports to budget managers and perform a high level check – any specific concerns are raised with the budget manager 2. Budget managers are responsible for checking the General Ledger (GL) detail in the monthly financial management report 3. The spreadsheet is reconciled to the claim in TIO.

ID	Audit Recommendations	TCC Response	Update
R2.2	Ensures that the spreadsheet linking the claims for funding assistance to the General Ledger shows a clear audit trail.	<p>A migration of financial reporting systems from Ozone to SAP occurred during 19/20 FY. There has also been a change in staff over this period with the current staff not being familiar with Ozone. Therefore, they experienced some difficulty in extracting and reconciling GL information from the previous system. The current claim spreadsheet links back to the same data source in SAP so will match the extracted GL detail transactions when conducting an audit trail.</p> <p>A further improvement can be made to the claim spreadsheet by incorporating data dumps of all GL detailed transactions into the period 12 claim which will assist with a final review of costs claimed in the final claim of the year, and with data verification for future audits. This will be completed by July 2023.</p>	<p>Complete.</p> <p>File is ready for the next audit.</p>
R2.3	Removes fountain maintenance from claims.	The current financial year costing analysis confirmations that this is costed against a non-claimable cost centre so evidently has been identified and rectified. There has also been a manual check put in place for this item to prevent this being claimed in future.	<p>Complete.</p> <p>Final financial year end 2023 claim was double checked by the budget manager.</p>
R2.4	Ensures that Council meets the conditions of funding for the LCLR Programme by updating actual project expenditure to match the claimed amount in TIO.	<p>It appeared TCC may have potentially underclaimed \$417,893 in 2021/22 for LCLR projects due to the difference between the manually updated LC/LR spreadsheet versus the downloaded transactions from SAP (TIO Claim).</p> <p>The proposed action in this regard would be for the</p>	<p>Complete.</p> <p>There was no underclaim.</p> <p>Finance has provided final claim for the LCLR programme to the LCLR programme manager to ensure this is reconciled accurately in the LCLR spreadsheet.</p>

ID	Audit Recommendations	TCC Response	Update
		relevant TCC Transport department to maintain the LC/LR programme register whilst the TCC Finance department updates the project costs in the LCLR spreadsheet.	Reconciliation with the LCLR spreadsheet complete.
R2.5	Reviews all roading related retentions to ensure they are still current and credited to the financially assisted accounts if no longer valid.	Will be completed for July 2023.	Complete.

9. Procurement Processes

ID	Recommendations	TCC Response	Current Actions
R3.1	Ensures that its endorsed Procurement Strategy is published on the Council's website.	The current (extended) strategy was published on the TCC website by 14th April, 2023. The 2023 strategy will replace this when endorsement is received by Waka Kotahi.	Complete
R3.2	Commits to advertising all Waka Kotahi financially assisted and competitively tendered contract proposals on GETS.	TCC commits to advertising all Waka Kotahi financially assisted and competitively tendered contracts on both Tenderlink and GETS with immediate effect, with a full transition to solely GETS by 1st July 2023.	Complete All Waka Kotahi financially assisted, and competitively tendered contracts are now advertised on GETS. From 1 September 2023, TCC will only be using GETS and will no longer have a portal on TenderLink.
R3.3	Ensures that any changes to the tender evaluation team's composition from that stated in the RFT are communicated to potential tenderers through a Notice to Tenderers.	TCC will ensure that their templates will have no field for TET member names/composition and guidance will be given to all staff conducting procurement on this point for Waka Kotahi financially assisted and competitively tendered RFX documents.	Complete Standard process is now to not include TET members names in the RFP's. Work is currently underway with the procurement and transportation team to develop clarity of procurement workflow and processes in line with Waka Kotahi procurement

ID	Recommendations	TCC Response	Current Actions
			<p>rules.</p> <p>This will enable common knowledge and clarity of the process and provide for simpler upskilling / onboarding of new staff. This is expected for completion including rollout/training by mid-August.</p>
R3.4	<p>Confirms it will fully comply with all requirements for procuring suppliers by direct appointment.</p>	<p>TCC Transport confirms it will fully comply with Waka Kotahi requirements for procuring via direct appointment.</p> <p>TCC will check by internal audit and will educate around the process for procuring in line with Waka Kotahi procurement rules.</p>	<p>Complete</p> <p>Waka Kotahi requirements have been reiterated across Transportation.</p> <p>Transportation is reviewing engagements based on the total expected outturn cost (as opposed to the initial engagement) to ensure procurement alignment with Waka Kotahi process.</p> <p>We are ensuring the use of the appropriate Waka Kotahi Rules if a direct appointment is required.</p> <p>In general, this refers to rule 10.11 of the Waka Kotahi Procurement Manual "<i>Where direct appointment will not help obtain best value for money</i>".</p> <p>In this regard, justification will be documented and the correct paperwork is completed to a suitable standard and by the correct delegated financial authority.</p> <p>This process will be reflected in the workflow noted in R3.3 above.</p>

10. Contract Management

ID	Recommendations	TCC Response	Actions
R3.1	That Taranga City Council urgently addresses outstanding recommendations resulting from road safety audit conducted on the Concord Ave Intersection Improvements.	<p>Tauranga City Council undertook an internal audit which identified several historic projects with incomplete road safety audits and post construction road safety audits, actions to close these out are underway.</p> <p>Council acknowledges this site was unfortunately missed in our audit and advise that we are currently reviewing the process to ensure there are no other gaps.</p> <p>Tauranga City Council agree under Client's Decision with a large number of the Road Safety Audit recommendations and are engaging with a design consultant to design appropriate remediation of the project prior to enacting change on site.</p> <p>Part of the project site was changed subsequently by the Links Avenue trail currently underway, and changes made to that area as a result.</p> <p>These changes were safety reviewed as part of the trial.</p>	<p>In relation to Concord Ave, the RSA4 has been completed up to Client Decision.</p> <p>Recommendations from the RSA are to be completed with updated plans being developed. A cost estimate along with an implementation timeframe will be available once the plan has been completed.</p> <p>In general, all road safety audits have been reviewed over the period 2018 to December 2022 to assess compliance with the RSA process. This has resulted in minor defects that will be resolved through the road maintenance team.</p> <p>Since December 2022, this audit finding is a historical issue with processes now defined in relation to Road Safety Audits.</p> <p>A Road Safety Audit checklist process has been developed and implemented. This purpose of the process is to provide transparency of the decision-making process, providing a single document that tracks and records the full process from concept design through to post construction.</p>

11.

NEXT STEPS

12. As Council is now a Tier 1 Council for Waka Kotahi based on our annual spend, the next audit is planned to take place in early 2025 as Tier 1 Council's are audited every two years. In addition to the procedural audit, the roading maintenance activities are audited every three years as well by Waka Kotahi. We were audited in mid-2022 (with verbal advice we received two green 'effective' and two yellow 'some improvement needed' scores) but due to the main auditor leaving Waka Kotahi before the report was written, the audit needs to be redone. This is planned to take place in the next 3 months of this year.

ATTACHMENTS

1. **FY2020-2023 Waka Kotahi Procedural Audit - A14891163** [↓](#) 

9.5 Growth & Land Use Projects Progress Report - September 2023

File Number: A14808198

Author: Andy Mead, **Manager:** City Planning & Growth

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

PURPOSE OF THE REPORT

1. Tauranga City is continuing to experience rapid growth. Managing this growth is a significant issue for Council. The report enables the Committee to monitor progress on key projects relating to managing growth in a sustainable manner, including land use planning projects and related transport, infrastructure and funding workstreams.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Growth & Land Use Projects Progress Report - September 2023".

EXECUTIVE SUMMARY

2. Managing growth is a significant issue for Council, particularly the challenge of ensuring growth is sustainable in a four well-beings context for both current and future communities.
3. The attached report outlines the progress being made in relation to a number of projects necessary to manage this continued growth. This information is also regularly reported to the SmartGrowth partners.

KEY UPDATES

4. The key points to note in this update are outlined in the paragraphs below.

Plan Change 33 and Mount Spatial Planning

5. Plan Change 33 to implement the Medium Density Residential Standards (MDRS) and intensification around centres is progressing. The hearing has been split into two sessions, one in July which has occurred and one in October which is upcoming. TCC's planner report to inform the upcoming hearing is complete and published on the TCC website.
6. A key matter to be addressed through this process is greater height and density of buildings around centres, including the Mount Town Centre. This is a topical issue in the community at present. This is linked to work underway to complete the Mount to Arataki Spatial Plan and the Mount Industrial Planning Study. These projects are on track to be completed this December.
7. The spatial planning processes will take account of and recommend measures to address health effects from air discharges in the Mount industrial area.

Housing Shortfalls - Te Tumu and Keenan Road

8. Tauranga currently has a significant housing shortfall in the order of 5,000 homes and this is projected to grow significantly due to delays in releasing new supply. This is likely to be exacerbated further due to fiscal constraints that mean budgets for infrastructure construction to open up the Keenan Road and Te Tumu urban growth areas will not be included in the draft 2024-34 Long Term Plan. This means development would not be able to commence

until around 2040 unless alternative infrastructure funding and financing approaches are identified.

9. The estimated impact of these changes would be a reduction in housing supply of approximately 640 dwellings in the period 2024 to 2034, and a reduction of 1,260 dwellings in the period 2034 to 2040.
10. Planning processes to rezone these areas for development would still proceed and budgets are proposed in the upcoming LTP for the initial phases of infrastructure projects eg design, consenting and land acquisition.

SmartGrowth Strategy 2023

11. Consultation on an updated SmartGrowth Strategy including the Future Development Strategy requirements of the National Policy Statement for Urban Development is about to commence. This process will address housing and business land shortages for the city and sub-region.

Western Corridor

12. The Western Corridor remains a priority focus. The key matters to note are:
 - (a) Timeframes for notifying the Tauriko West plan change have slipped to at least February 2023. If they slip further, it presents risks to the use of a variation process to PC33 and to completing the plan change by June 2025 which is a requirement of current infrastructure funding agreements.
 - (b) The reason for slippage relates to a range of complications in closing out various technical reports. Flood risk outcomes and reporting remains a work in progress and is a key focus for the project team.
 - (c) These matters will be reported up in more detail alongside outcomes of the procurement process for the Tauriko enabling works later this year.
 - (d) The Kainga Ora Specified Development Project (SDP) proposal for the western corridor is currently out for community and stakeholder feedback. A TCC submission is being prepared for Council input.
 - (e) The private plan change application for the Tauriko Business Estate extension continues to be advanced. Similar issues to those being experienced in Tauriko West are affecting this project e.g. stormwater and flood risk management. We expect to notify this plan change this calendar year.
 - (f) The Waka Kotahi business case for substantial investment in the Western Corridor / Tauriko area has been endorsed by their Board. Waka Kotahi is proposing a staged delivery approach whereas SmartGrowth Councils are advocating for the full project to be delivered in a 10-year period. Currently there is no funding to advance the next planning and design phases and the project is 'on hold'. Funding will be considered through the upcoming National Land Transport Programme with the potential for funding to be released from 1 July 2024. This seems likely as the draft Land Transport Government Policy Statement identifies this project as one of the priority projects across New Zealand.

Te Tumu

13. As outlined in the 11 September Council report titled Papamoa East / Wairakei / Te Tumu Investments: Strategic Considerations and Funding Approaches, Te Tumu is facing a number of risks and delays. Staff are continuing to assess these risks, including taking independent advice. We anticipate reporting to Council later this year to determine to way forward for that project.

SmartTrip Variable Road Pricing

14. This proof of concept project has been completed with outcomes indicating that variable road pricing could provide a range of benefits for the transport network and its users. Council has decided to consult through the upcoming 2024-34 LTP on the concept of variable road pricing.

Poteriwhi / Parau farm

15. Council has made decisions to pursue a mix use housing and open space development on this Council-owned site in Bethlehem. This will include a historic / cultural reserve to preserve the Poteriwhi Pa site. The project will require rezoning of part of the site for housing and this process is getting underway. Ongoing hapu engagement will occur.

Greerton Maarawaewae Study

16. Council has made decisions on this project to provide a pathway for the relocation and rebuilding of Tauranga Hospital on this site if this is the preferred outcome of the Te Whatu Ora business case currently underway. If this is not the preferred option, then the racecourse and golf course would be retained on site with improvements to public access and more delivery of more recreational facilities.

Resource Management Reform

17. The current government has largely implemented its resource management reforms into law however the timeframe for transition to the new system will take a number of years (potentially 10 years). In the interim the RMA and the City Plan will continue to have effect in addition to some limited provision of the new system which take effect immediately.
18. The Resource Management reforms were not supported across the political spectrum and there is the possibility they may be repealed post-election if there is a change of government.

Future Plan Change Work Programme

19. Staff are advancing thinking around the future priorities for the City Plan and this work is on track to be reported to the Committee for input and decision-making toward the end of this calendar year.

STRATEGIC / STATUTORY CONTEXT

20. The projects covered in this report are framed under the strategic direction of SmartGrowth and UFTI, the proposed Future Development Strategy, the 30-year Infrastructure Strategy and Long-Term Plan.

OPTIONS ANALYSIS

21. There is no options analysis; this report is for information only.

SIGNIFICANCE

22. While growth is a significant issue for Tauranga City, this report does not require any decisions and is not significant in itself.

NEXT STEPS

23. Council will continue to progress the projects and works as identified in the report attachments.

ATTACHMENTS

1. **Appendix A - Quarterly Update - Growth, Land Use Planning and Transport Strategy Projects - August 2023 - A14808196** [↓](#) 

9.6 Adopt Draft Traffic and Parking Bylaw for Consultation

File Number: A14840985

Author: Vicky Grant-Ussher, Policy Analyst

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. Provides the draft Traffic and Parking Bylaw 2023 and Statement of Proposal for adoption for community consultation.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Adopt Draft Traffic and Parking Bylaw for Consultation".
- (b) Approves the proposed draft Traffic and Parking Bylaw (Attachment 1) for community consultation.
- (c) Adopts the Statement of Proposal for the draft Traffic and Parking Bylaw 2023 (Attachment 2) for community consultation.
- (d) Resolves that, in accordance with section 155 of the Local Government Act 2002, the proposed draft Traffic and Parking Bylaw is the most appropriate and proportionate way of addressing the perceived problem and does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
- (e) Delegates to the General Manager Infrastructure the authority to make any minor edits or presentation amendments to the draft Traffic and Parking Bylaw or Statement of Proposal to correct any identified errors or typographical edits.

BACKGROUND

2. The Traffic and Parking Bylaw is made under the Land Transport Act 1998 and the Local Government Act 2002 and regulates traffic and parking issues to ensure the safety and efficiency of the transport system. On 6 June 2023, the Strategy, Finance and Risk Committee provided direction on issues raised through the review of the bylaw. The draft bylaw has been developed in accordance with this direction.
3. Staff carried out a section 155 analysis of the bylaw and found that it was working well to manage traffic and parking issues in Tauranga, but changes could be made to better futureproof the bylaw.
4. The proposed changes are to:
 - update legislative references to reflect changes since the 2012 bylaw was adopted, and remove any redundant provisions now covered by other legislative changes
 - clarify that installing a secondary vehicle crossing requires council approval
 - introduce a registered parking option which would require people to enter their car number plate in the parking machine to use a registered parking space, or registered parking area¹
 - make minor editorial changes for consistency.

¹ Registered parking spaces or registered parking areas would be established by a council resolution.

STRATEGIC / STATUTORY CONTEXT

5. Traffic and parking management contributes to achieving the community outcome Tauranga Ara Rau, a city we can move around easily. Council adopted a Parking Strategy in 2021 and is in the process of developing more detailed parking management plans for Tauranga, with a finalised plan for the city centre already adopted and a plan for Mount Maunganui under development.
6. The bylaw helps give effect to these strategies and plans through setting traffic and parking rules and enabling their enforcement. The bylaw enables many traffic and parking rules to be implemented, as needed, by Council resolution.

OPTIONS ANALYSIS

7. Approve the draft Traffic and Parking Bylaw (Attachment 1) and Statement of Proposal (Attachment 2) for consultation.

Option	Advantages	Disadvantages
Approve the draft bylaw and Statement of Proposal for consultation	<ul style="list-style-type: none"> • Ensures bylaw review can continue in a timely manner to meet the legislative deadline of October 2024 • Ensures Bylaw can regulate traffic and parking to ensure safety and efficiency on local roads in Tauranga 	<ul style="list-style-type: none"> • None
Do not approve the draft bylaw and Statement of Proposal for consultation.	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • If the bylaw is not reviewed, it will expire in October 2024 impacting the safety and efficiency on local roads in Tauranga • A delay may result in the consultation period coinciding with the planned consultation period on the Mount Maunganui Parking Management Plan (November 2023) creating confusion for the community

FINANCIAL CONSIDERATIONS

8. There are no financial implications related to matters in this report.

LEGAL IMPLICATIONS / RISKS

9. The bylaw is outside of the ten-year statutory review period. Under the Local Government Act 2002, if a revised bylaw is not adopted by October 2024 (two years after the ten-year limit is reached) the current bylaw will expire. Until reviewed (or October 2024 whichever is the earlier) the current bylaw remains operable and enforceable. There is no statutory review period required for bylaws made under the Land Transport Act 1998.

10. In reviewing the bylaw staff conducted a review of the bylaw as per Section 155 of the Local Government Act 2002 and confirmed the bylaw is still required to ensure the safety and efficiency of the transport system. Other options such as taking an educational approach to issues, or not regulating traffic and parking were considered but determined to be inappropriate due to the need to ensure compliance for the safe and efficient working of the transport system.
11. The proposed changes to the bylaw are considered reasonable and proportionate to the issues raised and therefore in alignment with the Bill of Rights Act 1990.

SIGNIFICANCE

12. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
13. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
14. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance as it involves amendments to a bylaw that will affect a subgroup of people.



ENGAGEMENT

15. Taking into consideration the above assessment, that the issue is of medium significance, officers are of the opinion that the consultation using the Special Consultative Procedure is appropriate as the proposal involves amendments to a bylaw that will affect a subgroup of people.
16. The consultation would occur from late September to late October and would occur in tandem with the consultation on the Draft Street Use Policy.
17. In addition to the Special Consultative Procedure requirements, we will undertake some targeted consultation on proposed changes with those groups likely to be impacted by the changes. Targeted groups would include:
 - utility providers
 - developers
 - builders.

NEXT STEPS

18. Following consultation from late September to late October, hearings and deliberations for the bylaw would occur late 2023 or early 2024.

ATTACHMENTS

1. **Draft Traffic and Parking Bylaw 2023 - A15006436 (Separate Attachments 1)** 
2. **Statement of Proposal - A15006443 (Separate Attachments 1)** 

9.7 Adopt Draft Street Use Policy for Consultation

File Number: A14938530

Author: Vicky Grant-Ussher, Policy Analyst

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. To provide options for charging for balcony dining for inclusion in the attached draft policy, outline the approach to transition to the new street dining charging model, and to seek approval for consultation on the draft policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- a) Receives the report "Adopt Draft Street Use Policy for Consultation".
- b) Agrees to include the option of a 75 percent charge of the relevant street dining rate for balcony dining.
- c) Approves the approach for transitioning businesses to the new street dining charging model.
- d) Approves the draft policy (Attachment One) for public consultation.
- e) Delegates to staff the ability to make any minor edits or presentation amendments to the draft Street Use policy any identified errors or typographical edits.

EXECUTIVE SUMMARY

2. On 7 August 2023, the Strategy, Finance and Risk Committee gave direction on several issues raised through the review of four existing street use policies. The Committee asked for further options on two aspects of the policy, balcony dining charges and transitioning to the new street dining charging model.
3. Additional balcony dining charge options provided include:
 - status quo (free, except for businesses with more than 50% of tables on the balcony)
 - no charge for balcony dining
 - percentage charge of the applicable street dining rate (75% is recommended)
 - full alignment with street dining rate.
4. The principles for the transitional approach to street dining charging include:
 - flexibility to respond to the economic context at the time
 - phased increases
 - linking to community amenity value add.
5. Further information is provided on the approach to transition to a new way of charging. Proposed street dining zones are provided in the draft policy (Attachment One, Schedule Three) alongside information on how zone fees would be determined (policy section 6.6). We recommend a phased approach to transitioning to the new charging method with the option of phasing proportional increases to the rates to the full value over a period of four or six years.

BACKGROUND

6. Currently we have four street related policies from the early 2000s that primarily deal with the leasing, licencing, or use of street spaces. On 7 August 2023, the Committee agreed to update and consolidate these policies into one street use policy.
7. The Committee agreed to the following to be included in the updated policy:
 - new policy principles
 - eligibility criteria for a temporary reduction in street dining fees
 - zoned dining charges for street dining
 - changes to compliance requirements affecting application fees, and bonds, and rules for verandas and design features
 - a reference to street dining aesthetics and design guidelines in the policy
 - smoke-free and vape-free requirement for new licences or leases for street dining
 - information on vehicle crossing relocations in the policy
 - ban use of artificial grass on berms.

STRATEGIC / STATUTORY CONTEXT

8. The City Vision adopted by Council and developed in conjunction with the community outlines our collective vision for the city. 'Tauranga, together we can' captures the vision for a collaborative approach to realising a city that 'prioritises nature', 'lifts each other up', and 'fuels possibility'. These three pillars inform council's refreshed strategic framework, with our five primary strategies geared towards delivering the five community outcomes that together contribute to the vision.
9. The vision and strategic framework inform the council's plans and policies, which guide the implementation of these higher-level strategies in council's day-to-day activities. It is therefore important that council's approach to street use is aligned with the council's strategic direction. More specifically, the policies for how streets can be used by businesses and the community should deliver public benefits through easy movement and accessibility and provide inclusive, diverse, and vibrant spaces.

OPTIONS ANALYSIS

Balcony dining charges

10. Dining on open balconies at first floor level in commercial centres, can help make centres feel vibrant. Balcony dining uses the airspace above streets for commercial use, which returns a commercial benefit to businesses. Under the policy, balconies need to be appropriate for the area, consistent with future plans for the street, be approved by council and pay the appropriate application fees and bond.
11. Balcony dining can often be accommodated with less disruption to pedestrians and other street users than street dining² and can support a pedestrian friendly environment by providing shelter. Table One sets out options for a differentiated approach for balcony dining.
12. We recommend 75 percent of relevant street dining rate is charged for balcony dining. This is based on the additional capital costs involved for businesses to use the airspace and the benefits balconies bring in providing shelter for pedestrians. Balconies also retain more space for the pedestrian way compared with on street dining.

² To ensure future transport needs aren't constrained, balconies need to be attached to buildings in a way that allows for the balcony to be removed without damaging the building. In order to allow future removal, structural columns in the street are often required.

13. Table One: Balcony dining options

Option	Advantages	Disadvantages
<p>Option One: Status Quo, free, except for businesses with more than 50% of tables on the balcony</p>	<ul style="list-style-type: none"> • Requires no changes for businesses • Encourages balcony dining which adds to the vibrancy of the area and provides shelter for pedestrians • Reflects additional capital costs of installing a balcony compared with street dining 	<ul style="list-style-type: none"> • Unclear policy rationale for why 50% or more tables must pay³ • Difficult to enforce
<p>Option Two: Free for all balcony dining</p>	<ul style="list-style-type: none"> • Simplifies administration and enforcement • No financial impact on businesses • Incentivises balcony dining which is less intrusive than street dining • Encourages balcony dining which adds to the vibrancy of the area and provides shelter for pedestrians • Reflects additional capital costs of installing a balcony compared with street dining 	<ul style="list-style-type: none"> • Inconsistent with other approaches to council land where commercial benefit from council land is charged • Could impact future revenue
<p>Option Three: Percentage of relevant street dining rate p sqm (75% is recommended)</p> <p>(Recommended)</p>	<ul style="list-style-type: none"> • Discount would reflect the additional capital costs of installing a balcony compared with street dining and benefits provided through increased vibrancy and shelter for pedestrians • Percentage approach would reflect that balcony dining is less intrusive than street dining • More consistent with other approaches to council land where commercial benefit from council land is charged • Charges would align with street dining charges and increase as the value of the space increases over time • Provides a partial return to ratepayers on council asset (airspace) 	<ul style="list-style-type: none"> • Does not reflect full commercial value of balcony dining • Percentage charge may be perceived as arbitrary

³ The 50% threshold was added following consultation on the original policy but the policy rationale for this approach is not recorded.

<p>Option Four: Align with street dining zone rate</p>	<ul style="list-style-type: none"> • Consistent with other approaches to council land where use of land for a commercial benefit is charged • Provides a full return to ratepayers on council asset (airspace) • Charges would keep alignment with street dining and increase as the value of the space increases over time 	<ul style="list-style-type: none"> • Does not incentivise balcony dining which is often less intrusive than street dining and provides shelter for pedestrians • May limit the use of balconies impacting the vibrancy of the street • Possible negative perception from businesses as they may not perceive charging for airspace as justifiable as for land
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Transitional arrangements

14. There will need to be a process to transition businesses to the new licencing and charging approach. Because fees will be set through user fees and charges, changes to fees can be increased incrementally on an annual basis. The proposed key principles guiding the transitional approach are:
- Flexibility to respond to the economic context at the time – our city is in the process of undergoing a rapid transformation, how this affects businesses, foot traffic and hospitality spend during the transition is difficult to predict and so the transition approach will need to fit the economic context at the time.
 - Phased increases – businesses have not had to pay to use council land for street dining before and may not be ready to cover the full cost immediately, phasing in the charges would help businesses adjust to the new fees.
 - Linking timing to community amenity value add – the phasing and roll out of increases to areas will be timed to reflect when key upgraded amenities are completed and reflect the boost in use of areas by the community due to these improvements.
15. Proposed street dining zones are outlined in Schedule Three of the policy. These zones look to group streets with similar levels of vibrancy together. We will seek feedback on these proposed zones as part of the policy consultation. To implement changes to charge street dining zones would require a resolution of Council, under the Street Use and Public Places Bylaw. If the vibrancy of streets shifts in future and zone changes are required⁴, these zones may be updated by Council resolution.

Draft policy for adoption

16. Attachment One, provides a draft of the consolidated and updated policy. The draft policy reflects the decisions made to date (outlined in Paragraph 7) and the recommended options included in this paper.

FINANCIAL CONSIDERATIONS

17. At present the council does not receive income from balcony dining as no venues have more than 50 percent of their dining on the balcony. Option Three and Four would result in a small increase in council revenue at present due to the small number of balconies but may increase in future if balcony dining becomes more common.

⁴ The Inner City Centre zone is likely to need to be reviewed periodically to ensure it reflects new areas of value created through the city centre redevelopment.

18. The transitional arrangements for street dining are expected to result in an increase in revenue for street dining once fully implemented. The charge for each zone will be set through the user fees and charges process.

LEGAL IMPLICATIONS / RISKS

19. To implement changes to charge street dining zones would require a resolution of Council, under the Street Use and Public Places Bylaw.

SIGNIFICANCE

20. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
21. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
22. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance as it involves a change to charging which will affect a subgroup of people.

ENGAGEMENT

23. Taking into consideration the above assessment, that the issue is of medium significance, officers are of the opinion that following the adoption of the draft policy, targeted consultation/engagement is suggested under the Local Government Act 2002.
24. This targeted consultation will include Mainstreet associations, businesses in the areas identified as potentially subject to charging, current lease and licence holders, community members, Te Rangapū and the disability community.

NEXT STEPS

25. Following your approval, we will prepare the draft policy and consultation material. The consultation will occur, alongside the Traffic and Parking Bylaw consultation, from late September to late October.

ATTACHMENTS

1. **Draft Street Use Policy - A15008075**  

9.8 Adopt Draft Gambling Venues Policy for Consultation

File Number: A14879854

Author: Jennifer Ross, Policy Analyst

Authoriser: Sarah Omundsen, General Manager: Regulatory and Compliance

PURPOSE OF THE REPORT

To provide options for the relocation criteria in the attached draft Gambling Venues Policy and seek approval for public consultation on the draft policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Adopt Draft Gambling Venues Policy for Consultation".
- (b) Gives direction on preferred relocation option in the draft Gambling Venues Policy, confirming the recommended option to enable gambling venues to relocate to alternative premises.
- (c) Approves the Statement of Proposal for the Draft Gambling Venues Policy (Attachment One) for public consultation, which includes the Social Impact Assessment 2023 and the draft policy, subject to any amendments required to give effect to the decisions made under recommendation (b).
- (d) Delegates to staff the authority to make minor editorial or presentation changes to the draft policy for correction or clarity.

EXECUTIVE SUMMARY

2. On 27 March 2023, the Strategy, Finance and Risk Committee (committee) requested a review of the relocation criteria of the Tauranga City Gambling Venues Policy 2019. The policy was previously reviewed in 2022 and no changes were made.
3. The current policy does not permit any new gambling venues or gaming machines to be established in Tauranga, known as a 'sinking lid' policy, with the intention that the number of gambling venues and gaming machines decline overtime.
4. However, the policy does allow gambling venues to relocate when two criteria are met:
 - (a) they cannot continue to operate in their current premises for a specified reason
 - (b) the new premises are in a permitted area.
5. Removing the first criteria for the relocation of gambling venues would allow venues to move away from areas of higher deprivation and into new growth areas of the city. However, it may reduce the effectiveness of the 'sinking lid' policy as more venues may relocate rather than close, keeping the number of gambling venues the same rather than reducing them. Research indicates that gambling behaviour is strongly associated with distance to the nearest gambling venue⁵, therefore moving venues away from areas of high deprivation may help reduce gambling harm in our communities⁶.

⁵ "Assessment of the Social Impacts of Gambling in New Zealand" Ministry of Health 2008.

⁶ People on lower incomes and living in low socioeconomic communities are disproportionately affected by gambling harm ("Strategy to Prevent and Minimise Gambling Harm 2022/2023 to 2024/2025" Ministry of Health 2022).

6. Initial engagement has been carried out with key stakeholders including gambling venues, gaming machine trusts, TAB, and social service providers (including Māori support services) to understand any issues with the current relocation criteria. The feedback received was varied and includes support for the current criteria, requests to not allow any relocations, and suggestions that the relocation provisions be relaxed to enable more relocations. These three options for the relocation of gambling venues are provided in this report.
7. This review of the policy also provides an opportunity to refresh the policy⁷.

BACKGROUND

Context

8. There are currently 32 Class 4 venues and four TAB venues (which are also Class 4 venues as they have gaming machines) in Tauranga City. There are 469 gaming machines, also known as pokies, operating in our city (as of June 2023).
9. Most gambling venues in Tauranga were established prior to the introduction of location criteria in this policy and just over half of the current venues are located in areas that would not be permitted under this current policy⁸.
10. The relocation criteria in the Gambling Venues Policy (adopted in March 2019) has not:
 - (a) reduced the number of Class 4 venues
 - (b) directly impacted the number of gaming machines operating.

Policy Review

11. The committee requested a review of the relocation criteria for existing Class 4 and TAB venues in the current policy as concerns were raised that the current required circumstances for relocation are preventing venues from moving away from areas of higher deprivation or being relocated to premises better suited to our growing city. Three options for the relocation of gambling venues are provided.
12. While reviewing the policy, we noted that the criteria for areas where venues might relocate need to be refreshed to reflect the new census data available. Feedback from key stakeholders confirmed that the maps attached to the policy to illustrate those areas for relocation were out of date and hard to use.
13. In 2022 the Gambling Venues Policy was fully reviewed and the effects of the sinking lid policy restricting any relocation of Class 4 or TAB Venues were examined. The review found that the sinking lid policy was not having a detrimental effect on the funding available to community groups through any reduction in the funds from grants distributing gaming profits. No changes were made to the policy following the 2022 review.

STRATEGIC / STATUTORY CONTEXT

14. The City Vision adopted by Council and developed in conjunction with the community outlines our collective vision for the city. 'Tauranga, together we can' captures the vision for a collaborative approach to realising a city that 'prioritises nature', 'lifts each other up', and 'fuels possibility'.

⁷ Including changes to update:

- references to current legislation, Racing Industry Act 2020 replacing the Racing Act 2003
- references to current and future measurements of deprivation to keep up with changes in the city
- the maps with out-of-date data about the city to maps that are kept current on our website
- references to current council committees and strategic documents
- minor drafting changes in line with current best practice for consistency

⁸ 16 of 32 venues are in locations that they would not be permitted to relocate to under the current policy.

15. The vision and strategic framework inform the council's plans and policies, which guide the implementation of these higher-level strategies in council's day-to-day activities. It is important that council's approach to the relocation of gambling venues is aligned with the council's strategic direction. More specifically, the Gambling Venues Policy should deliver an approach to managing the number and locations of gambling venues that seeks to achieve a city that is inclusive, safe, resilient and healthy, and is well planned with successful and thriving communities. This will involve balancing the competing needs in our community for access to Class 4 and TAB gambling in our city and access to community funding from gaming trusts, with the need to minimise the harm to the Tauranga community caused by gambling in Class 4 and TAB venues.
16. Both the Gambling Act 2003 and the Racing Industry Act 2020 require that the council consider the social impact of gambling in our city when reviewing this policy. A Social Impact Assessment has been prepared to inform these considerations and is attached to this report as an appendix of Attachment One.

OPTIONS ANALYSIS

17. Under council's current policy, no new Class 4 venues or TAB venues can be opened in Tauranga City. The policy only permits venues to relocate if:
 - (a) their current premises are unfit or no longer available due to certain circumstances, limited to expiration of lease, site redevelopment, natural disasters, fire or being earthquake-prone
 - (b) the new premises are in a commercial or industrial zone identified in the Tauranga City Plan that is more than 100 metres from residential zones of high-deprivation, as measured on the NZDep 2013 index.
18. Under the change proposed in Option Two:
 - (a) Venues would be able to relocate to alternative premises for any reason, even if they could continue to operate in their current premises
 - (b) Venues wishing to relocate would only be able to move to premises in a commercial or industrial zone identified in the Tauranga City Plan that is more than 100 metres from residential zones of high-deprivation, as measured on the NZDep 2018 or subsequent indexes (current rules specify the NZDep 2013 index which has been superseded).
19. Three options are identified for the Committee's consideration relating to the relocation criteria within the Gambling Venues Policy. Initial consultation and engagement with key stakeholders included support for all three options, retaining the current criteria, relaxing the criteria and requests to not allow any relocations regardless of criteria.

20. **Table One: Relocation Criteria Options**

Option	Advantages	Disadvantages
<p>Option One: Status quo, venues can relocate under limited circumstances.</p>	<ul style="list-style-type: none"> • Requires no changes or public consultation. • Retains an effective sinking lid to reduce gambling venues and gambling harm associated with gaming machines in our city over time. • Still provides for existing venues to relocate and clubs to merge if the required circumstances are met. • Preferred over Option Two by Problem Gambling Foundation, Salvation Army Oasis, Toi Te Ora and Iwi representatives (Ngāi Te Rangi and Ngāti Pūkenga). • Preferred over Option Three by gaming trusts, TAB New Zealand and venues operating in Tauranga. 	<ul style="list-style-type: none"> • As relocation remains limited, it is more difficult for venues to move away from areas of high deprivation. • Over time the number of gambling venues may decrease and reduce the amount of funding available to community organisations and projects (though has not been the case in the four years since these relocation criteria were introduced). • Does not provide the opportunity for the wider community to provide feedback.
<p>Option Two: Amend the relocation criteria to enable gambling venues to relocate to alternative premises for any reason.</p>	<ul style="list-style-type: none"> • Increases the ability for existing venues to relocate, allowing them to move if they want to out of areas of high deprivation, potentially reducing gambling harm. • New growth areas of the city will be able to have gambling venues, subject to the location criteria. • Provides opportunities for people who wish to gamble to continue to do so, although these opportunities may still decrease over time as no new venue consents will be granted. • Supported by gaming trusts, TAB New Zealand and venues operating in Tauranga. • Provides the wider community the opportunity to provide feedback. 	<ul style="list-style-type: none"> • Relocations reduce the effectiveness of the sinking lid policy and allow for the continuation of gambling harm associated with gaming machines in our city. • Venues could become clustered together within the permitted areas and associated social problems may arise. • Opposed by Problem Gambling Foundation, Salvation Army Oasis, Toi Te Ora and Iwi representatives (Ngāi Te Rangi and Ngāti Pūkenga).

<p>Option Three:</p> <p>Amend the relocation criteria to not allow any relocation of venues.</p>	<ul style="list-style-type: none"> Increases the effectiveness of the sinking lid policy, reduces gambling venues and gambling harm associated with gaming machines in our city over a shorter time. Supported by Problem Gambling Foundation, Salvation Army Oasis, Toi Te Ora and Iwi representatives (Ngai Te Rangi and Ngāti Pukenga). Provides the wider community the opportunity to provide feedback. 	<ul style="list-style-type: none"> Does not allow for the long term provision of gaming machines for people who wish to gamble. Gambling venues remain in current locations, including those close to areas of high social deprivation. Over time the number of gambling venues will decrease and reduce the amount of funding available to community organisations and projects. Opposed by gaming trusts, TAB New Zealand and venues operating in Tauranga.
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Draft policy for public consultation

- Attachment Two includes a draft of the updated policy. The draft reflects the updates outlined in Paragraph 6 and includes the changes required to the policy if Option Two (recommended) is selected. The relocation criteria in the draft policy will be updated following your decision on Recommendation (b) in this paper prior to consultation.
- The criteria for where venues can relocate to is updated in the draft policy to reflect current data on areas of higher-deprivation and ensure venues do not move into those areas.

FINANCIAL CONSIDERATIONS

- If the Committee wanted to make the recommended amendments to the policy, then consultation costs, covered by the existing policy budget, will be incurred.

LEGAL IMPLICATIONS / RISKS

- There is potential risk for a perceived conflict of interest with this change of policy. This change will be favourable for the gaming machine owners, who act as grants organisations in our community when they distribute the proceeds from gambling. At times, council works directly with the grants organisations and brings them together to look at opportunities for them to fund projects in our communities, including council projects. While the contribution from the gaming organisations is small, members of the public may be concerned that funding community projects is being given priority over protecting our communities from gambling harm.
- The policy is required to be reviewed every three years. If the policy is not reviewed within the three-year time frame, the policy continues to be enforceable for a further two years. This review is in addition to the reviews required under the Gambling Act 2003 so the next review date will be a further three years following this review.

CONSULTATION / ENGAGEMENT

- As noted in paragraph 6, a range of organisations in our community have been contacted regarding the review of the relocation criteria of this policy. A list of those organisations and a summary of their responses is provided as Attachment Three. As noted in the table of options, each option was supported by one or more organisations that responded.

SIGNIFICANCE

27. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
28. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the proposal.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
29. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal to change the relocation criteria is of medium significance, however the proposal to remove the indicative maps and update the reference to the NZDep2018 Index of Deprivation published by University of Otago, Wellington is of low significance.




ENGAGEMENT

30. Taking into consideration the above assessment, that the proposal is of medium significance, officers are of the opinion that public consultation following the special consultative procedure in section 83 of the Local Government Act 2002 is required under the Gambling Act 2003.

NEXT STEPS

31. If the Committee decide to proceed with updating the relocation criteria in this policy, public consultation will be undertaken by staff. Following consultation, submission hearings will occur in late 2023.
32. If the Committee decide that no changes to the policy are required, then no further action is required, and the policy will be reviewed again in three years' time.

ATTACHMENTS

1. **Statement of Proposal - Gambling Venues Policy Review 2023 (A14959246) - A15049373 (Separate Attachments 2)** 
2. **Draft Gambling Venues Policy 2023 mark up for consultation - A15049290 (Separate Attachments 2)** 
3. **Summary of Initial Consultation Engagement for 2023 Gambling Venues Policy Review - A15032630 (Separate Attachments 2)** 

9.9 Draft Revised Community Funding Policy Hearings Report

File Number: A14885453

Author: Sandy Lee, Policy Analyst
Richard Butler, Community Partnerships Funding Specialist

Authoriser: Barbara Dempsey, General Manager: Community Services

PURPOSE OF THE REPORT

1. To receive submissions on the draft revised Community Funding Policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receive the report "Draft Revised Community Funding Policy Hearings Report".
- (b) Receive the written submissions on the draft revised Community Funding Policy (Attachment 1)
- (c) Receive the verbal submissions from those submitters who wish to speak to their submission.

EXECUTIVE SUMMARY

2. The Council supports community organisations through various types of cash grants and in-kind assistance, and it is important that this support is given in the best way possible. To do this, we have reviewed the Community Funding Policy to see whether improvements can be made, including looking at what other funding streams can be brought into the policy so that there is greater consistency and transparency in how the Council provides funding support.
3. On 26 June 2023 a draft revised Community Funding Policy was presented to the Strategy, Finance and Risk Committee (the committee) for approval for public consultation. The committee approved the draft policy and submissions were sought from 17 July to 13 August 2023.
4. 107 submissions were received (**Attachment 1**). Five targeted consultation events were held with a range of stakeholder groups and a summary of the feedback received from these events is provided (**Attachment 2**).

BACKGROUND

5. The Community Funding Policy was adopted by Council in July 2021, with the resolution that it be reviewed within 18 months to align with the Annual Plan cycles. It was also noted that the policy had been drafted with the intention that it eventually serve as an umbrella policy for community funding. The purpose of the review was to understand where the policy is working well and areas for improvement, including looking at what other funding streams could come into the policy to ensure a more consistent and transparent approach to community funding.
6. The review commenced in August 2022 and feedback was sought from a range of stakeholders, including previous community grant applicants, key partner organisations, the philanthropic organisations, iwi and hapū representatives, as well as staff across council that administer some form of community funding. Eight key issues were identified through this process.
7. The committee provided direction on these issues on 13 February 2023, and staff made amendments to the policy accordingly.

8. The draft revised policy was approved for public consultation by the committee on 26 June 2023. Consultation ran from Monday 17 July to Sunday 13 August 2023. The consultation document, which includes the submission form and draft policy, is provided (**Attachment 3**).
9. 107 submissions were received and are attached (**Attachment 1**). Table one below lists the 11 submitters wanting to speak to the committee today. An updated schedule will be provided at the hearings.

Table one

Submission number	Submitter name or organisation
001	Maia Christian
035	Stu Thompson (Boys Brigade Bew Zealand)
058	Simone Anderson (The Incubator)
067	Matthew King (Otumoetai Tennis Club)
096	Caroline Dafoe (Mums4Mums)
098	Kathy Webb (Neighbourhood Support)
102	Laura Wragg (Envirohub)
103	Glen Crowther (Sustainable Bay of Plenty)
105	Annie Hill (Creative Bay of Plenty)
107	Liz Davies (Socialink)
108	Heidi Lichtwark (Sport Bay of Plenty)

10. The consultation was advertised widely on the council website, social media (council's Facebook and LinkedIn pages) and advertisements in the Weekend Sun newspaper. Emails about the consultation were also sent via the council teams administering some form of community funding to their contacts database. The teams include Property Leasing, Community Development, Events, Takawaenga Māori Unit, Sustainability and Waste, Arts and Culture, and Spaces and Places.
11. There were also hardcopies of the consultation material, including draft policy and submission form, available at Customer Services at He Puna Manawa and all our other libraries as well as the Mount Hub.
12. The community was specifically asked about several of the proposed changes, including whether they agree that:
- community funding should be aligned with the strategic vision for the city
 - when Council is considering contestable grant applications of similar quality and standing, preference should be given to the organisation that does not already receive some form of support from the council
 - any single project should only be able to receive one type of funding from the council at the same time
 - capital funding and community leases should be brought into the Community Funding Policy
 - the maximum for the Community Development Match Fund Small Grant should be increased from \$1,000 to \$5,000
 - the Match Fund Medium Grant should be disestablished, and the remaining value incorporated into the existing Community Grant Fund, making the minimum value of this fund \$5,001 instead of \$10,001

- a new multi-year funding agreement option should be established
 - partnership agreements should be removed from the Community Funding Policy and the organisations supported through contracts for services instead.
13. Targeted consultation took place with a range of stakeholder groups, including in-person events with previous community grant applicants and community lease holders, and online events with ethnic community groups, current partnership agreement organisations, and representatives from Te Rangapū Mana Whenua o Tauranga Moana. A summary of the questions and discussions at each event is provided (**Attachment 2**).
14. The policy consultation was also promoted at a multi-ethnic forum about funding opportunities in Tauranga.

STRATEGIC / STATUTORY CONTEXT

15. The City Vision adopted by Council and developed in conjunction with the community outlines our collective vision for the city. 'Tauranga, together we can' captures the vision for a collaborative approach to realising a city that 'prioritises nature', 'lifts each other up', and 'fuels possibility'. These three pillars inform council's refreshed strategic framework, with our five primary strategies geared towards delivering the five community outcomes that together contribute to the vision.
16. The vision and strategic framework inform the council's plans and policies, including the Community Funding Policy, which guide the implementation of these higher-level strategies in council's day-to-day activities. It is therefore important that council's approach to community funding is aligned with the council's strategic direction. More specifically, the services, activities and projects council support through the distribution of funding should assist community organisations to contribute to the delivery of the community outcomes.

SIGNIFICANCE

17. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
18. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
19. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance. However, the decision to receive and hear the submissions is of low significance.

ENGAGEMENT




20. Taking into consideration the above assessment, that the issue is of medium significance, and that targeted consultation with a wide range of stakeholders has already taken place, officers are of the opinion that no further engagement is required prior to the committee receiving the submissions.

NEXT STEPS

21. On 30 October 2023 the committee will be provided with a detailed analysis of submissions and will deliberate on the issues raised by submitters and consider the recommended

changes to the policy. It is anticipated that the revised Community Funding Policy will be adopted at the meeting.

ATTACHMENTS

1. **Written submissions_ALL - A14972168 (Separate Attachments 2)** 
2. **Targeted consultation events - summary - A14974448 (Separate Attachments 2)** 
3. **Consultation document - A14972190 (Separate Attachments 2)** 

10 DISCUSSION OF LATE ITEMS

11 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

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 7 August 2023	<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 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>	<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>
11.2 - Litigation Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of</p>

	<p>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>	<p>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>
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12 CLOSING KARAKIA