



MINUTES

**Strategy, Finance and Risk Committee
meeting**

Monday, 18 September 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, 18 SEPTEMBER 2023 AT 9.30AM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Sheree Covell (Treasury and Financial Compliance Manager), Marin Gabric (Senior Financial Accountant (Compliance & External Reporting)), Kendyl Sullivan (City Partnerships Specialist), Brendan Bisley (Director of Transport), Andy Mead (Manager: City Planning & Growth), Jeremy Boase (Manager: Strategy & Corporate Planning), Kathryn Sharplin (Manager Finance), Jon Hobbs (Audit and Assurance Lead), Ruth Woodward (Team Leader : Policy), Vicky Grant-Ussher (Policy Analyst), Jennifer Ross (Policy Analyst), Nigel McGlone (Manager: Environmental Regulation), Sandy Lee (Policy Analyst), Richard Butler (Community Partnerships Funding Specialist), Coral Hair (Manager: Democracy & Governance Services), Shaleen Narayan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Sarah Drummond (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

Nil

Chairperson Anne Tolley, attended the start of the meeting via online zoom meeting and left the meeting to attend another commitment before returning in person after 1.00 pm. Therefore, Deputy Chairperson Dr Wayne Beilby acted as Chairperson from the start of the meeting until Commissioner Anne Tolley's return.

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Item 9.9 - Draft Revised Community Funding Policy – Hearings Report was moved so that submitters were heard once the meeting had moved back to open after the Public Excluded Agenda was heard.

7 CONFIRMATION OF MINUTES

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

COMMITTEE RESOLUTION SFR6/23/1

Moved: Mr Bruce Robertson

Seconded: Ms Rohario Murray

That the minutes of the Strategy, Finance and Risk Committee meeting held on 7 August 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 Resource Management Act reform and, while he didn't directly work on legislative reforms for Three Waters, there may be potential interactions between the two. He would not take part in any discussions relating to the RMA or Three Waters reforms.

Amended by Strategy,
Finance & Risk Committee
resolution SFR9/23/3 dated
4 December 2023

Committee Member Rohario Murray declared she had worked on Resource Management Act reform and, while she didn't directly work on legislative reforms for Three Waters, there may be potential interactions between the two. She would not take part in any discussions relating to the RMA or Three Waters reforms.

Amended by Strategy,
Finance & Risk Committee
resolution SFR7/23/2 dated
30 October 2023

Committee Member Matire Duncan declared she was a submitter to item 9.9 Draft Community Funding Policy and that her daughter worked for the Legal Team at the Tauranga City Council and may have worked on the preparation of the litigation report in the public excluded agenda. Ms Duncan would not take part in discussion or voting on any reports related to those matters.

9 BUSINESS

9.1 2022/23 Interim Audit Report

Staff Paul Davidson, Chief Financial Officer
Sheree Covell, Treasury and Financial Compliance Manager
Marin Gabric, Senior Financial Accountant (Compliance & External Reporting)
Jon Hobbs, Audit and Assurance Lead

Key points

- The report provided the interim findings of the 2023 financial year audit. Results of Audit NZ mainly focused on controlled environment systems, policies and processes, to clear any outstanding items.
- 11 out of 24 items were reviewed and six have been cleared while five not cleared which are related to Finance, Human Resources and Risk.
- There remained a backlog of items to be assessed and acted on from previous reporting. Six of those items had been cleared and five were outstanding. Those five were considered to be of prioritised by the business which are currently underway. Staff were positive that these items would be finalised before the end of the year.

- One new item added which relates to Annual Fraud Risk Assessments, which the Risk team were working on.

In response to questions

- It was not usual practice to complete a formal fraud risk assessment on a yearly basis as suggested by Audit, Staff had instead chosen to bring matters more frequently to the Executive to consider.

As part of the Audit review process there had been a necessary change to the role of Payroll users with privileged access ; this had been addressed by Human Resources and there was a Review for that access each month to ensure the correct people had the correct level of access.

Discussion points raised.

- Audit NZ were currently onsite and had been working with staff for two weeks to complete assessment of the Long-Term Plan and Annual Report.
- The Audit had followed a usual course of 'hard' questions for staff and the Executive. Of the matters that remained open, most if not all would be completed. However, should any new items be identified, these would not be addressed in the current year, due to resource constraints.

COMMITTEE RESOLUTION SFR6/23/2

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

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.

CARRIED

9.2 Treasury Policy Review

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

Tabled amendments to this report are attached to the minutes.

Key points

- The report was taken as read.
- Report seeks approval for the proposed Treasury Policy amendments.
- Current reporting requirements had been met. Those requirements were developed, met and measured with the help of Bancorp Treasury Services Limited.

In response to questions

- Treasury performance general was measured by average cost of borrowing which was reported every quarter based on performance against bench mark.
- Documentation had been previously set up and used to make sure staff were following the procedures and levels of approvals which can be reported on.
- The documentation and processes followed were part of Audit NZ's procedure.
- The measures developed with Bancorp used a conglomeration of existing procedures and benchmark standards to report against.

Discussion points raised

- The process maps and documentation for this reporting had been created by previous staff and could be amended and updated if required.

COMMITTEE RESOLUTION SFR6/23/3

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

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

CARRIED

Attachments

- 1 Strategy Finance and Risk 18 2023 - Item 9.2 - Amended Treasury Policy November 2023

Chairperson Anne Tolley left the meeting at 10.29am and returned at 10.33am

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

Staff Gareth Wallis, General Manager: City Development & Partnerships
Kendyl Sullivan, City Partnerships Specialist

External Claudia West, Mount Business Association
Julia Manktelow, Pāpāmoa Unlimited

Tabled document from the Mount Business Association attached. The mp4 video presentation from Pāpāmoa Unlimited is available on request.

Ashleigh Gee and Mahia Martelli sent their apologies as they would be unable to attend the meeting.

Claudia West Mount Business Association**Key points**

- Major focus for the last six months has been developing a strategic plan for a long term direction for five years.
- The Association had been monitoring hospitality spending and had seen an upswing from last year. It was hard to gauge whether that was local, or visitor spend.
- There had been a larger and longer than expected winter business and foot traffic drop off.
- The Association was working on four of their Key Performance Indicators (KPI's) and aimed to raise their KPI compliance to 30%.
- There was only one vacancy on the Board.
- The Association had held nine events which brought in 14,000 people through the year and was working with staff to obtain the foot count data to help plan new events.
- The Association noted concerns regarding changes to free parking areas and the effect that could have on foot traffic and business. They had worked with staff to address these concerns.
- There was an ongoing concern regarding security in the Central Mount Business Area and Bayfair Hospitality zones, especially as cruise ship passengers returned to the Mount.
- The use of guardians to patrol and work in the central Mount business area was being investigated.
- The Association continued to add ideas and initiatives to the development programme. The programme was aimed at fostering existing growth and enhancing new areas of business growth.

- The Association would be working with staff on the Mount Spatial plan to see where benefits could be found.
- Mount Business Association was 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.

Discussion points raised

- The Committee was pleased to see the Association working on a development plan, and with staff on other opportunities that could benefit their area, such as Plan Change 33. They would like to see the Association share those findings with the other main streets associations so there would be cross pollination and benefits for all of the associations.
- Parking survey would ask questions on staff car parking and time limited parking for staff.

Julia Manktelow Pāpāmoa Unlimited**Key points**

- Pāpāmoa Unlimited have had a very successful year with a range of events that were growing in attendance. They had also been working closely with Iwi on events such as Alice in Wonderland, Matariki, and other associations on Santa Parades, Halloween, pedal and pump, weaving the strands and light up the walkway.
- Pāpāmoa Unlimited had worked with a number of different sources of funding for these events.
- Year on year attendance at events had increased. They would be proactively working with business partners to develop a strategic plan, that included increased online engagement with ratepayers and residents.

Discussion points raised

- The Committee commended Pāpāmoa Unlimited for their work. The events that had been run were an exemplar of successful community events that included not only working with local businesses but ensured local iwi were an integral partner in planning of the events. The Committee noted that the quality of these plans, was such that they should be shared with other associations or community groups planning events.
- The Committee acknowledged the continuous work been done with events, including local environmental factors, health and safety and security which were critical in all events.

COMMITTEE RESOLUTION SFR6/23/4

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

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 Pāpāmoa 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.

CARRIED

Attachments

- 1 Mount Business Association Review Jan to June 2023
- 2 Papāmoa Unlimited - Presentation to Strategy Finance and Risk Committee 18 September 2023

Commissioner Anne Tolley left the meeting at 10.29am

Commissioner Anne Tolley returned to the meeting at 10.33am

9.4 FY21-24 Waka Kotahi Procedural Audit

Staff Brendan Bisley, Director of Transport
Jon Hobbs, Audit and Assurance Lead

Key points

- There was a correction to the report as the audit period was from 1 July 2019 to of 30 June 2022.
- Due to the large increase in funding and level of work over the 2021-2024 period which moved Council to the top tier of funding, this had changed the frequency of the audits. Tier 1 Councils were audited every two years in line with other metropolitan councils.
- Staff had undertaken two internal audits by KPMG in advance of Waka Kotahi's audit and were confident they had identified and rectified most of the issues identified in the previous audit.

In response to questions

- The table in paragraph three was Tauranga City Council's (TCC) assessment, not Waka Kotahi's.
- Staff were presently following up with Waka Kotahi on assurance of the correctness of financial figures used in the report. Once this information had been received it would be reported back to the Committee.

Discussion points raised

- The Committee recognised that Waka Kotahi was a significant funding partner and the relationship was important enough to communicate directly that TCC had rectified the matters in the audit and clearly demonstrated TCC was an effective partner in processes going forward.
- The Committee was pleased to see the steady and continuous improvement of roading measures and wanted to demonstrate this to Waka Kotahi.
- The Committee recommended that the success staff had achieved should be reported to Waka Kotahi as a record of the improvements made.
- A further resolution (b) was included to recommend to Council that an updated assessment on the procedural audit be sent to Waka Kotahi following the internal audit.
- Changes were made to the title of the report to reflect the audit period FY19-22.

COMMITTEE RESOLUTION SFR6/23/5

Moved: Mr Bruce Robertson

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "FY19-22 Waka Kotahi Procedural Audit".
- (b) Recommends to Council that an updated assessment on the procedural audit be sent to Waka Kotahi following the internal audit.

CARRIED

Commissioner Anne Tolley left the meeting at 11.04am

9.5 Growth & Land Use Projects Progress Report - September 2023

Staff Andy Mead, Manager: City Planning & Growth

Key points

- The report and appendix were taken as read.

- The last quarterly report had come back to staff with comments on papakāinga housing needs, that were outside the ambit of what the SmartGrowth group could consider.
- Plan Change 33 substantive hearings were due to start in early October 2023. The hearings report was available on the website.
- A staff submission was prepared at short notice on consultation underway by Transpower and PowerCo on the investment required for the local electricity network to support the city's ongoing growth and decarbonisation of the system. Transpower and PowerCo identified the network was under significant pressure and significant investment was required prior to 2030 to support the growth of the city. Staff's concern that the timeframe was short for investment and identified the need to act quickly and decisively and advised that they had correctly identified the growth areas.
- In response to options on how Transpower and PowerCo would service the developments in Tauriko, either through building a new grid exit point in Tauriko or an extension to the current grid exit point in Greerton, staff raised the key point that TCC would like them to minimise the impact of further investments in Greerton such as acquiring further land, given the adjoining green space and the nature of that facility in an area where we are looking to intensify, it was not conducive ideal from a urban form or visual perspective.
- Due to the very limited time frames, staff were not able to follow usual process and bring the submission to Council before being formally lodged.
- An updated SmartGrowth Strategy was out for consultation which would address housing and business land shortages.
- In terms of the western corridor, the Kainga Ora Specified Development Project proposal was currently out for community and stakeholder feedback with a range of open days being held.
- Challenges around the Tauriko West plan change related to stormwater management and flood risk and these presented risk to the timeframes slipping. These challenges and risks would be reported back to Council.
- A report that contained a future work programme would be heavily influenced by the new Resource Management Act (RMA) legislation and would be reported to Council in December 2023.

In response to questions

- Plan Change 33 independent hearings panel's delegations were broadened to enable the Panel to consider matters outside the scope of submissions, however staff would come back and confirm the delegations.
- Staff were advancing thinking around the future priorities for the City Plan and this work was on track to be reported to the Committee for input and decision-making toward the end of this calendar year.
- Further investigation and work would be completed for roading and housing challenges in Greerton.
- The Mount to Arataki Spatial Plan and the Mount Industrial Planning study would be completed at a similar time and provided an opportunity to align both of these into a future work programme for plan changes.

Discussion points raised

- The Committee appreciated the depth of the report and that it brought together the challenges and complexities facing projects that had started and projects yet to start.
- The Committee recommended that the material within the report be packaged and summarised to present to the new Government, as part of briefings for incoming Ministers that held relevant portfolios relating to local government, to emphasise the complexities of the current processes and the legislation.
- Further work to quantify land available now and in the future for Māori housing was requested to be added to future reports.

COMMITTEE RESOLUTION SFR6/23/6

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

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

CARRIED

9.6 Adopt Draft Traffic and Parking Bylaw for Consultation

Staff Vicky Grant-Ussher, Policy Analyst

Key points

- The report was to initiate consultation that brought a series of minor amendments to the Traffic and Parking Bylaw.
- The draft bylaw also clarified the rules for installation of a secondary vehicle crossing to eliminate the current confusion.

Discussion points raised

- Should there be any submissions to be heard they will be heard together with the Draft Street Use Policy and Draft Gambling Venues Policy.

COMMITTEE RESOLUTION SFR6/23/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

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.

CARRIED

9.7 Adopt Draft Street Use Policy for Consultation

Staff Jeremy Boase, Manager: Strategy & Corporate Planning
Vicky Grant-Ussher, Policy Analyst

Key points

- Consultation would enable feedback on the proposal for charging for both on street dining and balcony dining areas.

In response to questions

- Leases were currently granted for 20 years.
- Balcony dining was proposed to be set at 75% of the street dining rate.
- The approach for setting street dining charges would be to phase these in over a period of four to six years through the user fees and charges process, considering the economic context at the time, given the current construction in the city centre and linking increases to community amenity value. Information such as the collection of foot traffic data, hospitality spend, traffic and parking volumes, rental and lease agreements, council land zoning fees would be used to set more accurate lease charges.

Discussion points raised

- Should there be any submissions to be heard they will be heard together with the Draft Traffic and Parking Bylaw and the Draft Gambling Venues Policy.

COMMITTEE RESOLUTION SFR6/23/8

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

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.

CARRIED

The meeting adjourned at 11.25 am and resumed at 11.37 am.

9.8 Adopt Draft Gambling Venues Policy for Consultation

Staff Sarah Omundsen, General Manager: Regulatory and Compliance
Ruth Woodward, Team Leader Policy
Jennifer Ross, Policy Analyst
Nigel McGlone, Manager Environmental Regulation

Key points

- The report was taken as read.
- Consultation was being undertaken after a request from the Committee to amend parts of the existing policy. Those changes would require notification as a special consultation process.
- The consultation related to changes to the ability of existing licence holders to move venues.
- The deprivation index was used in development of these draft consultation options.

In response to questions

- Submissions received on the Policy that went beyond the proposed changes consulted on would be required to be considered, however, the response to those submissions could be that the Council would undertake a full review of the Policy in two years' time and these views would be addressed at that time.
- There was no requirement to make the amendment now and it could wait for two years for the full policy review.
- There was a two year period before the full policy must be consulted on.

- The feedback received from iwi on Option 2 supported the sinking lid and opposed relocations and expressed a wish to be involved in the relocation procedure on a location by location basis.
- A document prepared by staff on the engagement was to be circulated to Committee members.

Discussion points raised

- The Committee had expressed concern over use of the derivation area index in development of the draft policy speculation don't include irrelevant.
- The Committee agreed that their preferred option for consultation was 'Option Two'.
- The Committee requested that consultation document be clear that the Council was consulting on specific amendments to the Policy only.

COMMITTEE RESOLUTION SFR6/23/9

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Adopt Draft Gambling Venues Policy for Consultation".
- (b) Approves option two: Amend the relocation criteria to enable gambling venues to relocate to alternative premises for any reason.
- (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.

CARRIED

10 DISCUSSION OF LATE ITEMS

Nil

11 CHANGE TO ORDER OF BUSINESS**Resolution to move Item 9.9****COMMITTEE RESOLUTION SFR6/23/10**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Moves Item 9.9 - Draft Revised Community Funding Policy – Hearings Report to be moved on the agenda to be heard after the Public Excluded agenda once the meeting has resolved to return to an open meeting.

CARRIED

12 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

COMMITTEE RESOLUTION SFR6/23/11

Moved: Commissioner Shadrach Rolleston

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 - 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 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>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>
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CARRIED

9 BUSINESS *(continued)*

9.9 Draft revised Community Funding Policy Hearings Report

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

The following members of the public spoke to their submission to the Draft Revised Community Funding Policy.

(1) Sub No. 102 – Laura Wrag and Mary Dillon - Envirohub

Key points

- Having a partnership with anchor organisations like Envirohub was important and provided a basis for a long term relationship with each other to meet our shared objectives in this space and actively demonstrate TCC's commitment to involve and inspire people to get involved with community initiatives to create meaningful change.
- Fortunate to have strong relationships with staff to ensure Envirohub's programme initiatives get exposure within TCC, for example Space for Nature initiative.
- Environmental challenges were not short term issues and long term funding was required.
- Envirohub would like to be a voice at the table advocating for sustainability and the environment and create a culture of environmental responsibility.
- Given the funding inequity that exists across our sectors they believed that initiatives that help to address the consequences of climate change and resultant adverse events should be given more priority and funding.

Commissioner Anne Tolley entered the meeting in person at 1.08pm and resumed the Chair after Envirohub's submission finished.

In response to questions

- The partnership concept was new to Envirohub and the surety of funding over a multi-year period was the biggest benefit to develop new initiatives and programmes, together with having a supportive partnership manager.
- Their longer term ambition was to embed Envirohub into TCC's organisational structure such as Sports Bay of Plenty and Priority One.
- The essence of the relationship was two voices to come together to do what was needed for the environment. Their big strength was to bring people back to nature place by place.

- The Priority One model was a good basis to consider developing a framework for partnerships which prevented double dipping and ensured a strong united voice at Council.

(2) Sub No. 105 – Annie Hill and Kelcey Taratoa – Creative Bay of Plenty

Key points

- Creative Bay of Plenty had worked with the Council for more than 21 years and their desire was to see that partnership continue and they supported the removal of organisations like Creative Bay of Plenty that had partnership agreements with council from the Community Funding Policy.
- Outlined the benefits of the partnership for both the Council and Creative BOP.
- Sustainability of the partnership was key and it was important that service agreements were enduring and not contested at the end of each three year term.
- Support partnership relationships being managed through the part of Council's organisation that was responsible for overseeing the services relevant to their sector. They have the ability to provide insights into councils' strategies, policies and practices and whether these were achieving their desired outcomes.
- Heartened to see that equity in funding of the four well-beings was a fundamental outcome sought as part of the review of the policy, as sport and recreation received more than the arts, culture, heritage social and environmental sectors combined.

In response to questions

- Happy with the current arrangement in place since 2002. Variations to contracts were possible and performance measures were in place. Honest conversations were had on performance every three years, in line with the LTP but the contract had not ceased since that time.
- Creative Bay of Plenty saw themselves as an umbrella group with a focus on enabling the sector, either free or subsidised.
- Creative Bay of Plenty worked to create connections, define specific resources needed, create capability building and support local Iwi and hapū aspirations and needs.

(3) Sub No. 107 – Liz Stewart and Christa George, Social Link

Key points

- Social Link saw their organisation as an umbrella organisation. Their purpose was to build capacity and capability of community organisations and were known as the voice of organisations in the Western Bay of Plenty.
- Social Link wanted more open dialogue with Council, with both parties working towards outcomes in a progressive way.
- Social Link did not support that cornerstone partnership agreements should be contestable or have end dates.
- Provided suggestions and comments around the four principles mentioned in the policy.
- In terms of transparency, it would be good to have the results of the funding applications and the outcomes of these published regularly to encourage more understanding of what Council's principles strategies are that it wants to fulfil.
- In terms of accountability, Social Link was happy to provide feedback on the paper being developed for consultation on accountability reporting and recommended Acorn Foundation's approach of an annual round table reporting sessions accompanied by a one page report confirming money had been spent.
- In terms of equity, Social Link asked Council to provide an equity lens to funding decisions to ensure a range of groups benefitting from funding, not the same groups each round and that Council reached out to community groups not conversant with funding processes.
- In terms of Te Tiriti o Waitangi, Social Link supported the Council to develop capacity in this area, given the small number of Māori organisations that were funded. This could be

both in making funding opportunities to be more visible and wrapping more support for Māori organisations to increase their capacity to secure funding. Social Link wanted the Council to look at enhancing Rangatiratanga for iwi/hapū over decision making about funding relevant to them.

In response to questions

- In terms of the obligations on Social Link through a partnership agreement, they saw this as honesty and integrity and sharing information on what was going on in the sector. The obligations would be set out in the first agreements.
- Agreed to have conversations as part of the cornerstone relationship on who was responsible for greater reach in the community and how information could be shared.

(4) Sub No. 035 – Stu Thompson, Boys Brigade New Zealand

Provided a late apology for not attending.

(5) Sub No. 058 – Simone Anderson, The Incubator

Key points

- The Incubator expressed gratitude for the multi-year funding received through the Community Grants Fund, and as she mentioned at the recent Community Grants Fund celebration event they treat this as a tremendous privilege and responsibility to deliver 'bang for buck' for the ratepayers. Ms Anderson thanked TCC for the opportunity provided to be part of the process to review the Community Funding Policy.
- Ms Anderson questioned if the community funding pool would grow in proportion with the city's growth, social needs and to align with the Council's strategic vision and priorities and to empower community-led organisations to deliver outcomes that respond to all of these. More services and organisations were being directed to this fund and if the pool was not growing in proportion to this need it threatened to be set up for failure rather than success.
- A recent example on the stress on this fund was the proposal to increase rents and or user fees for the buildings at the Historic Village. Tenants who were given exemptions three years ago to rent increases were being encouraged to apply to the Community Grants Fund when the proposal to increase rents was finalised. This demonstrated how this fund would struggle when more organisations were sent that way.
- There were commonalities between the user fees for community leases and the community grants funding policy and The Incubator hoped that these could be thought out more.
- Community leases could be ringfenced as their own type of fund contract or building grant, that encompassed discounts, in kind exchange or historic peppercorn rents. These could be applied for with separate criteria that would be assessed on the organisation's purpose, value to community and KPIs that reflect this privilege.
- At The Incubator they knew from experience that the ability to offer physical space was the magic ingredient for them to deliver staggering outcomes back to the communities. Having a fresh and creative way of assessing and measuring the value that community-led organisations can extract from a leased space could be a game changer, not to mention developing TCC's assets as destinations.
- Questioned whether organisations of private membership models should be eligible for community rents and discounts of community owned tenancies.
- Concerned about limiting an organisation to one source of funding and emphasised the danger of pigeon-holing and restricting access to other funding opportunities that fell outside a grant's business as usual (BAU). These requests could be in response to burgeoning demand, growth which surpassed budget, and any new plans not on the radar at the beginning of a three year funding agreement. This could lead to misinformation to funding assessor panels, a lack of clarity and in some cases an insinuation of double-dipping (which could not be further from the truth) and an inability to deliver valuable outcomes.

- In regards to the question of whether partnership agreements should be removed from the Community Funding Policy and contracting used to support not-for-profit organisations instead, more clarity would be good on what this meant. Ms Anderson asked if the Community Funding Policy was the right place for developing enduring and long lasting partnerships.
- The Incubator queried what a contract for services would look like and if that meant yearly resubmission, competitive tendering that would cause uncertainty, lack of confidence for long term planning, employment and overhead commitments or would it be the opposite?
- The Incubator wanted assurance that a contractual relationship outside of community grants would be a meaningful and bespoke relationship tailored to respected organisations. How does TCC look after those relationships? would they create and nurture enduring relationships, that enabled support for each other, and the ability to advocate and collaborate over and above the dollar value of the contract? or was it purely transactional?
- Supported Social Link comments on equity and wanted to see more equity across the funding.

In response to questions

- The Incubator felt very supported by the Council and thought the terms used in the policy could perhaps not be the best terms to use. The term "partnership" implied a two way benefit, a relationship, however the term "contractual agreement" implied a very transactional approach and did not give confidence that the supportive relationship would continue.

The Committee noted that the policy of peppercorn rentals had resulted in facilities not being fit for purpose and investment was needed to bring these facilities up to standard. Given the need for maintenance and upgrading of community buildings, more information and conversations on how these would be funded would be held through the Long-Term Plan process.

- (6) **Sub No. 096 – Caroline Dafoe, Mums4Mums and Craft Management Charitable Trust**
Apology provided for not being able to attend in person or online.

- (7) **Sub No. 098 – Kathy Webb, Neighbourhood Support**

Key points

- Neighbourhood Support was a community led organisation with voluntary networks engaged at a neighbourhood level.
- Would like more of a relationship with Council as they believed they could be achieving more through a better partnership with Council.
- Strongly supported multi-year funding and did not want to be part of a contestable funding model.
- Funding for business as usual was hard and they previously enjoyed their relationship through the LTP with Council with multi-year funding of approximately \$30,000 per annum.
- Neighbourhood Support had around 14,500 households, with the growth in Tauranga especially in Pāpāmoa, there was a need for more support that could be offered by volunteers.
- Neighbourhood Support had successfully been working with Paul Mason, but felt that with greater funding and support more areas could benefit from their support.

- (8) **Sub No. 103 – Glen Crowther, Sustainable Bay of Plenty**

Key points

- Looking at the strategic issues that surrounded funding and commended the Council on their overt approach, rather than a specific look at the submission provided by Sustainable Bay of Plenty.

- Suggested a principle approach be undertaken, and people liked the inclusivity of wording such as “partnership” and the certainty of multi-year funding.
- Suggested that when the Council was wanting certain outputs it would be better funded through a service contract and for outcomes it would be better funded through an agreement with multi-year funding.
- Council needed to include various types of funding, such as in-kind or capital funding, as separate portions within one pool so that organisations asking for different types of funding were not competing with each other. Concerned that match funding may not suit a smaller organisation, whereas larger organisations may be able to obtain funding as they had the resources to match the Council’s funding.
- Look at categories of who was applying for funding and how they were treated. They saw a difference between umbrella organisations who knew their sectors and offered outcomes that were desirable. By funding these umbrella organisations there was a good chance of collaborative partnerships to ensure the outcomes the Council was looking for. There was a need to deal with potential conflicts of interest if they were also delivery organisations themselves. Also described as anchor organisations, such as Envirohub and Incubator, who had a certain standing and longevity, they offered outcomes that were desirable.
- Important to look at all the well-beings getting funded. Sectors like the environment were not receiving as much funding as economic development.
- The economic sector, though funded by businesses, should be treated on the same basis as other sectors, and included in one funding pool. The outcome of funding should be determined not by who was paying for it, rather it should be based on the outcomes the Council wanted to deliver, what the Council could afford and divided in a principled way based on equitable funding of the well-beings.
- Council was not at present ensuring smaller groups were receiving equitable funding. This raised the related issue, at what point does an organisation who was getting large amounts of funding in the millions of dollars from the Council be thought of as a Council Controlled Organisations(CCO) to enable the Council and therefore the community to have more of a say in the outcomes that are delivered?

In response to questions

- In terms of umbrella organisations they could have a different role in the distribution of funding in their sector, as long as their own funding was secure. Umbrella organisations knew who needed the money and could help Council quickly get good outcomes.
- Funding for organisations that fell outside of these boxes needed to be set aside.
- Suggested getting the principles of equity and transparency sorted up front and then work through teasing out how this could be managed on a practical level.

(9) Sub No. 108 – Nick Chambers, Sport Bay of Plenty

Key points

- Mr Chambers gave the apology of Ms Lichtwark the CEO of Sport Bay of Plenty for not appearing in person and noted that Sport Bay of Plenty was thankful for the opportunity to not only provide a written submission on the fund but also to speak to the Committee in person.
- Had been in partnership with the Council for a number of years, the last two rounds of funding were through a partnership agreement for the term of five years which was valuable for our sector and community.
- Agreed with the Council approach to remove partnership agreements from the Community Funding Policy as these were fundamentally different from the other funding agreements and not the best form of agreement for funding for Sport Bay of Plenty but of other community groups that they worked with. A clear delineation of where funding was being spent would be needed for both Council and Community.
- If agreements were left as contracts for services there was a concern and risk that there would be a loss of mana or principles of a great partnership, and the loss of opportunities to leverage and pivot relationships.

- They were concerned with the potential for contracts to be framed in a way that the relationship could become too transactional. Sport Bay of Plenty would like to work with Council on how to protect existing relationships and partnership in the interests of the people they work for.

In response to questions

- The Committee sought clarification from Sport Bay of Plenty of who or how Māori community or sports groups navigate access to funding. For example Waka Ama and other Māori sports groups and how Sport Bay of Plenty provided help to them?
- Mr Chambers acknowledged that at present they were under resourced in making and maintaining relationships with iwi and hapū groups. Work had commenced on better resourcing and maintaining and building new relationships. As an example at present Sport Bay of Plenty would work with the National Waka Ama Association before moving down to the local level.
- The Council was interested and looking forward to speaking to not only Sport Bay of Plenty but other recreational groups through the Long-Term Plan process. It was noted that the Council had commenced work on the issues raised by the Indoor Sports Association of how fees and charges were set and used, with regard to finding an appropriate balance of public/private funding for community organisations.
- Sport Bay of Plenty saw their partnership with Council as a great example of a partnership working well and they would work together on a burning issue for the Council, like user fees and charges, to build bridges across community groups to find a resolution collectively and were keen to work on that moving forward.

Concluding comments from Committee for staff

- The Committee heard from submitters today on working in different ways with different groups and was keen to have those ideas and concepts explored in more detail.
- There was a concern that a number of organisations that would not be considered partners or anchor/cornerstone organisations would still require continual funding, and to have a completely contestable fund would leave them out.
- Staff advised that they had committed to report back with further information and concepts to the Committee on funding arrangements expressed through the submissions, and as a matter of course staff would work with a range of organisations to tease out those ideas.

COMMITTEE RESOLUTION SFR6/23/12

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

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.

CARRIED

13 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 2.36 pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 30 October 2023.

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CHAIRPERSON