



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Late items

Council Meeting Agenda

Thursday, 15 August 2024

9.00am

Council Chambers,
28-32 Ruataniwha Street, Waipawa

Order Of Business

7 **Report Section 3**

 7.3 Adoption of new Committee Structures 3

 7.4 Draft Funding Impact Statement (FIS) for year ended 30 June 2024, and
 proposed Carry Forwards..... 30

7 REPORT SECTION

7.3 ADOPTION OF NEW COMMITTEE STRUCTURES

File Number:**Author:** Jane Budge, Strategic Governance Manager**Authoriser:** Doug Tate, Chief Executive**Attachments:**
1. Proposed Committee Terms of Reference - 2024 [↓](#)
2. Proposed Meeting Calendar 2024 [↓](#)

PURPOSE

The purpose of this paper is to establish the new Committee structure as per Her Worship the Mayor's instructions.

RECOMMENDATIONS

1. That Council notes Her Worship the Mayor's establishment of a new committee structure to provide more governance and leadership to drive Council's 2024-2027 Three Year Plan, pursuant to Section 41A of the Local Government Act 2002, and includes three committees-of-the-whole: Strategy, Growth and Community Committee; Finance, Instructure and Performance Committee; and Transport Committee.
2. That Council appoints Deputy Mayor Kelly Annand as the Chair and Councillor Pip Burne as the Deputy Chair of the Strategy, Growth and Community Committee.
3. That Council appoints Councillor Brent Muggeridge as the Chair and Councillor Jerry Greer as the Deputy Chair of Finance, Instructure and Performance Committee.
4. That Council appoints Councillor Kate Taylor as the Chair of the Transport Committee, and in the absence of the Chair the Chair of the Finance, Instructure and Performance Committee will deputise.
5. That Council removes the Tamatea Partnerships committee.
6. That Council removes the Mayor from the Chief Executive Employment and Performance Committee.
7. The Council removes Councillor Gerard Minehan from the Risk and Assurance Committee.
8. That Council adopts and delegates decision-making authority as per the new Terms of References for these committees as outlined in the Attachments.
9. That Council recognises that there will be minor adjustments to councillors' remuneration determination reflecting the changes to workloads and that the Remuneration Authority will be required to approve the changes.
10. That Council notes the new dates outlined for the meetings and the schedule is attached.

EXECUTIVE SUMMARY

Under the Local Government Act Her Worship the Mayor has the ability to establish committees and appoint Chairs and Deputy Chairs. The Council has matured over the last few years and its flat Council committee structure is no longer needed.

Her Worship the Mayor is making changes that reflect the maturity of the Council. The Mayor is establishing three new committees-of-the-whole:

- Strategy, Growth and Community Committee
- Finance, Infrastructure and Performance Committee; and
- Transport Committee.

The Mayor is also recommending some further minor changes to other committees outlined later in this paper, including:

- Removing the Tamatea Partnerships Committee, based on timing.
- removing herself from the Chief Executive Employment and Performance Committee, appointing Councillor Kate Taylor as Chair; and
- removing Councillor Gerard Minehan from the Risk and Assurance Committee.

These changes will enable Council to delegate its decision-making on issues in more depth and in consultation with the community. They will have decision-making authority, which will streamline decision making and ensure more targeted council meetings.

BACKGROUND

In 2016, Council established its strategy of a thriving future. This strategy built a council that left behind its reactive and single-purpose past.

The current strategy built on the foundations of Project Thrive, continues to serve the community as the cornerstone, by providing:

- leadership through community networks-of-networks
- a proactive culture
- multiple wellbeing outcomes in its creation of investments
- a community driving direction
- a partnership approach
- credibility with government, and external funding.

With “cathedral thinking” or “mokopuna decisions” that will build a thriving community for the future.

The leadership strategy creates the building blocks of a community vision built through good governance and process, and provided:

- Project Thrive
- a new revitalised Long-term Plan (LTP)
- a new District Plan
- a focus on water (#thebigwaterstory and all its successors), and

- a deliberate culture of patient and evidence-driven strategy across all aspects of the business.

Partnerships and people are at the essence of our DNA. However, the flat governance structure has constrained leadership rather than empowering it. Effort hasn't been equally distributed either with some members taking on more of the workload.

A different Committee Structure is needed with more opportunities to broaden leadership also. Better pathways for development and recognition of skills, leadership and investment by councillors is needed, which the change in Committee structure will provide.

MAYOR'S POWERS

Under s41A(3)(b) and (c) of the Local Government Act, a territorial Mayor can establish committees and appoint chairpersons. This ensures governance is providing the clear direction for developing council's plans, policies and budgets.

DISCUSSION

The Mayor is proposing a new committee structure to reflect the priorities and needs of the organisation and the wider community. A two-pronged committee of the whole structure is being recommended.

A third committee of the whole is also recommended based on analysis of the Section 17a review of the Land Transport activity that described the disconnect between operational and governance. The success of the Committee over the next 18 months will show whether a need for it remains long-term.

Regarding the Te Tiriti engagement, based on timing it is proposed that the Tamatea Partnerships Committee be reinstated. The focus at this time should remain on the role of Māori Wards and Pouwhirinaki appointments, with the Committee revisited again in the 2025 Triennium.

Further minor changes are recommended to the Risk & Assurance Committee, and reducing the number of members to five, with three councillors and the two independent members. This ensures a good balance of councillors to the number of independent directors.

The Chief Executive Committee is also reduced to three, with Councillor Taylor becoming the Chair, and the removal of the Mayor from the committee.

The proposed committees will enable Council to delegate its decision-making on issues in more depth and in consultation with the community. They will be committees-of-the-whole and have decision-making authority, which will streamline decision making and ensure more targeted council meetings.

However, the Council maintains responsibility for:

- preparing and adopting the long-term plan (LTP), annual plan and annual report
- setting rates
- making bylaws
- setting the district plan; and
- monitoring and reviewing the performance of the organisation (CE performance).

The committees proposed would include:

Strategy, Growth and Community (SCG)

- Committee of the whole
- Purpose – to monitor and review council economic, environmental, community and cultural and smart growth strategies for the delivery of community outcomes
- Scope – All the Strategies of Council, Emergency Management, Recovery, Housing and actions related to Community Activation, Growth and Regulatory Functions
- Delegation - \$10m
- Quorum – as per the Standing Orders.
- Meets 8 weekly.

Finance, Infrastructure & Performance (FIP)

- Committee of the whole
- Purpose – to monitor delivery of infrastructure programmes and financial performance
- Scope - #thebigwaterstory (Waipukurau 2nd Supply, Reservoirs and Renewals), #thebigwastewaterstory (revisit of strategy), Stormwater, Landfill review and actions related to Accountable Delivery
- Delegation – \$10m
- Quorum – as per the Standing Orders.
- Meets 8 weekly.

Transport Committee

- Committee of the whole
- Purpose – to drive and monitor delivery of the Land Transport Improvement Programme and the Land Transport Recovery Programme
- Scope – Governance inputs into strategies, prioritisation, community engagement, communication plans, KPIs and business case development
- Delegation –\$10m
- Quorum – as per the Standing Orders.
- Meets 4 weekly (see rotation below).

The Chair roles will be more engaged with both the Mayor and CE, and more active engagement with other ELT members on projects and agendas, providing leadership of council work, strategic thinking and decision-making across the committee areas.

There will also be expectations to lead professional development plans for the committees, and to work actively with a Deputy Chair.

Proposed Meeting Dates

A cycle of meetings are proposed which will be in the following order:

Meeting	Attendance
Agenda preview	Mayor and Chairs
Council/Transport	All
Agenda Preview	Mayor and Chairs
Strategy, Growth Community Committee	All
Agenda Preview	Mayor and Chairs
Finance, Infrastructure and Performance Committee/Transport	All
Agenda Preview	Mayor and Chairs
Workshop	

The proposed dates for the 2024 Committee meetings are set out in the attachment.

Other Committees and changes

Further to the Committees outlined above, the following Committees are presented noting changes or to be confirmed:

Committee	Change
Risk and Assurance Committee	Chair – Independent Member Andrew Gibbs (no change) Deputy Chair – Councillor Tim Aitken (no change) Members – (reduced by 1) <ul style="list-style-type: none"> • Her Worship the Mayor Alex Walker • Councillor Tim Aitken • Councillor Pip Burne • Independent Member Mike Timmer
Regulatory Panel	No change.
Tamatea Partnerships Committee	Disestablished to focus on Māori Wards and Pouwhirinaki appointments.
Chief Executive Employment and Performance Committee	Chair – Councillor Kate Taylor (new) Members – (reduced by 1) <ul style="list-style-type: none"> • Deputy Mayor Annand • Councillor Brent Muggeridge
District Licencing Committee	No change.

It is also proposed that the regional appointments will remain the same to ensure consistency.

Financial Implications

The changes to the Committee structures and roles will require Council to revisit its determination and mix of remuneration awarded to each Councillor. The total pool of remuneration remains the same, as set by the Remuneration Authority. This also requires Remuneration Authority approval.

RISK ASSESSMENT AND MITIGATION

There are no obvious risks associated with this proposal. It is showing Council is maturing and will better reflect its current priorities.

DELEGATIONS OR AUTHORITY

As outlined above her Worship the Mayor has the ability to establish committees and appoint Chairs. The delegated authority of the new committees is set at \$10 million reflecting their decision-making.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed and is not deemed to be a significant decision and no engagement with the community is required. However, it does assist Council to deliver on its significant projects and outcomes as outlined in the Significant and Engagement Policy.

NEXT STEPS

The new committee structure will come into effect immediately following this meeting and resolution of Council. The new timetable for the meetings is attached.

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| <p>RECOMMENDATIONS</p> <ol style="list-style-type: none">1. That Council notes Her Worship the Mayor's establishment of a new committee structure to provide more governance and leadership to drive Council's 2024-2027 Three Year Plan, pursuant to Section 41A of the Local Government Act 2002, and includes three committees-of-the-whole: Strategy, Growth and Community Committee; Finance, Instructure and Performance Committee; and Transport Committee.2. That Council appoints Deputy Mayor Kelly Annand as the Chair and Councillor Pip Burne as the Deputy Chair of the Strategy, Growth and Community Committee.3. That Council appoints Councillor Brent Muggeridge as the Chair and Councillor Jerry Greer as the Deputy Chair of Finance, Instructure and Performance Committee.4. That Council appoints Councillor Kate Taylor as the Chair of the Transport Committee, and in the absence of the Chair the Chair of the Finance, Instructure and Performance Committee will deputise.5. That Council removes the Tamatea Partnerships committee.6. That Council removes the Mayor from the Chief Executive Employment and Performance Committee.7. The Council removes Councillor Gerard Minehan from the Risk and Assurance Committee.8. That Council adopts and delegates decision-making authority as per the new Terms of References for these committees as outlined in the Attachments.9. That Council recognises that there will be minor adjustments to councillors' remuneration determination reflecting the changes to workloads and that the Remuneration Authority will be required to approve the changes.10. That Council notes the new dates outlined for the meetings and the schedule is attached. |
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Committee Terms of Reference

8 December 2022

Together we thrive! E ora ngātahi ana!

Version Control: 2022 – 2025 Triennium

Version	Changes	Adopted
1.0	Document Creation based on committees executed under Mayoral Powers, noted and adopted by Council	10 November 2022
1.1	Addition of Mr Neil Bain as independent Chair of Risk and Assurance Committee	8 December 2022
1.2	Removal of Mr Neil Bain as Independent Chair of the Risk and Assurance Committee, and appointments of new Independent Chair and Independent Member.	27 June 2023
2.0	Establishment of new Committee Structures	TBC – 15 August 2024

COUNCIL

The purpose of the Central Hawke's Bay District Council is to enable democratic local decision making to promote the social, economic, environmental and cultural well being of the Central Hawke's Bay District in the present and for the future.

Council is made up of the Mayor and 8 Councillors (elected members). They are supported by two Pouwhirinaki as Maori Representatives to Council. They are responsible for determining local policy and legislation, and defining the overall vision for the Central Hawke's Bay District. Council makes decisions on behalf of the ratepayers and residents.

In meeting its purpose, the Central Hawke's Bay District Council has a variety of roles:

- Facilitating solutions to local needs
- Advocacy on behalf of the local community with central government, other local authorities and other agencies
- Management of local infrastructure including network infrastructure (eg roading, water supply, waste disposal, libraries, parks and recreational facilities)
- Environmental management planning for the current and future needs of the local district.

COMMITTEES OF THE WHOLE

Strategy, Growth and Community

The purpose of the Strategy, Wellbeing and Growth Committee is to monitor and review key strategies, policies and support the delivery of identified work programmes to deliver on the economic, environmental, community and cultural and smart growth outcomes for the district.

Specifically, the Committees purpose and focus shall be on the activities of:

- Growth and development
- Economic Development
- Supporting the Tamatea Housing Taskforce
- Water Security
- Town Centre Planning and community activation
- Community Resilience/Emergency Management
- Social Development
- Places and Open Spaces Strategy and Planning

Finance, Infrastructure and Performance

The purpose of the Finance, Infrastructure and Performance Committee is to guide and monitor the Councils financial and operational performance, Long Term Plan/Annual Plan implementation and to hold strategic oversight and monitoring on Councils Infrastructure and Operational programmes.

Specifically, the Committees purpose and focus shall be on the following activities of:

- Contract Management
- Procurement
- Organisational Performance Reporting
- #thebigwaterstory
- Stormwater
- #thebigwastewaterstory
- Landfill and Solid Waste
- Infrastructural Climate Change and Resilience

Transport

- The purpose of the Land Transport Committee is to drive and monitor the delivery of Land Transport strategy and associated improvement activities. The Committee will also have a specific focus on the Land Transport Recovery Programme.

STANDING COMMITTEES	
Risk and Assurance	Regulatory Hearings Panel
<p>The purpose of the Risk & Assurance Committee is to contribute to improving the governance, performance and accountability of the Central Hawke's Bay District Council by:</p> <ul style="list-style-type: none"> Ensuring that the Council has appropriate financial, health and safety, risk management and internal control systems in place. Seeking reasonable assurance as to the integrity and reliability of the Council's financial and non-financial reporting. Providing a communications link between management, the Council and the external and internal auditors and ensuring their independence and adequacy. Promoting a culture of openness and continuous improvement. 	<ul style="list-style-type: none"> To conduct hearings and/or determine under delegated authority applications for consent and all other matters required to be heard and determined by way of a Hearing under the Resource Management Act 1991. To conduct hearings and/or determine under delegated authority applications relating to the Dog Control Act 1996 and any other matters required for determination by Council under legislation as determined by Council.
Chief Executive Performance and Employment Committee	
<ul style="list-style-type: none"> Oversees the performance of the Chief Executive in line with the performance agreement and his/her ongoing relationship with the Council, and report regularly to the Council on his or her performance. 	

OTHER COUNCIL SPECIAL COMMITTEES	
District Licensing Committee	<ul style="list-style-type: none"> • The District Licensing Committee (DLC) is responsible for considering and determining all applications and renewals, for Liquor Licences and Managers Certificates. • The Committee is also responsible for the consideration and determination of Temporary Authorities and Special Licences made under the Sale and Supply of Alcohol Act 2012.
Civic Awards Panel Committee	<ul style="list-style-type: none"> • The Civic Awards Committee consisting of the Mayor, two Councillors and two citizens will be formed and confirmed by Council following the triennial election for a three-year term and have the power to act in allocating the awards. The nominated Councillors will be confirmed in the Council and Community Representation Schedule, adopted by Council. • Citizen representatives will be the Group President of the Central Hawke's Bay Women's Institute (or a replacement nominated by the Central Hawke's Bay Women's Institute) and an additional citizen appointed by Council in accordance with the Civic and Community Awards Policy.
Community Voluntary Organisation Support Fund Committee	<ul style="list-style-type: none"> • The Community Voluntary Organisation Support Fund seeks to support Community based not-for-profit organisations that support our community to THRIVE. • The Assessment Committee consists of three Councillors and three members of the public, assisted by a council staff member, who co-ordinates the annual CVOS applications. The three public members of the Assessment Committee are appointed by resolution of Elected Council, following the triennial election. The appointment process will follow the Appointment of Council Representatives Policy and be confirmed in the Council and Community Representation Schedule adopted by Council. • Public Members may be appointed or elected for a specified term of up to three years and can serve a maximum of two consecutive terms in accordance with the Community Funding Policy.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL	
Membership	<p>Her Worship the Mayor Alex Walker (Chair)</p> <p>Deputy Mayor Kelly Annand (Deputy Chair)</p> <p>Councillor Tim Aitken, Councillor Pip Burne, Councillor Jerry Greer, Councillor Gerard Minehan, Councillor Brent Muggeridge, Councillor Kate Taylor, Councillor Exham Wichman.</p> <p>Pouwhirinaki Appointment Amiria Nepe Apatu (non-voting)</p>
Meeting frequency	The council shall meet every eight (8) weeks or as required
Quorum	As set by Standing Orders
Purpose	<p>The purpose of the Central Hawke's Bay District Council is to enable democratic local decision making to promote the social, economic, environmental and cultural well being of the Central Hawke's Bay District in the present and for the future.</p> <p>Council is made up of the Mayor and eight (8) Councillors (elected members). Further to this membership there is also a non-voting Pouwhirinaki Appointment.</p> <p>They are responsible for determining local policy and legislation, and defining the overall vision for the Central Hawke's Bay District. Council makes decisions on behalf of the ratepayers and residents.</p> <p>In meeting its purpose, the Central Hawke's Bay District Council has a variety of roles:</p> <ul style="list-style-type: none"> • Facilitating solutions to local needs • Advocacy on behalf of the local community with central government, other local authorities and other agencies • Management of local infrastructure including network infrastructure (eg roading, water supply, waste disposal, libraries, parks and recreational facilities) • Environmental management planning for the current and future needs of the local district.
Responsibilities	<p>The Council's terms of reference include the following powers which cannot be delegated to committees, officers or any other subordinate decision making body.</p> <p>The power to:</p> <ol style="list-style-type: none"> 1. make a rate 2. make a bylaw 3. borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan 4. adopt a Long Term Plan or Annual Plan and Annual Report 5. appoint a Chief Executive 6. adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Governance Statement 7. adopt a remuneration and employment policy 8. approve or amend Council's Standing Orders 9. approve or amend the Code of Conduct for elected members 10. appoint and discharge members of committees

	<p>11. establish a joint committee with another local authority or other public body</p> <p>In addition, Council can:</p> <ol style="list-style-type: none"> 1. approve a proposed plan under the Resource Management Act 1991 2. approve Council policy and strategy 3. remove chairpersons of committees, subcommittees 4. approve Council's recommendation to the Remuneration Authority for the remuneration of elected members 5. approve the Triennial Agreement 6. approve the Local Governance Statement 7. make decisions on representation reviews 8. appoint or remove trustees, directors or office holders to Council CCOs or COs 9. approve the recommendation of a hearings commissioner on a proposed plan, plan change or variation (including private plan change) and 10. approve a proposed plan or a change to a district plan under clause 17 of the First Schedule <p>Council will specifically retain oversight of the District Plan, Long Term Plan and Annual Plan process and decisions.</p> <p>Supported by its Committees, Councils other focus areas shall be:</p> <ul style="list-style-type: none"> • Ensuring the Committees work in an integrated way across strategy, delivery , monitoring and performance. • Enhancing Partnership with Māori • Regional Planning and Hazard Planning, including developing and responding to local and regional strategy on Regional Spatial Plans or Integrated Hazard and Risk Planning actions.
Delegations	Council cannot delegate any of the responsibilities outlined above.
Professional Development and Learning	<p>Councillors will all participate in the Governance Training run by either LGNZ or the NZ Institute of Directors as a collective and as individuals</p> <p>Council will engage in further professional development as required.</p>

Committees of the Whole

STRATEGY, GROWTH AND COMMUNITY COMMITTEE	
Membership	<p>Deputy Mayor Kelly Annand (Chair)</p> <p>Councillor Pip Burne (Deputy Chair)</p> <p>Her Worship the Mayor Alex Walker, Councillor Brent Muggeridge, Councillor Pip Burne, Councillor Tim Aitken, Councillor Gerard Minehan, Councillor Kate Taylor, Councillor Exham Wichman, Councillor Kelly Annand, Councillor Jerry Greer, and Pouwhirinaki Appointment Amiria Nepe Apatu.</p>
Meeting frequency	The committee shall meet every 8 weeks or as required.
Quorum	As set by Standing Orders
Purpose	<p>The purpose of the Strategy, Wellbeing and Growth Committee is to monitor and review key strategies, policies and support the delivery of identified work programmes to deliver on the economic, environmental, community and cultural and smart growth outcomes for the district.</p> <p>Specifically, the Committees purpose and focus shall be on the activities of:</p> <ul style="list-style-type: none"> • Growth and development • Economic Development • Supporting the Tamatea Housing Taskforce • Water Security • Town Centre Planning and community activation • Community Resilience/Emergency Management • Social Development • Places and Open Spaces Strategy and Planning
Responsibilities	<p>The Strategy and Wellbeing Committee is responsible for leading and delivering the following:</p> <p><u>Growth and Development</u></p> <ul style="list-style-type: none"> • Monitoring the implementation of the Integrated Spatial Plan • Monitoring the implementation of the Smart Growth Review • Monitoring the implementation of and making key decisions on the implementation of the Waipukurau South Growth Precinct. <p><u>Economic Development</u></p> <ul style="list-style-type: none"> • Monitoring the implementation of the Economic Action Plan. • Completing a review of the Economic Action Plan. <p><u>Supporting the Tamatea Housing Taskforce</u></p> <ul style="list-style-type: none"> • Receiving updates from and making decisions on actions from the Tamatea Housing Taskforce <p><u>Water Security</u></p> <ul style="list-style-type: none"> • Making decisions on ownership and sponsorship opportunities relating to Water Security with Water Holdings Hawke's Bay and Tamatea Pokai Whenua. • Developing local strategy and actions in response to the Hawke's Bay Regional Water Assessment.

	<p><u>Town Centre Planning and community activation</u></p> <ul style="list-style-type: none"> Monitoring the implementation of Town Centre Plans and making decisions on the prioritisation of actions and any funded projects. <p><u>Community Resilience/Emergency Management</u></p> <ul style="list-style-type: none"> Monitoring the enhancement of Local Emergency Management Capability and community resilience programmes. Making decisions on or giving local input on the implementation of the Hawke's Bay Independent Review into Cyclone Gabrielle report. <p><u>Social Development</u></p> <ul style="list-style-type: none"> Monitoring and making decisions on the implementation of Community Plans. <p><u>Places and Open Spaces Strategy and Planning</u></p> <ul style="list-style-type: none"> Periodically reviewing Reserve Management Plans and adopting the Russell Park Master Plan and Reserve Management Plan Review. Monitoring the implementation of the Freedom camping Bylaw.
Delegations	<p>The Strategy, Wellbeing and Growth Committee has delegations to:</p> <ul style="list-style-type: none"> develop and adopt strategies, plans and policies that align with the responsibilities of the Committee, Council's vision and goals, and comply with the purpose of the Local Government Act. monitoring the implementation and effectiveness of strategies, plans and policies within its purpose. Approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP Budgets up to \$10 million. <p>This Committee has delegations to establish a special committee, working group or community forum as required.</p>
Professional Development and Learning	<p>Members will engage in further professional development as required.</p>

FINANCE, INFRASTRUCTURE AND PERFORMANCE COMMITTEE	
Membership	<p>Councillor Brent Muggeridge (Chair)</p> <p>Councillor Jerry Greer (Deputy Chair)</p> <p>Her Worship the Mayor Alex Walker, Councillor Brent Muggeridge, Councillor Pip Burne, Councillor Tim Aitken, Councillor Gerard Minehan, Councillor Kate Taylor, Councillor Exham Wichman, Councillor Kelly Annand, Councillor Jerry Greer, and Pouwhirinaki Appointment Amiria Nepe Apatu.</p>
Meeting frequency	The committee shall meet every 8 weeks or as required.
Quorum	As set by Standing Orders
Purpose	<p>The purpose of the Finance, Infrastructure and Performance Committee is to guide and monitor the Councils financial and operational performance, Long Term Plan/Annual Plan implementation and to hold strategic oversight and monitoring on Councils Infrastructure and Operational programmes.</p> <p>Specifically, the Committees purpose and focus shall be on the following activities of:</p> <ul style="list-style-type: none"> • Contract Management • Procurement • Organisational Performance Reporting • #thebigwaterstory • Stormwater • #thbigwastewaterstory • Landfill and Solid Waste • Infrastructural Climate Change and Resilience
Responsibilities	<p>The Finance, Infrastructure and Performance Committee is responsible for:</p> <p><u>Contract Management</u></p> <ul style="list-style-type: none"> • Completing and adopting a review of the Councils Contract Management Policy. • Monitoring the implementation of the Policy and seeking assurance on the performance of operational contracts. <p><u>Procurement</u></p> <ul style="list-style-type: none"> • Completing and adopting a review of Councils Procurement Policy. • Assessing and considering alternative options for service delivery. • Monitoring the implementation of the Policy and providing assurance on the effectiveness of the Policy. <p><u>Organisational Performance Reporting</u></p> <ul style="list-style-type: none"> • Leading a continuous improvement approach to organisational operational reporting, to be included in Councils organisational performance report. <p><u>#thebigwaterstory</u></p> <ul style="list-style-type: none"> • Monitoring the implementation of and making key decisions (where required) on the capital and renewal programme.

	<p><u>Stormwater</u></p> <ul style="list-style-type: none"> • Leading and adopting the development of the Stormwater Strategy. • Confirming the delivery approach and procurement for Stormwater Operations. • Monitoring the implementation of and making key decisions (where required) on the capital and renewal programme. <p><u>#thebigwastewaterstory</u></p> <ul style="list-style-type: none"> • Monitoring the implementation of and making key decisions (where required) on the capital and renewal programme. • Leading and adopting the review of the Wastewater Strategy following the completion of the Post Cyclone Gabrielle Reviews. <p><u>Landfill and Solid Waste</u></p> <ul style="list-style-type: none"> • Leading and adopting the development of the Landfill and Solid Waste Review <p><u>Infrastructural Climate Change and Resilience</u></p> <ul style="list-style-type: none"> • Leading and completing a review of Councils Asset Management Policy to ensure Climate Change and Resilience are appropriately incorporated following Cyclone Gabrielle.
Delegations	<p>The Finance, Infrastructure and Performance Committee has delegations to:</p> <ul style="list-style-type: none"> • Develop and adopt plans, projects and policies that advance the Council's vision and goals in relation to its key Financial Strategy and Infrastructure Strategy while complying with purpose of the Local Government. • Monitoring the financial and non-financial performance of the organisation with a particular emphasis on the delivery of the capital works programme. implementation and effectiveness of strategies, plans and policies • Specifically monitor and provide oversight of significant projects, including reviewing business cases and agreed in next steps on significant projects. • Finance, Infrastructure and Performance Committee is responsible for assisting Council in its general overview of procurement and tender activity. The committee will accept and consider tenders which exceed the Chief's Executive's delegated authority to approve, for projects approved by Council through an Annual Plan or Long Term Plan. The Committee will make a recommendation to Council on the outcome of a tender process for resolution when above delegations. • The Finance, Infrastructure and Performance Committee has delegation to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP Budgets up to \$10 million. <p>This Committee has delegations to establish a special committee, working group or community forum as needed.</p>
Professional Development and Learning	<p>Members will engage in further professional development as required.</p>

TRANSPORT COMMITTEE	
Membership	<p>Councillor Kate Taylor (Chair)</p> <p>Her Worship the Mayor Alex Walker, Councillor Brent Muggeridge, Councillor Pip Burne, Councillor Tim Aitken, Councillor Gerard Minehan, Councillor Kate Taylor, Councillor Exham Wichman, Councillor Kelly Annand, Councillor Jerry Greer, and Pouwhirinaki Appointment Amiria Nepe Apatu.</p> <p>In the absence of the Chair, the Chair of the Finance, Infrastructure and Performance Committee shall Chair the meeting.</p>
Meeting frequency	The committee shall meet every 4 weeks or as required.
Quorum	As set by Standing Orders
Purpose	The purpose of the Land Transport Committee is to drive and monitor the delivery of Land Transport strategy and associated improvement activities. The Committee will also have a specific focus on the Land Transport Recovery Programme.
Responsibilities	<p>The Transport Improvement Committee is responsible for:</p> <p><u>Land Transport Strategy</u></p> <ul style="list-style-type: none"> Leading the development and approval appropriate land transport strategy and prioritisation frameworks <p><u>Land Transport Implementation</u></p> <ul style="list-style-type: none"> Monitoring the implementation of and taking implementation decisions on the Land Transport Section 17a Review. Monitoring the implementation of the Land Transport Recovery Programme. Monitoring the implementation of Land Transport Strategy. Monitoring the operational performance of the Land Transport Activity. <p><u>Land Transport Procurement and Contract Award</u></p> <ul style="list-style-type: none"> Approving Land Transport Procurement Plans and awarding contracts.
Delegations	<p>The Land Transport Improvement Committee has delegations to:</p> <ul style="list-style-type: none"> Develop and adopt plans, projects and policies that advance the Council's vision and goals in relation Land Transport, that are consistent with its Financial Strategy and Infrastructure Strategy while complying with purpose of the Local Government. Specifically monitor and provide oversight of significant Land Transport projects, including reviewing business cases as agreed in on significant projects. The Transport Improvement Committee has delegation to approve procurement strategy and plans and to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP budgets up to \$10 million. <p>This Committee has no delegation to establish a special committee, working group or community forum as needed.</p>

Professional Development and Learning	Members will engage in further professional development as required.
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RISK AND ASSURANCE COMMITTEE	
Membership	<p>Chair Mr Andrew Gibbs (Independent)</p> <p>Councillor Tim Aitken (Deputy Chair)</p> <p>Her Worship the Mayor, Councillor Pip Burne, Mr Mike Timmer (Independent Member)</p>
Meeting frequency	The committee shall meet at least four (4) times per year.
Quorum	As set by Standing Orders
Purpose	<p>The purpose of the Risk & Assurance Committee is to contribute to improving the governance, performance and accountability of the Central Hawke's Bay District Council by:</p> <ul style="list-style-type: none"> • Ensuring that the Council has appropriate financial, health and safety, risk management and internal control systems in place. • Seeking reasonable assurance as to the integrity and reliability of the Council's financial and non-financial reporting. • Providing a communications link between management, the Council and the external and internal auditors and ensuring their independence and adequacy. • Promoting a culture of openness and continuous improvement.
Responsibilities	<p>The Council delegates to the Audit and Risk Committee the following responsibilities:</p> <ul style="list-style-type: none"> • To monitor the Council's treasury activities to ensure that it remains within policy limits. Where there are good reasons to exceed policy, that this be recommended to Council. • To review the Council's insurance policies on an annual basis. • To review, in depth, the Council's annual report and if satisfied, recommend the adoption of the annual report to Council. • To work in conjunction with Management in order to be satisfied with the existence and quality of cost-effective health and safety management systems and the proper application of health and safety management policy and processes. • To work in conjunction with the Chief Executive in order to be satisfied with the existence and quality of cost-effective risk management systems and the proper application of risk management policy and processes, including that they align with commitments to the public and Council strategies and plans. • To provide a communications link between management, the Council and the external and internal auditors. • To engage with Council's external auditors and approve the terms and arrangements for the external audit programme. • To engage with Council's internal auditors and approve the terms and arrangements for the internal audit programme. • To monitor the organisation's response to the external and internal audit reports and the extent to which recommendations are implemented. • To engage with the external and internal auditors on any one-off assignments. • To work in conjunction with management to ensure compliance with applicable laws, regulations standards and best practice guidelines.

Delegations	<p>Subject to any expenditure having been approved in the Long Term Plan or Annual Plan the Audit Committee shall have delegated authority to approve:</p> <ul style="list-style-type: none"> • risk management and internal audit programmes. • terms of the appointment and engagement of the audit with the external auditor • additional services provided by the external auditor. • the proposal and scope of the internal audit <p>In addition, the Council delegates to the Audit and Risk Committee the following powers and duties:</p> <ul style="list-style-type: none"> • The Audit and Risk Committee can conduct and monitor special investigations in accordance with Council policy, including engaging expert assistance, legal advisors or external auditors, and, where appropriate, recommend action(s) to Council. • The Audit and Risk Committee can recommend to Council: • Adoption or non-adoption of completed financial and non-financial performance statements. • Governance policies associated with Council's financial, accounting, risk management, compliance and ethics programmes, and internal control functions, including the: Liability Management Policy, Treasury Policy, Sensitive Expenditure Policy, Fraud Policy, and Risk Management Policy. • Accounting treatments, changes in generally accepted accounting practice (GAAP). • New accounting and reporting requirements. <p>The Audit and Risk Committee may not delegate any of its responsibilities, duties or powers.</p>
Professional and Development Learning	<p>All members will participate in a Risk and Assurance Governance Training in the first year of membership.</p>

CHIEF EXECUTIVE EMPLOYMENT AND PERFORMANCE COMMITTEE	
Membership	<p>Councillor Kate Taylor (Chair)</p> <p>Councillor Brent Muggeridge, Deputy Mayor Kelly Annand.</p> <p>An independent member will be appointed by the committee, with agreement by the Chief Executive, to provide independent professional oversight of the performance review process.</p>
Meeting frequency	As required and agreed with the Chair, but at least three times a year
Purpose	Oversees the performance of the Chief Executive in line with the performance agreement and his/ her ongoing relationship with the Council, and report regularly to the Council on his or her performance.
Responsibilities	<p>To monitor performance of the Chief Executive</p> <p>To ensure that the Council is fulfilling its duties as a good employer under schedule 7 of the Local Government Act, 2002</p>
Delegations	<p>The Council delegates to the Chief Executive Performance Assessment Sub-committee the following powers, duties and responsibilities:</p> <ul style="list-style-type: none"> • To oversee the employment of the Chief Executive in accordance with the Local Government Act, 2002. • To recommend to Council the methodology and specific performance measures to carry out the review of the performance of the Chief Executive. • The delegated authority to employ independent expertise to assist with any review or advice up to a maximum of \$10,000 before seeking approval from Council. • To recommend to Council on matters relating to the Chief Executives employment and remuneration. • The committee have delegations to make variations to the Chief Executive Employment agreement so long as it is pursuant to the Local Government Act. • The committee will delegate the approval of leave, professional development and expenses, within approved budgets, to the Mayor.
Professional Development and Learning	All members will participate in Chief Executive Employment and Performance Training in the first year of membership.

REGULATORY HEARINGS PANEL	
Membership	<p>Councillor Tim Aitken – Regulatory Hearings Panel Chair (Panel)</p> <p>Councillor Pip Burne (Panel)</p> <p>Councillor Kate Taylor (Panel)</p> <p>Councillor Jerry Greer (Panel)</p> <p>Commissioner Eileen von Dadelzen (Chair and Panel)</p> <p>Commissioner George Lyons (Chair and Panel)</p> <p>Commissioner Janeen Kydd-Smith (Chair and Panel)</p> <p>Commissioner Robert Schofield (Chair and Panel)</p> <p>Commissioner Mick Lester (Chair and Panel)</p> <p>Commissioner Dr Roger Maaka (Panel)</p> <p>Commissioner Loretta Lovell (Panel)</p> <p>Commissioner Liz Lambert (Panel)</p> <p>Commissioner Grey Wilson (Panel)</p> <p>Commissioner Lucy Cooper (Panel)</p> <p>Under the delegated authority of Council to the Chief Executive, the Chief Executive has the ability to introduce additional Commissioners onto the panel, to provide essential specialist skills and/or to manage conflicts of interest (perceived or potential) that may arise from time to time.</p>
Meeting Frequency	As and when required.
Purpose	<ul style="list-style-type: none"> To conduct hearings and/or determine under delegated authority applications for consent and all other matters required to be heard and determined by way of a Hearing under the Resource Management Act 1991. To conduct hearings and/or determine under delegated authority applications relating to the Dog Control Act 1996 and any other matters required for determination by Council under legislation as determined by Council.
Hearing Appointments	<p>When determining the make-up of resource consent and other Hearing Panels, the following factors must be taken into account by the Chief Executive in consultation with the Regulatory Hearings Panel Chair:</p> <ol style="list-style-type: none"> Any conflict of interest (perceived or potential) between Committees and/or Committee Member where the Panel member is an elected member or Independent Commissioner. Any conflict of interest identified by the Chair or raised by applicants and/or submitters. The need for specific expertise in particular cases. The need to manage the workload of Councillors and Commissioners by allocating the resource consent and other statutory policy process hearing workload among Commissioners and Councillors, depending on commitments, availability, and with a particular focus that no perceived or potential bias to particular Councillor or Independent Commissioner occurs. The need for any particular local knowledge.

Delegations:	<p>All delegations to this Panel are to be exercised within the framework of the Council's adopted regulatory policies, plans, strategies, policy guidelines and by-laws.</p> <p>The Council delegates to the Regulatory Hearings Panel the following powers, duties and responsibilities:</p> <ul style="list-style-type: none"> • Implementation of the Resource Management Act, the Operative District Plan and other regulatory Acts and Regulations in terms of judicial and regulatory responsibilities. • All powers, duties and discretions under the Resource Management Act 1991¹ to allow the above matters to be undertaken other than: <ul style="list-style-type: none"> • The consideration or hearing of any application where the Council is the applicant • The making of a recommendation on a requirement for a Designation or a Heritage Order where the Council is the Requiring Authority • Exercising the power of delegation. • All Council's powers, duties and discretions in respect to the Dog Control Act 1996 in terms of judicial and regulatory responsibilities and the monitoring of the implementation of Council's regulatory service delivery functions under that Act. • In terms of judicial and regulatory service delivery responsibilities, and monitoring and implementation of these listed regulatory functions all: <ul style="list-style-type: none"> • Powers, duties and discretions vested in the Council by the Crown Minerals Act 1991. • Powers, functions and discretions under Building (Pools) Amendment Act 2016. • Powers, duties and discretions pursuant to Section 78 232 of the Building Act 2004 with the exception of the power to set fees and charges. • Determining any Appeals to a Determination made by the Chief Executive under the Council's Consolidated Part 3 (Public Safety) Clause 4 – Liquor. • Pursuant to Section 34A of the Resource Management Act 1991 and clause 32 of Schedule 7 of the Local Government Act 2002 the Council directs that: <ul style="list-style-type: none"> • Commissioners appointed to Joint Hearings shall be a member of the Regulatory Hearings Panel together with not less than one or more than two others. One of who shall, if possible, be a member representing the Ward in which the site subject to the application is located. <p>Commissioners appointed to deal with all other matters shall be a member of the Regulatory Hearings Panel together with not less than one other, who shall, if possible, be a member representing the Ward in which the site subject to the application is located.</p>
Professional Development, Learning and Qualifications	<p>In accordance with Section 39B of the Resource Management Act 1991, all persons appointed to a Hearing Panel shall hold a current Making Good Decisions Certification, except where there are exceptional circumstances in accordance with Ministry for the Environment best practice guidelines.</p>

¹ **Note:** For the avoidance of doubt, the Regulatory Hearings Panel is not delegated the functions, powers and duties to hear and make decisions on submissions made in relation to a proposed plan, policy statement, plan change or variation under the RMA. Such functions, powers and duties are delegated to a Panel of accredited RMA hearings commissioners appointed by the Council on an as needed basis

DISTRICT LICENSING COMMITTEE	
Membership	<p>The DLC must consist of three members appointed by the Central Hawke's Bay District Council (Council). The Council must appoint one member as the Chairperson, and that person must either be a member of the Council or a Commissioner appointed to the DLC by the Chief Executive Officer of the Council on the recommendation of the Council.</p> <p>The other two members of the DLC must be appointed from the Council's list2 of persons approved to be members of the District Licensing Committee.</p> <p>The Council may also appoint a member of the Council to act as a Deputy Chairperson, to act in place of the Chairperson. This is to allow for times when the Chairperson is unable to act due to illness, absence, or other sufficient reason.</p> <p>Appointment of the Chairperson and the Deputy Chairperson shall be by Resolution of the Council.</p> <p>Current Members:</p> <ul style="list-style-type: none"> • Councillor Gerard Minehan (Chair) • Councillor Exham Wichman (Deputy Chair) • Commissioner Tania Kerr • List Member Sally Butler <p>If the Chairperson, or the Deputy Chairperson, cease to be an elected member of Council then they will cease to be the Chairperson of this Committee.</p>
Meeting Frequency	As and when required
Quorum	A Quorum of the Committee may consist of the Chairperson sitting alone to determine uncontested applications. Where objections are received to an application, then the quorum must consist of the full three-member committee.
Purpose	The DLC is responsible for considering and determining all applications, and renewals, for Liquor Licences and Managers Certificates. The Committee is also responsible for the consideration and determination of Temporary Authorities and Special Licences made under the Sale and Supply of Alcohol Act 2012 (SSLA).
Responsibilities	<p>Administer the Council's alcohol licensing framework as determined by the SSLA.</p> <ol style="list-style-type: none"> 1. to consider and determine applications for licences and manager's certificates, 2. to consider and determine applications for renewal of licences and manager's certificates, 3. to consider and determine applications for temporary authority to carry on the sale and supply of alcohol in accordance with section 136, 4. to consider and determine applications for the variation, suspension, or cancellation of special licences, 5. to consider and determine applications for the variation of licences (other than special licences) unless the application is brought under section 280, 6. with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority, 7. to conduct inquiries and to make reports as may be required of it by the licensing authority under section 175, and 8. any other functions conferred on licensing committees by or under this Act or any other enactment.

	The Committee may make recommendations to Council. While the DLC is a committee of Council and receives Council administrative support, it operates as an independent quasi-judicial body. DLC decisions can be appealed to the Alcohol and Regulatory Licensing Authority (ARLA).
Delegations	<p>The power to make decisions on Liquor licenses, Managers Certificates, Temporary Authorities and Special Licences are set out in the SSLA.</p> <p>Appointments to the Committee of the other members shall be made through an Appointments Committee process that:</p> <ul style="list-style-type: none"> • Is made up of the Chairperson, Deputy Chairperson, and Secretary (Chief Executive or Chief Executive's delegated officer) of the DLC. • Is responsible for determining the manner in which the appointments process will be undertaken and the terms and conditions of the selected candidate. • will identify a shortlist of candidates whom it considers meets the above criteria, conduct interviews, and recommend names of approved persons for appointment to the DLC and / or inclusion on the DLC Members List. • Recommend to Council the preferred appointment(s) for confirmation. <p>The Council considers that, in addition to the statutory requirements, any person that it appoints to the Committee should also possess:</p> <ul style="list-style-type: none"> • An understanding of Regulatory issues • Either regulatory experience, or other experience that is relevant to the activities of the committee • A high standard of personal integrity • The ability to work as part of a team. <p>The Council may at any time remove a member of the DLC for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the Council's satisfaction.</p>
Professional Development and Learning	Members of the District Licensing Committee are required to complete both on-line training provided by LGNZ and attend any other relevant training offered through the District Licensing Committee (DLC) Network.
Remuneration	Remuneration of members of the Committee is a matter that is determined by the Ministry of Justice.

Central Hawke's Bay Combined Meeting and Event Annual Planner 2024 - Proposed

	January	February	March	April	May	June	July	August	September	October	November	December	
SUN									1			1	SUN
MON	1			1	Easter Monday		1		2			2	MON
TUES	2			2			2		3	1		3	TUES
WED	3			3			3		4	2		4	WED
THUR	4	1	Workshop	4	Council / Workshop	2	4	1	Workshop	5	Strategy G & C	5	THUR
FRI	5	2		5			5	2		6		6	FRI
SAT	6	3		6		1	6	3		7		7	SAT
SUN	7	4		7		2	7	4		8		8	SUN
MON	8	5		8		3	King's Birthday	8	5			9	MON
TUES	9	6	Waitangi Day	9		4		9	6			10	TUES
WED	10	7		10	Workshop	5	10	7		11		11	WED
THUR	11	8	Workshop	11		6	11	8	R & A	12		12	THUR
FRI	12	9		12	Workshop	7	12	9		13	Finance and I&P/Transport	13	FRI
SAT	13	10		13		8	13	10		14		14	SAT
SUN	14	11		14		9	14	11		15		15	SUN
MON	15	12		15		10	15	12		16		16	MON
TUES	16	13		16		11	16	13		17		17	TUES
WED	17	14	Gabrielle Anniversary	17	CE Performance	12	CE Performance	17	14			18	WED
THUR	18	15	Council	18	Council	13	Council	18	15	Finance I&P/Transport		19	THUR
FRI	19	16		19		14	19	16		20		20	FRI
SAT	20	17		20		15	20	17		21		21	SAT
SUN	21	18		21		16	21	18		22		22	SUN
MON	22	19		22		17	22	19		23		23	MON
TUES	23	20		23		18	23	20		24		24	TUES
WED	24	21		24	LTP Hearings	19	24	21		25		25	WED
THUR	25	22	Workshop (LTP)	25	ANZAC Day	20	R & A	25		26		26	THUR
FRI	26	23		26		21		26		27	HB Anniversary Day	27	FRI
SAT	27	24		27		22		27		28		28	SAT
SUN	28	25		28		23		28		29		29	SUN
MON	29	26		29		24		29	30	Labour Day		30	MON
TUES	30	27		30		25		30				31	TUES
WED	31	28				26		31					WED
THUR		29	Workshop		LTP Deliberations	27	Council / Workshop			31	Strategy G & C		THUR
FRI						28	Matariki Public Holiday						FRI
SAT			Good Friday			29							SAT
SUN						30							SUN
MON						31							MON
TUES													TUES

7.4 DRAFT FUNDING IMPACT STATEMENT (FIS) FOR YEAR ENDED 30 JUNE 2024, AND PROPOSED CARRY FORWARDS

File Number:

Author: Brent Chamberlain, Chief Financial Officer

Authoriser: Doug Tate, Chief Executive

Attachments: Nil

PURPOSE

The purpose of this report is to provide visibility on Councils draft financial results for the 2023/24 financial year, and other year-end matters ahead of providing draft accounts to Councils External Auditors.

RECOMMENDATIONS

1. That Council receives the report entitled Draft Funding Impact Statement (FIS) for the year ended 30 June 2024 and proposed Carry Forwards being received.
2. That Council approves the proposed allocations to carry forwards and special funds for the 2023/2024 Financial Year.
3. That Council approves that the 2023/2024 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.

EXECUTIVE SUMMARY

Council finished its financial year on 30 June 2024 and officers are currently compiling the annual report ahead of the auditors arriving on 26 August. Officers are still working through year end cut off adjustments, provisions, and revaluations so the results disclosed in this report are draft and are still subject to adjustments but can be considered at 90% complete.

This paper will consider the draft results, which activities are in surplus/(deficit), what loan funding is being applied, what's left unfunded, and what carry forwards have been requested.

BACKGROUND

Council finished its financial year on the 30 June 2024 and officers are currently compiling the annual report ahead of the auditors arriving on 26 August. The auditors are on site for three weeks and will report back their initial findings to the Risk and Audit committee on 2 October, ahead of the Annual Report being adopted by Council on 17 October 2024.

Officers are still working through year end cut off adjustments, these include but are not limited to:

- Year End Accruals – making sure costs and revenue fall in the correct year.
- Revenue in Advance – ensuring unspent grants are moved to the next financial year.
- Calculating Provisions – Staff Annual Leave, providing for Doubtful Debts, making the annual charge for Landfill Aftercare expected costs.
- Capitalising Assets – Adding/(Deleting) asset additions/(sales) for the year.
- Revaluations – revaluing Land, Building, Roothing, and 3 Water Assets to replacement values.
- Calculating Depreciation for the year – the notional cost of assets wearing out.

Officers are 90% through these tasks so the numbers presented here are subject to further adjustments.

DISCUSSION

Below is the draft Funding Impact Statement (FIS) for 2023/24 as of 9 August. As you can see the statement is currently unbalanced as officers work through year end entries.

Part of balancing the FIS up is considering:

- which activities are in surplus, which are in deficit and what activity transfers are required.
- Has Council rated for any activity that has been delayed, so it has collected revenue that will be spent next year, and the funds need to be "carried forward".
- And finally, what loan funding needs to be applied (loan funding for capex has already been accounted for).

	Actual 2023 \$000	Long Term Plan 2024 \$000	Annual Plan 2024 \$000	Actual 2024 \$000
Sources of operating funding				
General rates, uniform annual general charges and rates penalties	16,302	16,700	17,811	17,900
Targeted rates	8,678	9,837	9,840	9,743
Subsidies and grants for operating purposes	20,813	3,372	5,359	35,038
Fees, charges	5,932	5,728	6,742	5,771
Interest and dividends from investments	274	27	79	327
Local authorities fuel tax, fines, infringement fees and other receipts	2,229	240	486	640
Total operating funding	54,228	35,905	40,317	69,419
Applications of operating funding				
Payments to staff and suppliers	45,492	27,273	38,003	67,143
Finance costs	1,035	1,362	1,982	1,992
Other operating funding applications	(1,226)	(880)	(1,956)	(1,447)
Total applications of operating funding	45,301	27,754	38,029	67,688
Surplus (deficit) of operating funding	8,927	8,151	2,288	1,731
Sources of capital funding				
Subsidies and grants for capital expenditure	6,517	4,144	4,144	6,359
Development and financial contributions	812	2,197	2,197	1,580
Increase (decrease) in debt	21,000	18,153	24,761	2,000
Gross proceeds from sale of assets	154	21	21	21
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	28,483	24,516	31,123	9,960
Applications of capital funding				
Capital expenditure				
- to meet additional demand	931	2,523	3,837	293
- to improve the level of service	8,239	9,069	15,597	4,573
- to replace existing assets	23,531	22,206	17,417	7,952
Increase (decrease) in reserves	4,225	0	86	612
Increase (decrease) of investments	485	(1,131)	(3,526)	(841)
Total application of capital funding	37,411	32,667	33,411	12,589
Surplus (deficit) of capital funding	(8,927)	(8,151)	(2,288)	(2,628)
Funding balance	0	0	0	(897)

External Debt

During 2023/2024 Council's external debt has increased slightly from \$42m to \$44m. This money was used to fund the creation of new assets.

Council's weighted average cost of funds was 5.40% (2023: 4.55%). This increase represents a higher cost of new debt (be it from additional external debt or from replacement debt as previous loans mature).

Special Funds

Special Funds and Trust Accounts are funded held for a specific purpose and are allocated interest annually from Councils investments/internal borrowings. During the year \$235k of interest was added to Councils special funds which represented a 4.0% return.

During the year the following movements (excluding interest) occurred in special funds:

Special Fund Name	Activity	Movement	Explanation
S001 Capital Projects	Overheads	(38,046)	Sales / Holding Costs on property held for sale
S621 Landfill Aftercare	Solid Waste	84,043	Funds set aside for care of Landfill post closure
S625 Vehicle Depreciation	Overhead	144,379	Setting aside Depreciation as proxy for future vehicle replacement spend
S626 Land Transport Vehicle Depreciation	Land Transport	16,119	Setting aside Depreciation as proxy for future vehicle replacement spend
S711 Water Smoothing	Water	(75,000)	Rates Smoothing between years as per Annual Plan
S720 Wastewater Smoothing	Wastewater	(100,000)	Rates Smoothing between years as per Annual Plan
S765 Te Aute Drainage Scheme	Stormwater	28,935	Ring Fenced Rating Surplus
S890 Senior Housing	Community Facilities	55,788	Ring Fenced Rating Surplus
S877 District Landfill Levy	Solid Waste	144,305	MfE Waste Minimisation Education Funding Unspent
S935 Waipawa Building Society Scholarship	Overheads	(3,144)	Scholarships Granted
S940 Eric Tate Scholarship	Overheads	(1,000)	Scholarships Granted

Carry Forwards

Below is a table setting out the surpluses/(deficits) by Council activity, and what carry forwards have been requested and what they relate too. Also, below the table if some explanation notes on the results denoted by a [N#].

Some carry forwards are also reflective of the small value, and their carryover is necessary to support the effective management and renewal of assets – such as cemeteries.

Activities Funded by General Rates and UAGC	Surplus/(Deficit)	Carry Forwards Proposed	Explanation	Adjusted Surplus / (Deficit)
Leadership and Governance	153,677	49,370	Mayoral Relief Donations Held	65,207
		26,000	Māori Engagement Funds – Pouwhirinaki Funding for 24/25	
		6,500	Risk and Assurance Independent Member Cost – Help fund extra head for 24/25	
		6,600	CVOS Grants Unspent	
Economic and Social Development	277,945 [N1]	45,000	Implementing Community Plans	227,945
		5,000	Housing Funding unspent	
District Plan	149,442 [N2]	149,442	Reduce District Plan Loan	0
Resource Consents	(492,907) [N3]	(210,000)	Additional Debt Funding Required	(282,907)
Building Consents	(207,824) [N3]	(110,000)	Additional Debt Funding Required	(97,824)
Environmental Health	15,761	2,000	Set aside for next liquor licensing appeal	0
		4,000	Replace Noise Meters	
		3,000	Committed Environmental Health Technician Costs	
		6,761	Increase in Noise Control Contract	
Animal Control	(90,774) [N4]	(50,000)	Additional Debt Funding Required	(40,774)
Compliance and Monitoring	12,068			12,068
Solid Waste	(385,591) [N5]	(271,194)	Additional Debt Funding Required	(114,397)
Parks and Reserves	439,093 [N6]	25,000	Replacement of park and play equipment	331,312
		1,500	Fencing at Memorials	
		5,000	Develop Asset Mgmt System	
		30,000	Develop Reserve Mgmt Plans	
		25,000	Camping Bylaw Implementation	
		15,000	Wpk Holiday Park Renewals	
Public Toilets	3,394	3,394	Toilet Renewals	0
Libraries	51,460	5,000	Technology Replacement	45,460
Senior Housing	55,788	55,788	Ring Fenced Activity, no	0

Activities Funded by General Rates and UAGC	Surplus/(Deficit)	Carry Forwards Proposed	Explanation	Adjusted Surplus / (Deficit)
			ratepayer subsidy. Rental surpluses invested back into housing renewals/upgrades.	
Community Facilities	(39,090) [N7]	30,000	District Hall Roof Replacements	(69,090)
Cemeteries	11,733	11,733	Replace fencing, install new berms and paths	0
Overheads	(111,058) + Carry Forwards Requested		Overheads such as Management, Finance, IT, HR are normally fully allocated to public facing departments. Further overheads allocations are required as part of year end process. General Ratepayer Share 35%	(77,000)
		(80,000)	Civil Defence - Additional Costs recoverable through insurance to be loan funded until insurance assessors release balance of insurance funds	
		25,000	Finance Dept – Unspent Consultancy to smooth Councilmark and Infocouncil Template Projects	
		55,000	IT – Unspent Software/Maintenance to smooth 3 yearly switch gear and website upgrade project	
		48,000	Asset Mgmt – Unspent Aerial mapping budget to smooth Urban photography 24/25 and Rural 25/26	
		65,000	Customer Experience – Smooth Customer Excellence and Contract Improvement Programs	
TOTAL				0

Explanation Notes

[N1] Surplus driven by Social Development contracts that have covered some Council overheads that would ordinarily be borne by the ratepayer.

[N2] Surplus due to timing of District Plan Appeal process running into 2024/25.

[N3] Deficit caused by decline in construction industry meaning less consents processed, and consents being complicated by introduction of new District Plan Regulations.

[N4] Deficit caused by additional staff costs and the write off of prior year costs related to the now abandoned pound build project – Council has managed to acquire old SPCA site instead.

[N5] Deficit caused by expected growth in volumes not eventuating, partly caused by the downturn in the construction industry and the lack of demolition material being received.

[N6] Decision to slow down Park and Reserve upgrades due to financial constraints Council was facing.

[N7] Community Facilities includes Theatres, Pools, Museum and Community Halls. During this period Council has provided \$1.5m of grants to the Centralines Pool Complex to undertake building and pool infrastructure upgrades. This grant was debt funded.

Activities Funded by Land Transport Rates	Surplus/(Deficit)	Carry Forwards Proposed	Explanation	Adjusted Surplus / (Deficit)
Subsidised	1,190,324	1,111,812	Replenish Catastrophic Fund to be used for future weather events or unfunded Cyclone Recovery if 95% FAR isn't achieved	78,512
Unsubsidised	483,798 [N1]	300,000 170,000	Cyclone Recovery [N1] For Future Unsubsidised Works	13,798
Streets for People/Transport Choices	(2,310)			(2,310)
Overheads	(111,058) + Carry Forwards Requested		Overheads such as Management, Finance, IT, HR are normally fully allocated to public facing departments. Further overheads allocations are required as part of year end process. Land Transport Share 40%	(90,000)
TOTAL				0

Explanation Notes

[N1] The \$2m of the budgeted Council Funded Cyclone Recovery was budgeted through this cost centre, however to date Council has been able to access 99% government funded recovery so the \$2m hasn't be required yet. The \$2m was made up of planned debt \$1.1, \$0.6m of reserve funding, and \$0.3m of rate funding. Neither the debt or reserve funding has been drawn and the rate funding is proposed to be carried forward.

Activities Funded by Water Rates	Surplus/(Deficit)	Carry Forwards Proposed	Explanation	Adjusted Surplus / (Deficit)
Drinking Water	(426,276) [N1]	(451,276)	Additional Debt Funding Required	25,000
Wastewater (Sewerage)	77,872	52,872	Smooth Future Years Spend	25,000
Stormwater	44,804	39,804	Smooth Future Years Spend	5,000
Overheads	(111,058) + Carry Forwards Requested		Overheads such as Management, Finance, IT, HR are normally fully allocated to public facing departments. Further overheads allocations are required as part of year end process. 3 Waters Share 25%	(55,000) Being \$25k Water, \$25k Sewer, and \$5k Stormwater
TOTAL				0

Explanation Notes

[N1] Deficit driven by a combination of Water Meter revenue being lower than forecast and operational and financing costs being higher than forecast.

Development Contributions (DC's)

Since 2021 Council has been collecting significant Development Contributions.

Development contributions are the fees payable to Council for capital expenditure planned to be provided, or already constructed, for additional community facilities (such as stormwater, roads, reserves and public amenities) required to service growth. These contributions may be required on resource consents (subdivision and land use) and/or building consents or service connections in situations where the development will have additional impact on infrastructure.

Here is a summary of the Development Contributions collected and spent over the last three years:

Asset Class	Expenditure with growth component	Growth component of expenditure	DC's Collected	Balance of DC's Held
Drinking Water				
WOW	16,092,737	3,504,933	1,241,919	(2,263,014)
Takapau	844,493	84,449	14,213	(70,236)
Kairakau	1,261,650	126,163	0	(126,163)
Porangahau / Te Paerahi	1,393,033	139,302	7,869	(131,433)
Wastewater				
WOW	10,525,929	1,395,250	799,042	(596,208)
Takapau	1,517,587	112,319	22,435	(89,884)
Porangahau / Te Paerahi	1,762,031	90,841	29,134	(61,707)

Asset Class	Expenditure with growth component	Growth component of expenditure	DC's Collected	Balance of DC's Held
Stormwater				
WOW	1,748,661	465,707	188,936	(276,772)
Takapau	0	0	10,705	10,705
Land Transport - Cycleway	159,293	159,293	159,293	0
Community Assets – Parks, Solid Waste, Buildings, Library, Toilets	400,902	20,045	394,917	374,872
TOTAL	35,706,316	6,098,302	2,868,463	(3,229,840)

Trade Waste Capital Contributions (TWCC's)

Since 2021 Council has been collecting significant Trade Waste Capital Contributions. Trade Waste is any liquid that is or may be discharged from a trade Premises or tanker to the Council's wastewater system of a non-domestic nature.

Trade Waste Capital Contributions are the fees payable to Council for planned capital expenditure related to treating Trade Waste.

Here is a summary of the Trade Waste Capital Contributions collected and spent over the last three years:

Asset Class	Expenditure with growth component	Trade Waste component of expenditure	Trade Waste Fee Collected	Balance of Trade Waste Fees Held
2021/22	2,391,318	561,861	264,036	(297,825)
2022/23	170,108	45,132	448,897	403,765
2023/24	236,716	32,927	476,718	443,791
Total	2,798,142	639,920	1,189,651	549,731

While expenditure related to the Trade Waste revenue is lower than the income received, it is expected to be expended on asset upgrades in the Three Year Plan 2024 -2027.

Revaluations

Council has a 1–3-year cycle of revaluations of its roading, 3 Waters, and Land and Building Assets. This year, all classes of assets are being revalued. The tables below set out the movement in values since the previous valuation. This movement is a combination of asset additions and inflation.

Roading	Previous Valuation (2023)	Current Valuation (2024)	Change in Value (\$)	Change in Value (%)
Roading – Depreciated Replacement Cost (unimpaired) [N1]	845,024,498	923,771,533	78,747,035	9.3%
Impairment for Cyclone Damage [N2]	(37,886,706)	(24,258,548)	13,628,158	(36.0%)
Impaired Cost	807,157,790	899,512,985	92,355,195	11.4%

Explanation Notes

[N1] This is the net book value after depreciation (which is the charge for wear and tear on the asset based on its age and condition). The full replacement cost with brand new assets is estimated to be \$1,153,857,858.

[N2] Impairment is the cost to repair the asset back to its pre-cyclone condition. However, in some cases the repair cost exceeds the value of the asset and under accounting rules you can't impair an asset below zero. The true cost of repairs from the Cyclone initially exceeded \$150m.

3 Waters (Depreciated Replacement Cost)	Previous Valuation (2022)	Current Valuation (2024) [N1]	Change in Value (\$)	Change in Value (%)
Drinking Water	42,425,391	56,942,505	14,517,114	34.2%
Wastewater (Sewerage)	50,942,044	53,351,140	2,409,096	4.7%
Stormwater	25,035,425	28,298,295	3,262,870	13.0%
Total	118,402,861	138,591,940	20,189,079	17.1%

Explanation Notes

[N1] This is the net book value after depreciation (which is the charge for wear and tear on the asset based on its age and condition). The full replacement cost with brand new assets is estimated to be \$271,246,605.

Land and Buildings (Depreciated Replacement Cost)	Previous Valuation (Land 2021, Buildings 2022)	Current Valuation (2024) [N1]	Change in Value (\$)	Change in Value (%)
Land	23,291,375	27,942,850	4,651,475	19.9%
Buildings	17,486,000	19,773,000	2,287,000	13.1%
Memorials	379,000	437,000	58,000	15.3%
Total	41,156,375	48,152,850	6,996,475	17.0%

RISK ASSESSMENT AND MITIGATION

The proposed actions ensure that the targeted rates remain ring fenced for the use of 3 waters and roading, and that the general rate funds are only applied to those activities that are to be funded by general rates under Council's Revenue and Financing Policy.

FOUR WELLBEINGS

This report delivers an update on Council's finances, and shows that Council is acting in a transparent, fiscally prudent manner, with the best interests of Central Hawkes Bay District in mind.

DELEGATIONS OR AUTHORITY

While much of the movements in special funds and carry forwards reflect previous Council resolutions, how to deal with the residual activity surplus (deficits) needs to be decided.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this this matter has been assessed as of some importance.

OPTIONS ANALYSIS

Council as the ability to approve the proposed allocations to carry forwards and special funds for the 2023/24 Financial Year and that the 2023/24 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.

Or Council can choose not to approve the proposed allocations and provide officers with guidance how they wish to allocate the surplus/ (deficits) between special funds/carry forwards/and activities.

Recommended Option

This report recommends option number one, approving the proposed allocations for addressing the matter.

NEXT STEPS

Officers will continue to work towards finalising their financial statements, including any adjustments resulting from this paper, ahead of the auditors arriving on site in late August.

RECOMMENDATION

1. **That Council receives the report entitled Draft Funding Impact Statement (FIS) for the year ended 30 June 2024 and proposed Carry Forwards being received.**
2. **That Council approves the proposed allocations to carry forwards and special funds for the 2023/2024 Financial Year.**
3. **That Council approves that the 2023/2024 activity surpluses in the general rate funded activities be used to fund the deficits in the general rate funded activities as proposed.**