



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Finance, Infrastructure & Performance Committee Agenda

Thursday, 19 September 2024

1.15pm

Council Chambers,

28-32 Ruataniwha Street, Waipawa

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- 1 **WELCOME/ KARAKIA/ NOTICES**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

RECOMMENDATION

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers.
- **21.5** Members may speak only once.
- **21.6** Limits on number of speakers.

And that Option C under section 22 *General Procedures for Speaking and Moving Motions* be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

5 REPORT SECTION

5.1 LOCAL WATER DONE WELL - UPDATE AND NEXT STEPS

Author: Doug Tate, Chief Executive

Authoriser: Doug Tate, Chief Executive

Attachments:

1. RRA detailed programme with key milestones [↓](#)
2. DIA Water Services Delivery Plans - Presentation [↓](#)

RECOMMENDATION

That the Finance, Infrastructure & Performance Committee notes the Local Water Done Well update report.

PURPOSE

The purpose of this report is to provide an update on the Local Water Done Well Policy Framework, new legislative time frames and the regional work underway on Hawke's Bay Water options.

SIGNIFICANCE AND ENGAGEMENT

This report is for information purposes only although has been assessed as significant, noting the new legislative timeframes Council is required to meet. Community consultation and engagement will occur in the new year.

BACKGROUND

At Councils 27 June 2024 Meeting, Council adopted the Terms of Reference (TOR) for the Hawke's Bay Waters Model. The report can be found [here](#), outlining the legislative framework that the Government has developed to achieve its Local Water Done Well (LWDW) policy framework.

An earlier more detailed report update was also provided at Council's 14 March 2024 meeting. That report can be found [here](#).

This report provides a progress update since the adoption of the TOR, noting confirmation of the legislation since the last update and progress on the next steps for the legislations implementation.

The update, provided by the Regional Recovery Agency (RRA), continues to take the role of coordinating and programme managing the region's approach to LWDW between Wairoa District Council, Napier City Council, Hastings District Council and Central Hawke's Bay District Council.

DISCUSSION

This section outlines the progress since the TOR was adopted by Council on 27 June 2024.

Local Government (Water Services Preliminary Arrangements) Act passed

On 2 September, the Local Government (Water Services Preliminary Arrangements) Act became law. It provides the framework and preliminary arrangements for councils and the delivery of water services for their communities.

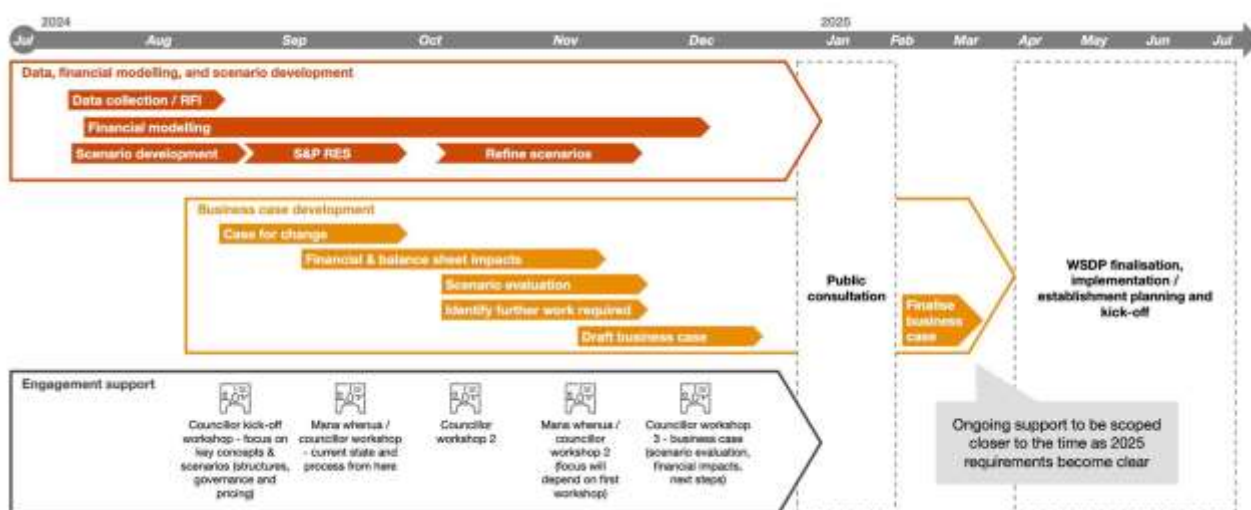
Council now needs to have completed a Water Services Delivery Plan by 3 September 2025.

As outlined in the TOR, the RRA are providing support and assistance to Council in preparing the basis for the Regional Water Services Delivery Plan (RWSDP). They are also providing co-ordination and support to establish the data for a Local Water Services Plan.

The current priority is progressing the development of both the business case and initial desktop scenarios and assessments on how a joint water services entity could work in Hawke's Bay.

The current timeline has the region undertaking the work required to develop our RWSDP, with key input and decisions required of Council through until late 2024. A finalised plan for consultation is likely to be early in 2025.

A more detailed programme is currently being developed by the RRA with key milestones which aligns with the high level programme shared with elected members in July. This is outlined below (and **attached** to this report):



Further Government updates

The Government continue to provide further information regarding the legislative settings required to progress the implementation of LWDW. These include:

- delivery models and financing options;
- streamlined consultation and decision-making processes;

for establishing these water Council Controlled Organisations (CCOs) and other local government arrangements.

The Department of Internal Affairs (DIA) has also commenced its information sharing sessions for councils – the first was held on Tuesday, 3 September and covered WSDPs. The second was held on 10 September and covered delivery models and financing options. Both sets of slides from these sessions are provided as attachments and provide further detail on the LWDW Legislative Framework.

Request for Information (RFI) process – an update

Officers have provided detailed information on Councils existing three waters programme, along with the other three councils. All of the information initially requested through the RFI process has now been provided and passed on to DIA for their analysis.

This forms part of the agreement with DIA made by the four councils to provide us with an initial desktop assessment of how the opening state of a joint water services entity's balance sheet could look in an Hawke's Bay context. This same information will also be used to develop the scenarios which will be a key component of the regional business case, once developed.

Cross-council working groups well-established

The two working cross-council working groups established by the Regional Recovery Agency (RRA) – the Water working group, and the Communications and Engagement working group – are now well-established. Each of the four councils are represented and are meeting weekly to ensure cross-regional alignment and consistency.

Key outcomes from these groups will include the development of a Communications and Engagement Plan to align with the programme for the plans delivery.

Further refinement on modelling parameters

Discussions continue across the councils to help refine the parameters for the modelling of testing scenarios and developing the regional business case.

The 2019/20 Morrison Low work continues to guide the current process, in order to leverage the extensive work, discussion and community consultation the region has already undertaken. But is also taking into account the current policy direction from central Government.

Regional Collaboration Day - Wairoa

LWDW will form a core focus of the Regional Collaboration Day being held in Wairoa, 30 September 2024. This collaborative session will provide a useful opportunity for all the elected members from across the region. The Hawke's Bay's Mayors will provide a summary on the work done to this point, as well as outlining the roadmap to move us forward into 2025 and beyond. It is likely that DIA official may also be present.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and

- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

STRATEGIC ALIGNMENT

The Local Water Done Well aligns with our 'Together we Thrive' strategic goal of planning for tomorrow to future-proof Central Hawke's Bay.

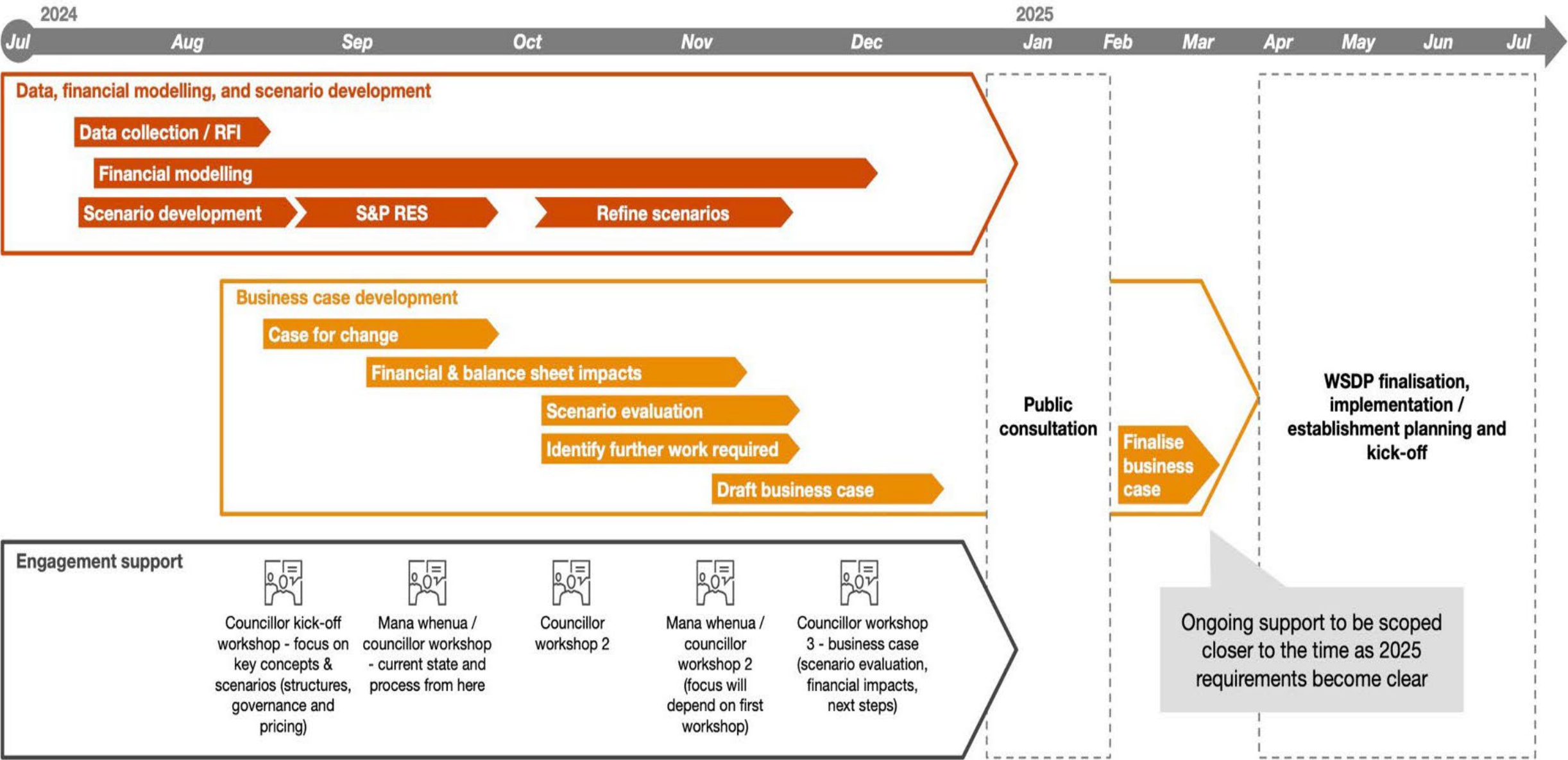
NEXT STEPS

- Consideration of key policy and input decisions into the Water Service Delivery Plan
- Further updates and decisions will be required as the programme is finalised.
- Timing to be confirmed in the coming weeks.

RECOMMENDATION

That the Finance, Infrastructure & Performance Committee notes the Local Water Done Well update report.

RRA detailed programme with key milestones



Water Services Delivery Plans

LOCAL WATER DONE WELL

Council webinar 1
3 September 2024

Te Kāwanatanga o Aotearoa
New Zealand Government



Te Tari Taiwhenua
Internal Affairs

Outline

Webinar 1 (3 Sep) Water Services Delivery Plans

1. Purpose of Plans
2. Plan development process
3. Key steps to complete Plans
4. Guidance and templates
5. Support available







Webinar 2 (10 Sep) Water services delivery models and financing options

1. Water services delivery models within Plans
2. Implementation plans
3. Financing options
4. Implementation support



Purpose of Water Services Delivery Plans

- The Local Government (Water Services Preliminary Arrangements) Act 2024 sets out the content requirements, timeframe, and process for developing and accepting Plans
- Strategic decision-making tool for councils to consider current and future delivery of water services
- Set out how councils will deliver high-quality, financially sustainable water services in the long run
- Include information on councils’ water services, how much they need to invest, and how they plan to finance and deliver it through their preferred water service delivery model
- Majority of information required for the Plans is expected to come from councils’ existing documents, such as long-term plans, financial accounts and asset management plans

	One-off, transitional documents
	Cover drinking water, wastewater and stormwater
	Information to support development of economic regulation
	Can be developed by individual or joint councils
	Streamlined approach to consultation
	10-year timeframe; may cover up to 30 years, with detailed info on first three

Plan development process

The Act sets out the timeframes and process for developing and accepting Plans.

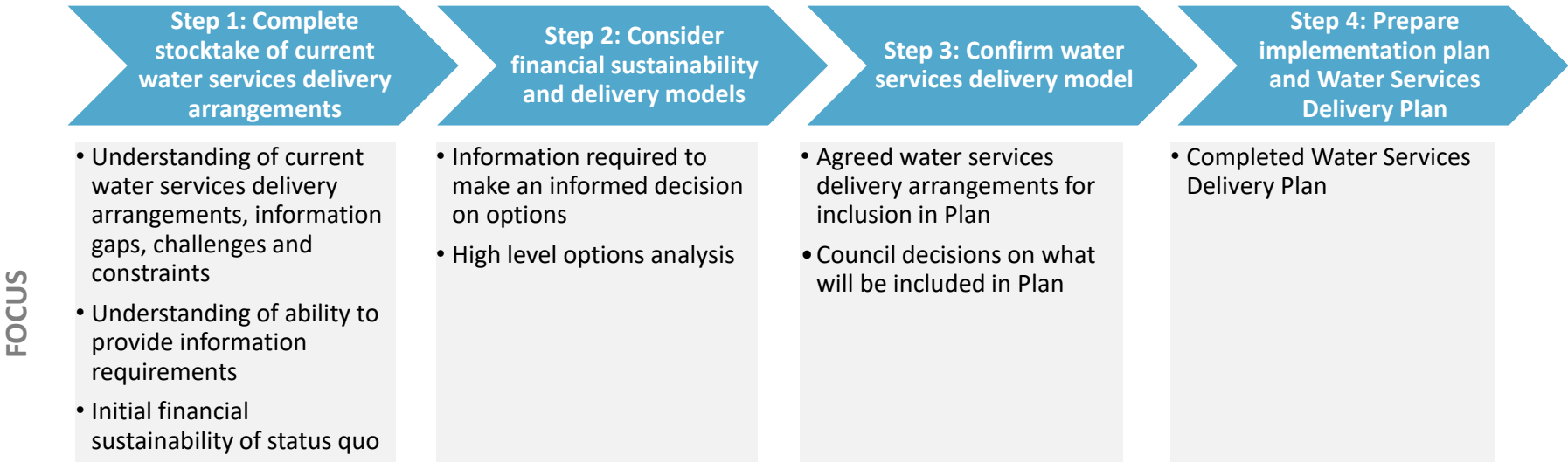
Preparation	Plan development & consultation		Plan submission	Review & acceptance
Sept 2024	September 2024 – September 2025			September ...
<p>Councils can formally begin developing their Plans, following the enactment of the Act.</p> <p>Guidance, Plan templates and other information available from the Department.</p> <p><i>Councils bring together their Plan ‘team’</i></p>	<p>Councils develop Plans, either individually or jointly.</p> <p>During this phase, the focus is expected to be on financial sustainability and consideration of joint arrangements for water services delivery.</p>	<p>As councils develop their Plans, they must consult with their communities on the proposed service delivery arrangements</p> <p>The Act provides for ‘alternative consultation and decision-making requirements’ to those contained in Part 6 of the Local Government Act 2002.</p>	<p>The Plan must be certified by the council chief executive(s).</p> <p>Once the Plan has been finalised, the council(s) formally adopts Plan.</p> <p><i>Local Government Water Services Bill enacted mid-2025</i></p>	<p>Once the Plan has been submitted, the Secretary reviews the Plan and either:</p> <ul style="list-style-type: none">• Accepts the Plan meets the legislative requirements OR• Refers the Plan back to the council(s) for future work. <p>Once accepted, there are only limited circumstances where the Plan can be amended.</p> <p>The council(s) must give effect to the accepted Plan and publish the Plan on their website(s).</p>
	Throughout the Plan development process			
	<p>Three-monthly council/Department updates to monitor progress.</p> <p>Councils should consider whether they may need to apply for an extension, particularly if they plan to develop a joint Plan with other councils.</p> <p>Ongoing Department activities to support councils’ development of Plans (virtual webinars, email updates and targeted assistance as required to assist with Plan preparation).</p> <p>The option of appointing a Crown Facilitator and/or a Crown water services specialist (if requested by councils or otherwise decided by the Minister of Local Government, to provide additional assistance (at councils’ expense).</p>			

If a council doesn't submit a Plan by the statutory deadline the Minister of Local Government can appoint a Crown water services specialist to prepare a plan on that council's behalf (at council's expense) and (if necessary) refer the Plan back to the council for future work.

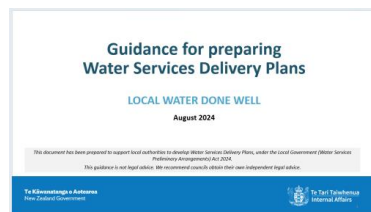
If a council doesn't submit a Plan by the statutory deadline the Minister of Local Government can appoint a Crown water services specialist to prepare a Plan on that council's behalf (at council's expense) and (if necessary) direct the council to adopt and submit this Plan.

Key steps to complete Plans

Councils are encouraged to consider the following key steps to identify a proposed water services delivery model and complete their Plans.

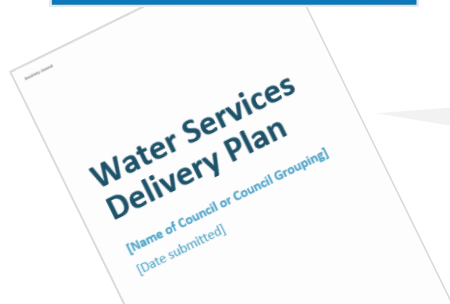


Guidance and templates



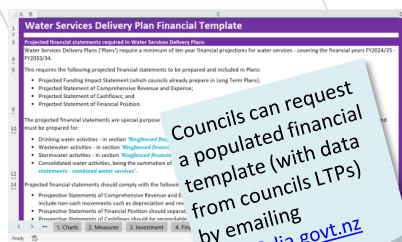
Guidance for developing your Plan

- Plan development process
- Legislative requirements for Plans
- Matters to consider for councils that are proposing to develop a joint Plan
- Guidance and support available to develop Plans



Plan template

- Use to develop your Plan
- Pre-populated with instructions
- Can be used 'as is' for individual Plans
- For joint Plans, work with the Dept to agree approach to populate the financial & asset info
- Info expected to come from councils' existing public documents



Financial projections template

- To assist councils in developing the financial projections and financial measures
- To support councils' self-assessment of financial sustainability
- For councils to populate with their data
- Pre-populated with calculations and chart references, to enable councils to create the information and charts required in the Plan template

Councils can request a populated financial template (with data from councils LTPs) by emailing wspd@dia.govt.nz

[www.dia.govt.nz/ Water-Services-Policy-Water-Services-Delivery-Plans](http://www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans)

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Support available

The Department is available to provide support to councils to assist in the preparation of their Plans.

Limited technical support

- Providing guidance on how to describe a council's level of financial sustainability, and issues and risks arising, for the purposes of reporting to councillors and consulting with the public
- Providing guidance on reporting on matters relating to investment requirements
- General assistance with framing and the level of information to be included in each of the sections of the Plan
- Peer review of early draft Plans

Information sessions and targeted support

- Webinars
- Guidance, templates and FAQs at www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans
- Targeted assistance for individual councils or groups of councils

Further support

- Councils or groups of councils can ask the Minister to appoint a Crown Facilitator or Crown Water Services Specialist (at the council's expense) by making a request in writing
- A written request can be sent directly to the Minister or the Department via email at wmdp@dia.govt.nz

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Questions



Te Tari Taiwhenua
Internal Affairs

5.2 UPDATE ON THE FINANCE, INFRASTRUCTURE & PERFORMANCE COMMITTEE WORK PROGRAMME

Author: Jane Budge, Strategic Governance Manager

Authoriser: Doug Tate, Chief Executive

Attachments: 1. 2024-2025 Finance, Infrastructure & Performance Committee Work Programme [↓](#)

RECOMMENDATION

That the Finance, Infrastructure and Performance Committee receives an update on its 2024 Work Programme.

PURPOSE

The purpose of the report is to receive an update on the Finance, Infrastructure & Performance Committee's Work Programme for the remainder of 2024 and into early 2025.

BACKGROUND

On 15 August 2024 Council adopted a new committee structure to ensure more streamlined decision-making process and allow for more in-depth community consultation.

The work programme for this Committee is still in development recognising the varying and complex work streams and issues that Council is working on, including the Upper Tukituki Scheme Review and NIWE review impacts on our wastewater programme.

Officers will be able to speak to the draft programme. At the November Committee meeting, Officers will continue to provide updates on the key priorities for delivery, including the water programme, stormwater capital and updates across other projects.

The work programme will continue to be developed with the Chair as it progresses.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002.

NEXT STEPS

The Committee can expect to see the programme continue to develop as Officers work through the key milestones, timing and outcomes expected for projects.

RECOMMENDATION

That the Finance, Infrastructure and Performance Committee receives an update on its 2024 Work Programme.

Finance, Infrastructure & Performance Committee

Work Plan 2024 – 2025

Item	2024		2025				
	19 Sept 2024	7 Nov 2024	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5
Standing Items							
Previous Minutes							
Resolution Monitoring Report							
Standing Public Excluded							
Public Excluded Previous Minutes							
Public Excluded Resolution Monitoring Report							
Cyclic Assurance Topics							
Financial Report		Q1 Report	Q2 Report			Q3 Report	Q4 Report
Annual Plan Progress		Kick Off	Progress Update	Progress Update			
QV Rating Revaluation		Update		Outcome Update			
Status Update #thebigstormwaterstory							
Status Update #thebigwaterstory							
Status Update #thebigwastewaterstory							
Implementation Monitoring Procurement Strategy – Programme TBC 2025							
Implementation Monitoring Contract Management Policy - – Programme and scope TBC 2025							
Annual Cyclic Reporting Topics							
Annual District Licensing Report							
Annual Animal Control Report							
Learning & Development and Performance							
Annual Performance Review							
Scheduled Professional Development (Pre-reading, courses or other) TBC							
Work Programme (D – Decision or W – Workshop)							
Capex Programme Performance		Capex Programme performance overview (high level overview of programme performance) (Open W)	Capex Programme performance overview (high level overview of programme performance) (Open W)	Capex Programme performance overview (high level overview of programme performance) (Open W)	Capex Programme performance overview (high level overview of programme performance) (Open W)	Capex Programme performance overview (high level overview of programme performance) (Open W)	Capex Programme performance overview (high level overview of programme performance) (Open W)
3 Waters Operational Performance			Operational Performance and update on Veolia contract (Public Excl Workshop)			Operational Performance and update on Veolia contract (Public Excl Workshop) (TBC)	
#theBigStormwaterStory		Stormwater deep dive – strategy and			Stormwater deep dive – strategy and		

		delivery update (Open W)			delivery update (Open W)		
#theBigWastewaterStory			Wastewater deep dive strategy and delivery update (Open W)			Wastewater deep dive strategy and delivery update (Open W)	
#theBigWaterStory				Water deep dive strategy and delivery update (Open W)			Water deep dive strategy and delivery update (Open W)
3 Waters Renewals Programme		Renewals programme visibility for FY24/25 incl coordination with LT programme (Open W)					Renewals programme delivery achievement for FY24/25 (Open W)
Supplier performance			Supplier performance report 1 (Open W)			Supplier performance report 2 (Open W)	
3 Waters procurement decisions (TBC)							
Local Water Done Well	Update	Update	TBC: Adopt for Consultation	Consultation Feedback and Next Steps	TBC	TBC	TBC
Landfill and Solid Waste Review		Waipukurau Transfer Station – Proposed weight -based charges	WMMP Review - Section 17A findings. (Open W)	WMMP Review – Long-term economic viability of the landfill & organics processing option findings. (Public Excl Workshop)		Updated WMMP (Draft) – Overview and decision to publicly consult. (D)	
Asset Management Policy Review – Climate Change (TBC – Likely late 2025)					TBC	TBC	
Review of the Wastewater Strategy							
Organisational Reporting – continuous improvement		(w) -to gain focus on performance measures.	(D) – new measures confirmed and reported.				
Review of Procurement Policy		Procurement Policy Review (D)					
Consider alternate Service Delivery Policy	Insourcing/VfM paper (Open W)	Insourcing/VfM decision (D)					
Review of Policy/Strategy as due							
Complete Rating Review		Scoping of Review (w)	Decisions on scope and timing (D)	QV Revaluation confirmed	TBC	TBC	TBC
Site Visits							
As required							

6 DATE OF NEXT MEETING**RECOMMENDATION**

That the next Finance, Infrastructure & Performance Committee Meeting be held on 7 November 2024.

7 PUBLIC EXCLUDED BUSINESS**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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
7.1 - Public Excluded Resolution Monitoring Report	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - 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
7.2 - Tikokino Road Water Treatment Plant Relocation	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - 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
7.3 - Central Hawke's Bay Consumers Power Trust 2024 Trustee Election	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - 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

	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	section 7

8 TIME OF CLOSURE