



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Extraordinary Council Meeting Agenda

Tuesday, 9 September 2025

4:00 pm

Council Chamber

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

That 22.4 Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

5 REPORT SECTION

5.1 ADOPTION OF TRANSITIONAL GOVERNANCE GROUP TERMS OF REFERENCE FOR THE ESTABLISHMENT OF THE HAWKE'S BAY WATER SERVICES COUNCIL CONTROLLED ORGANISATION

Author: Dylan Muggeridge, Group Manager, Strategic Policy & Planning

Authoriser: Doug Tate, Chief Executive

Attachments: 1. Draft Terms of Reference for the Transitional Governance Group Joint Committee [↓](#) 

PURPOSE

To adopt the Terms of Reference for the Transitional Governance Group as part of the establishment of the Hawke's Bay Water Services Council Controlled Organisation.

RECOMMENDATION(S)

That Council:

1. **Receives this report.**
2. **Pursuant to Clause 30(1)(b) of Schedule 7 of the Local Government Act 2002, appoints the Transitional Governance Group (TGG) as a joint committee of the Council together with the participating councils of Hastings District Council and Napier City Council.**
3. **Notes the TGG will not be discharged at the point of the next election, in accordance with Clause 30(7), Schedule 7 of the Local Government Act 2002.**
4. **Adopts the Terms of Reference (TOR) for the Transitional Governance Group Joint Committee (Attachment 1).**
5. **Delegates to the TGG all powers, duties and functions needed for it to carry out its responsibilities.**
6. **Notes Mayor Alex Walker and reconfirms Councillor Brent Muggeridge as Council's representatives on the Transitional Governance Group Joint Committee.**
7. **Notes that the participating Councils of Hastings District Council and Napier City Council are also set to take decisions on Tuesday 9 September 2025.**

EXECUTIVE SUMMARY

This report presents the Terms of Reference (TOR) of the Transitional Governance Group (TGG) for the Council's consideration and adoption (**Attachment 1**).

The TGG is established under the *Regional Water Services Council Controlled Organisation Heads of Agreement* (Heads of Agreement) for the purpose of providing transitional governance and oversight of the project to establish the joint operating model for water services delivery for the Central Hawke's Bay District, Hastings District and Napier City Councils.

Council endorsed entering into the Heads of Agreement at the meeting of 7 August 2025 and delegated authority to the Chief Executive to sign the Heads of Agreement on behalf of the Council. At the same meeting, Council also appointed Councillor Brent Muggeridge as the Council's second representative alongside Mayor Alex Walker on the TGG.

The TGG will be a joint committee of the three participating councils, which formalises the arrangements outlined in the Heads of Agreement in accordance with the Local Government Act

2002 (the Act). The TOR for the TGG is prepared pursuant to Clauses 30 and 30A of Schedule 7 of the Act 2002 and set out the responsibilities and delegated authority of the TGG, and its membership and decision-making arrangements. The TGG will not be discharged at the point of the next election, in accordance with Clause 30(7), Schedule 7 of the Act.

The other parties to the Heads of Agreement, Hastings District Council and Napier City Council, are also considering the TOR of the TGG at Extraordinary Council meetings on Tuesday 9 September 2025.

BACKGROUND

As agreed at the meeting on 28 August 2025, Council has agreed to establish a Water Services Council Controlled Organisation (WSCCO) with Hastings District Council and Napier City Council as the joint operating model for water services delivery under the Local Water Done Well (LWDW) requirements.

The Heads of Agreement agreed by Council on 7 August 2025 provides for the establishment of the TGG as a part of the overall governance and implementation of the Hawke's Bay WSCCO between Central Hawke's Bay District Council, Hastings District Council and Napier City Council.

The objectives of the TGG are to:

- Oversee the direction and provide governance leadership during the initial establishment and transition of water services to the WSCCO.
- Make certain decisions that are required to facilitate the initial establishment and transition to the WSCCO.
- Provide direction to the Project Steering Group (PSG) and the Establishment Board (once appointed).
- Ensure that the joint Water Services Delivery Plan (WSDP) and WSCCO establishment process reflects the Councils' objectives and statutory requirements.

Council endorsement of the TOR and formal establishment of the TGG as a joint committee in accordance with Clauses 30 and 30A of Schedule 7 in the Act is required before the TGG can undertake their work.

DISCUSSION

Membership, voting and meetings

The Heads of Agreement and TOR provide for seven members of the TGG, including:

- Two members from each of the Councils (one of which must be the Mayor); and
- An Independent Chair appointed at the first meeting of the TGG by unanimous agreement of the other members of the TGG.

At its meeting of 7 August 2025, Council noted Mayor Alex Walker and appointed Councillor Brent Muggeridge as Council's appointment to the HBWSCCO TGG.

The TGG will use best endeavours to make decisions by consensus decision. Where consensus cannot be reached, the matter will be escalated to the Councils for resolution and may then be referred back to the TGG for a formal decision. Where voting is required, each member (other than the Independent Chair) has one vote.

The TOR provide for the TGG to meet at least monthly, or at such other times and frequency as it determines.

Quorum will consist of a majority of members, but there must be at least one member from each council.

Supporting Advice

In addition to the TGG, the Heads of Agreement outlines the governance and project management model:

- A Project Steering Group (PSG), made up of the Chief Executives (or nominee) of each of the councils, responsible for appointing members to the Project Team, approving the Project Plan, approving the Project Budget, and reporting to the TGG.
- A Project Team, made up of one named officer/external appointee from each council (with one appointed as Project Team Lead), responsible for preparing the Project Plan and developing documentation for review and approval by the PSG.

Responsibilities and delegated authority

The TOR provide for the TGG to be responsible for providing governance and oversight, in accordance with Schedule 2 of the Heads of Agreement. This includes:

- Overseeing the development of the Project Plan and monitoring progress against key milestones as set out in the Heads of Agreement and WSDP.
- Monitoring progress and risks based on reporting from the PSG and Project Team; and
- Appointing the Establishment Board for the WSCCO and advising on the appointment of the Establishment Chief Executive.

By approving the TOR, Council is also approving the necessary delegated authority for the TGG to undertake its responsibilities.

Substantive decisions relating to the final joint operating model foundational documents remain the responsibility of each council separately.

The TGG will not be discharged at the point of the next election, in accordance with Clause 30(7), Schedule 7 the Act. This means it will be a standing joint committee, as is the case for joint committees such as the Hawke's Bay Civil Defence Emergency Management Group Joint Committee.

STRATEGIC ALIGNMENT

Progressing the establishment HBWSCCO aligns with Council's fundamental strategic philosophy of 'Together We Thrive' and providing durable infrastructure. Working together with the wider Hawke's Bay region benefits our community locally by working regionally.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of low significance in accordance with Council's Significance and Engagement Policy. This recognises that Council made its substantive decisions in confirming its future water services delivery model decisions, and endorsement of the Heads of Agreement on 7 August 2025.

OPTIONS/ ANALYSIS

Three options available to Council are:

Option 1 – Adopt the TOR as proposed (Recommended)

Advantages

- Legal and procedural clarity operating under formal delegations and TOR providing a clear framework to project governance.
- Promotes regional cohesion by aligning councils under a unified governance structure, strengthening strategic direction and credibility.
- Accelerated decision making as delegations will empower the TGG to make decisions more quickly without the need to refer decision back to each shareholding council. This can reduce delays and enable the TGG to respond more quickly to emerging issues and key project milestones.

Disadvantages

- Delegating authority means that decisions may be made without full council input, which could lead to concerns about transparency or accountability. However, these concerns are mitigated by the fact that delegations are provided from the full Council.
- There is potential administrative burden as establishing and maintaining the TGG requires ongoing administrative support, which can be resource intensive. However, this administrative support would be required for any structure.

Option 2 – Make amendments to the attached proposed TOR of the Transitional Governance Group Joint Committee

Advantages

- As above.

Disadvantages

- Potential need for further legal advice on a modified TOR and potential for the need to other Council to reapprove the TOR.

Option 3 – Do not establish the TGG and therefore not adopt the TOR of the TGG and continue under alternative arrangement such as further Memorandum of Understanding or a Working Group.

This option is not recommended as these alternatives would not be able to operate with delegated authority to allow decision-making by the TGG, as contemplated by the Heads of Agreement.

FINANCIAL AND OPERATIONAL IMPLICATIONS

The Heads of Agreement outlines the cost share to be borne by each council during the establishment phase of the Project. The costs associated with the administration of and the legal documentation required to establish the TGG will be factored into the establishment phase and shared accordingly.

RISK ASSESSMENT AND MITIGATION

While the appointment of the TGG Joint Committee is a formal appointment under Schedule 7 of the Local Government Act 2002, this decision of Council is in line with previous decisions made by Council with regard to the establishment of the HBWSCCO. As such, this decision is a further step to operationalise previous decisions of Council, and therefore no new significant risks have been identified.

RECOMMENDED OPTION

This report recommends **Option1 – Adopt the TOR as proposed** for addressing the matter.

DELEGATIONS OR AUTHORITY

Only Council has the ability to make this decision.

CONSULTATION

This report is in response to the formal consultation conducted on the options investigated in response to the Local Water Done Well framework. Across the participating councils, the outcomes of consultation were deliberated and influenced the substantive decisions to establish the Hawke's Bay WSCCO.

NEXT STEPS

If Council adopts the recommendations as presented in this report, the TGG Joint Committee will likely meet for its inaugural meeting the week of 15 September 2025.

Terms of Reference for the Transitional Governance Group
(Hawke's Bay Water Services Council Controlled Organisation (WSCCO) Project)

Adopted by resolution of:

- Hastings District Council, 9 September 2025
- Napier City Council, 9 September 2025
- Central Hawke's Bay District Council, 9 September 2025

1. Name and status

- 1.1 The Transitional Governance Group (**TGG**) is a joint committee under clause 30(1)(b) of Schedule 7 of the Local Government Act 2002 (LGA 2002).

2. Purpose

- 2.1 The TGG is established under the *Regional Water Services Council Controlled Organisation Heads of Agreement (Heads of Agreement)* for the purpose of providing transitional governance and oversight of the project to establish the joint operating model for water services delivery for the Central Hawke's Bay District, Hastings District and Napier City Councils (**Councils**) (**Project**).
- 2.2 The joint operating model has been agreed between the Councils to be a jointly owned Water Services Council Controlled Organisation.
- 2.3 The Project will establish the Hawke's Bay Water Services Council Controlled Organisation (**WSCCO**), which will ultimately assume responsibility and asset ownership for the delivery of water services from the Councils.
- 2.4 These Terms of Reference are prepared pursuant to Clauses 30 and 30A of Schedule 7 of the LGA 2002 to guide the operations of the TGG. The TGG will not be discharged at the point of the next election, in accordance with Clause 30(7), Schedule 7 of the LGA 2002.

3. Objectives

- 3.1 The TGG shall:
- (a) Oversee the direction of the Project and provide governance leadership during the initial establishment and transition of water services to the WSCCO;
 - (b) Make certain decisions that are required to facilitate the initial establishment and transition to the WSCCO;
 - (c) Provide direction to the Project Steering Group (**PSG**) and the Establishment Board (once appointed).

- (d) Ensure that the joint Water Services Delivery Plan (**WSDP**) and WSCCO establishment process reflects the Councils' objectives and statutory requirements

4. **Responsibilities**

- 4.1 The TGG will be responsible for providing governance and oversight of the Project in accordance with Schedule 2 of the Heads of Agreement. This includes:
 - (a) Overseeing the development of the Project Plan and monitoring progress against key milestones as set out in Heads of Agreement and WSDP.
 - (b) Addressing any issues escalated to it by the PSG.
 - (c) Monitoring progress and risks based on reporting from the PSG and Project Team.
 - (d) Approving material changes to the direction of the Project or Project Plan.
 - (e) Appointing the Establishment Board for the WSCCO and advising on the appointment of the Establishment Chief Executive.
- 4.2 Substantive decisions relating to the adoption of the WSDP and the final joint operating model foundational documents remain the responsibility of each Council separately.

5. **Delegated authority**

- 5.1 The Councils delegate to the TGG all powers, duties and functions needed to carry out its responsibilities in clause 4.1.
- 5.2 Where the TGG does not have delegated authority, it may make a recommendation to the Councils.

6. **Membership**

- 6.1 Per Schedule 1 of the Heads of Agreement, the TGG will comprise seven members. This includes:
 - (a) The Mayor of each Council and one other member from each Council (either elected or an appointee); and
 - (b) An Independent Chair appointed at the first meeting of the TGG by unanimous agreement of the other members of the TGG.
- 6.2 Each of the Councils may discharge their appointed member to the TGG and appoint another member in their stead. This does not apply to the Mayor of each of the Councils, who is to remain a member of the TGG as a standing appointment.

- 6.3 The Independent Chair may be removed or replaced by unanimous agreement of the other members of the TGG.

7. Chairperson and Deputy Chairperson

- 7.1 At the first meeting of the TGG the members shall:
- (a) Appoint an independent Chair in accordance with clause 6.1(b); and
 - (b) Elect a Deputy Chair from the membership of the TGG.
- 7.2 The remuneration of the Independent Chair is to be determined by the TGG at the first meeting of the TGG.

8. Decision-Making and voting

- 8.1 In accordance with clause 32(4) Schedule 7 of LGA 2002, each member (other than the Independent Chair) has full authority to vote and make decisions at meetings of the TGG within the scope of the delegated authority provided by the Council that appointed them, without further recourse to that Council.
- 8.2 The TGG will use best endeavours to make decisions by consensus. Where consensus cannot be reached, the relevant motion will not be put and the matter will be referred to the Councils for their consideration. The matter may be referred back to the TGG for decision following the Councils' consideration. .
- 8.3 Where voting is required, each member (other than the Independent Chair) has one vote.
- 8.4 The quorum will consist of a majority of members (excluding the Independent Chair).
- 8.5 At least one member from each of the Councils will be required at any meeting to form a quorum.

9. Meetings

- 9.1 The TGG will meet at least monthly, or at such other times and frequency as it determines.
- 9.2 Meetings will be scheduled and supported by the Project Convenor and the Hawke's Bay Regional Recovery Agency (RRA).
- 9.3 Agendas will be circulated at least three days in advance of a meeting, and minutes will be recorded and confirmed.

10. Reporting and Communication

- 10.1 The TGG receives information and advice from the PSG, which is to be informed by the Project Team.
- 10.2 The TGG will report at regular frequencies progress and key decisions back to the Councils.
- 10.3 Media releases and public announcements related to the Project must be coordinated through the TGG, with the TGG to have final approval over any communications.

11. Term

- 11.1 The TGG will operate from the Commencement Date of the Heads of Agreement until the earlier of:
 - (a) The establishment of the WSCCO and appointment of the Shareholders Representative Forum; or
 - (b) Termination of the Heads of Agreement.
- 11.2 It is expected that on termination, the TGG will be superseded by the Shareholders Representative Forum.

12. Review and variation

- 12.1 These Terms of Reference will be reviewed by the Councils as required, and on the recommendation of the TGG, to ensure alignment with the Project implementation plan and requirements.
- 12.2 Any amendments to the Terms of Reference must be agreed by all Councils before taking effect.
- 12.3 These Terms of Reference are consistent with the requirements for joint committees as outlined in the LGA 2002.

6 DATE OF NEXT MEETING

RECOMMENDATION

That the next Ordinary Council meeting be held on 2 October 2025.

7 TIME OF CLOSURE