
Thursday, 20 July 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Performance and Monitoring Committee Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Thursday, 20 July 2023**

Te Wā:
Time: **1.00pm**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Deputy Chief Executive - Bruce Allan**

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Performance and Monitoring Committee – Terms of Reference

Fields of Activity

The purpose of the Performance and Monitoring Committee is to ensure consolidated and complete reporting and monitoring of all financial and non-financial information and performance measures against the Annual Plan, Long-Term Plan and Council Strategies, Goals and Priorities.

Membership

- Mayor and 15 Councillors.
- Chair appointed by Council.
- Deputy Chair appointed by Council.
- 1 Rural Community Board member (non-Councillor) appointed by Council.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.

Quorum – 9 members

DELEGATED POWERS

- 1) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in the Fields of Activity.
- 2) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law) at any time when the Chief Executive certifies in a report that;
 - a. the matter is of such urgency that it requires to be dealt with; or
 - b. the matter is required to be dealt with, prior to the next ordinary meeting of the Council.
- 3) Monitor the performance of Council in terms of the organisational targets set in the Long Term Plan and Annual Plan – both financial and nonfinancial.
- 4) Monitor operational performance and benchmarking.
- 5) Undertake quarterly financial performance reviews.
- 6) Develop the Draft Annual Report and carry forwards.
- 7) Monitor and review the performance of Council Controlled Organisations and other organisations that Council has an interest in.
- 8) Monitor and review tender and procurement processes.
- 9) Monitor major capital projects.
- 10) Recommend to Council on matters concerning project decisions where these are identified as a result of the committee's project monitoring responsibilities.
- 11) Delegations of powers to sub-committee(s) if so established.
- 12) Writing off outstanding accounts for amounts exceeding \$6,000 and the remission of fees and charges of a similar sum.
- 13) Settlement of uninsured claims for compensation or damages where the amount exceeds the amounts delegated to the Chief Executive.
- 14) Guarantee loans for third parties such as local recreational organisations provided such guarantees are within the terms of Council policy.
- 15) Authority to exercise the Powers and Remedies of the General Conditions of Contract in respect of the Principal taking possession of, determining, or carrying out urgent repairs to works covered by the contract.
- 16) Grant of easement or right of way over Council property.
- 17) Conversion of terminating leases to renewable leases and the settlement of terms except in the case of leases under the Reserves Act.
- 18) Approve insurance – if significant change to Council's current policy of insuring all its assets.
- 19) Consider and approve constitutions and any shareholder agreements for Council Controlled Organisations and other organisations that Council has an interest in.

Thursday, 20 July 2023

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Hastings District Council

Performance and Monitoring Committee Meeting

Kaupapataka

Agenda

Koromatua

Chair: Councillor Damon Harvey

Ngā KaiKaunihera

Councillors: Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler (Deputy Chair), Henry Heke, Kellie Jessup, Tania Kerr, Eileen Lawson, Renata Nepe, Simon Nixon, Ann Redstone, Wendy Schollum and Kevin Watkins

Mematanga:

Membership:

Mayor Sandra Hazlehurst

Hastings District Rural Community Board appointee: Jonathan Stockley (RCB Chair)

Heretaunga Takoto Noa Māori Standing Committee appointee (Chair): Dr Darryn Russell

Tokamatua:

Quorum:

9 members

Apiha Matua

Officers Responsible:

Deputy Chief Executive – Bruce Allan (Lead)

Group Manager: Asset Management - Craig Thew

Acting Group Manager: Strategy & Development – Raoul Oosterkamp

Financial Controller – Aaron Wilson

Chief Information Officer – Warren Perry

Te Rōpū Manapori me te

Kāwanatanga

Democracy &

Governance Services:

Christine Hilton (Extn 5633)

Te Rārangi Take

Order of Business

1.0 Opening Prayer – *Karakia Whakatūwheratanga*

2.0 Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

At the close of the agenda no apologies had been received.

Leave of Absence had previously been granted to Councillor Kerr

3.0 Conflict of Interest – *He Ngākau Kōnatunatu*

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

4.0 Confirmation of Minutes – *Te Whakamana i Ngā Miniti*

Minutes of the Performance & Monitoring Committee Meeting held Thursday 11 May 2023.

(Previously circulated)

5.0 Regional Economic Development Agency 1-year update : REDA establishment 12 May 2023 7

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12.0 Recommendation to Exclude the Public from Item 13 53

13.0 Foodeast Haumako Director remuneration

Thursday, 20 July 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Performance & Monitoring Committee Meeting

Item 5

Te Rārangi Take

Report to Performance and Monitoring Committee

Nā:
From: Lee Neville, Economic Development Manager

Te Take:
Subject: Regional Economic Development Agency 1-year update : REDA establishment 12 May 2023

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

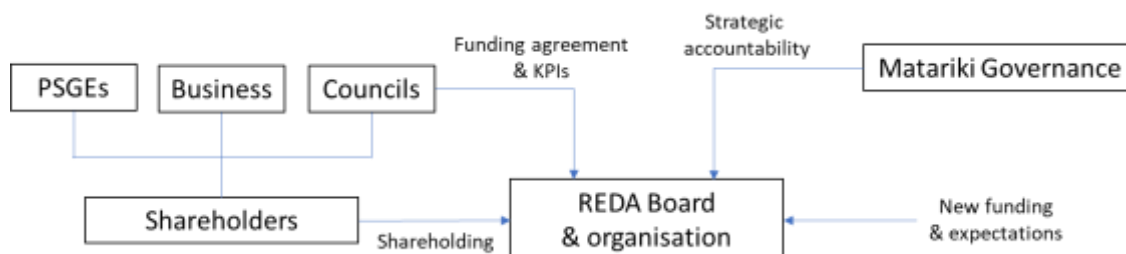
This paper updates the Performance and Monitoring Committee on the establishment of the Regional Economic Development Agency (REDA), coming up to 1-year into funding for the establishment and operation of the organisation. The paper covers:

- Economic leadership in cyclone recovery
- REDA's priority areas of work
- Council's funding and relationship with REDA including:
- Funding agreement and engagement/reporting cycles
- Annual key performance indicators (KPIs)
- Shareholding in REDA entity
- Progress with establishing REDA
- REDA financial update
- Current activity and next steps

2.0 Background

2.1 Councils resolved to fund REDA in late 2021 after two reviews over 18 months into economic development and industry support in the region. The organisation was to be formed as a tri-party partnership between business, iwi/hapū and local government.

- 2.2 The establishment process started in earnest in March 2022 led by an Establishment Group comprised of representatives from the three partners. Project support reported to council chief executives (CEs) and had input from council economic development leads.
- 2.3 Following legal advice, the legal structure for REDA was confirmed to be a non-council-controlled organisation, limited liability company and governed by an independent skills-based board. Shareholding in the REDA company was agreed by council CEs and Matariki Governance Group (MGG) to be in equal thirds between business, iwi/hapū and local government.
- 2.4 The project had significant engagement and guidance from the MGG. MGG assumed responsibility for board member appointments and after an extensive search and selection process, appointed the Board in December 2022.
- 2.5 Board members are
- Alasdair MacLeod (Chair)
 - Shayne Walker
 - Caren Rangi
 - Erin Simpson
 - Rawinia Kamau
- 2.6 MGG, as the overarching co-governance framework for the region, also assumed responsibility for REDA accountability and strategic direction via an accountability framework involving an annual letter of expectation, consultation on strategic planning, 6-monthly reporting and periodic updates, and visibility of annual accounts.
- 2.7 The following figure illustrates REDA's framework of shareholding, funding and KPIs, and strategic accountability.



Economic leadership in cyclone recovery

- 2.8 REDA has played a vital role in the wake of the cyclone in being a primary connector and leading extensive engagement with business leaders and regional stakeholders. It has held periodic economic recovery orientated hui with relevant agencies to share intelligence on the economic impact of the cyclone, understand what short-term support is required and what refocused activity is needed to build back a better and more resilient economy.
- 2.9 REDA is working with the Regional Recovery Agency to clarify REDA's role and responsibilities for supporting the regional recovery framework through leading the Economic Growth pou. This work will be further informed as local recovery plans are reviewed to ensure REDA supports appropriate local priorities.
- 2.10 In this context, REDA will support MGG and the Recovery Agency to apply a recovery lens and focus on the regional development priorities that MGG lodged with the Minister for Economic Development in 2021, as listed below:

- Increasing regional productivity through technology and innovation – doing more with less given we are a slower population growth area and cannot continue to rely on immigration or skills coming in from overseas
- Primary sector and food production – existing farm gate to export, capitalising on opportunities throughout the supply chain where there is a clear gap and growing expertise or infrastructure in new areas
- Land diversification, utilisation and water security
- Housing, construction and infrastructure
- Skills and talent – existing growth and attraction
- Māori economic development – with the Hawke’s Bay Māori economy worth over half a billion dollars and significant land holdings across our PSGEs
- Export, logistics and supply chain challenges
- Waste and sustainability

REDA priority areas of work

- 2.11 As part of sharpening the focus of the regional development priorities described above, and through discussions with the Recovery Agency and other stakeholders, the REDA Board is reviewing REDA’s vision, purpose, objectives and areas of focus in the context of regional recovery. REDA’s vision statement and areas of focus are summarised below.

A sustainable, accessible and resilient Hawke’s Bay economy
where every whānau and household benefits

- Regional economic leadership – collaboration and coordination
 - A more inclusive economy – local engagement and progressive procurement
 - Intelligence and insights – identify needs and future orientated opportunities
 - Short-term focus on local housing and labour market solutions
 - Key sector initiatives – Hort/primary, Food/fibre, Construction
 - Labour market utilisation and long-term resilience
 - Core infrastructure – using a long-term view
 - Advocate for robust infrastructure for commercial and community hubs
- 2.12 The vision and areas of focus will populate sections of the REDA Charter and performance and accountability framework that will be considered for endorsement by MGG at a future hui.
- 2.13 **Attachment 1: draft REDA** Charter is attached for your reference as agreed by MGG at its October 2022 meeting with the addition of the REDA vision.

Council funding and relationship with REDA

Funding agreement

- 2.14 REDA’s formal relationship and reporting/engagement framework with councils is through a funding agreement and associated KPIs. It was drafted in mid-2022 with oversight from council CEs.
- 2.15 Key points in the funding agreement are:
- The funding agreement is between REDA and five councils signed by the mayors/chair and chief executives.
 - The term is for the period to 30 June 2025 and funding is paid in 6-monthly instalments in July and January of each year.

- The agreement notes the REDA vision and priority areas of focus.
- The funding agreement has a schedule of KPIs agreed annually with councils via a partnership committee comprising chief executives of councils and REDA, and the Matariki Executive Leadership Group co-chairs.
- REDA must report to councils every 6-months in respect of delivery of areas of focus, progress against KPIs and general state of the Hawke's Bay economy.
- REDA must provide council CEs business plan and financials every 6-months in July and January.
- The agreement references that MGG has accountability and sets direction for REDA.

2.16 The funding committed by councils in December 2021 is allocated between councils as outlined in the table below.

Council	Split	Year 1	Year 2	Year 3+
HBRC	29%	454,572	461,899	500,000
HDC	29%	454,572	461,899	500,000
NCC	29%	454,572	461,899	500,000
CHB	8%	122,844	124,824	135,120
WDC	4%	64,440	65,479	70,880
		1,551,000	1,576,000	1,706,000

- 2.17 Whilst MGG has strategic accountability for REDA that will identify strategic areas of focus through an annual letter of intent, REDA's responsibility to councils is through the funding agreement and annual schedule of delivery orientated KPIs.
- 2.18 CEs have delegated authority to execute funding agreements (with associated KPIs) through council resolutions to fund and establish REDA in December 2021.

REDA KPIs 2023 to 2024

- 2.19 The schedule of KPIs has recently been developed alongside developing REDA's role and responsibilities as part of economic recovery and the focus areas of work described above. The KPIs were presented to the recent Council Collaboration Day on 1 May 2023.
- 2.20 REDA has discussed the positioning of KPIs with council CEs, MGG and other key stakeholders. REDA will have minimal people resource as it becomes operational and its role and responsibilities in relation to the Recovery Framework and regional/local recovery frameworks are still evolving. Accordingly, the 2023/24 KPIs are not prescriptive and primarily focus on operationalising the organisation, building relationships and initiating activity on REDA areas of focus.
- 2.21 **Attachment 2: Schedule of KPIs 2023 – 2024** contains the draft KPIs that will be appended to the funding agreement with councils. The KPIs are listed below for ease of reference. KPIs focus on operationalising the organisation and developing relationships
- A) Operationalise organisation
 Legal function established
 Financial systems operational
 Key policies developed
 Operations of the Business Hub transferred
- B) Demonstrate regional economic leadership
 Collaborate and celebrate achievements of others

Be the go-to voice for regional economic issues

- C) Develop trusted stakeholder relationships
 - Deliver on stakeholder engagement
 - Develop locally enabled solutions
- D) Initiate activity on REDA areas of focus

2.22 Councillors are invited to review and provide feedback on the 2023 – 2024 KPIs ahead of CEs signing the funding agreement once REDA has been incorporated.

Shareholding in REDA entity

- 2.23 The Establishment Group with CE oversight, sort legal advice from Hugh Kettle, Barrister, about legal structure options including its status as a council-controlled organisation, shareholding and funding arrangements.
- 2.24 The format of the constitution is based on a relatively standard template. Decision making and control sit with the Board of REDA. Councils' influence over REDA is through the funding agreement with associated engagement, reporting, monitoring and KPI framework as described above.
- 2.25 The constitution provides several rights to council shareholders that differ from the rights of business and iwi/hapū shareholders as summarised following:
- Dividends are payable only to council shareholders
 - Surplus assets on liquidation will be shared between council shareholders
 - The Board must appoint a liquidator if directed to do so by council shareholders
- 2.26 The equal thirds shareholding in REDA between business, iwi/hapū and local government is more specifically described in the table below. Council shareholding in REDA is split pro-rata in relation to funding contribution.

Party	Portion of shareholding	Number of shares total 600
<u>Iwi/hapū</u>	<u>One-third</u>	<u>200</u>
Hineuru Iwi Trust	100% of one-third	200
<u>Councils</u>	<u>One-third</u>	<u>200</u>
HBRC	29% of one-third	58
HDC	29% of one-third	58
NCC	29% of one-third	58
CHBDC	8% of one-third	17
WDC	4% of one-third	9
<u>Business</u>	<u>One-third</u>	<u>200</u>
HB Chamber	50% of one-third	100
HB Māori Business Network	50% of one-third	100
Total shares	Total being 100% of ownership	600 600

2.27 Incorporation documents are being prepared and will be circulated to shareholders in the next month. CEs have the delegated authority to complete shareholder consent forms and other incorporation requirements through council resolutions to fund and establish REDA in December 2021.

Progress with establishing REDA

- 2.28 The REDA Board initiated the recruitment process for the Chief Executive in late March 2023 with the application period closing at the end of April. The process of interviews, reference checking, selection and workout period will continue over the coming months.
- 2.29 Once the REDA entity has been incorporated, the Board will work with councils to execute funding agreements and initiate the transfer of Business Hub operations.
- 2.30 The relocation of the Business Hub from Ahuriri to 101 Queen Street East in Hastings progressed with Stage 1 fitout completion at the end of January 2023 allowing tenants to relocate to the new premises from February. The building consent for Stage 2 fitout comprising meeting and conference rooms has been lodged with completion to be confirmed once costing, scheduling and procurement have been finalised with the construction company.

REDA financial update

- 2.31 HBRC is holding year-1 REDA funding on behalf of councils. It maintains the supplier and staffing arrangements for operation of the Business Hub and is funding the REDA establishment process and operational support to the Board. Separately, HDC is project managing and funding the Business Hub fitout and has funded some early REDA establishment costs which will be reimbursed from HBRC.
- 2.32 The HBRC finance team has provided the following summarised financial update for REDA expenditure. The figures incorporate actual expenditure to the end of March and forecasted expenditure to the end of the financial year. There may be a large variance to the forecasted figures below subject to timing of expenditure, particularly for the Distribution Network Strategy and other activity that REDA may initiate in support of the Regional Recovery Agency in its leadership of the Economic Growth pou.

REDA year-end forecasted costs

Hub external costs	367,239
Hub staff costs	121,820
Hub income	-174,966
Subtotal hub	314,093
Hub relocation	28,284
REDA establish/operations	193,611
Staff costs	40,000
Network strategy	250,000
Great Things Grow Here	30,000
Governance	97,500
Total opex	953,488

- 2.33 Estimated year-end opex expenditure is in the order of \$950,000 after Business Hub income is accounted for and subject to additional activity that REDA initiates before financial year-end.
- 2.34 REDA is funding the fitout costs for the Business Hub estimated to be circa \$500,000. A portion of this cost will be recouped from tenants over the 9-year lease period. The fitout costs are forecast to be incurred early in the 2023/24 financial year and will become a capital asset in the REDA balance sheet.
- 2.35 Financing the fitout costs will consume a majority of the year-1 cash surplus. The funding agreement between REDA and councils discussed earlier in this paper allows REDA to invoice councils for 50% of year-2 funding in July 2023, which will provide liquidity to operationalise REDA and activate its work programme.

Current activity and next steps

2.36 Following are listed the current activity for REDA and next steps that are underway:

- In partnership with Napier Port, continue to engage with stakeholders (including Waka Kotahi and the Regional Transport Committee) on the draft Hawke’s Bay Distribution Network Strategy as one of the foundation documents to guide decision making for priorities and funding allocations for the Infrastructure pou in the regional recovery framework.
- Continue to expand engagement and collaboration with regional economic development ecosystem players including council economic development leads.
- Continue to work with Regional Recovery Agency and local recovery frameworks to confirm roles and responsibilities for REDA and activity within the Economic Growth pou.
- Gain endorsement from MGG for REDA Charter, accountability framework and annual letter of expectation.
- Progress incorporation of REDA with shareholders.
- Execute funding agreement with councils and confirm associated annual schedule of KPIs.
- Work with selected banking and accountancy providers to establish bank accounts and prepare for transition of REDA finances – this activity is expected to flow into the new financial year.

3.0 Recommendations - *Ngā Tūtohunga*

That the Performance and Monitoring Committee receive the report titled Regional Economic Development Agency 1-year update : REDA establishment 12 May 2023 dated 20 July 2023.

Attachments:

1	HB REDA Charter Discussion	PRJ23-4-0027
2	HBREDA Schedule of KPI 2023-24	PRJ23-4-0028

REDA Charter: Discussion Document
DRAFT Purpose, Objectives, Functions, Operating Principles
 3 May 2023

<p>A new entity is required to support economic and social outcomes for Hawke’s Bay.</p> <p>The charter set outs the objectives, functions, and operating principles of a new entity.</p> <p>The charter for the new entity should:</p> <ul style="list-style-type: none"> • establish a basis for building the trust and confidence of (stakeholders) in the entity. • help build a cohesive culture within the entity (this means that the charter should not simply be an adaption of former entities). • form the basis for monitoring performance and ensuring accountability for delivery (this means that the charter should enable clear expectations to be set for the entity). <p>The charter needs to allow for a high degree of flexibility in how the new entity delivers services in the context of ongoing economic and demographic change. Therefore, despite the need for clear expectation-setting, the charter should not be overly detailed or prescriptive, particularly in relation to the description of the entity’s functions and operating principles.</p> <ul style="list-style-type: none"> • Resilience - Economic Resilience: Hawke’s Bay’s ability to adapt to changing economic circumstances (both issues and opportunities). • Expansion - Economic Expansion: new industry opportunity and/or value adding. • Development – Economic and social inclusion: ensuring a focus that integrates social, cultural and environmental wellbeing domains to achieve improved outcomes (with the focus on creating jobs, education and training). • Alignment – Economic Alignment: strategic leadership, partnerships and collaboration. 	
Charter element	Proposed basis for charter structure
Vision	A sustainable, accessible and resilient Hawke’s Bay economy where every whānau and household benefits
Purpose <i>These outcomes would form the purpose of the entity</i>	<p>Focusing on increasing our Hawke’s Bay productivity performance, including a shift from volume to higher value products, investing in R& D, technology and innovation to achieve productivity improvements, and supporting small to medium enterprise growth</p> <p>More even distribution of economic benefits (recognising that some in the community fare worse on wellbeing indicators), skill levels and productivity improvements, achievement of higher incomes and the right skills available for the future workforce</p> <p>Hawke’s Bay is able to respond to and bounce back from disruptions and shocks in a way that reduces harm and overall costs, sectors are diversified to reduce risk, there is local provision of many of the goods and services required, and supply chains are robust.</p>
Objectives	Reflect, represent and shape the development of Hawke’s Bay unique economic development

<p><i>These objectives set out how the entity will achieve its purpose</i></p>	<p>Attract great people, businesses and investment into Hawke’s Bay</p> <p>To develop a clear plan with priorities that ensures the desired results are achieved, that reflects, includes and serves the full diversity of economic interests through collaboration within the Hawke’s Bay economic development ecosystem.</p> <p>Ensure content and services are available and accessible across Hawke’s Bay communities utilising organisations already providing business and economic services where appropriate.</p> <p>Foster innovation, thought leadership and promote informed and dynamic economic opportunities</p> <p>To develop and improve the profile of Hawke’s Bay economic development.</p>
<p>Functions</p> <p><i>These functions describe at a high level what the entity will do to achieve its objectives</i></p>	<p>Provide high-quality services that are available and accessible across Hawke’s Bay, including:</p> <ul style="list-style-type: none"> Focus in areas where there is a gap in provision of an activity or service. Support funding and access to services for SMEs and start-ups Coordinate and oversee regional economic initiatives and activities such as Matariki REDS, Hawke’s Bay value/brand and regional strategy to develop approaches and inform potential initiatives and projects Actively supporting and facilitating investment into strategic sectors that can deliver the largest economic gains Industry and sector development programmes Attraction of investment, businesses and talent Coordination of skills and employment initiatives – focused on connecting businesses with people and training organisations Provision of funding to support a ‘by Māori for Māori’ approach to regional economic development (delegated to TKO and/or an agreed nominee) Provide economic development intelligence and insights, and to provide leadership and considered advice on global trends
<p>Operating principles</p> <p><i>These operating principles set out how the entity will need to</i></p>	<p>Demonstrate independence, impartiality, and balance, particularly in the delivery of services.</p> <p>Ensure the participation of Māori, and the presence of a significant Māori voice in the development and delivery of services.</p>

<p><i>operate in delivering its functions</i></p>	<p>Represent and reflect the full diversity of Hawke’s Bay communities in day-to-day operations.</p> <p>Strive to better understand, engage, and serve the Hawke’s Bay region and communities.</p> <p>Ensure the means of delivery aligns with (people /community) preferences and needs.</p> <p>Strive to innovate, be growth orientated and take calculated risks.</p> <p>Strive to achieve the highest standards of quality and integrity.</p> <p>Sustainability – ensure work areas and actions promote sustainability across economic, social, cultural and environmental wellbeing domains.</p>
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DRAFT

Thursday, 20 July 2023

Item 6

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Performance & Monitoring Committee Meeting

Te Rārangi Take

Report to Performance and Monitoring Committee

Nā: Megan Peacock-Coyle, Manager - Arts & Culture
From: Rebekah Dinwoodie, Group Manager: Community Wellbeing & Services

Te Take:
Subject: Toitoi Operational Review

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is update the Performance and Monitoring Committee on the operational budgets and performance of Toitoi - Hawke's Bay Arts & Events Centre.
- 1.2 Toitoi - Hawke's Bay Arts & Events Centre, the Opera House and Functions on Hastings opened on 29 February 2020, with the Municipal Building and tenancies following in August 2022. To date, Toitoi has not had a full financial year in operation without a National Emergency (COVID-19, Cyclone Gabrielle) impacting hirers and audience attendance. Despite this revenue expectations have still been met and surpassed, however, operational expenditure has exceeded budget. Expenditure is detailed in this report and it is evident that the budgeted costs of operating this new facility were underestimated and could not have foreseen the loss of revenue caused by COVID-19 and Cyclone Gabrielle interruptions to the business.
- 1.3 Utilisation of Toitoi spaces could be increased to further improve revenue, however, operational expenditure and resources will also continue to increase proportionately.
- 1.4 Efficiencies have been made by centralising functions across both Toitoi and the Hastings City Art Gallery, to ensure high output and consistency. This has also increased cultural competency, created career pathways and development opportunities, and future-proofed facility and operational management across the Arts facilities.

2.0 Background

- 2.1 The current operational model is based on the Strategic Plan that was adopted by Council in 2019.

2.2 Strategic Plan Vision: The most vibrant and significant arts, culture and events facility in New Zealand.

2.3 Strategic Plan Mission: Service, facilities and experiences that:

- Are relevant, diverse and inspiring
- Provide a leading customer experience
- Enrich people's daily lives
- Grow a sense of community, a gathering place for residents and visitors

2.4 Strategic Plan Objectives: The objectives of the Strategic Plan were developed through several community and business working groups and a feasibility study. They are used as Key Performance Indicators (KPI's) to measure the success of the project as below.

1. Heritage buildings to be retained and enhanced

- The Opera House and Municipal Building have both won local and national Heritage and architectural awards.
- Won the NZ Heritage Award 2022 and the Resene Total Colour Award 2021.

2. Performing arts – enhancing and show casing

- Toitoti has showcased many local organisations, artists, and schools, i.e. Waiata Māori Music Awards, Hawke's Bay Arts Festival, Edible Fashion Awards, National Youth Drama School, Big Sing, Respect Dance.
- On a national level, Toitoti is recognised as an industry leader, presenting works from the Auckland Theatre Company and Nightsong, and working in collaboration with PANNZ/Tour Makers to bring nationally accessible professional theatre to Hawke's Bay and other regions.

3. Events and conference spaces

- Toitoti has a mix of eight unique spaces available for hire: Functions on Hastings, Cushing Foyer, Opera House, Assembly Room, Shakespeare Room, Te Mata Room, Tama Tūrunga Huata Room and Cedric's.
- Toitoti spaces have been utilised 694 times in a variety of combinations to deliver 494 events over the three years in operation.

Usage data:

- Te Mata - 70
- Shakespeare - 63
- Assembly - 50
- Opera House - 125
- Cushing Foyer - 163
- Functions on Hastings - 175
- Tama Turanga Huata – 27
- Cedrics – 21
- Toitoti won the EVANZ Small Venue of the Year 2021

4. Pathways for youth – performing arts, hospitality, event management etc.
 - Toitoti developed programmes and initiatives which give youth a deeper understanding of the creative industries, while also developing pathways and career opportunities. These have included Creative Leaders 2020 – 2022, Aumaunga Project 2020 – 2023, Connected Project 2021 – 2023 and Massive Workshops 2020 – 2023.
 - The team worked with a number of secondary schools (Hastings Girls', Hastings Boys', Karamu, St John's, Havelock North High and Central Hawke's Bay College) through the Gateway programme, to develop onsite training alongside industry professionals. Two students from this programme are now full-time employees at Toitoti. Approximately nine students have participated in the full Gateway programme. An additional 12 students have participated in Gateway programmes via the Creative Leaders programmes.
 - Toitoti's annual Creative Leaders programme sees 50 young people participating in all aspects of performing arts, including performance, production and producing, as well as participating in programmes during the Hawke's Bay Arts Festival, Fringe in the Stings and other significant Hastings events. Many of these students transition into casual hospitality and front of house roles at Toitoti and go on to higher education opportunities within the creative industries. Currently there are eight casual staff who were Creative Leaders and an additional 21 were staff members but have since moved on.
5. Showcasing Ngāti Kahungunu/ Takitimu
 - Toitoti has an MOU with Takitimu Performing Arts and Kahurangi Dance Company. The purpose of this MOU is to deliver collaborative educational programmes, and Māori cultural leadership programmes, alongside production and event management, and with employment pathway opportunities.
 - Out of this partnership Te Whawhewhawhe and Te Mārama - a Theatre in Education programme was created and was delivered to 20 schools.
 - Free of charge Matariki events are held in the Opera House for the community.
 - Ongoing production and event management training was delivered to Takitimu Performing Arts students.
 - Toitoti also host Kahurangi events such as the Rangitahi and Kaumātua balls booked for 2023 so there is an event-based return to this relationship also.
6. Operational sustainability and impact on rates
 - To date, the journey toward operational sustainability and reducing the impact on ratepayers has been challenging. Toitoti has not had a full year in operation, however it has achieved revenue targets despite these challenges. Operational sustainability and impact on rates are discussed in sections 1.2, 1.3 and 1.5 of this report.
7. Maximising external funding
 - Due to the pandemic and, subsequently, Cyclone Gabrielle, the viability of pursuing sponsorship and wider funding opportunities has been limited. With diminished resources, alongside reduced sponsorship and funding pools, Toitoti has instead focused on supporting local events and organisations to retain and develop these opportunities. As the industry stabilises over the coming year, Toitoti staff will pursue these opportunities where appropriate.

8. Enhancing user experiences – hospitality, events etc

- Toitoti staff are extensively trained in customer service, host responsibility and conflict resolution.
- Toitoti bars are serving premium and affordable Hawke’s Bay wines and offering quality products.
- The Event and Technical Team are trained and excel in excellence in customer service.
- HDC’s arts facilities have highly skilled management teams, with strong industry relationships, who can provide environments which support professional development, ensuring high staff retention and therefore consistent user experiences.
- In Toitoti’s annual customer satisfaction survey, 98.7% of 883 respondents were satisfied or very satisfied with their overall experience at Toitoti. Nearly half (49.3%) of respondents felt Toitoti contributed to their personal and cultural wellbeing.
- A Toitoti staff member won the EVANZ Leader of the Year 2020 and Toitoti won the LGNZ Excellence Award for Cultural Wellbeing 2021.
- Toitoti staff represent HDC on the national and international stage through board membership of PANNZ (Performing Arts Network of NZ), membership of Te Rōpū Mana Toi (Advisory board for Creative New Zealand in arts advocacy), membership of the Presenter Training Programme (PAC Australia & Auckland Live), mentoring for BEIA (Business Events Industry Aotearoa) and EVANZ (Entertainment Venues Association of New Zealand) and membership of the International Arts Cohort (NZ, Australia and Canada).
- The venue achieved GOLD status through Qualmark with following feedback:

‘The procedures, the culture and the strong leadership in this business is highly evident and the skilled team ensure that the objectives of the operation are front of mind and delivered at a consistently high standard.’

‘At the heart of the operation is the desire to serve the community, to reward the investment in the facility by simply being a first-class operation, art centre and conference and meeting facility.’

‘We were impressed with the scale of care, investment, state of the art technology across the diverse amenities the facility offers.’

9. CBD integration – CBD revitalisation strategy

- HDC won the Taituarā New Zealand Placemaking Award 2023, with Toitoti as the anchor of its entry where judges said it *‘brought in mana whenua and local identities within the performing arts to further contribute to place memory’*.
- Toitoti staff are involved in the development of the CBD revitalisation strategy.
- The impact of the hospitality and tourism tenants has seen increase public use the building, which has created a vibrant and activated part of town, particularly when Toitoti also has multiple events occurring.

10. Flexible and adaptable spaces

- Toitoti spaces are all flexible and adaptable. They have been utilised in many different ways - from ghost fright tour experiences to wine auctions, conference breakouts and rehearsal spaces, AGM board meetings, fringe productions, wine and cocktail tastings, to kapa haka competitions, weddings, school productions, and preshow hospitality and hosting spaces.
- Shared spaces and toilets service five tenants and their customers.

2.5 Toitoti staff have had had multiple learnings, throughout the last year especially, as they have developed their operational processes and management of the new venue. Challenges and opportunities identified from operations to date are discussed in section 1.4.

3.0 Key Cost Drivers

3.1 To date, Toitoti - Hawke's Bay Arts & Events Centre has not had a full financial year in operation without a National Emergency (COVID-19, Cyclone Gabrielle) impacting hirers and audience attendance. Despite this revenue expectations have still been met and surpassed, however operational expenditure has exceeded budget.

3.2 It is evident that the budgeted costs of operating this new facility were underestimated originally and that budgeting at the time could not have foreseen the loss of revenue caused by COVID-19 and Cyclone Gabrielle interruptions to the business. For example:

- An incorrect assumption was made around temporary staffing costs due to uncertainty of utilisation of the venue. There were also increased costs in the first year of operations as a full team of staff were recruited and trained. Further the COVID-19 lockdowns from 2020 to 2022 and Cyclone Gabrielle related event cancellations in 2023 were costly as an organisational decision was made to continue paying temporary staff during these times.
- There was unbudgeted building maintenance spend. The budget assumed that a new space would not require the maintenance /changes that were required.
- There was an underestimation of the cleaning budget needed to service public spaces associated with hospitality tenancies including the toilets.
- There were unbudgeted expenses associated with the opening of the Municipal Building.

	YTD Actual	YTD Revised Budget	YTD Variance	PR24B
TOTAL OPERATING REVENUE	(922,754)	(698,775)	(223,979)	(986,778)
Direct Costs	95,108	74,578	20,530	90,000
TOTAL NET OPERATING REVENUE	(827,646)	(624,197)	(203,449)	(896,778)
Personnel Costs	1,570,485	1,083,934	486,551	1,847,778
Maintenance & Asset Costs	101,107	55,000	46,107	79,000
Services & Accommodation Costs	473,126	159,300	313,826	180,600
Administration Costs	103,193	136,900	(33,708)	141,900
Finance Costs	1,060	-	1,060	-
Internal Charges	1,233,572	1,134,930	98,642	1,199,144
PROJECTS (incl Internal Charges)	158,526	-	158,526	-
Total Projects	158,526	-	158,526	-
TOTAL OPERATING EXPENDITURE (Including Internal Charges)	3,641,069	2,570,065	1,071,004	3,448,421
Internal Recoveries	(1,432,769)	(1,162,963)	(269,806)	(1,232,984)
NET OPERATING EXPENDITURE	1,380,654	782,905	597,749	1,318,659
Accumulated Funds (Incl Reserve Transfers)				
282.9113.101629.00 Transfer from Council Created Reserve HB Opera House Reserve	-	-	-	(109,658)
RATING REQUIREMENT	1,380,654	782,905	597,749	1,825,493

3.3 Tenancy rental income is not included in the above and in 2022/23 was \$123,402 versus a budget of \$102,900.

4.0 A More Sustainable Model

4.1 Pricing Strategy:

- Market analysis was completed by Toitoti for EVANZ in February 2023 and the results showed Toitoti commercial hire rates could increase, alongside a CPI increase, for the FY 2023/24.
 - As many bookings have already been made for this year the impact of the increases may not be immediately seen as only new bookings will incur the new rates.
 - Market analysis showed the three comparison venues/cities, Napier, New Plymouth and Rotorua, are all in the mid-high \$3k for theatre hire. With a CPI increase on Toitoti's current venue hire rate, which has not been applied since opening in 2020, this market range will be met.
 - A 12% of takings for theatre shows when a promoter sells over \$2,700 tickets has also been introduced.
- In June 2023, Toitoti attended Business Events Industry Aotearoa (BEIA) Meetings Tradeshow bringing its full offering of venues and services to a national and international audience for the first time. Thirty prescheduled sales appointments over two days have yielded five opportunities to quote for business worth over \$180,000 dollars in venue and technical revenue combined.
- Market analysis and subsequent pricing changes, if appropriate, of both commercial and community rates will be carried out annually.
- Operational continuity and appropriate resourcing are critical success factors for continued revenue growth at Toitoti. Developing conferencing business while strengthening the Toitoti brand within the C&I market will take time and investment.

4.2 Bar Revenue and Opportunities:

- Food & Beverage – a net profit of \$60,000 was made during the 2022/23 financial year. New initiatives taken to increase revenue, to add to the efficient bar service, include:
 - A slushy machine introduced in 2022 has increased revenue across several shows and events and it is anticipated that it will be more popular in summer.
 - Taking ice creams into the theatre at half time to sell to people in their seats has proven popular.
 - A new half bottle of champagne has been added and double pours of wine serves are now available.
- Toitoti staff will continue to trial and implement new initiatives to increase revenue whilst adding options for clients.

4.3 Community vs Commercial Hireage:

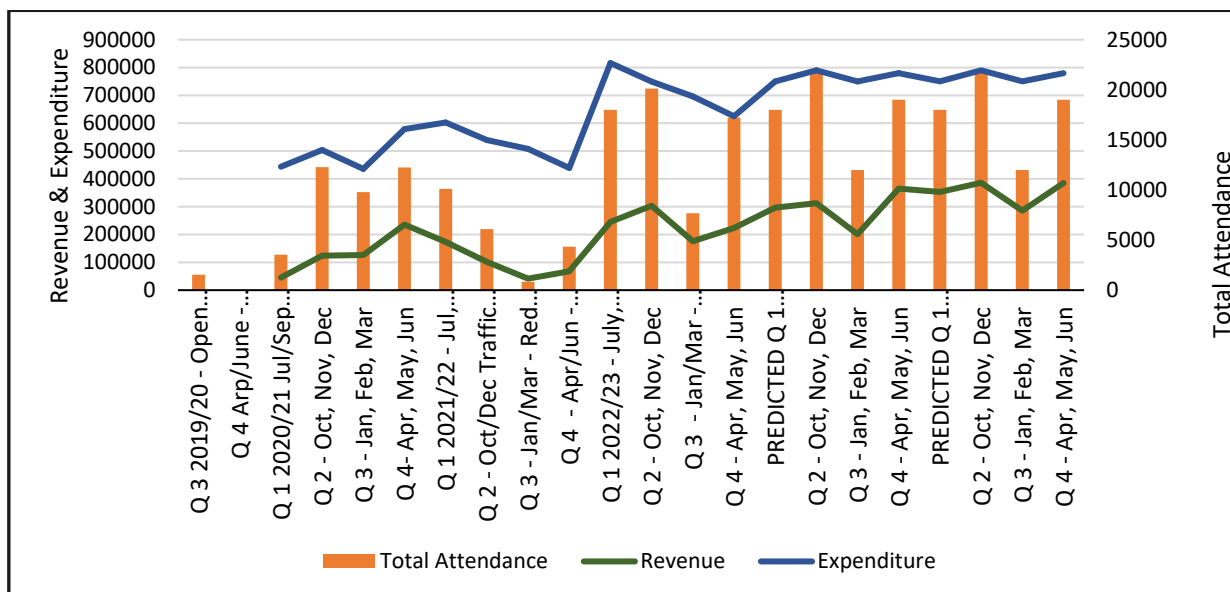
- Over the last three years, from 29 February 2020 to 30 June 2023, Toitoti has seen 494 performances and/or events and functions, with 121,270 people in attendance.
- Based on the community rate (40-50% of commercial rate) vs commercial rate our percentage of utilisation is approximately 60/40 community/commercial use, noting that 40% of the community rate users are HDC hires.
- When Toitoti reopened for the second time in October 2020 post lockdown, the events market was heavily restricted due to ongoing travel and gathering restrictions.

- Toitoti made a strategic decision to focus on local event opportunities and relationships within Hawke’s Bay.
- Post pandemic Toitoti is well positioned to access and increase its market share of national events with a financial foundation built on local relationships and Toitoti’s community Kaupapa.
- Community and commercial based opportunities are equally valuable in a financial context. Commercial opportunities can yield higher one-off revenue, but community relationships also yield commercial opportunities. The Hawke’s Bay Primary Health care Symposium and Manioro conference are both examples with a combined value close to \$60,000 and hosted annually, comfortably eclipsing the value of a single corporate conference hosted once on a 10-year cycle throughout New Zealand’s main centres and regions.
- A strategic direction could be taken to pursue a greater proportion of commercial hires noting that this may not be in alignment with the aspiration in the Strategic Plan endorsed to operate Toitoti as a 4th generation venue. That is, a facility that creates new experiences to encourage participation in the arts, enhances cultural awareness and competency, considers different viewpoints and encourages cultural expression, encourages exploration, innovation and growth in performing arts and facilitates employment pathways by providing a learning environment.

4.4 The mix of commercial and community activity is shown below:

<u>Corporate Services</u>	<u>Presenter Services</u>
<u>Annualised Community Events</u> <ul style="list-style-type: none"> • HB Wine Auction • Health HB Primary Care Symposium • EIT Graduation (Biannual) • Fruitgrowers Graduation and Awards • Property Brokers Charity Auction • High School Balls • Manioro Conference • Te Wananga o Aotearoa Graduation 	<u>Annualised Community Events</u> <ul style="list-style-type: none"> • Hawke’s Bay Arts Festival • Waiata Māori Music Awards • Edible Fashion Awards • National Youth Drama School • Big Sing • Kids Sing • School Productions • Local Dance School Productions
<u>Annualised Commercial Events</u> <ul style="list-style-type: none"> • Young Fruitgrower of the Year • HB Civil Contractors Awards • HB Chamber of Commerce Awards (Biannual) • Harcourts Real Estate Awards • REBL Group Real Estate Awards • HB Export Awards • Icompete Clean Bodybuilding Competition 	<u>Annualised Commercial Events</u> <ul style="list-style-type: none"> • Royal NZ Ballet (Biennial) • Chamber Music New Zealand • National Young Leaders Day • Showquest • Rockquest • Touring Concerts • Touring Comedians • Touring Tribute Shows

4.5 The graph below illustrates attendance, revenue and expenditure actuals from February 2020, with two years of revenue predictions for 2023/24 and 2024/25.



Toitoi Events	Community Hire	Commercial Hire
2019/20	78	47
2021/22	63	41
2022/23	157	108
TOTAL	298	196

Toitoi	Attendance
2019/20	36853
2021/22	21371
2022/23	63046
TOTAL	121270

5.0 Challenges and Opportunities

5.1 Signage

Wayfinding is an issue for many users of the space based on its size and positioning.

Toitoi is looking at a wayfinding strategy to ensure that visitors and locals can find their events with ease.

5.2 Managing tenants' expectations and operational requirements

Monthly operational meetings occur between the Toitoi team and tenants to discuss challenges and opportunities.

There is an expectation from tenants that the laneway is activated to increase foot traffic for the lessees, although HDC work towards making this happen on occasion through, for example, Santa's Grotto, FAWC, there is currently not the budget nor capacity to do this continually.

Council's expectation is for the Municipal Building and tenants to be open seven days a week. The tenants are finding their way and have had challenges due to weather impacts and staffing so have changed their days/hours of operating.

In response to the Akina Gallery recently vacating their space, Insight Equity have been commissioned to actively identify potential tenants while conducting a feasibility study around utilising the space as a pop up until a longer-term lease is secured. Research points to retailers being resistant to committing to leases at this time and a 'pop-up' gives them a chance to trial the space and the city. It will also create a destination as people will be curious as to what is 'popping up' next.

Officers have also accepted a proposal from Insight Equity to manage the lease aspects of the tenancies on behalf of HDC, something they already undertake for Council with the Cityfitness tenancy.

5.3 Smoking/Vaping

Many Toitoti guests either smoke or vape and there is currently no area that these guests can be directed to which is creating antisocial behaviour within Toitoti venues.

Council has determined there should not be any smoking or vaping within 10 meters of Council facilities. Toitoti staff must direct guests across the road, often at night, without shelter and after consuming alcohol. This is a health and safety concern as Toitoti has a duty of care/responsibility for its guests to ensure they are safe whilst also adhering to HDC policy and procedures.

Toitoti staff are currently awaiting advice following a Council workshop held on 22 June 2023.

5.4 Parking

Car parking and the lack of dedicated client parking continues to be a challenge. Toitoti staff are working with the parking team to put a solution in place for parking permits for Toitoti hirers and producers to access pay and display parking. The outcome of these discussions will be a risk mitigation rather than a solution.

In a recent survey with 883 respondents, 100 respondents (12.3%) said parking stops them from attending shows and events at Toitoti.

5.5 Other Key Risks

- Unexpected national disasters that close the venue.
- Ability to retain casual staff given the current market in hospitality.
- Unexpected building maintenance/technical equipment costs
- Lack of accommodation for growing conferencing at Toitoti. Accommodation capacity is still an issue with larger conference groups needing to accommodate over multiple sites between Hastings and Havelock North. There is a very small appetite to make this accommodation model work among larger potential Toitoti conference clients.

6.0 Future Projections, Strategic Focus and Aspirations

6.1 The strategic focus is to develop a new Arts, Culture and Creativity Strategy as a document to guide HDC to serve its arts community. This will be based on the recently completed Toi Tu Framework, which is a regional strategic framework to support creatives and creativity in Hawke's Bay. Specific areas of Toi Tu that HDC Arts & Culture can deliver on are:

- Celebrate Identity
- Recognise Value
- Enhance the environment
- Ensure Access
- Build Connections
- Future-proof the Sector

6.2 Based on the existing objectives for Toitōi, the team will continue to focus on the following:

Local Pride

Working with schools, local arts organisations and iwi to ensure opportunities and pathways for our youth. Ensuring diversity and inclusion – ensure the whole community can continue to visit the venue and engage with performing arts, events and functions.

Vibrant Hub

Activate and enhance the unique and flexible spaces in the venue. Work closely with the Municipal Building tenants to activate the Laneway off bookings and events. Develop and continue to grow conferencing and events to encourage visitors to Hastings. Continue to engage nationally and internationally to ensure Toitōi is on the touring circuit.

Operational Sustainability

Grow revenue and audience participation opportunities through continued utilisation, raising hire prices based on market research, CPI increases, presenting touring shows, small festival offerings, bar revenue opportunities, collaborations and partnerships with business, corporates and local organisations and continue to provide excellence in customer service to ensure repeat business.

6.3 Predicted Revenue

–	2022/23	Actual	\$948,094
–	2023/24	Predicted	\$1,100,000
–	2024/25	Predicted	\$1,300,000

6.4 Alternative Operational Models: The Toitōi team are continually reviewing their operational processes to ensure efficiencies and the effective spend of rate payer funding whilst also meeting the community wellbeing aspects of the strategy adopted by Council in 2019. If the direction from Council is to investigate an alternative operating model for Toitōi Hawke’s Bay Arts & Events Centre to focus on greater revenue and less rate payer contribution, a s17a or similar review can be conducted. A workshop with Councillors in the first instance would be recommended.

7.0 Recommendations - Ngā Tūtohunga

- A) That the Performance and Monitoring Committee receive the report titled Toitōi Operational Review dated 20 July 2023
- B) That the Committee direct Officers to arrange a workshop in preparation to conduct a s17a review or similar, with results to be reported back to Council.

Attachments:

- 1 [↓](#) Toitōi Feedback and Endorsements CG-17-4-00039

Thursday, 20 July 2023

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Performance & Monitoring Committee Meeting

Te Rārangi Take

Report to Performance and Monitoring Committee

Nā:
From: **Jennie Kuzman, Health, Safety and Wellbeing Manager**

Te Take:
Subject: **Health, Safety & Wellbeing Report**


1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to inform and update the Performance and Monitoring Committee about Health, Safety & Wellbeing at Hastings District Council.
- 1.2 The Health and Safety at Work Act 2015 (HSWA) requires those who are *HSWA Officers* (Elected Members and the Chief Executive) to exercise due diligence by taking reasonable steps to understand the organisation's operations and Health, Safety & Wellbeing risks, and to ensure that they are managed so that Council meets its legal obligations.
- 1.3 The attached report (**Attachment 1**) covers a longer period than usual (9 months instead of 6 months) due to the disruption of Cyclone Gabrielle. The report provides information to enable Elected Members to undertake due diligence, by providing leading and lagging statistical information in relation to Health, Safety & Wellbeing for the first three quarters of the 2022/2023 financial year (1 July 2022 to 31 March 2023). The fourth and final quarter for the 2022/2023 year will be provided to the Committee at the next Committee meeting in September 2023.
- 1.4 Monthly Snapshot reports are also provided monthly on the Hub, these monthly reports provide information on proactive Health, Safety & Wellbeing risk management initiatives.

2.0 Recommendations - Ngā Tūtohunga

That the Performance and Monitoring Committee receive the report titled Health, Safety & Wellbeing Report dated 20 July 2023.

Attachments:

- 1  HDC Health, Safety & Wellbeing Report - Nine
Month Trend Report - to 31 March 2023 HR-03-8-2-23-210

Thursday, 20 July 2023

Item 8

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Performance & Monitoring Committee Meeting

Te Rārangi Take

Report to Performance and Monitoring Committee

Nā: Nigel Bickle, Chief Executive
From: John O'Shaughnessy, Group Manager: Planning & Regulatory Services

Te Take:
Subject: Building Control Activity Review Terms of Reference

1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

- 1.1 At its meeting on Thursday 11 May 2023, the Performance & Monitoring Committee received a report titled 'Update Report on Workloads in the Building Consents Area' and resolved:
 - A) That the Performance and Monitoring Committee receive the report titled Update Report on Workloads in the Building Consent Area dated 11 May 2023.
 - B) That an independent review of the building consent area be undertaken with a Terms of Reference being brought back to Council.
- 1.2 The Chief Executive has approved the Draft Terms of Reference for an independent review of the Building Consents Area – this is appended as **Attachment 1**.
- 1.3 The Chief Executive proposes to engage Mr Jim Palmer to manage the independent review of the Building Consents Area. Mr Palmer is the former Chief Executive of Waimakariri District Council and has recently been the Independent Chair of the Panel undertaking the review of the Future of Local Government.
- 1.4 Detailed timing is still being confirmed with Mr Palmer due to the work pressures on the Building Consents area from Cyclone Gabrielle and Council's IANZ Building Consent Activity accreditation scheduled for November 2023.
- 1.5 The Building Consent Activity Area has a two-yearly IANZ accreditation assessment, with the last one being completed in November 2021. The accreditation assessment determines compliance with requirements of the Building (Accreditation of Building Consent Authorities) Regulations 2006 (*the*

Regulations). The IANZ review requires substantial Council resource in preparation of documents for review, on-site review of activities and interviews with Building Consent Authority (BCA) staff.

- 1.6 The Chief Executive has made a request to MBIE to reschedule Council's accreditation until November 2024 (at the time of writing the report, no response had been received to this request). If the rescheduling of the accreditation assessment of the Building Consent Authority from November 2023 to November 2024 is not agreed by MBIE, then the review of the Building Consent Activity will need to be delayed until February 2024.

2.0 Recommendations - *Ngā Tūhunga*

- A) That the Performance and Monitoring Committee receive the report titled Building Control Activity Review Terms of Reference dated 20 July 2023
- B) That the Committee approves the Draft Terms of Reference (appended as Attachment 1 to the report – CG-17-4-00040) for an independent review of the Hastings District Council Building Consents Area.

Attachments:

- 1↓ Draft Terms of Reference Building Control Activity CG-17-4-00040
Review - July 2023

Thursday, 20 July 2023

Item 9

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Performance & Monitoring Committee Meeting

Te Rārangi Take

Report to Performance and Monitoring Committee

Nā:
From: **Bruce Allan, Deputy Chief Executive**

Te Take:
Subject: **Performance and Monitoring Report**

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to present the Performance and Monitoring Report for the quarter ended 30 June 2023.
- 1.2 The Performance and Monitoring Report and Appendices are attached as **Attachment 1** and provide a comprehensive overview of Council's activities.
- 1.3 The quarterly financial report for the period ended 30 June 2023 will be reported to Council in September with the unaudited rating result for the year as is the normal practice.
- 1.4 The Performance and Monitoring report for the quarter ended 30 June 2023 highlights the activities being undertaken by Council through this time. It is evident throughout the report that the impacts of Cyclone Gabrielle have been felt across most areas of Council with delays in the delivery of projects and programmes through constrained resources and the need to manage priorities.
- 1.5 In a number of areas in the report, staff are now beginning to reflect the financial constraints being felt through the sheer magnitude of the recovery efforts and the currently unknown financial commitments that will be required from Council and the supporting funding from Central Government. Regardless of the support provided by the government, Council's contributions to the rebuild will be large and will impact on the delivery and timing of some of the aspirational projects that Council was considering.
- 1.6 Despite the impacts of the cyclone, the Hastings economy appears to be holding up well to-date, although a combination of high land prices and increasing construction costs seem to be contributing to a decline in the number of both resource and building consents being submitted and processed.

- 1.7 Through the support of Wellington City and Selwyn District Councils, the Building Control activity has managed to catch up on its processing and inspection roles and is now in a good position to respond to what will be a busy time ahead as flood affected property owners begin their rebuilds.
- 1.8 Resourcing at Council continues to be a challenge with a significantly increased workload since the Cyclone. Many of the support functions are also feeling the impacts with Finance, IT, HR and Marketing and Communications particularly affected as they strive to support the public facing activities. In some areas teams are having to right size to meet these challenges and in many cases these additional roles are not budgeted for but essential in ensuring the community is supported through the recovery and the normal business as usual activities of council are delivered.

2.0 Recommendations - *Ngā Tūtohunga*

That the Performance and Monitoring Committee receive the report titled Performance and Monitoring Report dated 20 July 2023.

Attachments:

- [1](#) ⇨ Performance & Monitoring Report for Quarter 4, CG-17-4-00033 Attachment Document
2022-23 – Volume 1

HASTINGS DISTRICT COUNCIL

PERFORMANCE AND MONITORING COMMITTEE MEETING

THURSDAY, 20 JULY 2023

Item 12

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

13 Foodeast Haumako Director remuneration

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
13 Foodeast Haumako Director remuneration	Section 7 (2) (h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. To protect the commercial arrangements of Foodeast Haumako.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.