

Tuesday, 27 August 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka
Agenda

Te Rā Hui:
Meeting date: **Tuesday, 27 August 2024**

Te Wā:
Time: **9:30 AM**

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: **Chief Executive - Nigel Bickle**

Tuesday, 27 August 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Council Meeting

Kaupapataka

Agenda

Tiamana

Chair: Mayor Sandra Hazlehurst

Mematanga:

Membership:

Ngā KaiKaunihera

Councillors: Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler, Damon Harvey, Henry Heke, Kellie Jessup, Tania Kerr (Deputy Mayor), Eileen Lawson, Hana Montaperto-Hendry, Simon Nixon, Wendy Schollum, Heather Te Au-Skipworth and Kevin Watkins

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Chief Executive – Nigel Bickle

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy and

Governance Services:

Louise Stettner (Extn 5543)

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.

At the close of the agenda no requests for leave of absence had been received.

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 Minitī*

No minutes to be confirmed.

5.0 Māori Ward Decision

7

Arts Inc. Heretaunga Business Plan - Hawke's Bay Arts Festival

Attachment 2 to this report is confidential in accordance with the Local Government Official Information and Meetings Act 1987 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.

6.0

Attachment 3 to this report is confidential in accordance with the Local Government Official Information and Meetings Act 1987 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.

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8.0	Minor Items – <i>Ngā Take Iti</i>	
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9.0	Urgent Items – <i>Ngā Take Whakahihiri</i>	
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10.0	Recommendation to Exclude the Public from Items 11, 12, 13 and 14	23
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11.0	Brookvale Development Agreements & Land Acquisition	
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12.0	Flaxmere Commercial Transaction	
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13.0	Wairatahi Development Agreement	
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14.0	Puketapu Bridge Replacement - Approval of Separable Portion 4 of the Contract	
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Tuesday, 27 August 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Item 5

Te Rārangi Take

Report to Council

Nā:
From: Louise Stettner, Manager, Democracy & Governance Services

Te Take:
Subject: Māori Ward Decision

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopotanga*

- 1.1 The Government has enacted the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 (the Act).
- 1.2 The Act reinstates the ability for binding polls on the establishment of Māori wards and provides a transitional poll mechanism for councils that either resolved to establish or established Māori wards without a poll.
- 1.3 Schedule 1 of the Act applies to Council which established its Māori ward (Takitimu) ahead of the 2022 election.
- 1.4 By 6 September 2024 Council must resolve either to affirm it's Māori ward or to disestablish it's Māori ward.
- 1.5 The Local Government Commission and the Department of Internal Affairs have promulgated advice that Councils affected by Schedule 1 of the Act, are required to make this decision, even if they have previously resolved to affirm their Māori wards prior to 31 July 2024.
- 1.6 Council at its meeting held on 23 May 2024, resolved;
 - That Council receive the report titled Retention of the Takitimu Māori Ward dated 23 May 2024.
 - That Council resolve to retain its Takitimu Māori Ward.
 - That Council notes the Heretaunga Takoto Noa Māori Standing Committee at its meeting on 8 May 2024 resolved that the Committee wants to retain the Takitimu Māori Ward.

The report for the Council meeting on 23 May 2024, is attached as Attachment 1, to provide context.
- 1.7 The Special Consultative Procedure under the Local Government Act 2002 does not apply to the decision to affirm Māori wards, or to disestablish Māori wards.

- 1.8 In 2021 Council undertook the Special Consultative Procedure prior to making its decision to incorporate Māori wards within its governance arrangements. This consultation provided Council an understanding of the spectrum of community views on this matter.
- 1.9 Council undertook further community consultation, as required for its Representation Review under the Local Electoral Act 2001. Representation Reviews are undertaken by local authorities to ensure residents have fair and effective representation at local elections.
- 1.10 On 6 April 2022, the Local Government Commission determined the representation arrangements that would apply to the 2022 Hastings District Council local elections.
- 1.11 If Council resolves to affirm its resolution to establish Māori wards, Council is required to have a poll alongside the 2025 Election on whether the Hastings District should be divided into one or more Māori wards. The results of the poll will be in place for two local body elections – 2028 and 2031.
- 1.12 If Council resolves to disestablish its Māori wards, it must also resolve by 6 September 2024 to either complete a shortened Representation Review process by early April 2025 or Council may be able to revert to its most recent representation arrangements before Māori wards were established. (previous arrangements must still meet the statutory requirements for fair and effective representation). A decision to disestablish would come into effect for the 2025 local body elections and remain in place for 2025 and 2028.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That Council receive the report titled Māori Ward Decision dated 27 August 2024.
- B) Council notes that it understands the spectrum of views held by the community with respect to Māori Wards, from consultation processes with the community in 2021 and leading into 2022.
- C) Council notes the Heretaunga Takoto Noa Māori Standing Committee at its meeting on 8 May 2024 resolved that the Committee wants to retain the Takitimu Māori Ward.
- D) Council notes that a resolution to affirm retention of Council's Takitimu Māori Ward will result in a Binding Poll alongside the 2025 election.
- E) Council notes that a resolution to disestablish Council's Takitimu Māori Ward means that Council will need to resolve how representation arrangements for the 2025 Election will be set, - either revert to the 2019 Election arrangements OR undertake a shortened Representation Review under the Local Electoral Act 2001.
- F) That the Council resolve to:
- G) Retain the Takitimu Māori Ward for the 2025 Local Government Election.
OR
- H) Disestablish the Takitimu Māori Ward for the 2025 Local Government Election.

3.0 Background – *Te Horopaki*

- 3.1 At the Council meeting on 23 May 2024 Council resolved 'to retain its Takitimu Māori Ward'. This decision was prompted by Government proposals to re-instate the poll provision for establishing Māori wards in place prior to 2021. The context for Council's decision at this time is outlined in the Council Report 'Retention of the Takitimu Māori Ward' dated 23 May 2024 (**Attachment 1**).
- 3.2 The Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 (The Act) came into force on 31 July 2024.

- 3.3 The Act amends the Local Electoral Act 2001, the Local Government Electoral Legislation Act 2023 and the Local Electoral Regulations 2001.
- 3.4 The Act reinstates the binding polls mechanism for the establishment of Māori wards that was removed from the Local Electoral Act 2001 in 2021.
- 3.5 From 12 October 2025, councils can resolve to hold binding polls on Māori wards and people on the electoral roll can petition their council to hold one. Binding polls are reinstated with the same policy settings as they were before 2021:
- a petition from 5% (or more) of electors on Council's roll at the last local body elections would require Council to hold a binding poll.
 - any person on the electoral roll for Council would be able to vote.
 - a simple majority would bind Council to an outcome.
 - the outcomes of a poll would decide whether Council has Māori wards for the next two local government terms.
- 3.6 The Act removes the requirement under the Local Government Electoral Legislation Act 2023 for councils to consider Māori wards every six years during their representation reviews if they have not established Māori wards.
- 3.7 The Act includes in Schedule 1 of the Local Electoral Act 2002, transitional provisions for local authorities that have established, or resolved to establish, Māori wards without a binding poll since 2020. Schedule 1 requires those local authorities to:
- affirm the decision to establish Māori wards and hold a binding poll at the 2025 elections: or
 - reverse their Māori wards decision this year with no requirement for a poll at the 2025 elections.
- 3.8 Schedule 1 applies to Council as it established Māori wards in 2021.
- 3.9 By 6 September 2024 Council must resolve either to affirm its Māori wards or to disestablish them.
- 3.10 The Local Government Commission and the Department of Internal Affairs advise that all Group 1 local authorities are required to make this decision, even if they have previously resolved to affirm their Māori wards prior to 31 July 2024.
- 3.11 Local authorities that resolve to disestablish their Māori wards have two options for their 2025 representation arrangements:
- Complete a shortened representation review process by early April 2025; or
 - In some cases, councils may revert to their most recent representation arrangements before Māori wards were established (this option will only be available if the previous arrangements will still meet the statutory requirements for fair and effective representation).
- 3.12 For local authorities that have held a poll alongside the 2025 election, the next opportunity to consider the establishment or disestablishment of Māori wards is ahead of the 2034 elections. Such change could happen in the following ways:
- The local authority could decide to establish or disestablish their Māori wards. That decision could then be subject to a further poll if a petition of at least 5% of electors is received within the requisite timeframes; or
 - The local authority could resolve itself to hold a further poll on whether the local authority should be divided into one or more Māori wards or
 - A petition of at least 5% of electors could be received requesting that the local authority either establish or disestablish its Māori wards. If this occurs the local authority will be required to hold a further poll on this matter.

- 3.13 If no changes are made ahead of the 2034 election, then the 2025 election poll result continues to have effect for future elections beyond 2034, unless or until one of the actions in paragraph 3.12 takes place.
- 3.14 The timing of a local authority's next representation review will depend on which action it has chosen to take under the Schedule 1 transitional provisions, and on the outcome of any poll held on whether Māori wards will be retained or disestablished.
- 3.15 Where a poll held in conjunction with the 2025 elections results in the retention of Māori wards the requirement for the next representation review follows the local authority's regular review schedule.
- 3.16 Where a poll held in conjunction with the 2025 elections results in the disestablishment of Māori wards the local authority must undertake a representation review in 2027.

4.0 Discussion – *Te Matapakitanga*

- 4.1 Although Council resolved in May this year to retain its Takitimu Māori Ward, the Local Government Commission and the Department of Internal Affairs advise that this decision needs to be resolved after the Act has been passed (31 July 2024) and before 6 September 2024. To be compliant with the Act Council must make a decision within this timeframe.
- 4.2 The Special Consultative Procedure does not apply to the decision to affirm Māori wards or disestablish. Ahead of Council's decision to incorporate Māori wards in its representation arrangements in 2021 it undertook a Special Consultative Procedure. Through that process Council was made aware of the spectrum of views held by the community.
- 4.3 Council can continue to consult the community further on this matter. The Crown continues to enact legislation relevant to Māori Wards at a rapid pace.
- 4.4 Officers recommend that eighteen working days from enacting the legislation to the requisite Council Meeting to decide, does not allow time for any meaningful community engagement or consultation to provide any new information for the Council to take into consideration.

5.0 Options – *Ngā Kōwhiringa*

Option One - Te Kōwhiringa Tuatahi

- 5.1 Council resolves to affirm Māori Wards.

Advantages

- Aligns with the previous decision by Council to establish Māori wards, which was informed by comprehensive community consultation and engagement.
- Supports the important contributions that Māori are making to local government.
- Supports Māori participation in local decision-making and elections.
- Supports the relationships that Council has with mana whenua.

Disadvantages

- Other than the costs of administering a Poll, no disadvantages are noted.

Option 2 – Te Kōwhiringa Tuarua

- 5.2 Council resolves to disestablish Māori Wards.

Advantages

- Other than the costs of administering a Poll, no advantages are noted.

Disadvantages

- The advantages detailed in 5.1 would be foregone.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 If Council resolves to keep Māori wards, Council will be required to hold a mandatory poll alongside the 2025 election. The result of that decision will be in place for the 2028 and 2031 elections.
- 6.2 If Council resolves to disestablish Māori wards it will need to resolve how representation arrangements for the 2025 Election will be set by 6 September 2024. The two options are to: complete a shortened representation review process by early April 2025; or revert to its most recent representation arrangements before Māori wards were established.

Attachments:

1	Retention of the Takitimu Maori Ward - Report to Council 23 May 2024	CG-17-1-01121	Vol 1
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Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

[Link to the Council's Community Outcomes](#) – *Ngā Hononga ki Ngā Putanga ā-Hapori*

Council's decision will consider the wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

Māori wards support the provision of fair representation for Māori and honour the principles of the Treaty of Waitangi, including the principles of participation and partnership. The Takitimu Māori Ward supports Māori participation in decision-making and elections.

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whakaarohanga Ahumoni*

If the Council resolves to affirm its Takitimu Māori Ward, the indicative cost of a Poll is \$75,000 and costs associated with encouraging community participation in the poll.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision has been assessed under the Council’s Significance and Engagement Policy as being a high level of significance. It is significant in terms of the number of people affected, the level of public interest and extent of significance. This significance led to Council completing a special consultative procedure in 2021 prior to Council making its initial decision as to whether it wished to include Māori wards in its representation arrangements.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

Schedule 1 of the Act notes that the special consultative procedure does not apply to decisions to affirm or disestablish Māori wards and is otherwise silent on how local authorities should engage with their communities on this issue.

Council established Māori Wards on 18 May 2021. This decision was made following a special consultative procedure between 23 April and 12 May 2021. It was publicised across print, social media, traditional media channels, on Council’s website, through flyers to rural areas that may not have online or receive print newspapers, and hard copies and submission boxes were made available at the Council Customer Services Centre, libraries, and community centres. The consultation also included hui and kānohi ki te kānohi (face to face) meetings.

In total 2089 responses were received with 76 per cent in support of establishing Māori Wards and 24 per cent against. Those in support said Māori wards would honour Te Tiriti O Waitangi, acknowledge mana whenua, ensure a Māori perspective in the Council Chamber, remove barriers for representation, and improve working relationships.

The main themes in submissions against the proposal were that the current system was working, with Māori councillors elected on their merits by everybody, and that establishing wards based on race was separatist and created “us and them” division.

Rural Community Board – *Te Poari Tuawhenua-ā-Hapori*

Officers have not consulted the Rural Community Board on this Report. The Board was involved in the initial Council decision to establish Māori wards in 2021.

Tuesday, 27 August 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Item 6

Te Rārangi Take

Report to Council

Nā:
From: Naomi Fergusson, Group Manager: Marketing & Communications

Te Take:
Subject: Arts Inc. Heretaunga Business Plan - Hawke's Bay Arts Festival

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopotanga

- 1.1 The purpose of this report is to consider a decision relating to a funding application by Arts Inc. Heretaunga (AIH) for the Hawke's Bay Arts Festival (Festival).
- 1.2 In making the recommendation, the Report steps through consideration of three high-level decisions for Council, being:
 - Should Council fund an art festival?
 - AIH's proposal for a biennial Hawke's Bay Arts Festival – does it positively support the potential benefits through its event offering?
 - If Council does not support the proposal, what are the alternative investment options for the \$120,000 provided for in the Events Budget 2024-2027?
- 1.3 Based on the discussion relating to 1.2, this Report addresses Council Resolution E in respect of Agenda Item 7 'Funding - Arts Inc. Heretaunga' (AIH) which requires the provision of a Business Plan from AIH detailing the events programme and expected outcomes of the Hawke's Bay Arts Festival. (Council Meeting on 23 May 2024).

Agenda Item 7: Funding – Arts Inc. Heretaunga

- E) Council notes that the \$120,000 primarily allocated to support delivery of the Arts Festival (annual allocation for 3 years with a whole of contract commitment of \$360,000) in Recommendation B for delivery of events, is subject to Council approval of a Business Plan which details the events programme and expected outcomes. A future Council decision may amend the \$120,000 funding allocation. This Council approval will inform the Chief Executives delegation in Recommendation C).*

- 1.4 The Council Report from 23 May 2024 (referred to in 1.3) is attached as (**Attachment 1**) to provide background and context for this Report.
- 1.5 AIH have provided business plan documentation that is attached as (**Attachment 2**) and the Hawke's Bay Arts Festival business case (**Attachment 3**).
- 1.6 Councillor agenda discussion on 23 May 2024 reflected concerns about the 3-year funding quantum commitment of \$360,000, the associated risks of fiscal sustainability of AIH and the quantity/quality of Festival events to be delivered given the main event would reduce from annual to biannual delivery.
- 1.7 The report concludes by recommending that the Council approve the business plan for the Hawke's Bay Arts Festival and fund the festival with \$60,000 per annum for two years from the events budget (total contract value of \$120,000).

2.0 Recommendations - Ngā Tūtohunga

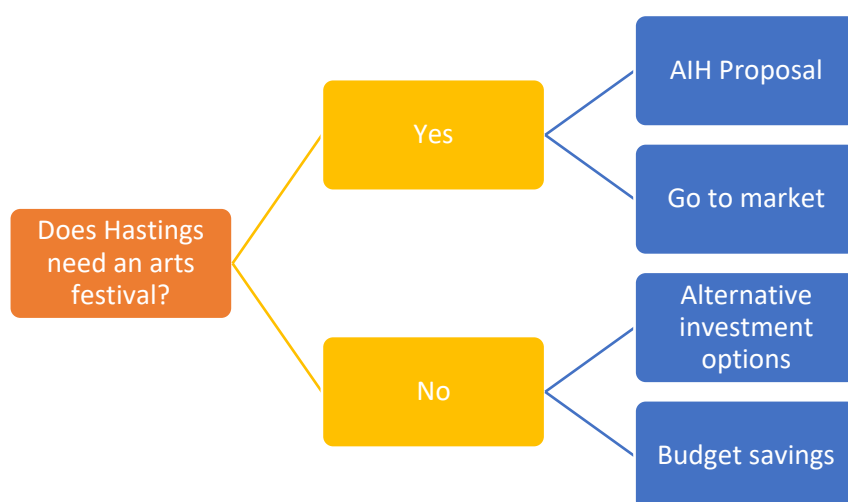
- A) That Council receive the report titled Arts Inc. Heretaunga Business Plan - Hawke's Bay Arts Festival dated 27 August 2024.
- B) That Council uplift the report titled Arts Inc. Heretaunga Business Plan – Hawke's Bay Arts Festival which was 'left to lie on the table and not further discussed at the meeting' per section 25.2 (d) of the Hastings District Council Standing Orders at the Council meeting on Thursday 8 August 2024.
- C) That Council notes it's resolution from the Council Meeting held on 23 May 2024, in respect of Agenda Item 7 'Funding - Arts Inc. Heretaunga' (AIH) namely - *Council notes that the \$120,000 primarily allocated to support delivery of the Arts Festival (annual allocation for 3 years with a whole of contract commitment of \$360,000) in Recommendation B for delivery of events, is subject to Council approval of a Business Plan which details the events programme and expected outcomes. A future Council decision may amend the \$120,000 funding allocation. This Council approval will inform the Chief Executives delegation in Recommendation C).*
- D) That Council approve the AIH Business Plan detailing the events programme and expected outcomes of the Hawke's Bay Arts Festival. (Attached as Attachment 3).
- E) That Council approves a grant of \$60,000 annually for two financial years (2024/25 to 2025/2026 from the Events budget) to support the delivery of the biennial Hawke's Bay Arts Festival.
- F) That Council delegate and direct the Chief Executive to execute a Contract for Service between Council and AIH, which addresses Section 17A (5) of the Local Government Act 2002 relating to Council funding. This Contract will have clear milestones and performance measures for the Festival with associated phased disbursement of funds. Subject to adherence to Contract Dispute Resolution processes, Council will be able to cancel the Contract for non-achievement of milestones, thus mitigating any future funding risks.
- G) That Council notes the Chief Executive will ensure Council Officers actively manage the Contract for Service in Recommendation F to protect Council interests and help ensure AIH sustainability and delivery of sought after Festival outcomes.

3.0 Background

- 3.1 Refer Sections 3 and 4 of Attachment 1.

4.0 Discussion

- 4.1 The purpose of local government is set out under the Local Government Act 2002, S10 (1) (b) as ‘to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future’.
- 4.2 To contribute to social and cultural well-being, the Council supports creative arts through rates-funded contributions to the operation of arts-focused council facilities (Toitoti, Hastings City Art Gallery) and via the Community Grants, City Centre Vibrancy Fund, Events Fund and through administration of the Creative NZ Creative Communities Scheme.
- 4.3 This section of the Report addresses the three key questions relating to the funding of the Festival.
- Should Council fund an arts festival, based on the potential benefits to the community?
 - If the Council believes in supporting an arts festival and associated benefits, does AIH's proposal satisfy the Council that the desired benefits can be achieved through its event offering?
 - If Council does not believe an arts festival provides additional benefits to Hastings District, what alternative options are there for the \$120,000 that would be unallocated from the Events Budget 2024-2027?



4.4 Benefits of arts festivals

- 4.4.1 The proposal for the establishment of the Hawke’s Bay Arts Festival was put forward by Creative Hastings (now Arts Inc. Heretaunga) in 2015 following the closure of the Hawke’s Bay Opera House due to its assessment as an earthquake-prone building.
- 4.4.2 Council supported the 2015 Festival with \$85,000 grant funding from the Hawke’s Bay Opera House operational budget, a \$50,000 underwrite and in-kind support from other Council operational budgets, in particular the marketing and events budgets. In recent years, the funding has been \$120,000 per year for an annual festival event, which was initially driven by the cost of hiring the Spiegel Tent and other costs to create an event venue when the Opera House closed.
- 4.4.3 The Hawke’s Bay Opera House was re-opened in 2020 as Toitoti – Hawke’s Bay Arts and Events Centre. The festival has continued to run, at the same funding level, utilising Toitoti and other venues within the region. The last festival generated approx. \$40,000 in venue hire revenue for Toitoti.
- 4.4.4 Festivals have become an integral part of cultural, social, and economic landscapes in many cities in New Zealand and around the world. For Hastings, the Hawke’s Bay Arts Festival provides numerous benefits as below:
- 4.4.5 In terms of strategic alignment, The Hawke’s Bay Arts Festival aligns with:

- The programming strategy and objectives of Toitohi Hawke's Bay Arts & Events Centre,
- The Toi-Tū, the regional strategic framework for supporting creatives and creativity in Hawke's Bay, and
- The Council Event Strategy objectives of *celebrating culture & heritage, enhancing civic pride and fostering health and wellbeing*. It also meets the favourable consideration factors or being in the shoulder season and taking place in a Council owned venue.

4.5 Cultural and social benefits are a 'public good' and intrinsic, relying on qualitative data. For that reason, benefits are not easily measurable in terms of a return on investment. A review of journal articles shows a consistent theme of arts festivals providing a positive impact on cultural and social wellbeing, particularly perceptions of quality of life, with the impact varying based on the nature of the festival (tourism or community-centric, programming, etc).

4.6 Depending on programming, some examples of benefits may include:

- **Showcasing local talent:** providing a platform for local artists, musicians, and performers, enriching cultural capability, supporting representation, supporting employment pathways in creative arts, and fostering community pride in Hastings' unique cultural heritage.
- **Community engagement:** Festivals create opportunities for social interaction, fostering a sense of belonging and community cohesion. They also encourage volunteerism and civic engagement.
- **Cultural identity:** The festival enhances the city's cultural identity, positioning Hastings as a vibrant and culturally rich destination to live, work and visit.

4.7 Festivals can contribute economic benefits when promoted as a visitor experience to markets outside of the host region. To date, the Hawke's Bay Arts Festival has focused promotion to Hawke's Bay audiences, including accessible programming for schools.

- **Local economy stimulation:** Festivals can boost local spending on services, goods, and hospitality, supporting employment in the creative arts and events industries. The Event Economics report from Hawke's Bay Arts Festival 2022 showed a negative real change in GDP of—\$24,624. It should be noted the event made a loss of -\$120,000 while also delivering many free and low-cost events in a 'post-COVID' environment.
- **Tourism:** Attracting visitors from outside the region increases occupancy rates in local accommodations, boosts restaurant business, and increases retail sales. This has not previously been a focus for the Festival, but events with a significant offering and effective promotion to target domestic visitor markets can lift occupancy rates.
- **Reputation and visibility:** A successful festival can be leveraged to achieve positive media attention, enhancing Hastings' reputation and visibility as a cultural hub. This aligns with Councils positioning of Hastings.

4.7.1 Many regions with a performing arts venue also host arts festivals. While venues provide access to the arts year-round, there are synergies between venues and festivals that align with Toitohi:

- **Complementary roles:** The festival provides variety and excitement at specific times, while Toitohi ensures continuous access to the arts. This combination broadens the overall audience for the arts. Toitohi also has extensive knowledge of local preferences to support development of a programme that will appeal to audience preferences while providing for exposure for, and testing of, new offerings.
- **Enhanced offerings:** There are synergies between festival programming and Toitohi programming that enhance the city's cultural offerings. Toitohi has a programming strategy that is supported through hosting festival events. Toitohi has a very limited budget for booking events of festival quality and uses a profit-share model. Without a

festival, Toitōi programming would reduce and/or require a higher risk tolerance for booking more shows directly. Arts festivals also enable Toitōi to use spaces in different ways, supporting a dynamic audience experience within the premises.

- **Collective impact:** A shared vision and collective impact approach can increase credibility, leverage funding, and demonstrate the impact of both the festival and Toitōi.

4.7.2 Aligning the Hawke’s Bay Arts Festival with Toitōi can also enhance the venue's benefits for the community, making Hastings a dynamic and culturally vibrant destination. The Festival further enriches our local community and can enhance the perceived quality of life. A new focus on visitor attraction could also support sustained growth and event development.

4.7.3 A review of the Festival recommended a range of changes, the most significant being the move to a Biennial Festival, with the key benefits being:

- **High-quality programs:** More time for planning allows for better curation, attracting notable artists and ensuring a well-thought-out theme or concept.
- **Resource allocation:** Biennial scheduling allows better allocation of financial, human, and logistical resources, leading to a more sustainable event.
- **Economic impact:** A biennial festival can create a more significant economic boost during the festival period, benefiting local businesses more intensely.
- **Inclusivity and Sustainability:** Greater involvement of local community groups and sustainable practices can be planned and implemented.

4.7.4 As a regional example the Dunedin Arts Festival, a biennial event, showcases the potential of such festivals in small cities. It attracts national and international shows, benefits from a diverse funding base, and supports local economic growth by hiring local contractors and promoting local businesses. Dunedin City Council has contributed around \$60,000 per annum over the last four years (down to \$56,000 in 2023) under their Premier Events fund. This represents approx. 13 per cent of festival revenue.

4.8 Arts Inc. Heretaunga Proposal – The Hawke’s Bay Arts Festival

4.8.1 AIH provided its business case (**Attachment 3**) for the continued funding of \$120,000 per annum for a biennial Hawke’s Bay Arts Festival, as required by Resolution E from Council Agenda Item 7, from the Council Meeting held on 23 May 2024.

4.8.2 Councillor agenda discussion on 23 May 2024, reflected concerns about the 3-year funding quantum commitment of \$360,000, the associated risks of fiscal sustainability of AIH and the quantity/quality of Festival events to be delivered. This was based on a period of change which includes the move from annual to the biannual event, compounding economic impacts (COVID-19, Cyclone Gabrielle, inflation), and a change in management. AIH’s proposal includes information to address these concerns and provide Council with confidence for continued investment.

4.8.3 While AIH has requested the continuation of the current funding level of \$120,000 per annum, Resolution E states that a *future Council decision may amend the \$120,000 funding allocation*.

4.8.4 Council’s investment of \$120,000 per annum in the festival represents less than 25 per cent of the total cost of the event. The core funding from Council enables AIH to leverage sponsorship and grants (along with ticket sales and concessions revenue) to cover the full costs.

4.8.5 Council is a core funder of AIH who relies on the total Council funding of \$344,000 to provide a range of activities benefiting community wellbeing. A reduction in the total funding package may impact on other outcomes funded through Council grants. AIH’s business plan (Attachment 2) provides an overview of its full revenue model.

4.8.6 Due to Councils three-year Long-Term Plan (LTP) cycle with the biennial festival cycle, the multi-year grant will deliver one festival in this LTP (with smaller activations in the two off-years), and, pending continued funding, two festivals (with smaller activations in the one year between).

- 4.8.7 The funding agreement term could be amended to align with the festival cycle (2-year or 4-year term). This would allow contract management to align with post-event reviews. However, the negative outcome is that future funding decisions would be out of step with the broader event funding allocation decisions, which feeds into the LTP budget cycle.
- 4.8.8 Risks relating to non-performance can be managed through the Contract milestones (subject to adherence to Contract Dispute Resolution processes). Council could cancel the Contract for non-achievement of milestones, thus mitigating any future funding risks.
- 4.8.9 Given the context of Council's fiscal position, the change to a biennial festival, an initial 2-year term would enable the Festival to run one full cycle, at which point both parties can review outcomes and learnings, refining any future funding agreement to reflect any learnings. Subsequent terms can then align with LTP cycles (e.g. a 4-year agreement starting 2026/2027 will realign with LTP going forward).

4.9 Alternatives opportunities for budget allocation

- 4.9.1 As an alternative to funding an arts festival, the set-aside funds may be fully or partially reallocated across one or more investment areas, aligned to the Events Strategy and/or other Council outcomes set out in the LTP. Alternatively, they may be re-absorbed as budget savings. Examples include but are not limited to:
- Funding for significant events of strategic value (visitor attraction, economic activity, community wellbeing).
 - Regional events fund, for general event attraction across a range of venues.
 - Attracting large-scale events to Tōmoana Showgrounds (e.g. music concerts, festivals, expos).
 - Go to the market for event proposals (with the option to weight for desired benefits, which may include social and cultural well-being and/or economic outcomes).
 - Resume Contestable Community Events Fund
 - Re-establishment of Contestable Community Events Fund (closed in 2023 due to funding restrictions)
 - Increase investment in urban centre vibrancy.
 - Increase city centre activations fund – events in Hastings, Havelock North and Flaxmere to support vibrancy and economic activity throughout the year.
 - Increase vibrancy fund – increase funds for installation art and projection art.
 - Activation budget for Council-owned or affiliated venues within the city centre (Angle's Gym, Waiaroha as examples).
 - Reinvest in Toitōi programming and activation.
 - Increase programming budget.
 - Fund more free community arts activations.
 - Asset investment
 - Permanent stage for Tōmoana Showgrounds (supporting future event attraction, hireage of the venue and associated benefits)
 - Replacement of temporary stage used for small events (at end of life – no funding to replace)
 - Budget savings

- The events budget is reduced by \$120,000 as an operational saving. As the Council is borrowing for operational costs, this reduction in spending would align with the Financial Strategy.

5.0 Options – Ngā Kōwhiringa

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

5.1 That Council approve the AIH Business Plan for the Hawke’s Bay Arts Festival and releases Council-approved funding at the reduced amount of \$60,000 per annum for two years (\$120,000 across 2024 to 2026). A Contract for Service will be enacted to satisfy the requirements of Section 17A of the Local Government Act 2002.

Advantages

- Provides annual funding in support of the Hawke’s Bay Arts Festival.
- Enables AIH to unlock other external funding critical to achieve revenue targets.
- Opportunity to realign funding level following the re-opening of Toitōi.
- Provides Council with options relating to the balance of funds as per 4.9.1, including budget savings or driving alternative outcomes through reinvestment.
- Given the scale and frequency of the AIH event proposal, \$60,000 per annum is a more appropriate level of funding, providing AIH with critical seed funding while increasing accountability on AIH to secure more external funding or right-size the event.
- Two-year initial contract for first ‘cycle’ enables refinement of any future funding agreement based on event/contract KPI review.

Disadvantages

- The business plan presented by AIH may result in a diminished offering or not be delivered at all due to the reduction in funding, resulting in a reduction in benefit.
- The reduction in funding may impact wider AIH activities beyond the festival (and thus impact outcomes sought through the other funding agreements between Council and AIH).
- Potential reduction in community outcomes relating to social and cultural wellbeing, either due to reduced Festival offering/AIH activities and/or reduced events investment.

Option Two – Alternative - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī

5.2 That Council approve the AIH Business Plan for the Hawke’s Bay Arts Festival and releases Council-approved funding of \$120,000 per annum for three years (2024 to 2027). A Contract for Service will be enacted to satisfy the requirements of Section 17A of the Local Government Act 2002.

Advantages

- Provides annual funding in support of the Hawke’s Bay Arts Festival.
- Aligns funding with AIH budgets provided in the business plan.

Disadvantages

- Council will not have funding for the alternative options set out under 4.9.1, including budget savings.

Option Three – Alternative - Te Kōwhiringa Tuarua – Te Āhuetanga o nāianeī

5.3 That Council does not approve the AIH Business Plan detailing the events programme and expected outcomes of the Hawke's Bay Arts Festival, and declines the request for funding.

Advantages

- Provides Council with options relating to the balance of funds as per 4.9.1, including budget savings or driving alternative outcomes through reinvestment.

Disadvantages

- No Hawke's Bay Arts Festival in 2025.
- Loss of funding may have a detrimental impact on wider outcomes delivered by Arts Inc. (including outcomes funded under separate agreements).
- Potential reduction in community outcomes relating to social and cultural wellbeing.

Attachments:

1	↔ Funding - Arts Inc. Heretaunga 23 May 2024 Council Report	CG-17-1-01068	Vol 1
2	Arts Inc. Heretaunga Business Plan(Attachment 2) <i>Confidential in accordance with Section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987</i>	CG-17-1-01069	Vol1
3	26724 HBAF Proposal (updated attachment 3) <i>Confidential in accordance with Section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987</i>	CG-17-1-01083	PX Attachments
4	↔ TAFT letter - HBAF	CG-17-1-01071	Vol 1
5	↔ Letter of Support HBAF Cellar 495	CG-17-1-01072	Vol 1
6	↔ DAF Letter Of support HBAF	CG-17-1-01073	Vol 1
7	↔ Support of funding for HBAF(2)	CG-17-1-01084	Vol 1
8	↔ Letter of support - Richard Brimer (AIH)	CG-17-1-01089	Vol 1
9	↔ Letter of support for AIH to HDC Small halls	CG-17-1-01118	Vol 1

Tuesday, 27 August 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Te Rārangi Take

Report to Council

Nā:
From: Louise Stettner, Manager, Democracy & Governance Services

Te Take:
Subject: Proposed Amendments To Schedule Of Meetings

1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

1.1 The purpose of this report is to consider amendments to the schedule of Council and Committee Meetings for the 2024 Meetings Calendar which was adopted by Council on 14 November 2023.

1.2 The Local Government Act 2002, Schedule 7, Clause 19 states:

“A local authority must hold meetings at the times and places that it appoints”.

If a local authority adopts a schedule of meetings-

a) The schedule-

i) may cover any future period that the local authority considers appropriate, and

ii) may be amended.

Although a local authority must hold the ordinary meetings appointed, it is competent for the authority at a meeting to amend the schedule of dates, times and number of meetings to enable the business of the Council to be managed in an effective way.

1.3 It is proposed that the meeting schedule be amended as outlined in the recommendations of this report.

2.0 Recommendations - Ngā Tūtohunga

A) That Council receive the report titled Proposed Amendments To Schedule Of Meetings dated 27 August 2024.

B) That Council adopt changes to the 2024 Schedule of Meetings as follows:

From Friday 20 September 2024, 10:30am To Monday 7 October 2024, 1pm Council Chamber	Postponement	Joint Waste Futures Project Steering Committee
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Attachments:

There are no attachments for this report.

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

TUESDAY, 27 AUGUST 2024

Item 10

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:

- 11 Brookvale Development Agreements & Land Acquisition
- 12 Flaxmere Commercial Transaction
- 13 Wairatahi Development Agreement
- 14 Puketapu Bridge Replacement - Approval of Separable Portion 4 of the Contract

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>
11 Brookvale Development Agreements & Land Acquisition	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). To protect ongoing third party negotiations.	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.
12 Flaxmere Commercial Transaction	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). To enable completion of sale and purchase negotiations..	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.

13 Wairatahi Development Agreement

Section 7 (2) (i)

The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). To protect third party negotiations.

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.

14 Puketapu Bridge Replacement - Approval of Separable Portion 4 of the Contract

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. Commercially Sensitive Information.

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.