

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Hastings District Rural Community Board Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Monday, 16 September 2024**

Te Wā:
Time: **2.00pm**

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: **Transportation Manager - Jag Pannu**

Hastings District Rural Community Board – Terms of Reference

The Community Board is a separate entity to the Council. The role of the Community Board is set out in Section 52 of the Local Government Act 2002. The Council is authorised to delegate powers to the Community Board.

Membership (7 members)

- Chair (elected by the Board).
- Deputy Chair (elected by the Board).
- 4 Elected Community Board Members.
- 1 Mōhaka Ward Councillor.
- 1 Kahuranaki Ward Councillor.
- 1 Takitimu Ward Councillor.
- 1 non-voting Youth Council appointee.

Quorum – 4 members

DELEGATED POWERS

General

- 1) To maintain an overview of services provided by Council within the Community Board's area.
- 2) To represent, and act as an advocate for, the interests of the community represented.
- 3) To consider and report on all matters referred to the Board by Council, or any matter of interest or concern to the Community Board.
- 4) To communicate with community organisations and special interest groups within the community.
- 5) To undertake any other responsibilities that are delegated to it by Council.
- 6) To appoint a member of the Community Board to organisations approved by the Council from time to time.

Long Term Plan/Annual Plan/Policy Issues

Authority to make a submission to the Long Term Plan/Annual Plan process on activities, service levels and expenditure (including capital works priorities) within the Board's area or to make a submission in relation to any policy matter which may have an effect within the Board's area.

Roading and Traffic

Authority to exercise the Council's powers and functions in relation to roads within the Board's area under the following sections of the Local Government Act 1974:

- Section 335 (vehicle crossings);
- Section 344 (gates and cattle stops);
- Section 355 (overhanding trees).

Authority to exercise the Council's statutory powers in accordance with Council policy (including any relevant powers conferred by bylaw) over roads within the Board's area in respect of;

- Road user behaviour at intersections.
- Controls on stopping or overtaking.
- Controls on turning.

- Pedestrian safety.
- Footpath maintenance and improvements.
- Accident investigation studies, lighting and other safety works.

For the avoidance of doubt, nothing in this delegation authorises a Community Board to deal with a matter, in the exercise of delegated authority, in a manner which is in conflict with any policy or decision of Council or any standing committee of Council in relation to the same matter.

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Hastings District Rural Community Board Meeting

Kaupapataka

Agenda

Heamana

Chair: Jonathan Stockley

Deputy Chair: Isabelle Crawshaw

Vicki Scoular and Abby Morley

Mematanga:

Committee Members:

Ngā KaiKaunihera

Councillors: Ana Apatu, Marcus Buddo and Tania Kerr

Youth Council appointee: - Theo King

Tokamatua:

Quorum:

4 members

Apiha Matua:

Officer Responsible:

Kaiwhakahaere Rōpū

Transportation Manager: Jag Pannu

Te Rōpū Manapori me te

Kāwanatanga:

Democracy & Governance

Services:

Louise Stettner (Ext 5543)

Te Rārangi Take

Order of Business

Apologies – Ngā Whakapāhatanga

- 1.0** 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.
-

2.0 *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.

Confirmation of Minutes – Te Whakamana i Ngā Miniti

- 3.0** Minutes of the Hastings District Rural Community Board held Monday 10 June 2024.
(Previously circulated)
-

- 4.0** **Chairperson's Verbal Update** **9**
-

- 5.0** **Cyclone Gabrielle Recovery Report Q4 April - July 2024** **11**
-

- 6.0** **Rural Transportation Activity Report** **15**
-

- 7.0** **Community Resilience Programme Update** **19**
-

8.0 Rural Halls Maintenance Fund - Cost-saving Options **23**

9.0 Rating Area 2 Financial Result for the Year Ending 30 June 2024 **29**

10.0 Minor Items – Ngā Take Iti

11.0 Urgent Items – Ngā Take Whakahihiri

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

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

Te Take:
Subject: **Chairperson's Verbal Update**

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

- 1.1 The purpose of this report is for the Chairperson of the Rural Community Board to provide a verbal update.

2.0 Recommendations - *Ngā Tūhunga*

That the Hastings District Rural Community Board receive the report titled Chairperson's Verbal Update dated 16 September 2024.

Attachments:

There are no attachments for this report.

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Item 5

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: **Gus Charteris, Manager - Recovery & Special Projects**

Te Take:
Subject: **Cyclone Gabrielle Recovery Report Q4 April - July 2024**

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

- 1.1 The purpose of this report is to provide the Rural Community Board (RCB) with an update of Council's Cyclone Gabrielle Recovery work programme for the period covering April - July 2024.
- 1.2 This report was presented to the Strategy and Recovery Standing Committee on 1 August 2024 and is being presented today to RCB for information purposes only, with no decision required.
- 1.3 The report seeks to provide an overall picture of how Council is meeting its recovery objectives by utilising the structure of Council's Cyclone Gabrielle Recovery Framework, adopted in December 2023.
- 1.4 The Recovery Framework organises Council's recovery workstreams into six main Pou:
 - Resilient Infrastructure
 - Whānau and Community Resilience
 - Category 3 Voluntary Buy-out programme
 - Environmental Resilience
 - Economic Growth
 - Primary Sector
- 1.5 These Recovery Pou are also supported by the Support Pou, consisting of finance, communications and engagement and building recovery. These support functions have been included in the report to ensure a full picture of the recovery work programme can be communicated.

1.6 Highlights in the Cyclone Gabrielle Recovery Report Q4 May – July 2024 (Attachment 1) have been summarised below:

- Significant progress has been made in providing Category 3 property owners with pathways to resettle in safer areas and remove the intolerable risk to life that resides in residential dwellings in Category 3 areas.
 - Around 98% of owners actively engaging in process.
 - 90% of eligible property owners have received an offer; 80% have approved the offer; and 70% have settled.
 - The Voluntary Buy-out Office (VBO) continues to proactively engage with remaining owners. Officers expect over 90% of owners will have reached a decision before 24 Oct 2024 (1yr since opening).
 - Demolition is complete (or not needed) for 44% of properties.
 - Forecasts of the full cost of the programme continue to indicate Council will come in around the \$50m cap.
- The recent flooding event in Haumoana showed Council’s resourcing and investment in community resilience training, community civil defence hubs, welfare supplies and ongoing engagement with community hub leads was a key factor in a well-planned and effective response to the local State of Emergency.
- This quarter saw the release of the Regional Recovery Agency’s Te Matau-a-Maui Hawke’s Bay Regional Recovery Plan 2.0. The purpose of the plan is to set out regional level medium to longer-term recovery goals for Hawke’s Bay, together with proposed programmes and actions for achieving them.
- The Governor-General’s visit to cyclone-affected communities in Hawke’s Bay occurred this quarter, with her hosting a special event in Hastings to give recognition of members of the community for their significant input and contribution in the recovery of the region since Cyclone Gabrielle.
- The marking of the completion of the first major transport rebuild project took place during this reporting period, with the formal opening of the Chrystal Twin Culvert destroyed during Cyclone Gabrielle. Other key updates from the Transport Recovery work programme include:
 - The establishment of the Infrastructure Recovery Supplier Panel.
 - The contract for the first major package of recovery work on Taihape Road has been awarded and work is underway.
 - Rebuilds are progressing well at Puketapu, Kereru and Matapiro.

1.7 Council’s successful funding allocation from the Lottery Hawke’s Bay Community Te Matāu a Māui Regional Recovery fund for \$854,500 to support the development of additional community hubs with a focus on the Pacific Community. Council has also received a further \$200,000 from the New Zealand Red Cross to support community recovery.

1.8 The Community Wellbeing team have provided a separate report for this meeting on their work with the community resilience programme, including progress updates on the funding and establishment of the above-mentioned community emergency hubs across the district as a result of Cyclone Gabrielle.

1.9 The Transport team have also provided a separate report for this meeting to update the Board on their work programme, including updates on the cyclone recovery repair works on damaged roads, bridges, and culverts in rural areas.

2.0 Recommendations - Ngā Tūtohunga

- A) That the Hastings District Rural Community Board receive the report titled Cyclone Gabrielle Recovery Report Q4 April - July 2024 dated 16 September 2024.
- B) That the Hastings District Rural Community Board notes key highlights outlined in the Cyclone Gabrielle Recovery Report:
- Council’s decisions on 23 May 2024 to provide a timeframe for completion of the Voluntary Buy-out process, including timeframes relating to owner engagement, have been successful in motivating some owners to engage and/or re-engage in the process.
 - Council’s investment in community resilience training, community civil defence hubs, welfare supplies and ongoing engagement with community hub leads was a key factor in a well-planned response to the State of Emergency situation in Haumoana.
 - Council’s effective response to the recent flooding event in Haumoana was also a reflection of Council’s commitment following the Cyclone to build and improve community resilience and emergency response across all communities in Hastings.

Attachments:

- [1](#) Final Cyclone Gabrielle Recovery Report Q4 April - July 2024 CG-17-32-00100 Vol 1

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: Adam Jackson, Transportation Operations Manager

Te Take:
Subject: Rural Transportation Activity Report

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 This report is to update the Rural Community Board with the Rural Transportation Programmed Project Status and Activities Report.
- 1.2 This report concludes by recommending that the report be received.

2.0 Recommendations - *Ngā Tūtohunga*

That the Hastings District Rural Community Board receive the report titled Rural Transportation Activity Report dated 16 September 2024.

3.0 2024/2025 Major Works Programme

- 3.1 The 2024/25 financial year is the first portion of the 2024-27 Long Term Plan programme.
- 3.2 The following is the status of the final Area Wide Pavement Treatment programme for the 2024/25 financial year and beyond.

Road	Section	Status/Impact
Kererū Road	Maraekakaho to Aorangi Road – 5km	Large section of this road partially affected by the effects of TC Gabrielle, predominantly significantly increased quarry loadings. Design is

Road	Section	Status/Impact
		underway with construction proposed this summer.
Matapiro Road	Km7 to km10	Large section of this road partially affected by the effects of TC Gabrielle, predominantly significantly increased quarry loadings. Design is underway with construction proposed this summer.

- 3.3 NZTA have not funded any low cost/low risk projects, associated improvements, public transport infrastructure or walking/cycling improvements in the 2024-27 LTP. The last of the Taihape Road bridges needing guardrailling as part of our high risk rural road programme was Pukehoumoamo Bridge. The guardrailling on this bridge will now need to be funded from other budgets, or wait until NZTA fund this type of project again.

4.0 Speed Limit Review

- 4.1 Council is awaiting the outcome of the Setting of Speed Limits Rule review before deciding how we proceed with future speed limit changes. The timeframe for this is Q1 2026.

5.0 Bridge Update

- 5.1 Waikoau Gorge repairs are complete. The bridge now has capacity to carry up to a 30T limit with required permits. Design is on hold on further strengthening to allow 50max units to go over this bridge.
- 5.2 An informal workshop will be held by Jim Mestyaneck on other bridge programme works including Darky Spur and Waikaou Roads.

6.0 Ex TC Gabrielle - Contractor Supplier Panel

- 6.1 A Contractor Supplier Panel contract has been let with four (4) contractors selected as the preferred contractors to undertake a large portion of the recovery works on slips, culverts and road pavement. Bridge replacement works do not form part of these contracts.
- 6.2 Taihape Road slip works have been awarded to TW Contractor Ltd, and works has commenced on these. The work programme is for 12 months with sealing taking place during Spring-Autumn months only.
- 6.3 Dartmoor slip works value exceeds the Chief Executives financial delegations, and a separate paper will be taken to Council for this package.
- 6.4 Glengarry slip package has been awarded to Tūpore. These works are expected to take 12 months to complete.
- 6.5 Puketitiri slip package has been awarded to Downer NZ Ltd. These works are expected to take 15 months to complete.

7.0 Kereru Gorge 3 – Update

- 7.1 A verbal update will be provided by Francois van Eeden who is Hastings District Councils clerk of works for this project.


8.0 Waka Kotahi Update

- 8.1 Verbal update provided by Waka Kotahi staff.

9.0 Works Update

- 9.1 **Attachment 1** will provide the Board with a photographic snapshot of activities undertaken between June 2024 and August 2024.

Attachments:

1 	Transport - Roads General (See notes) - Rural Community Board Photos - June 2024 to August 2024	TR-8-24-10157	Vol 2
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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*

This report promotes the performance of regulatory functions for the purpose of providing safe, reliable, and efficient transport networks.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

No known impacts for tangata whenua over and above the impact on the rural district.

Sustainability - *Te Toitūtanga*

This is a progress report and sustainability issues are not addressed.

Financial considerations - *Ngā Whakaarohanga Ahumoni*

The works identified within this report are within existing budgets.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This report has been assessed under the Council's Significance and Engagement Policy as being of minor significance. Individual projects will have been addressed under the significance and engagement policy during the planning and decision-making phase of those projects.

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

No consultation is required as part of this report.

Risks

Risk management and mitigation issues have been addressed in project planning and organisational health and safety policies. The major risk noted in this report is the potential for increase in tender costs in the maintenance contract rewrite. There are many ways to manage this risk such as decreased level of service, increased funding (and rate take), loan funding projects and negotiations with successful tenderer.

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

The Rural Community Board will have an interest in the operations and transportation activities within the DRA2 rating area.

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Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā: Steffi Reeves-Bird, Risk Manager
From: Regan Smith, Chief Risk Officer
Kirstin Thompson, Manager Community Development

Te Take:
Subject: Community Resilience Programme Update

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The purpose of this report is to provide the Rural Community Board with a progress update on the community resilience programme across the Hastings District, including the spend of allocated external funding and establishment of community emergency hubs.

1.2 Funding update

- The Red Cross funding grant project for Community Emergency Hubs totalling \$915k (Tranche 1) is nearly completed, with 81% of the total fund allocated.
- The Ministry for Primary Industries (MPI) funding grant totalling \$1.37m is underway, following a similar process as the Red Cross Tranche 1 funding with 91% of the total fund allocated.
- Council has also been successful in receiving further funds from Department of Internal Affairs (DIA) totalling \$854,100 and Tranche 2 funding from Red Cross of \$200k. We are working through developing the project plans for and allocating funds to communities with a focus continuing rural isolated, Marae and Pasifika.

1.3 Community Emergency Hub establishment

- Across the Hastings District, 38 communities (**Attachment 1**) have been initially identified for the community resilience building programme, for which the work is being rolled out collaboratively between the community connector and risk teams.
- The 38 identified communities include a range of rural, coastal and peri-urban locations, and marae groups, with varying degrees of impact experienced during Cyclone Gabrielle.
- The community resilience building programme has been split into a six-step pathway, including:

- Community carousel workshop where communities identify their hazard risk profile, the potential impacts and responses, as well as the key gaps/issues/challenges to be considered.
 - Development of a community resilience plan.
 - For their specific hub location/s, development of a community emergency hub guide.
 - Distribution of Civil Defence wheelie bins and community emergency hub kits.
 - Community emergency hub training for those identified as likely to be involved in standing up or operating a community emergency hub.
 - Lastly, an open day to show the wider community the community emergency hub and how they could help each other during and after an emergency.
- Of the 38 communities identified, progress through the six steps is outlined in the table below. The hub programme is a key area of focus for the Community Connector and Risk teams and every effort is being made to work through the programme with communities as quickly as practicable. In this context the readiness and capacity of communities to engage in the process is a key factor that ultimately determines how quickly progress can be made.

Phase / Step	Communities completed	Communities scheduled / in progress
Carousel workshop	12	0
Community resilience plan	0	15
Community emergency hub guide	0	15
Delivery of Civil Defence wheelie bin and hub kit	23	15
Community emergency hub training	2	5
Community open day	1	1

- 1.4 To ensure the resilience plans are fit for purpose the community resilience building programme is being run as a community led process. This has entailed identifying and collaborating with key community contacts within each area to adapt the six-step pathway to suit local needs. From this experience Officers have found that the majority of rural communities have active members who have been enthusiastic about the programme and have been providing invaluable information and help to connect with the wider community.
- 1.5 Even with this level of local support, Officers have found that engagement with the wider community has been hard to achieve. In some cases, despite the local community leaders advertising workshops on a number of occasions, the community turnout to the workshop has been as few as 4 people. This has presented challenges collecting the information needed for the resilience plan and has limited the ability to share information about emergency resilience with the majority of community members to lift overall readiness.
- 1.6 Officers are adjusting the planning approach as much as possible to cater to the level of engagement in each community, but would appreciate advice from the Committee on ways to lift awareness of resilience planning amongst rural communities.

2.0 Recommendations - *Ngā Tūtohunga*

That the Hastings District Rural Community Board receive the report titled Community Resilience Programme Update dated 16 September 2024.

Attachments:

- | | | |
|---------------------|--|------------------|
| 1 ↓ | List of Community Emergency Hubs by Funding Category | EMG-11-0001-0015 |
|---------------------|--|------------------|

HERETAUNGA HASTINGS

Emergency Hub Update

MPI Funding

1. Kererū
2. Eskdale
3. Rissington
4. Tangoio
5. Dartmoor (Upper)
6. Dartmoor (Lower)
7. Sherenden
8. Matapiro
9. Waiwhare
10. Puketitiri
11. Pātoka
12. Te Pōhue
13. Putorino (Waikare)
14. Waikōau
15. Tūtira (Tutira Hall)
16. Kaiwaka Hall (Tūtira)
17. Tūtira (Tūtira School)
18. Te Hāroto Marae
19. Mōteo Marae
20. Waimārama

Funded direct by MPI:

1. Waipuka (Ocean Beach)
2. Maraetōtara
3. Matapiro
4. Ōmāhu
5. Maraekākaho

Red Cross Funding

1. Twyford Hall
2. Clive Hall
3. Haumoana Hall
4. Whirinaki
5. Petāne Marae
6. Havelock North Community Centre
7. Waipatu Marae
8. Pakowhai Hall
9. Pakipaki
10. Te Hauke Marae
11. Puketapu
12. Poukawa
13. Pacific hubs (x5)
14. Timi Kara
15. Red Shed
16. Waiohiki Marae

DIA Lottery Community Recovery Funding

1. Moteo Marae
2. Omahu Marae
3. Waiohiki Marae
4. Hougarea Marae
5. Te Hauke Marae
6. Korongata Marae
7. Eskdale Hub
8. Twyford Hub
9. Haumoana Hub
10. Waipatu Marae
11. Pakowhai Hub

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Item 8

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: **Emma Morgan, Community Strategies Manager**

Te Take:
Subject: **Rural Halls Maintenance Fund - Cost-saving Options**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to seek a recommendation for Council from the Hastings District Rural Community Board, on behalf of the Rural Halls Subcommittee, to reduce the Rural Halls Maintenance Fund budget for 2024 - 2027.
- 1.2 Officers have identified a number of 2024 – 2027 cost-saving and efficiency options following a direction from Council. One of those is to reduce the Rural Halls Maintenance Fund 2024 – 2027.
- 1.3 There are 23 halls recognised in the Hastings District rural hall network. Through the Government’s Cyclone Gabrielle recovery funding, seventeen of these halls have recently received capital funding to contribute to community resilience.
- 1.4 Although many halls have benefited from recent capital investment, most are experiencing increased operational costs. In response to this, the Rural Halls Maintenance Fund Policy was reviewed to enable a \$2,000 annual payment to each of the 23 halls per annum for operational or capital costs. The fund has been allocated this financial year (2024/2025) via a Council resolution but has not yet been paid. Future years have yet to be allocated. If the allocation for the current financial year is to be altered, this will require a further Council resolution.
- 1.5 Various options for retaining, withdrawing and reducing the Rural Halls Maintenance Fund are outlined in this report.

2.0 Recommendations - *Ngā Tūhunga*

- A) That the Hastings District Rural Community Board receive the report titled Rural Halls Maintenance Fund - Cost-saving Options dated 16 September 2024.
- B) That the Hastings District Rural Community Board notes Council's request for cost-saving and efficiency options to be identified.
- C) That the Hastings District Rural Community Board recommends that Council reduce the 2024/2025, 2025/2026 and 2026/2027 Rural Hall Maintenance Fund to \$23,000 to enable a \$1000 grant per annum to each hall in the network.

3.0 Background – *Te Horopaki*

- 3.1 Hastings District Council (HDC) identifies 23 rural halls in the district network. All the halls are in community ownership, with the exception of Haumoana and Kaiwaka Halls which are owned by HDC but operated by community organisations.
- 3.2 The Rural Halls Subcommittee has an annual allocation of \$50,000 to distribute to rural halls in accordance with the Rural Halls Maintenance Fund Policy. Previously payment was in response to applications for maintenance or capital project funding.
- 3.3 Post Cyclone Gabrielle, around \$1million of external funding has been invested in the rural hall buildings by Ministry for Primary Industries, Red Cross and Lotteries, to contribute to community resilience. Seventeen of the halls have benefited and further funding is tagged for this financial year. Six hall buildings that haven't and are unlikely to benefit from the resilience funding are Puketapu Hall, Farndon Park Hall, Raukawa Hall, Te Awanga Community Hall, St Therese Hall Whakatū and Waimārama and Maraetotara Memorial Hall.
- 3.4 Due to this significant investment, and the recognition that some of the capital improvements (such as heat pumps and generators) and the increased use of halls have caused an increase in operational costs, the Hastings District Rural Community Board recommended to Council to adopt an amended Rural Halls Maintenance Fund Policy on 26 February 2024. This was adopted by Council on 14 March 2024. The amended policy provides the halls with an assured annual payment that can be allocated to operational costs as well as capital projects. The amended policy changed the distribution approach from applications-only, to an annual distribution of \$2000 to each rural hall. Based on this resolution, \$46,000 has been allocated to the halls in 2024/2025, with an additional \$4000 ringfenced for group trainings and workshops for the halls' committees (particularly around funding).
- 3.5 There is a desire from the Rural Community Board that the halls develop asset maintenance plans and this year's funding be encouraged for use for that purpose.
- 3.6 The broader economic landscape in New Zealand has changed with higher inflation and higher interest rates. Compounding the challenges faced by HDC is the financial impact of Cyclone Gabrielle which will be felt for some time as Council rebuilds damaged roads, bridges, funds its cyclone response and its share of property buy outs. These are all putting pressure on Council finances.
- 3.7 Council adopted a Financial Strategy as part of the Long Term Plan setting out how Council will financially manage over this next period. As part of this Strategy, the officers have been asked to find year on year savings of \$2.7M. The savings proposed below should be read in the context of the overall Council financial position and these being part of the identified year on year savings.

3.8 Although the 2024/2025 Rural Halls Maintenance funding has been allocated, no payments have been made. This enables Council to look at cost-savings in line with the Financial Strategy discussed above.

4.0 Discussion – *Te Matapakitanga*

4.1 The rural community were part of the Rural Halls Maintenance Fund policy review and expressed a desire for a small amount of guaranteed annual funding for operational expenses, rather than a larger contestable funding pot. This is the first year that the new policy is in place. Although none of the halls have invoiced HDC yet, some of the halls are aware of the policy change and the resolution is public. There is a risk of negative feedback from the halls that are welcoming and expecting the \$2000 payment this year.

4.2 The Rural Halls Subcommittee has delegation to recommend grant allocations to Council. As Council adopted these allocations for 2024/2025, an amended resolution would be required.

4.3 From an asset maintenance and capital development perspective, withholding Council's funding may have a limited impact on those halls that have benefited from the recent capital investment. It is noted however that some halls still have maintenance requirements as they did not meet the resilience funding criteria, and six of the halls did not receive any of the resilience funding. It is also acknowledged that some of the capital improvements have created new operational expenditure (such as maintenance and fuel for generators and battery renewals for halls that received direct grants for solar).

4.4 Through the resilience funding, there is a higher expectation on the halls to be ready and accessible for the community. This brings ongoing operational costs to the halls. The rural halls are not reliant on Council's funding, but other funding avenues are becoming increasingly difficult to obtain, so annual operational funding would provide the halls with some certainty of income and reduce the operational fundraising stress.

4.5 As Council does not own most of these halls, the funding has historically provided staff with an avenue to work with these halls, however, many of the halls are now in the Community Emergency Hub network which regularly meet and share information.

4.6 Halls intending to use this year's funding to develop asset maintenance plans, will likely delay this work. Without the funding, Council can still supply templates, but will have no mandate to ensure these plans are developed.

4.7 There are five cost-saving options to consider and one status quo option. Due to the current fiscal environment and the Council direction to identify cost-saving options, there are no options to increase the Rural Halls Maintenance Fund budget.

- **Option 1:** Retain the \$50,000 budget for 2024/2025, 2025/2026 and 2026/2027.
- **Option 2:** Remove the full \$50,000 budget for 2024/2025, 2025/2026 and 2026/2027.
- **Option 3:** Partially reduce the budget over the three years from 2024 – 2027.

Option 3a: Retain the full 2024/2025 budget and work with the halls to identify future funding avenues, then reduce the 2025/2026 and 2026/2027 budgets to \$23,000 to provide \$1,000 funding to each hall.

Option 3b: Remove the \$50,000 budget for 2024/2025 and reinstate a partial budget (\$23,000) to provide \$1000 for all halls in 2025/2026 and 2026/2027.

Option 3c: Reduce the 2024/2025 budget to \$12,000 to provide \$2000 funding for the six halls that have not benefited from the external resilience funding and reinstate a partial budget (\$23,000) to provide \$1000 for all halls in 2025/2026 and 2026/2027.

Option 3d: Reduce the budget to \$23,000 to provide \$1000 funding for all halls for 2024/2025, 2025/2026 and 2026/2027.

4.8 Cost-saving summary of options:

	Option 1	Option 2	Option 3a	Option 3b	Option 3c	Option 3d
2024/2025	-	\$50,000	-	\$50,000	\$38,000	\$27,000
2025/2026	-	\$50,000	\$27,000	\$27,000	\$27,000	\$27,000
2026/2027	-	\$50,000	\$27,000	\$27,000	\$27,000	\$27,000
Total savings over 3 years	\$0	\$150,000	\$54,000	\$104,000	\$92,000	\$81,000

4.9 Option 1 does not provide Council with any cost-savings and does not recognise the recent resilience capital investment that most of the rural halls have recently received. It would provide the halls with certainty of some annual income to contribute to rising operational costs.

4.10 Option 2 provides the most cost-savings for Council and recognises the \$1million of external funding that has been invested in the network. It does not recognise non-resilience maintenance works the halls still require, nor the halls' increase in operational costs and the restrictive funding environment.

4.11 Options 3a – 3d balance the need for cost-saving with acknowledgement of the recent external capital investment and the understanding that ongoing operational costs are increasing. These options recognise Council's fiscal position while still providing a level of support to rural halls.

5.0 Options – Ngā Kōwhiringa

Option 3d - Recommended Option - Te Kōwhiringa 3d – Te Kōwhiringa Tūtohunga

5.1 Reduce the budget to \$23,000 to provide \$1000 funding for all halls for 2024/2025, 2025/2026 and 2026/2027.

Advantages

- Partially honours Council's 2024/2025 allocation while recognising recent Government resilience funding.
- Provides the halls with certainty of small annual income.
- Provides a fiscal commitment to halls that supports the ongoing Community Emergency Hub network and relationship between halls and Council.
- Aligns with Council's Financial Strategy.

Disadvantages

- Negative impact on the halls that have planned for the \$2000 funding allocation this year.
- Negative impact on trust and relationship between halls and Council.
- Potential reduction in benefits the halls will receive due to minimal annual contribution per hall (decrease from \$2000 to \$1000).
- A review of the Rural Halls Maintenance Fund Policy will be required.

Option 1– Alternative Option - Te Kōwhiringa One – Te Āhuetanga o nāiane

5.2 Status Quo - Retain the \$50,000 budget for 2024/2025, 2025/2026 and 2026/2027.

Advantages

- Honours Council's 2024/2025 allocation.
- Provides halls with ongoing certainty of annual funding.
- Supports the newly revised Rural Halls Maintenance Fund Policy.

- Acknowledges that other funding avenues are increasingly difficult for halls to obtain.
- Fiscally supports Council's community resilience partnership with halls, in particular the higher expectation on halls to be ready and accessible for the community.

Disadvantages

- Provides no cost-saving benefit to Council.
- Does not recognise the significant capital investment halls have recently received.

Option 2 – Alternative Option - Te Kōwhiringa Two – Te Āhuetanga o nāianeī

5.3 Remove the full \$50,000 budget for 2024/2025, 2025/2026 and 2026/2027.

Advantages

- Provides the most cost-saving benefits for Council.
- Recognises that the halls are not owned by Council and that they have access to other funding sources.

Disadvantages

- Negative impact on the halls that have planned for the \$2000 funding allocation this year.
- Negative impact on trust and ongoing relationship between halls and Council.
- Does not align with the Rural Halls Maintenance Fund Policy.
- Provides increased pressure on halls to participate in the Community Emergency Hub network and partner with Council on resilience planning.

6.0 Next steps – *Te Anga Whakamua*

6.1 The Hastings District Rural Community Board's recommendation will go to Council for adoption.

6.2 If Council adopts the recommendation:

- An additional resolution may be required for the 2024/2025 funding allocation.
- An amendment to the Rural Halls Maintenance Fund Policy will be required.
- The rural halls will be notified of the decision.

6.3 If Council does not adopt the recommendation, the next steps will be dependent on the decision made. If the decision is status quo, the halls will be advised to invoice for \$2000 as per the current resolution and no changes to the Rural Halls Maintenance Fund Policy will be required. If the decision requires an amendment to the current resolution and/or future funding allocation amounts, the steps outlined in 6.2 will be undertaken relevant to the decision made.

Attachments:

There are no attachments for this report.

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-Hāpori](#)

This proposal promotes the social and economic wellbeing of communities in the present and for the future.

Māori Impact Statement - Te Tauākī Kaupapa Māori

There is no significant impact.

Sustainability - Te Toitūtanga

The Rural Halls Maintenance Fund contributes to the financial sustainability of rural halls by providing an annual income towards operational costs.

Financial considerations - Ngā Whakaarohanga Ahumoni

The recommended option provides Council with a cost-saving. Council's fiscal situation has been acknowledged and balanced with the hall's increasing operational costs.

Significance and Engagement - Te Hiranga me te Tūhonotanga

This report has been assessed under the Council's Significance and Engagement Policy as being of low significance.

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

N/A

Risks

Opportunity: To continue supporting rural halls with operational funding.

Rural Community Board – Te Poari Tuawhenua-ā-Hāpori

N/A

Monday, 16 September 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Hastings District Rural Community Board

Te Rārangi Take

Report to Hastings District Rural Community Board

Nā:
From: **Aaron Wilson, Financial Controller**

Te Take:
Subject: **Rating Area 2 Financial Result for the Year Ending 30 June 2024**

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

- 1.1 The purpose of this report is to inform the Hastings District Rural Community Board (RCB) of the indicative rating result for the year ended 30 June 2024.
- 1.2 The indicative General Rate result for Rating Area 2 (RA2) for the 2023/24 year is unfavourable to budget and is a \$211k rating deficit. The results are unaudited and indicative at this stage and consequently there may be some variation to the figures in the result. This RA2 rating deficit is in the context of an overall rating deficit for Council which will be reported to Council's Performance and Monitoring Committee on September 19th.
- 1.3 Given the uncertainties that surrounded the impacts of the cyclone with the estimated recovery costs and the related funding of the impacts of cyclone Gabrielle, the 2023/24 Annual Plan was prepared on the basis of the pre-cyclone draft budget. This was to allow Council to take more time to plan for the cyclone recovery and to allow for a multi-year approach to funding the costs of the cyclone recovery. As such, it was expected that there would be some significant variances to budget.
- 1.4 This report concludes by recommending that the Hastings Rural Community Board recommend to the Performance and Monitoring Committee that the RA2 deficit be funded from the RA2 Transportation NZTA Reserve and the Rural Flood and Emergency Event Reserve.
- 1.5 This report sets out the indicative rating result for the year ended 30 June 2024 for Rating Area 2.

2.0 Recommendations - Ngā Tūtohunga

- A) That the Hastings District Rural Community Board receive the report titled Rating Area 2 Financial Result for the Year Ending 30 June 2024 dated 16 September 2024.
- B) That the Hastings District Rural Community Board recommends to Council that the allocation of the Rating Area 2 Rating Deficit of \$204,836 be funded from existing rating Area 2 Reserves as follows:

2023/24 RA2 Rating	Deficit
RA2 Deficit on General Rate	(\$204,836)
To Be funded by reserves:	
- Rural Flood and Emergency Event Reserve	\$57,181
- Transportation NZTA Fund Reserve Rating Area 2	\$147,655

3.0 The Rating Result

- 3.1 The indicative rating result for the 2023/24 financial year is a negative result for Rating Area 2, a \$211k deficit.
- 3.2 A more detailed breakdown of this result is available in **Attachment 1**.
- 3.3 The Rating result is reflective of the following:
- Higher interest costs driven by higher debt levels and higher interest rates than were forecast in the Annual Plan budgets.
 - A number of other operational impacts that have arisen in the current inflationary and cyclone recovery environment, including insurance, electricity, and contract costs.
- 3.4 The long-term Plan (LTP) 2024-2034, financial strategy that was adopted by Council in July 2024, has a number of key changes in Council's approach to funding expenditure. The practice of setting aside funds in reserves and using these "reserves" to fund projects is no longer fit for purpose. Council is a net borrower of funds and does not have any separate investments to support its reserves, so any utilisation of reserves results in an increase in external borrowings.
- 3.5 As pillar of the Financial Strategy adopted in the LTP at Council will only create and hold reserve funds where:
- There is a legal requirement to do so (restricted reserves such as trusts and bequests).
 - There is a need to manage separate funds such as selected targeted rates and reserves for the Joint Landfill committee.
 - And no reserve balance shall be allowed to go into deficit.
- 3.6 As part of the introduction of this revised approach most existing reserve accounts will be closed and any deficit balances will be converted to debt with interest costs incorporated in budgets.
- 3.7 With these key changes being adopted through the LTP process it is recommended that the deficits incurred from the general rate and the targeted rates be dealt with and funded from those remaining reserves.
- 3.8 The net rating result is shown in the **attached** schedule "Analysis of Year End Result for 2023/24 for Rating Area 2". This shows the budgeted and actual cost for the various activities and the amount

requested to be carried forward. The final column shows the rating surplus or deficit (negative) for the activities.

3.9 The following table shows the rating result for 2023-24:

Description	Rating Area Two
General Rating Deficit	(\$210,944)
Surplus on Targeted Rate Activities	\$6,108
General Rate Deficit for 2023-24	(\$204,836)

4.0 Rating Area 2 Reserve Balances

4.1 The following reserves were used to fund the 22/23 \$5.33m rating area 2 deficit.

- Council General Purpose Reserve RA2
- RA2 Rural Flood and Emergency Reserve
- RA2 NZTA Transport Reserve
- RA2 Capital Reserve.
- Contingency Reserve

4.2 This means that the only reserves remaining with a balance as at 30 June 2024 is as follows below. It should be noted that the Transport NZTA Fund is a reserve where the local share of roading projects not completed are put into the reserve, and then drawn on when the project is completed.


Reserve Description <i>(Interest bearing Y/N)</i>	Balance (\$)
Rural Flood and Emergency Event Reserve (Y)	\$57,181
Rural Fire Contingency Fund (N)	0.00
General Purpose Reserve - Rating Area 2 (N)	0.00
Capital Reserve - Rating Area 2 (N)	0.00
Transportation NZTA Fund Reserve Rating Area 2 (N)	\$922,089

5.0 Allocation of Surplus

5.1 The allocation of the 2023/24 Rating Area 2 deficit is recommended to the Performance and Monitoring Committee:

2023/24 RA2 Rating	Surplus
RA2 Deficit on General Rate	(\$204,836)
To Be funded by reserves:	
• Rural Flood and Emergency Event Reserve	\$57,181
• Transportation NZTA Fund Reserve Rating Area 2	\$147,655

Attachments:

1  RA2 Rating Result

FIN-09-01-24-221

	Rating Area Two			
2023/2024 Summary of Year End Result	Budgeted Net Cost	Actual Net Cost	C/Forwards to 24/25	23/24 Result Surplus(deficit)
Corporate and Customer Services	780,250.59	909,932.83	0.00	(129,682.24)
Community Facilities and Programmes	1,782,606.35	2,098,263.67	0.00	(315,657.32)
Marketing & Communication	468,702.94	495,909.15	0.00	(27,206.20)
Planning and Regulatory Services	1,274,157.00	1,480,352.71	0.00	(206,195.71)
Economic Growth & Organisation Improvement	852,334.85	772,801.33	0.00	79,533.53
Parks and Property Management	1,120,868.38	1,120,868.38	0.00	0.00
Transportation	7,655,635.16	7,544,007.43	0.00	111,627.73
Landfill	0.00	-13,352.67	0.00	13,352.67
Stormwater	77,410.99	50,852.89	0.00	26,558.10
Water Services	0.00	0.00	0.00	0.00
Cemeteries/Crematorium	65,205.16	85,570.29	0.00	(20,365.13)
Recycling Depot & Trsfr Stn	21,523.45	32,628.73	0.00	(11,105.28)
Contingency Fund	10,000.00	15,047.04	0.00	(5,047.04)
Gross Requirement	14,108,694.88	14,592,881.78	0.00	(484,186.90)
Surplus on General Rate				(484,186.90)
Plus Other Revenue & Expenditure Adjustments				
Petrol Tax	-83,290.11	-80,875.10	0.00	(2,415.01)
Other Revenue & Expenditure Adjustments	-225,037.06	-222,622.05	0.00	(2,415.01)
Rates Revenue Surplus				
Provn for Doubtful Debts	35,000.00	4,352.00	0.00	30,648.00
Rates Penalties	-36,720.00	-153,331.62	0.00	116,611.62
Rate Remissions	49,350.00	4,857.66	0.00	44,492.34
Rates Revenue (after Remissions)	-14,193,208.09	-14,470,511.38	0.00	277,303.28
Less extra rates levied for Separate Rates & UACs	0.00	0.00	0.00	(193,397.54)
Rates Revenue Surplus (Deficit)	-14,145,578.09	-14,614,633.34	0.00	275,657.70
Total General Rates Deficit				(210,944.20)
Total Targeted Rates Surplus				6,108.76