

Thursday, 2 May 2024

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Strategy and Recovery Committee Meeting**

*Kaupapataka*

# Agenda

*Te Rā Hui:*  
Meeting date: **Thursday, 2 May 2024**

*Te Wā:*  
Time: **9.00am**

*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](mailto:democracy@hdc.govt.nz)**

*Te Āpiha Matua:*  
Responsible Officer: **Group Manager: Strategy & Development - Craig Cameron**

# Strategy and Recovery Committee – Terms of Reference

## Fields of Activity

The purpose of the Strategy and Recovery Committee is to;

Develop all strategic, policy and planning frameworks for approval by the Committee or Council as required,

Review progress in Cyclone Recovery, make decisions and recommendations to Council relating to the key strategic matters and Council's contribution to Cyclone Recovery. It will also assess the quality of Council's engagement and communications with the Government, key partners and stakeholders, and the community.

## Membership

- Mayor and 15 Councillors
- Chair appointed by Council.
- Deputy Chair appointed by Council.
- Two (non-council) members of the Heretaunga Takoto Noa Māori Standing Committee and an alternate.
- The Chair and Deputy Chair of the Rural Community Board and an alternate.

## Quorum – 11 members

### DELEGATED POWERS

- 1) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in this delegation.
- 2) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law) at any time when the Chief Executive certifies in a report that;
  - a) the matter is of such urgency that it requires to be dealt with, or
  - b) the matter is required to be dealt with, prior to the next ordinary meeting of the Council.
- 3) Establish strategic direction to deliver Council Objectives and District Vision.
- 4) Establish policies and guidelines for decision making to assist in achieving strategic outcomes.
- 5) Establish levels of service across Council services in line with strategic goals and priorities.
- 6) Receive and consider reports from Subcommittees.
- 7) Develop and recommend the financial and infrastructure strategies and budgets for the Long-Term Plan, Annual Plan and Annual Report.
- 8) Develop the Rating Policy for recommendation to Council for adoption.
- 9) Develop Funding Policies for recommendation to Council for adoption.
- 10) Delegations of powers to sub-committee(s) if so established.
- 11) Approve the purchase of and disposal of land (If included in the Long Term Plan).
- 12) Making submissions on behalf of Council to proposals by other organisations/authorities (Local and Regional).

### Cyclone Recovery Delegations

- 13) Receive briefings and reports on key and emerging issues and community wellbeing related to Cyclone Gabrielle.

- 14) Develop and approve strategies and responses to key and emerging issues and make recommendations to the Council as necessary.
- 15) Develop and recommend Locality Plans for Council adoption and oversee and monitor the implementation of Locality Plans.
- 16) Authority to exercise all of Council's powers, functions and authorities in relation to Cyclone Gabrielle Recovery matters within the authorised Council budget (except where prohibited by law or otherwise delegated to another committee), and where insufficient approved budget provision exists, make recommendations to the Council as necessary.
- 17) Assess the quality of engagement and communication with the Government, partners, key stakeholders and the community in respect of cyclone Recovery.
- 18) Receive deputations and presentations from partners, stakeholders and the community in relation to Cyclone Gabrielle Recovery.
- 19) Delegate its powers to sub-committee(s) if so established.
- 20) Make submissions on behalf of Council to proposals by other organisations/authorities in relation to Cyclone Gabrielle Recovery.



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# Agenda

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*Koromatua*

**Chair:** Councillor Wendy Schollum

*Ngā KaiKaunihera*

**Councillors:** Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler, Damon Harvey, Henry Heke, Kellie Jessup, Eileen Lawson (Deputy Chair), Tania Kerr, Simon Nixon, and Kevin Watkins + 2 Vacancies

*Mematanga:*

**Membership:**

Mayor Sandra Hazlehurst

Hastings District Rural Community Board Appointees: Jonathan Stockley (RCB Chair); Izzy Crawshaw (RCB Deputy Chair) OR Vicki Scoular (Alternate)

2 Heretaunga Takoto Noa Māori Standing Committee Appointees: Ngaio Tiuka and 1 x Vacancy as well as 1 x Vacancy (for an Alternate)

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*Tokamatua:*

**Quorum:**

11 members

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*Apiha Matua*

**Officers Responsible:**

Group Manager: Strategy & Development – Craig Cameron

Deputy Chief Executive – Bruce Allan

Strategy Manager – Lex Verhoeven

Principal Advisor: District Development – Mark Clews

Program Manager Growth Infrastructure – Brett Chapman

Strategic Project Manager (Portfolio Lead) – Dean Ferguson

Manager - Recovery & Special Projects – Gus Charteris

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*Te Rōpū Manapori me te*

*Kāwanatanga*

**Democracy &**

**Governance Services:**

Lynne Cox (Extn 5632)



## *Te Rārangi Take*

# Order of Business

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### **Apologies – Ngā Whakapāhatanga**

- 1.0** An apology from Isabelle Crawshaw has been received.  
Leave of Absence had previously been granted to Councillor Fowler

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### **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.

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### **Confirmation of Minutes – Te Whakamana i Ngā Minitī**

- 3.0** Minutes of the Strategy and Recovery Committee Meeting held Tuesday 5 December 2023.  
*(Previously circulated)*

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|------------|---|----------|
| <b>4.0</b> | <b>Petition - To Remove Fluoride from Hastings Drinking Water</b> | <b>9</b> |
|------------|---|----------|

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- |            |   |           |
|------------|---|-----------|
| <b>5.0</b> | <b>Cyclone Gabrielle Recovery Report Q3 February - April 2024</b> | <b>11</b> |
|------------|---|-----------|

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- |            |   |           |
|------------|---|-----------|
| <b>6.0</b> | <b>Category 3 Property Voluntary Buy-out: Demolition &amp; Disposal</b> | <b>15</b> |
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| <b>7.0</b> | <b>Community Wellbeing Subcommittee Chair's Report</b> | <b>23</b> |
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**8.0** Minor Items – *Ngā Take Iti*

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**9.0** Urgent Items – *Ngā Take Whakahihiri*

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**10.0** Recommendation to Exclude the Public from Items 11 and 12 **29**

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**11.0** Sale of Council Land Asset

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**12.0** Update on Council Planning and Investments to enable Residential and Commercial Growth

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Thursday, 2 May 2024

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Strategy and Recovery Committee Meeting**

*Te Rārangi Take*

# Report to Strategy and Recovery Committee

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**Nā:** Louise Stettner, Manager, Democracy & Governance Services  
**From:** Scott Smith, General Counsel

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**Te Take:**  
**Subject:** Petition - To Remove Fluoride from Hastings Drinking Water

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

- 1.1 The purpose of this report is to inform the Committee about a petition received from lead petitioner Ms Angela Hair on 10 April 2024. The petition will be tabled at the meeting.
- 1.2 The petitioner's prayer reads as follows:
- 1.3 *We the undersigned residents in the Hastings and Havelock North area advise Hastings District Council:*
  1. *We do NOT want fluoride added to our drinking water,*
  2. *Your duty is to the communities you serve, not central Government policy,*
  3. *We want the unlawful Director General of Health fluoridation directive to be put on hold,*
  4. *We want urgent consultation as per the requirements under the 2002 Local Government Body Act.*
- 1.4 There are 483 signatories to the petition.

## **2.0 Background**

- 2.1 New Health New Zealand Inc has litigation afoot in which they seek judicial review of the decision to issue the fluoridation orders made by the Director-General of Health (DG). Officers are aware that the High Court has ordered the DG to reconsider an aspect of their decision making in relation to the fluoridation orders, but the Court explicitly refused to quash the orders and has not granted any interim relief. So, the orders remain afoot.

2.2 The High Court also observed that:

*“A local authority that receives a direction from the Director-General under s116E is not required to consult on any matter related to the direction. Furthermore, a local authority must comply with a direction from the Director-General under s116E and, in the event that it does not, it commits an offence of a strict liability nature and is liable to a fine of up to \$200,000 and to a further fine of up to \$10,000 for every day during which the non-compliance continues. Accordingly, a decision of the Director -General requiring a local authority to add fluoride is not something that is subject to local discussion, or that a local authority can resist.”* [para, 26, *New Health New Zealand Incorporated v Director General of Health and another*, 10 November 2023, [2023] NZHC 3183.

2.3 Officers consider that this summary succinctly captures the statutory framework Council is in.

2.4 Council has no operational reason to delay fluoridation, and the Ministry of Health has confirmed to officers that the DG is not suspending or revoking the fluoridation order.

2.5 Officers advise that regardless of any views (councillors or community) the decision to remove fluoridation does not sit with Council anymore, as the order from the DG is still active and that means Council would be breaking the law to remove fluoridation from the Hastings water supply.

### 3.0 Recommendations - Ngā Tūtohunga

- A) That the Strategy and Recovery Committee receive the report titled Petition - To Remove Fluoride from Hastings Drinking Water dated 2 May 2024.
- B) That the tabled Petition regards the Removal of Fluoride from drinking water be received.
- C) That the Committee note that Council’s position on this issue is that regardless of any views (councillors or community) the decision to remove fluoridation does not sit with Council but with the Director General of Health.
- D) That the Committee direct that this petition should be forwarded to the Council’s General Counsel for noting.

#### Attachments:

There are no attachments for this report.

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Thursday, 2 May 2024

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Strategy and Recovery Committee Meeting**

*Te Rārangi Take*

# Report to Strategy and Recovery Committee

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

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*Te Take:*  
Subject: **Cyclone Gabrielle Recovery Report Q3 February - April 2024**

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

- 1.1 The purpose of this report is to provide the Strategy and Recovery Committee with an update on the Council's Cyclone Gabrielle Recovery activities for the period February to April 2024.
- 1.2 This report is for information purposes only, with no decision required.
- 1.3 It is intended to provide an overall picture of how Council is meeting its recovery outcomes by utilising the structure of Council's Cyclone Gabrielle Recovery Framework.
- 1.4 The Recovery Framework has six main Pou or workstreams:
  - Resilient Infrastructure
  - Whānau and Community Resilience
  - Category 3 Voluntary Buy-out programme
  - Environmental Resilience
  - Economic Growth
  - Primary Sector.

These Recovery Pou are also supported by the Support Pou, consisting of finance, communications & engagement and building recovery. These support functions have been included to ensure a full picture of the recovery work programme can be communicated.

- 1.5 The Cyclone Gabrielle Recovery Report Q3 February – April 2024 (attachment 1 to this report) progress highlights can be summarised as follows:


- The Category 3 Voluntary Buy-Out Programme has reached significant milestones this quarter, with the following progress being noted in this report:

- There are 167 eligible Category 3 properties out of a total of 326 Category 3 properties across Hastings District and Napier City (304 and 22 properties respectively).
  - 153 of the eligible Category 3 properties are in Hastings District and 14 of the eligible properties are in Napier City.
  - 152 (91%) initial meetings have been completed so far.
  - 13 property owners representing 15 properties (9% of properties, 8% of property owners) are choosing not to engage in the process at this point.
  - 60 (36%) valuations are pending; 82 (49%) have been completed.
  - 45 (27%) offers are underway; a further 34 (20%) offers have been approved.
  - Overall, 79 (47% of) properties have offers in front of them; have approved the offer and are awaiting settlement; or have settled.
  - 19 (11% of) properties have settled.
- A meeting was held in Wellington in April between Prime Minister Rt Hon Christopher Luxon, local mayors, Chair of Hawke’s Bay Regional Council, the Regional Recovery Agency and mana whenua representatives to discuss additional funding needed for roading recovery. Cyclone Gabrielle caused \$1.1 billion worth of damage to local roads, approximately \$700 million of which is currently still unfunded. In the Hastings District, damage to roads and bridges totals \$800m which Council can’t afford on its own and requires central government assistance.
  - Substantial work has been underway at the community halls and facilities that have been identified as Emergency Community Hubs. In some instances, roofs have been replaced, water storage upgraded, and emergency equipment purchased.
  - Council has submitted a funding bid of close to \$6.5m from the Cyclone Gabrielle Appeal Trust Fund to advance a range of recovery activities, including for restoring outdoor spaces, community consultation and events, resilience hubs and staffing roles in the wider Recovery Team.
  - Staff are continuing to closely monitor financial and resourcing challenges across several key recovery activities, in particular with the infrastructure recovery projects and Category 3 Voluntary Buy-out Programme. Further details on these risks are available in the attached report.
- 1.6 The attached Cyclone Gabrielle Recovery Report Q3 Feb – April 2024 was circulated to the Strategy and Recovery Committee members on 11 April 2024. Staff will provide an update on any further progress since 11 April at the meeting.

## 2.0 Recommendations - Ngā Tūtohunga

- 2.1 That the Strategy and Recovery Committee receive the report titled *Cyclone Gabrielle Recovery Report Q3 February – April 2024*.
- 2.2 That the Strategy and Recovery Committee note the key strategic risks identified in the *Cyclone Gabrielle Recovery Report Q3 February – April 2024* relate to:
- Affordability of the infrastructure rebuild.
  - The complex (and often new) nature of recovery work e.g. the Category 3 Voluntary Buy-out.
  - Availability of external resources to commence and/or complete programme of works.
- 2.3 That the Strategy and Recovery Committee note the strategic actions being taken to manage or mitigate key strategic risks noted under 2.2. above include:
- Ongoing conversations with Central Government about the role it can play in helping to fund cyclone recovery work.
  - Robust project management, including ongoing monitoring and regular reporting to ensure Council has the information to make effective decisions.
  - The use of best practice procurement processes.
  - Careful sequencing of programme of works to match capacity of external resources.

### Attachments:

1 	Cyclone Gabrielle Recovery Report Q3 Feb - April 2024	CG-17-32-00062	Under Separate Cover
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Thursday, 2 May 2024

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga***Hastings District Council: Strategy and Recovery Committee Meeting***Te Rārangi Take*

# Report to Strategy and Recovery Committee

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**Nā:** Gus Charteris, Manager - Recovery & Special Projects  
**From:** David Elliott, Operations Manager - Category 3 Voluntary Buyout Office  
Danny McClure, Solid Waste Operations & Contract Manager

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**Te Take:**  
**Subject:** Category 3 Property Voluntary Buy-out: Demolition & Disposal

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## 1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 Council has approved a budget of \$50 million for costs associated with the Category 3 Voluntary Buy-out (VBO) Programme ('the Programme'). These costs include - 50% of costs to acquire eligible Category 3 properties or provide Relocation Grants; 50% of 'Transaction costs' (i.e. acquisition and valuation services plus the direct salary costs of VBO staff); and 100% of other VBO Office running costs.
- 1.2 On 5 December 2023, the Strategy and Recovery Committee adopted the *Action Plan: Removal of Dwellings & Post-Acquisition Land Management*, which has 17 high level actions to enable Council to meet its responsibilities and commitments pursuant to the adoption of the Category 3 Voluntary Buy-out Policy ('the Policy') by Council. This report did not seek explicit Committee approval to utilise some of the funding that had been approved for the Programme to cover demolition, site remediation, and disposal-related costs.
- 1.3 Latest forecasts of demolition, site remediation, and disposal-related costs indicate a range of between **\$10m to \$12.1m**. This estimate is based on more detailed work by Officers that has been undertaken since February this year.
- 1.4 Latest financial forecasts indicate that the full cost of the VBO Programme will come in around **\$48m**, just under the \$50 million cap. The forecasts include \$12.1m of costs related to demolition, site remediation, and disposal as well as estimated proceeds from the sale of Category 3 land deemed surplus to requirements of around \$3.7m. Without the disposal proceeds Council would likely breach the \$50m cap.
- 1.5 This paper is seeking approval for a budget of up to \$10 million for demolition, site remediation, and disposal related costs to come out of the \$50 million budget approved by Council for the Category 3

Voluntary Buy-out Programme. If additional funding for demolition, site remediation, and disposal related costs is required beyond \$10 million, a further paper will come to Council for additional approvals.

## 2.0 Recommendations - Ngā Tūtohunga

- A) That the Strategy and Recovery Committee receive the report titled Category 3 Property Voluntary Buy-out: Demolition & Disposal dated 2 May 2024.
- B) That the Committee approve up to \$10 million budget for demolition, site remediation, and disposal related costs to come from the \$50 million allocation approved by Council for the Category 3 Voluntary Buy-out Programme.
- C) That the Committee notes if additional funding for demolition, site remediation, and disposal related costs is required beyond \$10 million, a further paper will come to Council for additional approvals.
- D) That the Committee delegate the Chief Executive to prudently administer the budget in Recommendation B in accordance with Councils adopted Procurement Policies and Contract Management Procedures.

## 3.0 Background – Te Horopaki

- 3.1 The Voluntary Buy-out (VBO) Office officially opened its doors on 16 October 2023. Over the last 5 months the VBO Office has been both implementing and closely monitoring the implementation of the Programme against the Policy's objectives.
- 3.2 There are 167 Category 3 properties eligible for a voluntary buy-out from a total of 326 Category 3 properties across Hastings District and Napier City, with 153 of these in the Hastings District.
- 3.3 The VBO Programme reached a significant milestone on 16 April 2024, with 50% of eligible properties/property owners having - received an offer, approved an offer, or settled.
- 3.4 The VBO Office and Recovery Team are now taking forward three areas of work concurrently:
  - a) Progressing the voluntary buy-outs. This part of the programme should be substantively completed by the end of 2024.
  - b) Demolition or relocation of Category 3 dwellings and associated site preparation and remediation. The intention is to have this part of the programme substantively completed by the end of 2024.
  - c) Disposal and sale of Category 3 land owned by Council that has been deemed surplus to requirements. This work has been accelerated so that proceeds can be used to offset the costs of the Programme.
- 3.5 On 5 December 2023, the Strategy and Recovery Committee adopted the *Action Plan: Removal of Dwellings & Post-Acquisition Land Management*, which has 17 high level actions to enable Council to meet its responsibilities and commitments pursuant to the adoption of the VBO Policy.
- 3.6 The demolition or relocation of Category 3 dwellings is a critical component of meeting the overarching Policy objective as the 'intolerable risk to life' resides in people being able to live in these dwellings.
- 3.7 The full cost of demolition, site remediation, and disposal related costs falls to the Council and ratepayers. The Crown has resolved not to contribute to this element of the voluntary buy-out. This is on the basis the Council will benefit from the sale proceeds of Category 3 land owned by Council



and by concerns this may set a precedent for other cyclone and flood impacted regions. On 20 February 2024 Council resolved not to amend the Policy to allow recovery of a contribution from property owners, when their insurance proceeds exceeded the market valuation of residential improvements or when the property was uninsured, towards the cost of demolishing a dwelling (if relocation of that dwelling was not an option).

- 3.8 It was noted by the Strategy and Recovery Committee at its meeting on 5 December 2023 that the estimated cost for the removal of residential dwellings and site remediation costs may place Council outside its agreed \$50 million budget limit for the VBO. Since then, officers have been carefully forecasting, monitoring, and reporting costs to ensure there is early warning of any potential breach to the \$50m budget cap.
- 3.9 The *Action Plan: Removal of Dwellings & Post-Acquisition Land Management* has been attached as Attachment 1.

#### 4.0 Discussion – *Te Matapakitanga*

##### Chief Executive delegations

- 4.1 In relation to the Programme, the Chief Executive has Council delegation for the following:
- Set up the VBO Office.
  - Purchase Category 3 properties in accordance with the Category 3 Buy-out Policy ('the Policy').
  - Give delegated authority to the VBO Operations Manager to relocate or demolish residential buildings and undertake site remediation within approved parameters set for each property.
  - Sell Category 3 properties, that the Council acquired in accordance with the VBO Policy, for more than 80% of their assessed valuation, and to enter lease agreements for properties, as needed, for an initial term not exceeding 5 years.
- 4.2 This paper is seeking approval to utilise up to \$10m of funding that had been approved for the Programme to cover demolition, site remediation, and disposal-related costs. This is outside the Chief Executive's delegations.

##### Estimated demolition and related costs

- 4.3 There are over 120 properties that will be subject to a buy-out offer that have dwellings on them (the difference between 120 and the 167 eligible properties in total is the eligible properties, primarily in the Tangoio Beach settlement area, that are residential bare land sections that have been approved under the Clause 6 'Special Circumstances' provision of the Policy).
- 4.4 It was reported to Council on 1 February 2024 that if all dwellings and residential improvements were demolished, then estimated costs would be circa \$7 million.
- 4.5 Since February, the VBO Office has made further progress on preparing for the demolition part of the Programme:
- A panel of demolition suppliers was appointed on 22 April 2024 following a robust procurement process. This panel will carry out the demolition and site remediation with demolition work expected to begin in the first week of May. The intent is to have this aspect of the programme completed by the end of 2024.
  - Further work has been undertaken to determine the detailed scope of works for demolition services providers. This has included site visits and the development of individual property files with detailed information to inform and guide demolition, site remediation, and potential disposal. Some properties have also been cleared ready for demolition or removal of dwellings. This has given officers considerably more detailed information on demolition and site remediation requirements.

- 4.6 The work outlined above indicates that the cost of demolition, site remediation, and disposal related costs could reach between **\$10m to \$12.5m**.
- 4.7 Updated forecasts are captured in the table below. Note, the initial estimate of an average demolition cost per property has increased from \$30,000 per property to \$55,000 per property. This is to account for the high level of asbestos that has been identified and the complexity of some of the required demolition. Uncertainty around the level of asbestos in dwellings and exact demolition requirements was highlighted in the February briefing to Council.

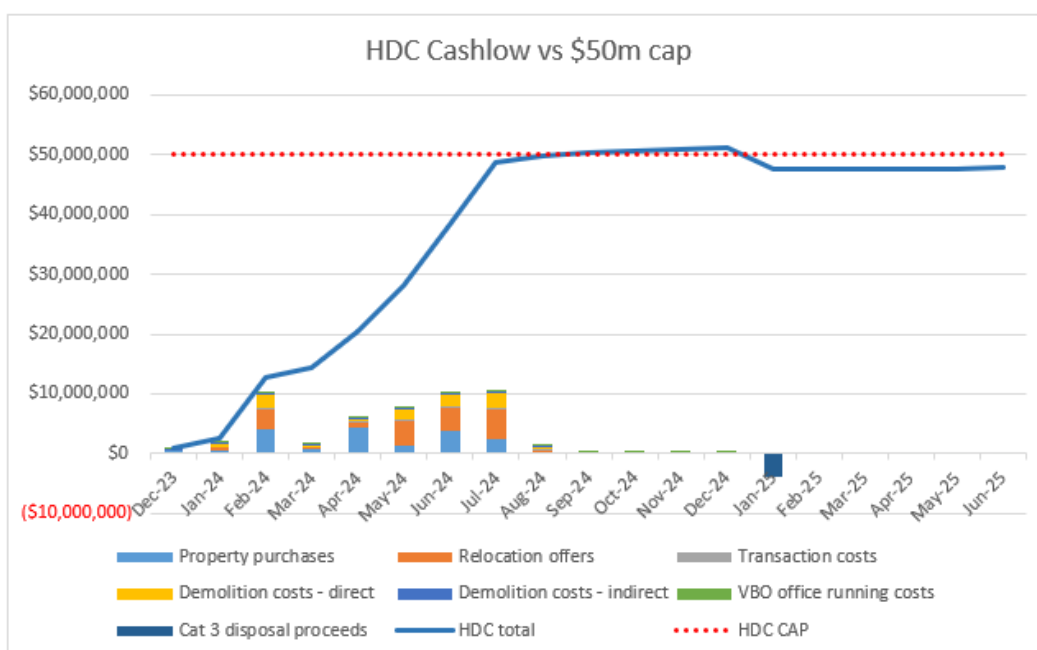
Component	Basis of Estimate	Estimated Cost (as reported on 5 December 2023)	Revised Forecast Cost
Demolition	Original estimate of \$30,000 per property for 121 properties.	\$3,630,000	<b>\$6,655,000</b> (\$55,000 per dwelling)
Initial site clearance/ remediation	Original estimate of \$10,000 per property for 121 properties,	\$1,210,000	\$1,210,000
Hazard and H&S assessment	\$1,000 per site re demolition	\$121,000	\$121,000
Future Land-Use assessment	\$3,000 assuming Council will own 50 sites	\$150,000	\$150,000
Interim site maintenance	\$3,000 for 50 sites	\$150,000	\$150,000
VBO Demolition and Site remediation management	Assume 2 FTEs for 2 years, although more administrative resources may be required depending on workflows.	\$400,000	\$0 (We have been able to resource this work from existing Council and VBO resources)
Ongoing land management costs incurred by the Public Spaces and Building Assets Management team.	Assume 50 properties for a year at \$2,000.	\$100,000	\$150,000
Land remediation to make the site fit for lease/disposal.	Assume a maximum of \$20,000 per site.	\$1,000,000	\$1,500,000
Lease and/or disposal agreements and execution.	Assume \$2,000 per site.	\$100,000	\$100,000
Contingency	Assume 20%	\$1,270,200	\$2,087,200
<b>Total Costs</b>		<b>\$8,131,200</b>	<b>\$12,123,200</b>
Proceeds from Disposal	Conservatively assume that not all properties will sell and that while values ordinarily maybe \$100-200K per site, given the lack of market appeal, assume the value may be at the lower end and then discounted further (say 50%). Therefore, assume 40 properties at say \$50,000 average net sale proceeds.	(\$2,000,000)	(\$2,000,000) (Updated estimates of disposal proceeds suggest that up to \$3.7m could be potentially realised. We use a conservative estimate of \$2m, however, to account for land Council may want to retain and any stigma that may reduce the value of the land)
Proceeds from Lease	Assume that the returns from leases result in a cost-neutral outcome for Council once ongoing property ownership costs are considered.	N/A	N/A
<b>Net Cost</b>		<b>\$6,131,200</b>	<b>\$10,123,200</b>

### Latest VBO Programme Financial Forecasts

- 4.8 Latest financial forecasts indicate that the full cost of the VBO Programme will come in around **\$48m**, just under the \$50 million cap.
- 4.9 The forecasts include the estimated \$12.1m of costs related to demolition, site remediation, and disposal outlined in the table above as well as estimated disposal proceeds of around \$3.7m. Without the proceeds from the sale of land deemed surplus to requirements Council would likely breach the \$50m cap.
- 4.10 The table below outlines the key components of the forecasts. Note, the cost of the Category 3 property purchases or Relocation Grants alone is estimated to cost Council around \$36.1m. The overall cost to the Crown is estimated at around \$42m. This is well below the Crown cap of \$55m and includes both HDC and NCC eligible Category 3 properties and related Transaction costs.

Estimated HDC costs and sale proceeds	
• 50% HDC Property Purchases/Relocation Grants	\$36.1m
• HDC share of 'Transaction costs'	\$2.1m
• VBO running costs + policy dev costs	\$1m
• Estimated demolition, site remediation, disposal-related costs	\$12.5m
• Estimated sale proceeds	(\$3.7m)
<b>Total HDC costs (net of sale proceeds)</b> NB: HDC cap is \$50m	<b>\$48m</b>
Estimated Crown costs (HDC + NCC)	
• 50% Total Property Purchases/Relocation Grants	\$39.6
• Crown share of 'Transaction costs'	\$2.3
<b>Total Crown</b> NB: Crown cap is \$55m with provision to increase to \$67.5m if additional funding needed if Council caps exceeded)	<b>\$42m</b>

- 4.11 The forecasts are indicating, however, that by around September 2023 Council will technically breach the \$50m cap prior to any sale proceeds being realised. This is a key reason the disposal part of the work programme has been accelerated - so sale proceeds can be used to offset the costs of the Programme. This situation is graphically represented in the graph below.



- 4.12 Officers are implementing (or have implemented) the following mitigations to minimise the impact on Council and ratepayers:
- Closely monitoring and forecasting costs and processes to ensure the Programme is being managed efficiently and effectively.
  - A robust procurement process and rigorous project management to ensure the demolition part of the Programme is implemented efficiently and effectively.
  - Continuing to seek opportunities for costs to be covered by the Crown (probably indirectly through additional transport funding).
  - Working at pace to dispose and sell Category 3 land Council will own that is deemed surplus to requirements.
- 4.13 As noted above the Recovery Team has accelerated work on the disposal and sale of Category 3 land owned by Council that has been deemed surplus to requirements given these proceeds will be required to help offset the costs of the Programme and to ensure Council remains within the \$50m cap.
- 4.14 The first step in the process (which is largely complete) is to assess whether there is any (internal Council) operational, strategic, or cultural interest in the land before inviting formal expressions of interest from external parties interested in purchasing the surplus land off Council. Officers are currently working through options for how properties that are deemed surplus to requirements will be taken to market. As noted above the Chief Executive has a delegation to: *“Sell Category 3 properties, that the Council acquired in accordance with the VBO Policy, for more than 80% of their assessed valuation, and to enter lease agreements for properties, as needed, for an initial term not exceeding 5 years.”*
- 4.15 In the event monthly forecasting indicates that sale proceeds will not be enough to bring total costs of the Programme within the \$50m cap, or demolition, site remediation, and disposal related costs are higher than \$10m, a further paper will be taken to Council.

## 5.0 Options – Ngā Kōwhiringa

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

- 5.1 Approve a budget of up to \$10 million for demolition, site remediation, and disposal related costs from the allocated \$50 million for the Category 3 Voluntary Buy-out Programme.

#### Advantages

- Enables the demolition and disposal work programme to be taken forward.
- Ensures the Policy objective of removing risk to life in Category 3 areas is achieved (by removing dwellings that could be lived in).
- Enables efficient disposal and sale of Category 3 properties deemed surplus to requirements.

#### Disadvantages

- This is an expensive work programme that is the sole responsibility of Council.

### Option Two – Status Quo - Te Kōwhiringa Tuarua – Te Āhuatanga o nāianeī

- 5.2 Decide not to approve a budget for demolition, site remediation, and disposal related costs and do not undertake the work.

#### Advantages

- Reduces costs to Council and the ratepayer.

#### Disadvantages

- The demolition and disposal work programme cannot be taken forward.
- Does not fully achieve the Policy objective to remove the risk to life in the Category 3 areas as the dwellings will remain on the sites.
- Inconsistent with the adoption of the Category 3 Voluntary Buy-out Policy.
- Does not enable efficient disposal and sale of Category 3 properties deemed surplus to requirements.

## 6.0 Next steps – *Te Anga Whakamua*

6.1 Subject to decisions the Strategy and Recovery Committee make:

- Implement the *Action Plan: Removal of Dwellings & Post-Acquisition Land Management* adopted by Strategy and Recovery Committee on 5 December 2023.
- Continue to implement key mitigations to minimise the impact on Council and ratepayers. This includes, robust project management, monthly forecasting, and monitoring, and looking for opportunities for costs to be covered (or shared) by the Crown.

### Attachments:

There are no attachments for this report.

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## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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### 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*

The Council has decided to create a new activity to make offers for Residential Properties in Category 3. Activities outlined in this report give further effect to those decisions.

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### Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There is a separate Kaupapa Māori pathway that the Government is leading for the Whenua Māori properties that are within Category 3 areas of Heretaunga. The Council's Policy does not apply to Whenua Māori within Category 3.

However, when Council considers disposing of Category 3 land that has been purchased as part of the Voluntary Buy-Out process, it will work through an engagement process to assess if any sites hold cultural significance to hapū and iwi and to understand if there is any interest in any of the sites. This is particularly so where land is adjacent to existing Whenua Māori or other sites of cultural significance.

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### Sustainability - *Te Toitūtanga*

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The Policy's implementation intends to remove residential use within Category 3 which provides better long-term outcomes for the community and helps remove people from high-risk areas. given that climate change is likely to see the recurrence of extreme weather events.

Both demolition and future land management practices should ensure Council's waste minimisation objectives are being given effect to, and that the future use of land is put to as productive use as possible.

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#### **Financial considerations - *Ngā Whakaarohanga Ahumoni***

Addressed in the report.

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#### **Significance and Engagement - *Te Hiranga me te Tūhonotanga***

The decisions contained in this report have been assessed under the Council's Significance and Engagement Policy as not being significant. The establishment and operation of the VBO is consistent with giving effect to the LTP Amendment and the engagement undertaken on the Policy.

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

Engagement within the Council has included representatives from the Solid Waste, Procurement, Public Spaces and Building Assets Management team as well as the Strategy and VBO teams.

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

Cyclone Recovery Updates, including from the Category 3 VBO, are provided to the Rural Community Board. The Board is represented on the Committee.

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Thursday, 2 May 2024

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Strategy and Recovery Committee Meeting**

*Te Rārangi Take*

# Report to Strategy and Recovery Committee

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**Nā:** Rebekah Dinwoodie, Group Manager: Community Wellbeing & Services  
**From:**

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**Te Take:** Community Wellbeing Subcommittee Chair's Report  
**Subject:**

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## **1.0 Purpose and summary – Te Kaupapa Me Te Whakarāpopototanga**

1.1 The Chair of the Community Wellbeing Subcommittee; Councillor Ana Apatu wishes to provide the Committee an update on recent activities considered by the Subcommittee in line with their 'Fields of Interest'. An overview of matters considered at informal meetings of the Subcommittee since May 2023 are included in this report for the Committee's information.

## **2.0 Background – Te Horopaki**

2.1 The Community Wellbeing Subcommittee is responsible for making delegated decisions and advising the Strategy and Recovery Committee by:

- Providing guidance to Council officers in respect of the drafting of Council's Community Strategies and providing oversight of any relevant Special Consultative Procedures.
- Providing oversight of the implementation of Council's Community Strategies.
- Providing oversight of the implementation of Council's Community Plans, Fabulous Flaxmere, Safer Hastings, Civic Pride and Events, Youth Pathways, Keep Hastings Beautiful Strategies, Health, Cultural, Education, Sports, Arts and Heritage Strategies.

## 2.2 Informal Meeting Dates and Agenda Items:

DATE	AGENDA ITEMS
Tuesday 23 <sup>rd</sup> May 2023	<ol style="list-style-type: none"> <li>1. Great Communities Strategic Overview</li> <li>2. Community Conversations and input into the Hastings District Locality Plan</li> <li>3. Community Wellbeing Subcommittee Work Programme</li> <li>4. Library Update</li> <li>5. Arts and Culture Update</li> <li>6. Community Development Update</li> <li>7. Senior Housing Update</li> </ol>
Thursday 22 <sup>nd</sup> June 2023	<ol style="list-style-type: none"> <li>1. Smokefree/Vapefree Policy</li> <li>2. City Centre Activation Programme</li> <li>3. Library Fines</li> </ol>
Tuesday 19 <sup>th</sup> September 2023	<ol style="list-style-type: none"> <li>1. Maraekākaho Community Plan</li> <li>2. Hastings District Multicultural Strategy Annual Update</li> <li>3. Mahi for Youth Update</li> </ol>
Thursday 7 <sup>th</sup> March 2024	<ol style="list-style-type: none"> <li>1. Introduction, including National Community Wellbeing Committee</li> <li>2. Commercial Hire of Projector</li> <li>3. Library Strategy / Building</li> <li>4. Waiaroha Planning / Funding</li> <li>5. Splash Masterplan and Aquatics Strategy / Growth</li> <li>6. Sport and Active Recreation Facilities (SARF) Plan Update</li> <li>7. Climate Action Work Programme</li> </ol>
Tuesday 30 <sup>th</sup> April 2024	<ol style="list-style-type: none"> <li>1. Youth Development Options</li> </ol>

## 3.0 Discussion – Te Matapakitanga

3.1 Outlined below are summaries of each of the Subcommittee’s informal meetings that have taken place since May 2023. Several of the items mentioned have since been considered by the Strategy and Recovery Committee.

3.2 Community Wellbeing Subcommittee Meeting Tuesday 23 May 2023

3.2.1 **Great Communities Strategic Overview** – An overview of all the Community related strategies was delivered to the Subcommittee and feedback was given to the CBD Strategy and Revitalisation team.

3.2.2 **‘Community Conversations’ and the Hastings District Locality Plans** – A presentation on Community Recovery Conversations was delivered by Sage Planning outlining their planned work carried out to date. Ongoing workstreams across the community and whānau wellbeing



Pou are locality plans, the future of severely affected land (FOSAL), community winter resilience and transition work from response to recovery.

- 3.2.3 **Work Programme** – The Subcommittee’s work programme for 2023 was discussed and it was acknowledged that priority will be given to recovery, given the current environment, and Splash Planet readiness for the 23/24 summer season. It was also noted that there is currently no available resource to progress work on a Child whānau wellbeing strategy.
- 3.2.4 **Library Update** – There was discussion on the toilet facility challenges that are being worked through. A high level LTP budget will be put forward for consideration in due course.
- 3.2.5 **Arts and Culture Update** – The Toi Tū Framework and the Impact of Cyclone Gabrielle on Toitoti operations were discussed. A Council workshop is to be scheduled in July 2023.
- 3.2.6 **Community Development Update** – Community Plans, Positive Ageing Strategy and Safer Hastings updates were given.
- 3.2.7 **Senior Housing** – The Subcommittee discussed various aspects of Senior Housing with a review intended for Council consideration in September 2023.
- 3.3 Summary of Community Wellbeing Subcommittee Meeting Thursday 22 June 2023.
  - 3.3.1 **Smokefree / Vapefree policy implementation** – The Subcommittee worked through options for Toitoti smoking areas and noted the Regional Sports Park is not included in the policy as it is not a Council operated facility.
  - 3.3.2 **Library Fines** – The Subcommittee gave direction for Officers to take a report to the Strategy and Policy Committee on 25 July 2023 to recommend the removal of library fines and wipe accrued debt from adult overdue fines.
  - 3.3.3 **City Centre Activations** – Officers are working with CBD businesses around compliance of building signage. The commercial hireage of the HDC projector was discussed and a hire policy is being finalised that will be brought back to the Subcommittee for review. It was noted that costs are a factor preventing the advancement of the ‘Stories of the Pou’ App project.
- 3.4 Community Wellbeing Subcommittee Meeting Tuesday 19 September 2023.
  - 3.4.1 **Maraekākaho Community Plan** – The draft plan was circulated in advance for Subcommittee feedback. There was discussion around amendments, and the plan was endorsed by the Subcommittee and the Rural Community Board to take to the next Strategy and Policy Committee for adoption.
  - 3.4.2 **Hastings District Multicultural Strategy Annual Update** – All events are to be included in the Councillor Diary. The Chair will request a Councillor representative for Welcoming Communities. It was noted that People and Capability online training for unconscious bias cultural training at HDC is to be extended to Councillors as well as staff.
  - 3.4.3 **Mahi for Youth Update** – the Subcommittee advised that rural community engagement needs consideration and that the strategy actions need a review post cyclone to redirect what changes may need to be made in the new landscape – Youth Council to be involved in this review.
- 3.5 Community Wellbeing Subcommittee Meeting Thursday 7 March 2024.
  - 3.5.1 **National Community Wellbeing Committee** – There was an update to Councillors on the National Community Wellbeing Committee and their purpose and workplan.
  - 3.5.2 **Splash Masterplan and Aquatics Strategy / Growth** – There was discussion about the National, regional and local work completed to date. A workshop focussed on this topic will be required once the draft plans are complete.
  - 3.5.3 **Sport and Active Recreation Facilities (SARF) Plan** – This item was incorporated in the above discussions.

3.5.4 **Commercial Hire of Projector** – A Memorandum of Understanding has been developed with Sight and Sound Services Limited to enable the hire of the HDC projector to their list of approved customers. An internal operations model has now been established to cover the booking process and budgets including management of revenue and allowance for maintenance and expenses.

3.5.5 **Library Strategy / Building** – An update on the delivery of the Library Strategic Plan as well as an overview of all of Library activities was provided. There was discussion around the redevelopment and state of the Hastings War Memorial Library building.

3.5.6 **Waiaroha Planning / Funding** – The Subcommittee identified their top 3 short-term and long-term priorities for Waiaroha. Short-Term priorities were identified as:

- Develop operating model, facility hireage policy and visitor marketing plan.
- Establish CBD tourism/education package.
- Calendar of events.

Long-Term priorities were identified as:

- Cultural tourism package.
- Environmental package.
- Extend Waiaroha’s philosophy to other environment and conservation programmes.

3.5.7 **Climate Action Work Programme** – An introduction provided on Council’s Climate Action Work Programme. The programme has been developed and links in with a wider piece of regional work overseen by a Regional Joint Committee. Officers discussed innovation that will benefit our communities and ways of working throughout Council to ensure there are energy efficiencies and associated cost savings.

3.6 Community Wellbeing Subcommittee Meeting Tuesday 30 April 2024.

3.6.1 **Youth Development Options** – Requested at Council’s LTP workshop on 26 March 2024, this workshop explored further the impact of a potential reduction in HDC-led Youth Development services for rangatahi, specifically at the Community Centres.

#### 4.0 Recommendations - *Ngā Tūtohunga*

That the Strategy and Recovery Committee receive the report titled Community Wellbeing Subcommittee Chair's Report dated 2 May 2024.

#### Attachments:

There are no attachments for this report.

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## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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### 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*

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The Community Wellbeing Subcommittee purpose is to provide oversight of the implementation of Council's Community Plans, Fabulous Flaxmere, Safer Hastings, Civic Pride and Events, Youth Pathways, Keep Hastings Beautiful Strategies, Health, Cultural, Education, Sports, Arts and Heritage Strategies and therefore its mahi promotes the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

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#### **Māori Impact Statement - *Te Tauākī Kaupapa Māori***

The Community Wellbeing Subcommittee will consider opportunities to address inequities for Māori and Pasifika communities when making delegated decisions and advising the Strategy and Recovery Committee.

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#### **Sustainability - *Te Toitūtanga***

The Community Wellbeing Subcommittee will consider kaitiakitanga of the natural environment and its enhancement and protection when making delegated decisions and advising the Strategy and Recovery Committee.

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#### **Financial considerations - *Ngā Whakaarohanga Ahumoni***

N/A

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#### **Significance and Engagement - *Te Hiranga me te Tūhonotanga***

N/A

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

No consultation is required for this update report. Internal and external consultation is considered and completed when required.

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

The Rural Community Board has membership on the Sub Committee.

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# HASTINGS DISTRICT COUNCIL

## STRATEGY AND RECOVERY COMMITTEE MEETING

THURSDAY, 2 MAY 2024

Item 10

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### 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 Sale of Council Land Asset**
- 12 Update on Council Planning and Investments to enable Residential and Commercial Growth**

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:

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<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>
<b>11 Sale of Council Land Asset</b>	<b>Section 7 (2) (i)</b> 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). <b>Section 7 (2) (h)</b> - enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	<b>Section 48(1)(a)(i)</b> 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.
<b>12 Update on Council Planning and Investments to enable Residential and Commercial Growth</b>	<b>Section 7 (2) (h)</b> The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. To protect third party commercial interests.	<b>Section 48(1)(a)(i)</b> 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.