HERETAUNGA HASTINGS DISTRICT COUNCIL

He hui e whakahaeretia nei e Te Kaunihera ā-Rohe o Heretaunga
Administered by Hastings District Council
Joint Hastings District, Central Hawke's Bay District & Napier City Councils
Transitional Governance Group Meeting
(Hawke's Bay Water Services Council Controlled Organisation (WSCCO) Project)

Kaupapataka

Agenda

Te Rā Hui: Meeting date:	**Tuesday, 27 January 2026**
Te Wā: Time:	**3:00 PM**
Te Wāhi: Venue:	**Council Chamber** **Central Hawke's Bay District Council** **28-32 Ruataniwha Street** **Waipawa**
Te Hoapā: Contact:	**Democracy and Governance Services** **P: 06 871 5000 | E: democracy@hdc.govt.nz**
Te Āpiha Matua: Responsible Officer:	**Group Manager: Infrastructure - Craig Thew**

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TE KAUNIHERA Ā-ROHE O HERETAUNGA

Transitional Governance Group Terms of Reference

(Hawke's Bay Water Services Council Controlled Organisation (WSCCO) Project)

Adopted by resolution of:

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

1 Name and status

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

2. Purpose

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

2.2 The joint operating model has been agreed between the Councils to be a jointly owned Water Services Council Controlled Organisation.

2.3 The Project will establish the Hawke's Bay Water Services Council Controlled Organisation **(WSCCO)**, which will ultimately assume responsibility and asset ownership for the delivery of water services from the Councils.

2.4 These Terms of Reference are prepared pursuant to Clauses 30 and 30A of Schedule 7 of the LGA 2002 to guide the operations of the TGG. The TGG will not be discharged at the point of the next election, in accordance with Clause 30(7), Schedule 7 of the LGA 2002.

3. Objectives

3.1 The TGG shall:

(a) Oversee the direction of the Project and provide governance leadership during the initial establishment and transition of water services to the WSCCO;

(b) Make certain decisions that are required to facilitate the initial establishment and transition to the WSCCO;

(c) Provide direction to the Project Steering Group **(PSG)** and the Establishment Board (once appointed);

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

4. Responsibilities

4.1 The TGG will be responsible for providing governance and oversight of the Project in accordance with Schedule 2 of the Heads of Agreement. This includes:

(a) Overseeing the development of the Project Plan and monitoring progress against key milestones as set out in the Heads of Agreement and WSDP.

(b) Addressing any issues escalated to it by the PSG.

(c)   Monitoring progress and risks based on reporting from the PSG and Project Team.

(d)   Approving material changes to the direction of the Project or Project Plan.

(e) Appointing the Establishment Board for the WSCCO and advising on the appointment of the Establishment Chief Executive.

4.2   Substantive decisions relating to the adoption of the WSDP and the final joint operating model foundational documents remain the responsibility of each Council separately.

5.   Delegated authority

5.1   The Councils delegate to the TGG all powers, duties and functions needed to carry out its responsibilities in clause 4.1.

5.2   Where the TGG does not have delegated authority, it may make a recommendation to the Councils.

6.   Membership

6.1   Per Schedule 1 of the Heads of Agreement, the TGG will comprise seven members. This includes:

(a) The Mayor of each Council and one other member from each Council (either elected or an appointee); and

(b) An Independent Chair appointed at the first meeting of the TGG by unanimous agreement of the other members of the TGG.

6.2   Each of the Councils may discharge their appointed member to the TGG and appoint another member in their stead. This does not apply to the Mayor of each of the Councils, who is to remain a member of the TGG as a standing appointment.

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

7.   Chairperson and Deputy Chairperson

7.1   At the first meeting of the TGG the members shall:

(a)   Appoint an independent Chair in accordance with clause 6.1(b); and

(b)   Elect a Deputy Chair from the membership of the TGG.

7.2   The remuneration of the Independent Chair is to be determined by the TGG at the first meeting of the TGG.

8. Decision-Making and voting

    8.1   In accordance with clause 32(4) Schedule 7 of LGA 2002, each member (other than the Independent Chair) has full authority to vote and make decisions at meetings of the TGG within the scope of the delegated authority provided by the Council that appointed them, without further recourse to that Council.

    8.2   The TGG will use best endeavours to make decisions by consensus. Where consensus cannot be reached, the relevant motion will not be put and the matter will be referred to the Councils for their consideration. The matter may be referred back to the TGG for decision following the Councils' consideration.

    8.3   Where voting is required, each member (other than the Independent Chair) has one vote.

    8.4   The quorum will consist of a majority of members (excluding the Independent Chair).

    8.5   At least one member from each of the Councils will be required at any meeting to form a quorum.

9. Meetings

    9.1   The TGG will meet at least monthly, or at such other times and frequency as it determines.

    9.2   Meetings will be scheduled and supported by the Project Convenor and the Hawke's Bay Regional Recovery Agency (RRA).

    9.3   Agendas will be circulated at least three days in advance of a meeting, and minutes will be recorded and confirmed.

10. Reporting and Communication

    10.1   The TGG receives information and advice from the PSG, which is to be informed by the Project Team.

    10.2   The TGG will report at regular frequencies progress and key decisions back to the Councils.

    10.3   Media releases and public announcements related to the Project must be coordinated through the TGG, with the TGG to have final approval over any communications.

11. Term

    11.1   The TGG will operate from the Commencement Date of the Heads of Agreement until the earlier of:

        (a) The establishment of the WSCCO and appointment of the Shareholders Representative Forum; or

        (b)   Termination of the Heads of Agreement.

    11.2   It is expected that on termination, the TGG will be superseded by the Shareholders Representative Forum.

12. Review and variation

    12.1   These Terms of Reference will be reviewed by the Councils as required, and on the recommendation of the TGG, to ensure alignment with the Project implementation plan and requirements.

    12.2   Any amendments to the Terms of Reference must be agreed by all Councils before taking effect.

    12.3   These Terms of Reference are consistent with the requirements for joint committees as outlined in the LGA 2002.

HERETAUNGA HASTINGS DISTRICT COUNCIL

Joint Hastings District, Central Hawke's Bay District & Napier City Councils

Transitional Governance Group Meeting

(Hawke's Bay Water Services Council Controlled Organisation (WSCCO) Project)

Kaupapataka

Agenda

Mematanga: Membership:	**Chair:** Jon Nichols **Deputy Chair:** Cr Keith Price (NCC) **Members:** **Hastings District Council** Mayor Wendy Schollum (HDC) Cr Michael Fowler (HDC) **Napier City Council** Mayor Richard McGrath (NCC) **Central Hawke's Bay District Council** Mayor Will Foley (CHBDC) Cr Brent Muggeridge (CHBDC)
Tokamatua: **Quorum:**	4 members (being a majority of the members appointed – excluding the Independent Chair) (At least one member from each of the Councils will be required)
Apiha Matua **Officer Responsible:**	Group Manager: Infrastructure – Craig Thew
Te Rōpū Manapori me te Kāwanatanga **Democracy & Governance Services:**	Lynne Cox (Extn (5632)

Te Rārangi Take
Order of Business

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

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**– *Mahi Kai Huanga*

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.

Confirmation of Minutes - *Te Whakamana i Ngā Miniti*

3.0 Minutes of the Transitional Governance Group held Wednesday 26 November 2025 be confirmed as an accurate record.
(Previously circulated)

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Transitional Governance Group

Te Rārangi Take

Report to Transitional Governance Group

Nā: From:	**Chris O'Reilly, Interim Establishment Chief Executive**
Te Take: Subject:	**Update from the Interim Establishment Chief Executive**

1.0   Executive Summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1   This paper provides the Transitional Governance Group (TGG) with an update from the Interim Establishment Chief Executive.

2.0   Discussion

Background context

2.1   The first two weeks have focused on meeting the team and key stakeholders, reviewing background papers, and building an understanding of the current position. This has included looking to build early engagement with Mayors, Council Asset Managers, and Council Chief Executives, with further meetings planned over the coming fortnight.

2.2   This engagement will continue as the work programme develops.

Initial thoughts

2.3   My overall impression is of a highly committed group of people working hard in challenging circumstances. The team has been operating without a CEO and in a 'coalition of the willing' environment, working from the ground up and trying to develop alignment where possible.

2.4   A significant amount of work is underway. The key challenge is ensuring that the most important overall priorities receive the right level of focus and resources from the Project Team to deliver a fully aligned and integrated approach with enough detail at this stage to deliver the required level of clarity and accountability.

Bringing the great work together

2.5 The addition of full-time, dedicated leadership provides an opportunity to better connect and coordinate the work already underway as well as the most effective ongoing prioritisation decisions.

2.6 This leadership will:

- Establish and clearly communicate an overall vision and purpose for the organisation and each stage of the journey.

- Help people understand the bigger picture and how individual projects connect.

- Support consistent communication with the public, staff, and stakeholders about the reasons for change and value of these.

- Involve shareholders in shaping this narrative, helping to reduce risk and build confidence.

In addition, leadership will:

- Set clear priorities within and across workstreams.

- Integrate related projects and activities.

- Align the efforts of the team and supporting resources.

Confirm a top-down framework that will support prioritisation, integration, and alignment, while still allowing appropriate autonomy in delivery.

Organisation and purpose risk

2.7 There has been good progress in identifying risks within individual workstreams.

2.8 At a broader level, there are several strategic risks that need to be addressed to improve clarity, transparency, and accountability.

2.9 These risks include:

- Shareholder alignment as services, risks, and debt are brought together into a single entity.

- The need for a clear improvement plan increasing confidence in the data and assumptions which underpinned the water Services Delivery Plan.

- Aligning funding, transparency, and accountability across all stages of the journey (Establishment → Incorporation → Transition → Transfer → Optimisation).

- The need for a robust regional Asset Management Plan to support consistent and transparent investment decisions.

- Planning to ensure in future, the most timely and reliable operational data to support decision-making and future innovation.

- Readiness to respond to the first major incident after incorporation, whether caused by a natural event or process failure.

Priority actions

2.10 Key priority actions (several of which are inter-related) to address the above include:

- Full alignment on governance and operational structures for each stage of the journey.

- Clear identification of programme priorities to confirm the resources and organisational structure required at each stage so we can get the resources to provide the detail and deliver the Programme Plan at the various stages.

- Improved clarity, transparency, and cost detail in project plans and milestone reporting.

- Establishing processes to improve confidence in asset data and asset condition information.

- Beginning early work on a longer-term plan for integrating and standardising operational systems, including SCADA.

Progress on the Programme Plan

2.11 On Tuesday 14 January, feedback workshops were held with each of the three councils.

2.12 Feedback from these sessions is currently being collated and reviewed by the Project Team. Much of this feedback aligns with previously identified risks and issues. One key contributor is currently on leave, and further alignment may require updates to the Shareholders Agreement and Heads of Agreement. This process may, depending on the level of change required and the level of further consultation needed impact timing.

Progress on foundational documents

2.13 Updated versions of the foundational documents, reflecting consultation feedback, are due from Simpson Grierson on Thursday 16 January. (this paper prepared the morning of Jan 16th)

3.0 Recommendations - *Ngā Tūtohunga*

That the Transitional Governance Group receive the report titled Update from the Interim Establishment Chief Executive dated 27 January 2026.

Attachments:

There are no attachments for this report.

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Transitional Governance Group

Te Rārangi Take

Report to Transitional Governance Group

Nā: From:	**Chris Gordon, Programme Manager, Hawke's Bay Regional Recovery Agency** **Andrew Lebioda, Project Convenor, Hawke's Bay Regional Recovery Agency**
Te Take: Subject:	**Status Report Update**

1.0   Executive Summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1   This paper updates the Transitional Governance Group (TGG) on the status of the HBWSCCO Programme and what has been delivered during the reporting.

2.0   Recommendations - *Ngā Tūtohunga*

A)   That the Transitional Governance Group receive the report titled Status Report Update dated 27 January 2026.

B)   That the Transitional Governance Group note the status report.

3.0   Background

3.1   The TGG were presented with the Programme level risk assessment on 26 November 2025. The Status Report was developed as part of the programme planning to focus reporting up to governance groups of the Board, PSG and TGG. The Programme Plan (see item 6) is being developed with the projects to be developed early in 2026.

4.0 Detail – The Status Report

Report Features

4.1 While sections for the six individual projects are included, these projects are still under development, pending agreement of the Programme Plan.

4.2 The Risk Report provides an update on actions taken to mitigate programme risks. Each item is accompanied by a traffic light indicator, Red; action required, Amber; risk to delivery and Green; on track in terms of time, budget and quality. Each action also includes a status box to provide context, explain any risks, outline required actions, and summarise progress achieved.

Top Sheet

4.3 At this stage, commentary focuses on the programme level, as the projects are still being developed following requirements captured from the councils. The programme is rated Green, progressing well, with the Programme Plan currently out for consultation and feedback sessions being held with the councils. Since reporting to the Board in December 2025, Chris O'Reilly has been appointed as Interim Establishment Chief Executive and started in the position on January 5, 2026.

Attachments:

1⇩ Transitional Governance Group Item 2 - Attachment 1 - Programme Status reporting for TGG - 27 January 2026   CG-18-10-00008

Programme Status Report For Transitional Governance Group

Programme	LWDW Entity Development and Transition
Developed By	Programme Team
Covering Reporting period	17 November 2025 to 14 January 2026

Project	Period	Status update	Status	Status	Phase/Stage	Budget	Spend including commitments	Remaining Budget	Completed Timeline	Risk Rating
Total Programme	Nov-25	The Programme Plan has been developed and is out for consultation. The Programme Team is working with the councils to review feedback and make revisions ahead of approval. In parallel, project requirements are being defined to inform Project Initiation Documents and delivery schedules, while the Statement of Expectations process is being developed and handed over to the councils to ensure clear governance and a smooth transition. Chirs O'Reilly has started as CE		Green	Establish	$1,052,857	$581,430	$471,427		
Legal & Governance	Nov-25	A project initiation document will be developed for this project once the programme plan has been approved. Foundational documents have been updated following feedback from the councils and is with PSG, EAB and TGG Independent Chair for final review ahead of governance distribution and approval in the new year.		Green	Initiation	TBC	TBC	TBC	TBC	TBC
Finance, funding and commercial	Nov-25	A project initiation document will be developed for this project once the programme plan has been approved. PSG have agreed to a budget approach.		Green	Initiation	TBC	TBC	TBC	TBC	TBC
Communications & Engagement	Nov-25	A project initiation document will be developed for this project once the programme plan has been approved.		Green	Initiation	TBC	TBC	TBC	TBC	TBC
People, Structure & Responsibilities	Nov-25	A Project Initiation Document will be developed for this project once the Programme Plan has been approved. The organisational baseline operating model has already been reviewed with each Council's GM for Infrastructure and has been refined based on their feedback. Work on testing, with legal opinion, on options for a 2026 go live has taken place with risks out weighing benefits make the 2027 option the more achievable.		Green	Initiation	TBC	TBC	TBC	TBC	TBC
Asset, Service Management & Investments	Nov-25	A project initiation document will be developed for this project once the programme plan has been approved.		Green	Initiation	TBC	TBC	TBC	TBC	TBC
IT and Data	Nov-25	A project initiation document will be developed for this project once the programme plan has been approved.		Green	Initiation	TBC	TBC	TBC	TBC	TBC

Red		Programme or Project is at risk or there is an issue action by governance is needed to make changes and bring the project back in track.
Amber		Programme or project is at risk actions to be taken but it is within the project teams capability
Green		Programme and Project is on track and moving ahead well.

Programme Status Report For The Board

Programme	LWDW Entity Development and Transition
Developed By	Programme Team
Covering Reporting period	17 November 2025 to 10 December 2025

Risk Matrix currently in Risk Manger

Consequence		Likelihood				
		Highly Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
	Catastrophic (5)	Medium	High	Extreme	Extreme	Extreme
	Major (4)	Medium	High	High	Extreme	Extreme
	Significant (3)	Low	Medium	High	High	Extreme
	Minor (2)	Low	Medium	Medium	High	High
	Insignificant (1)	Low	Low	Low	Medium	Medium

Risk Heading	Risk Description	Residule risk Score	Treatments	Status Rating	Commentry	Rescored Consequence	Rescored Liklihood	Rescored Residual Risk Score
Agreed Operating Model	There is a risk that the end state for the joint operating model is not clear or agreed by all the partners. This uncertainty may extend to the scope of services to be delivered by the new organisation as well as the design, structure and resourcing of the supporting services that are required to effectively operate the new entity.	Extreme	Develop and endorse a Target Operating Model; Strengthen Partnership engagement and alignment; Increase resource in the transition Programme team; Implement assurance oversight mechanisms; Clarify and document all supporting services; and Embed change and communication management.	🟡	The Target Operating Model is progressing well and remains on track. However, its successful delivery is dependent on having a Chief Executive in place to make key decisions. There is a risk arising from the initial recruitment process, which did not result in an appointment. To mitigate this, the Board intends to appoint an interim Chief Executive while further work continues to secure a permanent, long-term candidate.			
Operating Model Delivery Approach	There is a risk that following the agreement of the operating model the delivery approach is not clearly defined amongst the partners. Without a shared delivery framework, there will be inconsistency in responsibilities, resourcing and sequencing creating uncertainty duplication of effort and reduced confidence in the programmes ability to deliver.	Extreme	Develop a joint implementation plan; Establish a unified programme governance framework; Define roles and responsibilities; Secure Resourcing and funding commitments; Strengthen Partner Alignment and Engagement; Implement Programme Management Controls; Develop a change, communication and engagement strategy; and Establish clear success measures and reporting.	🟡	A Programme Plan has been drafted, setting out the joint implementation approach, and is currently out for consultation. There is a risk associated with the treatments here due to the reliance on the treatments to develop a target operating model, as this work requires a Chief Executive to be in post.			
Joint Asset Management plan	There is a risk that without a Joint Asset Management Plan (AMP) asset values, performance data, investment profiles and asset risk assessments will not be consistently applied across the networks, undermining data integrity and reducing the confidence in investment decisions.	Extreme	Develop a integrated AMP across all the networks to assist in developing an investment plan for the future entity; Establish a singular Asset Management Framework; Create a shared data and information platform; Review the investment plan and look at the option of having a regional wide Infrastructure Investment lifecycle model for the future entity.	🟢	Each Council has begun developing its individual Strategic Asset Management Plan (SAMP). This forms the first stage in creating a joint SAMP and a unified investment process. Progressing these early stages effectively will support smoother alignment, improve joint decision-making, and enhance delivery of the shared investment priorities.			
Talent Loss	Talent Risk - Difficulty in recruiting or retaining key staff as more developed/larger WOs look more attractive compared to the HB entity	Medium	With the Project Team, PSG, and Establishment Advisory Boad establish the joint operating model that will provide clarity to the responsibilities of the new entity and resourcing required to fulfil those responsibilities [workforce retention plan]. Develop a change, communication and engagement strategy.	🟡	Each Council is managing its own communications, and a Programme-wide Communications Plan is being developed to ensure consistency. This coordinated approach will strengthen shared messaging and support effective delivery. A key risk remains the completion of the Target Operating Model, which is essential for delivering the required treatments.			
Affordability for Customers	There is a risk to the customer affordability and their expectations of water charges in the near future.	High	Develop an integrated AMP that takes an organisational view of the required network investments. Aim to smooth investment to minimise price path fluctuations. Consultation with consumers to test projected price paths and adjust investment profile accordingly. Integrated AMP will feed into development of the first Water Services Strategy	🟢	With the SAMP progressing well, the treatments remain on track to mitigate this risk. Once the SAMP and the Development Plan are finalised and approved, the risk rating will be reassessed to reflect the strengthened delivery position.			
Staff Risk	There is a risk that Staff become uncertain, anxious or disengaged due to discussions about change without clear and timely communications of what the change entails, how it will impact them and their roles or when it will occur , a lack of transparency and communication will erode trust, reduce productivity and undermine the organisational rediness to successfully implement change.	High	Develop and implement a clear change management framework; Create and Deliver a Transparent Communication strategy; Clarify the case for change and expected outcomes; Provide early and ongoing engagement opportunities; Establish visible consistent Leadership; Provide clarity on timelines and next steps and phases; Support for staff wellbeing and resilience; and Monitor engagement and adapt as needed.	🟢	A Programme Delivery Framework is being developed to strengthen delivery practice across the Programme and support consistent, effective implementation. The next step is to finalise the change management framework, which will enhance our ability to manage transition, embed improvements, and achieve the intended programme outcomes. The Programme Plan has also been drafted with a Communications Plan still in developemnt as part of the communications plan.			
Regulatory risk	Regulatory Risk impacting costs and investment priorities.	High	Investigate alternative revenue collections mechanisms and understand their implementation timeline/costs to inform initial Water Services Strategy. Continue relationship building with regulators to understand upcoming requirements and communicate key challenges that may be faced meeting these requirements.	🟢	Mitigation of this risk sits within the Programme's finance project. The project plan and its deliverables are now being developed, with specific actions to address this risk forming a key component of the delivery outputs.			
Customer Communications	There is a risk that the customer (Public) become disillusioned without seeing any progress or understanding what the new entity will do for them.	High	Once the direction has been agreed and while the project plan is being developed, develop a comms plan for use with the customer.	🟢	The Programme Communications Plan is currently being developed and will form a key component of overall programme delivery. Managing communications at a Programme level will ensure consistent messaging and improve coordination across all partners.			
Programme Budgeting	There is a risk that there are not enough finances or resources to deliver the work to stand up the new entity.	High	When the project plan is being developed following the understanding of the end deliverable that the project plan is budgeted and resourced. Investigate funding mechanisms (ie direct from LGFA) available to ensure adequate funds are available to deliver the expected outcome.	🟢	Once the Programme Plan is approved, detailed project plans can be developed, providing the information needed to produce the Programme budget. This work is scheduled and on track for delivery by March 2026.			
Mana Whenua Partnership Engagement	There is a risk that mana whenua partners are not meaningfully and consistently engaged in the development and operation of the Water entity.	High	Endorsement of the Operating Model; Establish an engagement framework; Clarify service scopes and functions; Transparent communications and stakeholder engagement plan; and Embed change management and transition support.	🟢	The mitigations for this risk are part of the Programme Communications Plan is currently being developed and will form a key component of overall programme delivery. Managing communications at a Programme level will ensure consistent messaging and improve coordination across all partners.			
Statutory Network Compliance	There is a risk that the Joint Organisation takes on network assets that are breaching compliance standards.	High	continue to deliver the areas of the Capital programme that are related to mitigating the non-compliance issues.	🟢	The mitigations for this risk are part of the Asset and organisation Project. The treatments will be part of the project delivery plan.			
Business Continuity	There is a risk that during the establishment and transitions of the waters from councils to the new entity, that the delivery of agreed investment profile and the ongoing operations are impacted affecting services delivery.	High	Council Annual plans to be endorsed by the board prior to the customer engagement. Develop an agreement set of principles between the councils and the entity prior to transition operationalising the handover of responsibilities.	🟢	The Programme Team has been working closely with the councils to ensure the Board has timely visibility of the annual investment plans and the opportunity to provide input. This collaboration supports stronger oversight and more effective delivery.			

Status Key

Red	🔴	There is an issue action by governance is needed to make changes and bring the treatments back on track.	
Amber	🟡	There is a risk that the treatment will not be delivered however actions are being taken by the project and programme teams to rectify the risk.	
Green	🟢	Treatment is on track and moving ahead well.	

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Transitional Governance Group

Te Rārangi Take

Report to Transitional Governance Group

Nā: From:	**Chris Gordon, Programme Manager, Hawke's Bay Regional Recovery Agency** **Andrew Lebioda, Project Convenor, Hawke's Bay Regional Recovery Agency**
Te Take: Subject:	**Programme Plan Update**

1.0 Executive Summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The paper provides the Transitional Governance Group (TGG) with an update on the Programme Plan. The Heads of Agreement (HoA), Section 4.5, paragraph (d), states the PSG is responsible for approving the project plan. Given the complexities and number of interdependencies between projects, a Programme Plan has been developed as the method of delivery for establishing the HBWSCCO. For clarity, the term Programme Plan supersedes the Project Plan as identified in the HoA.

2.0 Recommendations - *Ngā Tūtohunga*

A) That the Transitional Governance Group receive the report titled Programme Plan Update dated 27 January 2026.

B) That the Transitional Governance Group note the process for approving the Programme Plan.

3.0 Discussion

The Programme Plan

3.1   The Programme Plan has been developed by the Programme Team to ensure that delivery of the new water entity is achieved. The key highlights of the Programme Plan are:

- Responds to Local Water Done Well legislation (Aug 2025);
- Ensures there is focus on the strategic objectives of the councils to:
- Establish a sustainable water service entity;
- Develop and implement an agreed operating model;
- Strengthen workforce capability;
- Embed strong customer and mana whenua and community engagement;
- Enable consistent regulatory compliance and environmental stewardship;
- Optimise regional asset management and infrastructure planning; and
- Ensure a smooth transition with minimal disruption.

3.2   The plan details the delivery approach firstly through a phased delivery of three programme phases:

- Establish;
- Transition; and
- Optimise.

3.3   Throughout each phase there are six consistent project workstreams:

- Legal & Governance;
- Finance;
- Communications;
- People;
- Assets; and
- IT & Data.

3.4   The plan continues by highlighting the budget and funding which will be via council borrowing and LGFA application. The risk section captures the programme risk with a link to the live risk register and a section on the risk appetite for the programme. As the programme will be operating in both pre and post incorporation of the entity, the governance section has two separate governance structures covering both pre and post incorporation. Stakeholders are identified in the plan and referenced in a separate stakeholder map and plan that outlines planned stakeholder engagement. The detailed communications plan is still be developed at this time but will focus on engagements with customers, staff, and mana whenua. The Plan details the programme's benefits including a link to the KPIs and status reports.

Timeline & Next Steps

3.5   The draft Programme Plan was sent to Councils' Chief Executives, the General Managers for infrastructure and the Council LWDW leads in December 2025. In mid-January 2026, the Programme Team has met with these council representatives to capture feedback before PSG are asked to approve the Programme Plan, scheduled for Monday 19 January 2026. This feedback process is underway at the time of writing.

3.6   Beyond the programme plan the next steps for the programme set by the team are:

- Sign off of the programme plan;
- Development of the project requirements based on the programme objectives;
- Placing of project leads for each of the six projects based on skills required; and
- Development of Project initiation Document's detailing actual deliverables, timelines and what success looks like for each of the six project workstreams.

Attachments:

There are no attachments for this report.