Kaunihera | Council

Mēneti Wātea | Open Minutes

Minutes of a meeting of Matamata-Piako District Council held on Wednesday 8 April 2020 at 9am.

Membership

Mayor
Ash Tanner, JP (Chair)

Deputy Mayor
Neil Goodger

District Councillors
Donna Arnold
Caitlin Casey
Teena Cornes
Bruce Dewhurst
James Sainsbury
Russell Smith
Kevin Tappin
James Thomas
Sue Whiting
Adrienne Wilcock

Kaimahi i reira | Staff Present

Name	Title	Item No.
Don McLeod	Chief Executive Officer	
Michelle Staines-Hawthorne	Corporate Strategy Manager	
Tamara Kingi	Committee Secretary and Corporate Administration Officer	
Stephanie Glasgow	Committee Secretary and Corporate Administration Officer	
Ashton Lye	Digital Services Developer – Communications	
Ann-Jorun Hunter	Policy Planner	
Sandra Harris	Senior Policy Planner	
Jenni Cochrane	Communications Manager	
Fiona Vessey	Group Manager Service Delivery	
Manaia Te Wiata	Group Manager Business Support	
Larnia Rushbrooke	Deputy Finance Manager	
Karl Pavlovich	Water and Wastewater Manager	
Sandy Barnes	Health and Safety/Quality Manager	7.4

1 Whakatūwheratanga o te hui | Meeting Opening

Mayor Ash Tanner declared the meeting open at 9.05am and welcomed the public.

2 Ngā whakapāha | Apologies / Tono whakawātea | Leave of Absence

There were no apologies.

No leave of absence was requested.

3 Notification of Urgent Additional Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,-

  (i) The reason why the item is not on the agenda; and

  (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting."

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

  (i) That item is a minor matter relating to the general business of the local authority; and

  (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

  (iii) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

4 Whākī pānga | Declaration of interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Whakaaetanga mēneti | Confirmation of minutes

COUNCIL RESOLUTION

That the minutes of the meeting of the Ordinary Meeting of Matamata-Piako District Council held on Wednesday, 11 March 2020, be confirmed as a true and correct record of the meeting.

Moved by: **Deputy Mayor N Goodger**
Seconded by: **Cr D Arnold**

CARRIED

COUNCIL RESOLUTION

That the minutes of the meeting of the Special Meeting of Matamata-Piako District Council held on Wednesday, 18 March 2020, be confirmed as a true and correct record of the meeting.

Moved by: **Cr K Tappin**
Seconded by: **Cr A Wilcock**

CARRIED

6 Decision Reports

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6 Decision Reports

Long Term Plan 2021-31 Project Update

RM No.: 2269014

Executive Summary

Council is required to prepare and adopt a Long Term Plan under the Local Government Act 2002 (LGA) every three years.

The purpose of this report is to provide an update on the Long Term Plan project and the associated risk register. The Risk Register (Attachment A to the agenda) has been revised in light of the current global situation relating to COVID-19.

At the time of writing the Audit Arrangement Letter and Fees from Audit NZ had not yet been received.

COUNCIL RESOLUTION

That:

1. **The information be received.**

2. **Council confirms its Vision, Outcomes and Themes as attached to this report (Attachment B).**

3. **Council acknowledges the work to date on the Infrastructure Strategy, and Financial Strategy and previous direction regarding the;**

   - **Total rate increase (excl metered water) limits for each of the 10 years that the plan covers.**

   - **Total debt will not exceed 150% of total rates income (excl metered water)**

   - **The overarching funding approaches as set out in this report;**

     - **Smoothing costs (where possible)**

     - **DCs will pay for growth**

     - **Continue to partner with industry**

     - **Seek alternative funding**

     - **Exacerbaters pay (those who benefit from the service/activity pay)**

4. **Council endorses the Activity Plans for**

   - **Communications and Engagement (excl the Communications and Events Activity), and**

   - **Consents and licensing.**

5. **Council provides feedback to Te Manawhenua Forum on the Māori involvement in decision making section (refer Point 8 of this report).**

6. **Any views on the Long Term Plan 2021-31 project are provided; and**

7. **Council confirms further discussions on the Long Term Plan be undertaken in light of the social and economic effects of the Covid-19 pandemic.**

Moved by: **Deputy Mayor N Goodger**
Seconded by: **Cr D Arnold**

CARRIED

Background

Council is required to prepare and adopt a Long Term Pan under the LGA. The Long Term Plan sets out the activities, budgets, and Financial Strategy and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The Long Term Plan is

required to be updated every three years, with the last Long Term Plan being approved in 2018 (available online https://www.mpdc.govt.nz/plans/long-term-plan).

The Long Term Plan:

- describes the type of district our communities have told us they want – our community outcomes
- identifies the key projects to take place over the next 10 years
- provides an overview of each activity we will carry out and the services we will provide for the next ten years
- determines how much this will cost and how we will fund it.

We also do it to give our community the opportunity to have a say on where we are heading and to ensure our planning is robust. In completing the plan we are required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Māori to contribute to decision making
- collaborate and co-operate with other agencies and councils to achieve desired outcomes.

The Long Term Plan is a complex document covering all activities of Council, major strategic documents, financial policies, auditing and a large consultation component with the community.

The Long Term Plan must be adopted prior to 30 June 2021. The project timeline for a Long Term Plan is typically 18 months or more, and involves staff across the whole organisation, Councillors and the community. A high level overview of the timeline is set out under Communication and Timeline below.

Issues/Discussion

Council updates and milestones to date

1. *Vision and Outcomes*

A Council workshop was held 5 February to review the Vision and Community Outcomes, with a further workshop on the topic 18 March 2020.

The discussion at the workshop supported keeping the current vision of 'Matamata-Piako – The Place of Choice. Lifestyle. Opportunities. Home. There was also a preference to keep the Outcome themes and outcomes in their existing form (Attachment A). Attachment B summarises some of the discussions from the two workshops and identifies some potential actions for Council to focus on to achieve the outcomes. These will be further discussed and refined as we review each of the activity plans in the coming months.

To provide the strategic direction for the further development of the Long Term Plan, Council is asked to confirm its Vision, Outcomes and Themes.

2. *Communications Strategy*

The Communications and Engagement Strategy for the LTP was workshopped with Council in February. It was agreed that the engagement would be largely digital, supported by newspaper articles and attendance at market days or other community events.

Face-to-face meetings with the community will be restricted for the time being, due to the Government ordered lock-down to stop the spread of COVID-19. The Project Team is developing alternative methods for community engagement.

The engagement on the LTP will be continuous throughout 2020 with pre-consultation on various topics, and the formal consultation in accordance with the Special Consultative Process set out in s82 of the LGA will take place in March/April 2021 with the hearing scheduled for mid May 2021. Separate communications plans will be developed for each pre-consultation topic as well as for the formal consultation next year.

3. *Funding and Financial Tools*

An initial workshop was held in early February to review the current funding and financial tools Council uses, and whether these remain appropriate to ensure a fair and equitable distribution of cost across generations and those who benefit from the services and assets/facilities Council provides. Staff have been instructed to investigate alternative options in more detail regarding universal water metering and expanding the use of SUIPS, and this will be brought back to Council for consideration later in the year. Any changes to the rating system, funding policies or the other aspects of the funding of Council's services will be subject to consultation.

4. *Financial Strategy*

Section 101A of the Local Government Act sets out the requirements for council to prepare and adopt a financial strategy for all of the consecutive financial years covered by the long term plan. The Strategy must include a statement of the quantified limits on rates increases and borrowing. The Local Government (Financial Reporting and Prudence) Regulations 2014 requires Council to report on what they refer to as Financial Prudence Benchmarks;

Benchmark of financial prudence	Description (summary)
Rates	Rates income complies with the limits in the financial Strategy
Debt	Debt complies with the limits set in the financial Strategy
Balanced budget	Revenue (excluding income from DC'S, FC's, revaluations, vested assets), exceeds operating expenditure
Essential service	Capital expenditure on the five network infrastructure services equals or exceeds depreciation on those five services (3 waters, roading, flood protection)
Debt servicing	Borrowing costs are less than 10 percent of operating revenue.
Operations control	Net cash flow from operations equals or exceeds Budget

Debt control	Net debt is less than or equal to forecast net debt in the local authority's LTP

At the Council workshop 19 February Council discussed alternative options for how to express these quantified limits. To provide staff with a strategic direction for the preparation of the Long Term Plan and the Financial Strategy, it is recommended that Council give guidance to staff on what these limits should be. As the project progresses Council and staff can refer back to these limits and test their appropriateness and review if required.

The limits set out in our current Financial Strategy (2018-28 LTP) are set out below, with suggestion(s) for 2021-31 based on the discussion at the workshop. Council is asked to consider whether these are appropriate and confirm its preferred approach for the preparation of the LTP and the Financial Strategy.

Benchmark	Current 2018-28	Suggested 2021-31
Limit on Debt	"We will not borrow more than 150% of our annual revenue*" *Annual revenue excludes DC's, vested asset income and other gains	Keep current limit as this is consistent with our Liability Management Policy, and we have a lot of headroom – net debt at 30 June 2019 was $20.4m; 40% of our revenue.
Limit on Rates	"We will keep annual total rate* increases below 4%" **Total rates exclude rates penalties and metered water*	*Our annual rates revenue* will not increase by more than the forecast Local Government Cost Index PLUS X%* **Total rates revenue exclude rates penalties and income from metered water.*

Due to the uncertain and unstable economic environment we are currently experiencing, Council may wish to have a differential rate limit, with a smaller or no increase in the early years and gradually increase as the economy recovers. It is recommended that further work on reframing the LTP Financial Strategy limits is undertaken in the coming months.

The Financial Strategy sets out the overarching funding approaches for Council. The current funding approaches for Council are;

- Smoothing costs (where possible)
- DCs will pay for growth
- Continue to partner with industry
- Seek alternative funding
- Exacerbaters pay (those who benefit from the service/activity pay)

Council is asked to confirm that these are still appropriate.

5. Infrastructure Strategy

Section 101B of the LGA sets out the requirements for Council to prepare and adopt an Infrastructure strategy covering the water, wastewater, stormwater and roading activities (and any other activity the Council deem appropriate to include) for 30 years.

In 2018-28 Council included the Community Facilities and Property in the Strategy. It is proposed that Council continues with this approach.

The key drivers for the Strategy remain Affordability, Resilience, Compliance and Growth and Demand.

Staff are currently reviewing the 2018-48 Strategy to identify what has changed, and provide some options for how Council can respond. These will be discussed in more details as each activity plan is being reviewed.

6. Activity Group – Strategy and Engagement

Strategy and Engagement is about making good decisions for the future of our community. The activities responsible for this are Civil Defence, Communications and Events, Community Leadership, and Strategies and Plans.

These activities ensure our communities are informed of Council activities and can be involved in open and transparent decision making - this helps us plan for the long term to ensure that our communities grow and develop in an integrated and sustainable way. The Local Government Act 2002 also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

Civil Defence

This activity is a requirement of the –

- The CDEM Act 2002 - requires a local authority to plan and provide for civil defence emergency management within its district.
- Local Government Act 2002 - the avoidance or mitigation of natural hazards.
- National Civil Defence Emergency Management Plan - requires local authorities to plan for functioning during & after an emergency.

Matamata-Piako is part of the Waikato CDEM Group which includes the Waikato Regional Council and all 10 district/city councils, as well as emergency services, welfare agencies and lifeline utility providers.

The primary function is building readiness, response and recovery capability in order to support communities to manage emergencies.

Encourage resilience in communities by working with them to develop self supporting community emergency response plans so that communities are capable of functioning un-aided for up to 72 hours.

Assumptions, Challenges and Uncertainties

- Ageing populations with reduced mobility, self-sustainability and resilience for many people thus requiring more support.
- Increased frequency of civil defense emergencies and events such as heavier rain, strong winds and prolonged drought periods.

Key projects

There are no major projects forecast for the next 10 years for CDEM. We plan to:

- Framework setting for staff training and EOC. Run emergency exercises, responding to events.
- Regularly review our local and regional plans which are the core of this activity ensuring systems are in place for coordinating emergency management.
- Build community resilience, hazard identification and community engagement/education - a key focus for the future.
- Develop a Disaster Recovery Plan for our district.

Levels of service

We will be prepared to assist the community in the event of an emergency, measured by Percentage of staff trained to 100% equivalent to the highest level CDEM function training currently available to cover all CDEM functions for an Emergency Management activation for an initial 24 hour period. Targets: 50% in 2021/22, 60% in 2022/23, 65% in 2023/24 and 70% in 2024-31.

Communications and Events

This Activity will be reported separately at a later date.

Community Leadership

Assumptions, Challenges and Uncertainties

The Community Leadership activity is legislatively driven, and as such is likely to be affected by any changes to Local Government legislation and Treaty of Waitangi Settlement legislations as they come into force. The impact of any new or amended legislation remains an unknown.

Key projects

- Representation Review 2024 and 2030
- Pre-elections report 2022, 2025, 2028
- Elections 2022, 2025, 2028
- Iwi engagement (refer point 8 of this report)
- Youth (to be discussed at a later date)
- LGNZ Excellence Programme (to be discussed at a later date)

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Community Leadership activity;

- People will have confidence in their local elected members, measured by Resident satisfaction with Mayor and Councillors with a target of 75% or more satisfied.
- Council will involve Tangata Whenua with Mana Whenua status in the decision making process, measured by the percentage of Te Manawhenua Forum members satisfied/very satisfied that tangata whenua with manawhenua status are recognised and involved in decision making (Target: 75% or more satisfied)

- We will provide a safe working environment with an aim to ensure that every person working on, near, or visiting our sites goes home healthy and safe every day with Monthly reports to Council (Target 11 each year) showing our progress towards health and safety targets.

Strategies and Plans

The Strategies and Plans activity is made up both the District Plan and the Strategies and Policies.

District Plan

Assumptions, Challenges and Uncertainties

The Strategies and Plans - District Plan activity is legislatively driven, and as such is likely to be affected by any changes to Resource Management legislation, Treaty of Waitangi Settlement legislations and national and regional policy statements and environmental standards. The impact of any new or amended legislation remains an unknown.

Key projects

- District Plan Changes
- Treaty Settlements
- Hauraki Gulf and Marine Park Act 2002
- State of the Environment Monitoring
- Giving effect to National and Regional Policy Statements
- Regional Plan
- Master Plan

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Strategies and Plans activity – District Plan

- State of Environment monitoring report published on Council's website by 20 November each year

Strategies and Policies

Assumptions, Challenges and Uncertainties

The Strategies and Plans – Strategies and Policies activity is largely legislatively driven, and as such is likely to be affected by any changes to Local Government legislation and Treaty of Waitangi Settlement legislations as they come into force. The impact of any new or amended legislation remains an unknown.

Key projects

- Long Term Plan
- Annual Plan
- Annual Report
- Bylaws

- Policies
- Treaty Settlements
- Regional collaboration
- Youth – to be discussed at a later date
- Economic development – to be discussed at a later date
- Community Funding Assistance – to be discussed at a later date

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Strategies and Plans activity – Corporate Planning

- Our community will have the opportunity to participate in Council consultation processes measured by Resident satisfaction with the opportunity to be involved in consultation processes (Target: 52% satisfied)

Assumptions, Uncertainties and Challenges

The Draft Long Term Plan including the Activity Plans are being prepared based on the best available information at the time of writing. As outlined under each activity section of this report, external factors outside the control of Council, such as the current COVID-19 crisis, changes to legislation or development of new technologies, may impact on the future of the relevant activities.

Resident Satisfaction Survey

During a workshop in March, Council discussed the merits of various rating scales typically used for customer and resident satisfaction surveys. The current resident satisfaction survey uses a six point scale. Council endorsed the continuation of using this scale for future resident satisfaction surveys.

7. Activity Group – Consents and Licensing

Consents and Licensing is about carrying out our regulatory functions that we have an obligation to perform under legislation. The activities responsible for this are Animal Control, Building Consents and Monitoring, Licensing and Enforcement and Resource Consents and Monitoring.

The Consents and Licensing activity group ensures we are protecting the natural resources of the district, keeping our communities safe and healthy, and balancing the different needs and interests of people and businesses in our community. Legislation also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

The activities responsible for this are Animal Control, Building Consents and Monitoring, Licensing and Enforcement, and Resource Consents and Monitoring.

As there are no capital projects associated with these activities, the operational budgets will be presented to Council as part of the First Cut budget workshop scheduled for July.

Animal Control

Assumptions, Challenges and Uncertainties

- dog population levels will continue to grow
- legislation and the role of local government won't change significantly
- public awareness and expectations of higher standards (which could increase pressure on staff and resources) will remain the same
- encouraging responsible animal ownership will remain one of our challenges

Key projects

There are no major projects forecast for the next 10 years for Animal Control primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Dog Control Act 1996 and Impounding Act 1955.

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Animal Control Activity;

- Complaints will be investigated within set timeframes - 95% within adopted timeframes (see table below)
- Number of property visits per year - 600 property visits per year
- Number of street patrols undertaken in each of the three main towns - Average of 10 per month per town

Animal Control response time				
Complaint type		**Notification type**	**0800-1700 hours**	**1700-0800 hours weekend/holiday**
Dog bite person	Current incident Reported incident	Phone CRM	1 hour 4 hours	1 hour Next working day
Aggressive dog	Current incident Reported incident	Phone CRM	1 hour 4 hours	1 hour Next working day
Attacked stock	Current incident Reported incident	Phone CRM	1 hour 4 hours	1 hour Next working day
Attacked other animal/bird	Current incident Reported incident	Phone CRM	1 hour 4 hours	1 hour Next working day
Barking dog	Current incident Reported incident	Phone CRM	1 hour 4 hours	1 hour Next working day
Wandering dog	Current incident Caught in trap Reported incident	Phone CRM CRM	1 hour 1 hour Next working day	1 hour 1 hour Next working day
Wandering stock	Current incident (on road) Reported incident	Phone CRM	1 hour Next working day	1 hour Next working day
Unregistered		CRM	24 hours	Next working day
Animal welfare		CRM	4 hours	Next working day

Building Consents and Monitoring

Assumptions, Challenges and Uncertainties

The Building Consents and Monitoring activity focuses on the provision of a regulatory function under legislation. Recent changes and policy direction from central government have meant a focus on councils providing a good quality service for businesses and households, which we are achieving. Regionally we are focussing on collaboration.

Key challenges are

- meeting statutory timeframes
- adapting to legislative change

Key projects

There are no major projects forecast for the next 10 years for the Building Consents and Monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Building Act 2004.

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Building Consents and Monitoring Activity;

- 100% of building consents will be processed within statutory timeframes
- 100% of complaints to be investigated within 10 working days

Licensing and Enforcement

Assumptions, Challenges and Uncertainties

Licensing and Enforcement is a regulatory function driven by legislation; recent changes and policy direction from central government have meant a focus on councils providing a good quality service for businesses and households, which we are achieving.

Key challenges are:

- meeting statutory timeframes
- adapting to legislative change

Key projects

There are no major projects forecast for the next 10 years for the Licensing and Enforcement activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce various pieces of legislation and policies. As part of the improvement of the online services we offer, we plan to increase information, licence applications and payments online.

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Licensing and Enforcement Activity;

- 100% of Food premises, hairdressers and camping grounds will be inspected or audited in accordance with legislation.
- 100% of afterhours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within three hours.
- 100 % of On, Off and Club* alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards

  **Club alcohol licenced premises excludes those Clubs which have been assessed as a 'very low' risk rating by Council.*

Resource Consents and Monitoring

Assumptions, Challenges and Uncertainties

The Resource Consents and Monitoring activity focuses on the provision of a regulatory function under legislation, recent changes and policy direction from central government have meant a focus on councils providing a good quality service for businesses and households, which we are achieving. Regionally we are focussing on collaboration where this can be achieved.

Key challenges are:

- meeting statutory timeframes
- adapting to legislative change

Key projects

There are no major projects forecast for the next 10 years for the Resource Consents and Monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce various pieces of legislation and policies. As part of the improvement of the online services we offer, we plan to increase information and resource consent applications and payments online.

Levels of service

It is proposed that Council maintains its current performance measures and targets for the Resource Consents and Monitoring Activity;

- 100% of resource consents processed within statutory timelines.
- 100% of land use consents monitored within four months of being granted.

8. Māori involvement in decision making and Māori outcomes

The LTP includes a section on Māori involvement in decision making. A Te Manawhenua Forum hui was held at Silver Fern Farms Event Centre Tuesday 11 February 2020 to discuss iwi aspirations and how the Forum sees Māori having involvement in Council decision making processes going forward. This was further discussed with TMF at their meeting 3 March.

A diagram illustrating the discussion points from the Forum hui is attached to this report (Attachment C). This will form the basis for the review of the Heads of Agreement between the Forum and Council. In summary, the strategic priorities and vision for the Forum has been summarised below;

Together we will facilitate mana whenua contribution to Council's decision making and strengthen partnership and engagement between Council and Iwi/hapu.				
Understand Iwi	Economic Interests	Support Iwi identity	Support the social wellbeing of iwi	Engage with Iwi
Build culturally competent Council leadership	Recognise Iwi as commercial operators	Support/promote the use of reo	Support / Enable better access for maōri to health services	Build capacity within Council to engage with Iwi

Build a culturally competent Council	Support Iwi to meet Council regulatory requirements	Support and celebrate Iwi, Maori through events	Support iwi into employment	Support Iwi to engage with Council
Build a diverse Council	Recognise the unique needs of marae and papakainga	Encourage the visibility of Maori culture in our communities	Engage with iwi on social issues and provide advocacy	Support Iwi representation at a governance level at Council and in the community

Staff will continue to work with the Forum on the review of the HOA and the Forum work programme in the coming months, and this will be reported back to Council in June along with an outline of resource requirements to support the ongoing engagement with iwi and implementation of the Forum work programme.

Risk

A risk register is maintained for the Long Term Plan project. This is reported to the Audit and Risk Committee quarterly. The Risk Register has been reviewed and updated in light of the current COVID-19 situation, and is attached for members information.

Options

The Council is asked to confirm its strategic direction for the Long Term Plan 2021-31 and provide feedback on the Project.

Legal and policy considerations

Requirement for a Long Term Plan

The preparation of the Long Term Plan is a requirement under the Local Government Act 2002. Schedule 10 of the LGA sets out the requirements for a LTP. The LTP must include information about;

- Community Outcomes
- Groups of Activities
- Capital Expenditure for groups of activities
- Statement of service provision
- Funding impact statement for groups of activities
- Variation between territorial authority's longer term plan and assessment of water and sanitary services and waste management plans
- Council controlled organisations
- Development of Māori capacity to contribute to decision-making processes
- Financial strategy and Infrastructure Strategy
- Revenue and financing policy
- Significant and engagement policy
- Forecast financial statements
- Financial statements for previous year
- Statement concerning balancing of budget
- Funding impact statement
- Rating base information
- Reserve funds

- Significant forecasting assumption

Local Government Wellbeing Amendment Act 2019
The Local Government Wellbeing Amendment Act 2019 came into force in May 2019, re-introducing the four well-beings into legislation. This means Council must promote the social, economic, environmental and economic wellbeing of communities in the present and for the future. Council must report on how we are contributing towards the well-beings.

Mayoral Powers
Under LGA s41A, "*it is the role of a mayor to lead the development of the territorial authority's plans (including the long-term plan and the annual plan), policies, and budgets for consideration by the members of the territorial authority*."

Council policies and strategies
As part of the preparation of the Long Term Plan, Activity and Asset Management Plans will be checked against Council's key strategic and policy documents and wider regional and national documents for strategic fit. The preparation of the Long Term Plan may lead to the review of some Council policy documents.

Communications and timeframes

The Long Term Plan project is one of Council's key opportunities to engage with our communities to find out what their aspirations and priorities are. The LTP is subject to the special consultative process under the LGA (s83). The special consultative process is a structured one month submission process with a hearing for those who have submitted and wish to speak to their submission.

The Long Term Plan project timeline also provides for a 'pre-consultation' process with the community referred to as the Right Debate where Council can ask for feedback on key issues it is considering for the Long Term Plan.

The timeline for the project centres on key dates for completion of the draft documents in December 2021, auditing in January / February 2022 and consultation in March / April 2022. The Project On A Page (attached) provides an overview of the different building blocks and the associated timelines for the project.

While we are experiencing some interruption to business as usual at the moment, due to COVID-19, the legislative requirements relating to LTP content and consultation have not changed, and the deadline for adopting the LTP remains 30 June 2021. As such the timeline for our key milestones remain unchanged.

The below table provides a summary of key milestones and timelines.

Description	Start	Finish
Briefing Papers		COMPLETE
Demographic/Growth/Economic/Assumptions	Oct 2019	May 2020
Revaluation of Assets	Jan 2020	June 2020
Community Outcomes Review (if required)	Jan 2020	June 2020
Rates Structure	April 2020	June 2020
Activity Plans (including budgets)	April 2020	Aug/Sep 2020
Right Debate (pre-consultation)	April 2020	Aug 2020
Infrastructure and Financial Strategy	April 2020	Oct 2020
Asset Management Plans	Feb 2020	Oct 2020

Description	Start	Finish
Policy Review	April 2020	Oct 2020
Council controlled organisation section	July 2020	Nov 2020
Māori participation in decision making	July 2020	Oct 2020
Budgets/ Financials/ Notes	July 2020	Dec 2020
Document development	July 2020	Dec 2020
Quality checks and administration	July 2020	Dec 2020
Communications Strategy and implementation	Feb 2020	Dec 2020
External Audit Process	Jan 2021	June 2021
Special Consultative Procedure	Jan 2021	June 2021

Financial Cost and Funding Source

The development of and consultation on the Long Term Plan is funded from the Strategy and Engagement Activity Operating budget.

How each activity is funded is set out in Council's Funding and Financing Policy which is due to be reviewed alongside the Long Term Plan, and is subject to the Special Consultative Procedure.

Our general approach to funding all our activities is that those who (either directly or indirectly) benefit should pay.

The Strategy and Engagement Activity Group is funded from General Rates.

The majority of the costs for the Consents and Licensing Activity group are funded on a 'user pays' basis through fees. However, we also recognise that there is a 'public good' component to each of the activities, so a portion of the costs is funded from general rates:

- Animal Control – 80% from fees, infringements and other charges, 20% from rates.
- Building Consents and Monitoring – 40 to 60% from fees and charges, and the remaining 40 to 60% from rates.
- Licensing and Enforcement
    - Health and Alcohol Licence processing is 100% user pays.
    - Health and Alcohol Licence enquiries, complaints and enforcement are 100% funded by rates.
    - Noise control is 100% funded by rates.
- Resource Consents and Monitoring
    - Consent processing and monitoring is funded 100% through fees and charges.

Return to Reports

CCO Monitoring - Waikato Local Authority Shared Services Six Month Report and Draft Statement of Intent 2020/21

RM No.: 2280632

Executive Summary

Waikato Local Authorities Shared Services Limited (WLASS) is a Council Controlled Organisation (CCO) jointly owned by the 12 Waikato Region councils. WLASS' key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs.

CCOs are required by the Local Government Act 2002 (LGA 2002) to prepare and publish an annual statement of intent, and produce a half yearly report for shareholders on the entity's operations during the half year.

The purpose of this report is to present to Council the WLASS' Six Monthly Report to 31 December 2019, and to seek Council feedback on the proposed 2020/21 Statement of Intent (SOI).

COUNCIL RESOLUTION

That:

1. **The report be received**

2. **Council receives the Waikato Local Authority Shared Services Six Monthly Report to 31 December 2019, and**

3. **Council considers providing feedback on the Waikato Local Authority Shared Services Limited 2020/21 Statement of Intent, including whether there are any significant impacts on LASS due to the COVID-19 event.**

Moved by: **Cr A Wilcock**
Seconded by: **Cr J Sainsbury**

CARRIED

Background

The local authorities of Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. The shared service initiatives have been formalised in the establishment of WLASS. Council became a shareholder for the purpose of developing shared services across the local authorities in the Waikato following public consultation in the 2005/06 Annual Plan. WLASS has twelve Directors, with each Director representing a shareholding council. In addition the Board may appoint up to three professional directors to supplement Directors' expertise. At this time no independent directors have been appointed to the Board.

WLASS key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs. WLASS also provides administrative and financial support services to the Waikato Mayoral Forum to enable the successful implementation of the Mayoral Forum initiated projects.

The vision for WLASS is to be:
The enabler for Councils to provide their services in the most effective and efficient way
Its objectives are:

- To enable the Waikato Councils to collectively be more effective as a region on the national stage;
- To contribute to building central government's confidence in the Waikato region, and to encourage central government investment;
- To achieve effectiveness and efficiency gains;
- To reduce duplication of effort and eliminate waste through repetition;
- To make it easier for customers to engage with councils in the Waikato region;
- To promote and contribute to the development of best practice; and
- To promote business transformation to improve customers' experiences.

In conjunction with council consultation on the 2019 SOI, WLASS sought a shareholder resolution to change the constitution of the company relating to the board's composition. As a result, effective 1 July 2019, the board changed to five council representative directors and an independent chair.

Six Monthly Report
The shareholders continue to identify improvements that could be made, such as: implementing shared services related to back-office activities; shared procurement to provide cost savings and consistency; streamlining of work processes; and service improvements. Initiatives which could benefit from being managed by WLASS are considered by working groups comprising staff from the shareholding councils, and recommendations are made to the WLASS Board.

Performance Measures – of the 39 measures 31 are achieved/on track at the six-month time frame. Six measures were flagged as currently behind schedule but target expected to be met by 30 June 2020 and Two measures are flagged as not achieved for the year ending 30 June 2020 these are in relation to; Consistency in service delivery, measured by customer surveys as the customer survey will not be undertaken this year and also the Shareholder survey will not be undertaken as the 2020 SOI sets out a new performance framework for the company which puts in place performance measures that better reflect the outcomes they are seeking.

WLASS Financial Position – expenditure was $2,445,000 (budget $2,633,000), revenue was $2,692,000 (budget $3,020,000). Revenue fell short of expenditure by $329,000. The unfavourable variance in revenue principally relates to less than expected income from RATA (highspeed data collection contracts, and member charges for the waters collaboration which are yet to be invoiced), and member charges related to the Waikato Data Portal and LiDAR projects (with corresponding reduction in expenditure. While the net surplus is currently less than expected, this variance is expected to reverse over the remainder of the year. WLASS is currently forecasting a full-year loss of $80k.

Following an assessment of the cash surplus / (deficit) in each work stream we have made the decision to reduce the member charges for the coming year in some areas and instead utilise brought forward surpluses. As a result, member charges will be reduced by ~$185k (from that forecast in last year's SOI) across Procurement, the Waikato Data Portal project, the Energy and Carbon Management Programme and SVDS. A flow on effect of this action is that we are budgeting a net deficit for the 2021 financial year of $149k.

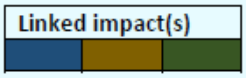
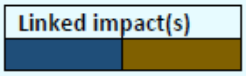
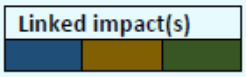
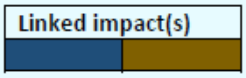
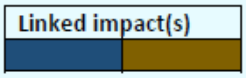
Statement of Intent 2020/21

The Statement of Intent (SOI) outlines the proposed work plan for 2020/21 and the Directors' accountabilities to the shareholder for corporate performance. The SOI sets out a new performance framework for the company. To date the measures of performance used have been extensive and heavily process orientated. While that may have been appropriate historically, it no longer is. The new framework directly links the company's roles and the performance measures to assess our success in fulfilling those roles, to the ultimate outcomes we are seeking.

Given the evolution of the company, WLASS has revisited the way that it measures its success to reflect these roles. A performance framework has been established:

Our vision	**Waikato councils are working together in the best way possible, for the collective benefit of them and their communities - which means less burden on ratepayers, happier communities and council staff and more effective councils.**					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increase cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato is increased	
Our specific objectives	➢ Achieve effectiveness and efficiency gains ➢ Reduce duplication of effort and eliminate waste through repetition		➢ Promote and contribute to the development of best practice ➢ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➢ Promote business transformation to improve communities' experiences		➢ Enable the Waikato councils to collectively be more effective as a region on the national stage ➢ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised		Provide services that meet the needs of councils	Foster cross-council collaboration
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

WLASS will track how well they are delivering on their strategic priorities using the following performance measures:

Priority	Performance measure	Target
Prioritise and develop opportunities that add value to councils by achieving one or more of our objectives 	➢ Business cases will include measurable benefits linked to one or more of the outcomes sought ➢ Opportunity assessments are supported by councils (evidenced by Board minutes)	Projected savings to councils of $300k+ 75% of councils
Develop opportunities and deliver projects within agreed budgets and timelines[1] 	➢ Opportunities / projects are developed / delivered within agreed timelines ➢ Opportunities / projects are developed / delivered, within approved budget	80% 90%
Ensure projects realise their expected benefits 	➢ Measurable benefits are actively monitored and reported against ➢ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	Six-monthly $200k+ Projects Within 15 months 90% of projected quantifiable benefits are realised
Ensure existing services are meeting the needs of councils 	➢ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): o RATA – roading & waters o Waikato Building Cluster o Regional Infrastructure Technical Specifications o Energy & Carbon Management o Professional Services Panel o Health & Safety pre-qualification	80% of councils
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice 	➢ Across these groups, ideas for future consideration and/or initiatives are identified each year	Six per annum

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve going forward.

Impact on policy and bylaws
No impact.

Consistency with the Long Term Plan / Annual Plan
WLASS has performance measures outlined in the 2018-28 Long Term Plan. This report is consistent with the Long Term Plan.

Impact on Significance and Engagement Policy
This issue is not significant.

Communication, consultation and decision making processes
WLASS Directors shall approve by 1 March of each year a draft SOI for distribution to, and consideration by, Matamata-Piako District Council as a shareholder.

Council must provide any comments or feedback on the draft SOI within two months of 1 March. The WLASS Directors must consider all comments that are received, and shall deliver the completed SOI to the shareholders by 30 June.

Timeframes
WLASS Directors shall approve by 1 March of each year a draft SOI for distribution to, and consideration by, Matamata-Piako District Council as a shareholder.

Council must provide any comments or feedback on the draft SOI within two months of 1 March. The WLASS Directors must consider all comments that are received, and shall deliver the completed SOI to the shareholders by 30 June.

Contribution to Community Outcomes and consistency with Council Vision
Theme: Economic Opportunities
Community Outcome: We provide leadership and advocacy is provided to enable our communities to grow

Financial Cost and Funding Source
The current and proposed activities of WLASS are fully funded by the participating local authorities, within existing budgets.

Return to Reports

CCO Monitoring Waikato Regional Airport Limited (WRAL) - Six Month Report and Statement of Intent 2020/21 and Covid-19 Update

RM No.: 2280641

Executive Summary

Waikato Regional Airport Limited (WRAL) is a CCO owned by five Waikato councils, with Matamata-Piako's shareholding at 15.6%.

Council controlled organisations are required (subject to certain exemptions) by the Local Government Act 2002 to prepare and publish an annual statement of intent, and produce a half yearly report for shareholders on the entity's operations during the half year.

The purpose of this report is to present to the Council, WRAL's Covid-19 update as at 24 March 2020, WRAL's six-monthly report to December 2019, and to seek Council feedback on the draft WRAL Statement of Intent for 2020/21.

Staff were also to provide an update on discussions with Hamilton City Council and other shareholding Councils on the content of any letter of expectation that may be sent to WRAL, at the time of writing this report no further discussions have taken place.

COUNCIL RESOLUTION

That:

1. **The report is received.**
2. **The Covid-19 update as at 24 March 2020 be received.**
3. **Council receives the Waikato regional Airport Limited six-monthly report to December 2019.**
4. **Council receives the WRAL draft Statement of Intent 2020/21 and provides any feedback.**

Moved by: **Cr T Cornes**
Seconded by: **Cr K Tappin**

CARRIED

Background

Background

The core purpose of WRAL is to enable air services to the region, operating a first class, safe and compliant regional airport, and strategic positioning of the business to enhance capital value.

Covid-19 update received 24 March 2020:

1. Management have presented a comprehensive Pandemic Plan which has been reviewed and tested by the Directors.

2. Management have worked through scenarios for the remainder of the calendar year modelling revenue reflecting very limited airline/passenger activity (over 85% reductions) and including a scenario of no airline revenue for an extended period of time
3. WRAL has also considered the impact on its tenants and the potential that they will have very limited ability to meet rental payments.
4. Active steps are in progress to remove as many discretionary costs out of the business as possible.
5. The business has working capital to support a period of up to 6 months with virtually no income and preserve its aeronautical business.
6. In addition the business has only used two thirds of its debt funding facilities so this does provide further headroom in the medium term if required.
7. The Airport's hotel business has also suffered severely. Representatives from WRAL and the Hotel Manager Jet Park Hotels have planned a restructure. Operational cost reduction is underway to ensure that the hotel has a minimal cash deficit during this period.
8. All property development and investment projects, by both WRAL and Titanium Park are suspended until further notice, as is the terminal refurbishment project.

Six-monthly report

WRAL considers that in the first six months trading (July-December 2019) the financial performance was acceptable, an overview is provided by the WRAL chair in the report.

The six month report provides an overview of financial performance against KPIs in the current Statement of Intent. However it does not disclose how the company is tracking against the following non-financial performances measures

- Health & Safety
    - Facilitate Health & Safety meetings every 2 months with representatives from each company department
    - Zero Work Safe notifiable accidents/injuries (the Chair has indicated there were none as part of the overview)
    - Implement the company's Health & Safety framework to align with the requirements of the Health and Safety at Work Act 2015 and independently review and audit the system each year.
- Operational Compliance
    - To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports
    - Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)
    - Facilitate noise management meetings every 4 months in accordance with the Noise Management Plan
- Customer Satisfaction
    - Collect, document and act (where viable) on customer feedback forms to continuously monitor and improve the customer experience. Maintain a database to ensure recurring negative feedback is promptly acted upon

2020/21 Draft Statement of Intent (please note the draft is dated February 2020)

The Draft Statement of Intent outlines the proposed work plan for 2020/21 and the Board's accountabilities to the shareholder for corporate performance.

The objectives as outlined in the Draft Statement of Intent are to:

- Operate an efficient and compliant and resilient airport;
- Enhance the traveller experience;
- Maintain a viable aeronautical business;
- Maximise revenue diversification through non-aeronautical business opportunities.

Issues

The Draft Statement of Intent outlines the key strategic activities for the company and KPIs for the period. Council may wish to seek further clarification and explanation with aspects of the forecasts and discuss further with the Board prior to accepting the Statement of Intent in light of the significant impact of Covid-19 on the travel and tourism industry.

Analysis

Options considered

Accept the Six Month Report and Statement of Intent as prepared by WRAL

OR
Provide feedback on the Draft Statement of Intent relating to matters of concern to the Council.

Analysis of preferred option

There is no preferred option.

Legal and statutory requirements

The LGA 2002 requires a CCO to prepare and publish an annual statement of intent. The Statement of Intent must be agreed upon with the parent local authority. The local authority has two months from receiving the proposed SOI, to respond to the CCO with feedback. Feedback is due back by 1 May 2020.

Consistency with the Long Term Plan / Annual Plan

Waikato Regional Airport Limited has performance measures outlined in the 2018-28 Long Term Plan. This report is consistent with the Long Term Plan.

Communication, consultation and decision making processes

A CCO is required to consult with its shareholders on its Draft Statement of Intent. This report seeks feedback from Matamata-Piako District Council, as one of the WRAL shareholders, on the WRAL Draft Statement of Intent.

Timeframes

Council is required to provide feedback on the Statement of Intent within two months of receiving it. This means that feedback on the WRAL Statement of Intent is due 1 May.

Contribution to Community Outcomes

Growth and development

Council will provide essential infrastructure to meet the needs of our community now and in the future.

Financial Impact

ii. Funding Source

The current and proposed activities of WRAL are fully funded by the participating local authorities, within existing budgets.

Return to Reports

Chief Executive Officer's Report

RM No.: 2280774

Executive Summary

The Chief Executive Officer's report for the period ending February 2020 is attached to this report.

COUNCIL RESOLUTION

That:

1. The information be received.

Moved by: **Cr A Wilcock**
Seconded by: **Cr B Dewhurst**

CARRIED

Return to Reports

7 Information Reports

Mayoral Diary

RM No.: 2254711

Executive Summary

The Mayoral Diary for the period ending March 2020, is attached to the agenda.

COUNCIL RESOLUTION

That:

1. The information be received.

Moved by: Cr R Smith
Seconded by: Cr J Thomas

CARRIED

Return to Reports

Documents Executed Under Council Seal

RM No.: 2254716

Executive Summary

The schedule of documents for February to March 2020 executed under Council Seal is attached to the agenda.

COUNCIL RESOLUTION

That:

1. **The report of the schedule of documents executed under Council Seal be received.**

Moved by: **Cr J Thomas**
Seconded by: **Cr J Sainsbury**

CARRIED

Background

This document contains a list of all the Council documents that have the official Council Seal applied to them from October 2019 to end of January 2020.

This is used mainly for legal or planning processes, it allows Council to keep track of what documents use the seal for auditing purposes.

Return to Reports

Annual Plan Budget Review

RM No.: 2280568

Executive Summary

This report is to provide Council with a brief update on work currently underway regarding Annual Plan budgets in light of the Covid-19 pandemic.

COUNCIL RESOLUTION

That:

1. The information be received.

Moved by: Cr J Sainsbury
Seconded by: Cr D Arnold

CARRIED

Background

The Covid-19 pandemic is presenting an ever changing environment, the situation is evolving every day and staff are currently working on several different avenues of rating and budgeting.

Staff are working on modelling of rates and what it might look like should different circumstances eventuate with the pandemic. Staff are also working on reviewing budgets for the 2020/21 year which were approved in draft form for consultation prior to the current evolving situation we currently find ourselves in. Staff are also looking into our Policies on Rates Remissions and Postponements to see how this may be impacted.

Further information regarding these streams of work will be presented at the meeting. We are hoping to provide information at this time and anticipate having a report for formal decision-making at the 13 May 2020 Council meeting.

It is important whatever we do that we take a disciplined approach considering all potential implications to avoid compounding the problems in these constantly evolving and uncertain times.

This includes understanding the options available to cut budgets or fund Council costs and projects in an alternative manner, the impact of any decisions on cashflow and debt, as well the intended and unintended consequences of these decisions.

Return to Reports

Covid-19 Pandemic Update

RM No.: 2280582

Executive Summary

Sandy Barnes in attendance to provide a formal update on the Covid-19 Pandemic response.

COUNCIL RESOLUTION

That:

1. The information be received.

Moved by: **Deputy Mayor N Goodger**
Seconded by: **Cr D Arnold**

CARRIED

10.15am

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD OF THE MEETING OF COUNCIL HELD ON 8 APRIL 2020.

DATE:.....

CHAIRPERSON:.....
Mayor Ash Tanner, JP