

Notice is hereby given that an ordinary meeting of the Horowhenua District Council will be held on:

Date: Wednesday 14 September 2022
Time: 2.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council

OPEN AGENDA

MEMBERSHIP

Mayor	B P Wanden
Deputy Mayor	Deputy Mayor J F G Mason
Councillors	Cr D A Allan
	Cr W E R Bishop
	Cr R J Brannigan
	Cr T N Isaacs
	Cr S J R Jennings
	Cr V M Kaye-Simmons
	Cr R R Ketu
	Cr C B Mitchell
	Cr P Tukapua

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Full Agendas are available on Council's website
www.horowhenua.govt.nz

Full Agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Te Awahou Nieuwe Stroom, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin

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Karakia

1 Apologies

2 Public Participation

Notification of a request to speak is required by 12 noon on the day of the meeting by phoning 06 366 0999 or emailing public.participation@horowhenua.govt.nz.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declarations 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 Confirmation of Minutes

5.1 Meeting minutes Council, 10 August 2022

5.2 Meeting minutes In Committee Meeting of Council, 10 August 2022

Recommendations

That the meeting minutes of Council, 10 August 2022 be accepted as a true and correct record.

That the meeting minutes of In Committee Meeting of Council, 10 August 2022 be accepted as a true and correct record.

File No.: 22/503

6.2 End of Year Report - Economic Development Services

1. Purpose

The Horowhenua Company Limited presents its end of year report for Economic Development Services for the period 1 October 2021 – 30 June 2022.

2. Recommendation

- 2.1 That Report – 22/503 End of Year Report - Economic Development Services – be received.
- 2.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.

3. End of Year Report Economic Development Services

The Horowhenua Company Limited (THCL) has prepared for Council the end of year report for Economic Development Services for the period 1 October 2021 – 30 June 2022.

The period covered by the report is for the first nine months of the three year contract that has been entered into by Horowhenua District Council contracting THCL to deliver economic development services directly to Council.

The report sets out the key achievements and activities of THCL in this space during 2021/22. This has been a challenging period as local businesses come to terms with the ever changing environment resulting from the impacts of Covid both globally and nationally. The report confirms that THCL has been successful in progressing and completing the key deliverables. This period of the contract has seen several firsts such as the new annual customer satisfaction survey and the economic dashboard.

THCL has recently developed a five year business strategy which identifies the key focus areas for economic development activity. While the report includes some planned activities for THCL for the period June 2022-2023, at an operational level the Council and THCL are in the process of confirming the programme and specific deliverables under the contract for this period. A focus for Council officers is to work closely with THCL to better demonstrate the value the community gets from the contract between Council and THCL for economic development services

The adoption of the Horowhenua 2040 Blueprint by Council in May 2022, provides opportunities for THCL to assist Council in delivering on some of the economic development related actions from the Blueprint.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

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Author(s)	David McCorkindale Group Manager - Vision & Delivery	
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Approved by	Monique Davidson Chief Executive Officer	
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END OF YEAR REPORT

Economic
Development
Services

1 October 2021 to 30 June 2022

THE
HOROWHENUA
COMPANY

August 2022





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Introduction

Kia ora koutou katoa

It is my pleasure to present the End of Year Report for our Economic Development Services Contract with the Horowhenua District Council from 1 October 2021 – 30 June 2022.

The uncertain times over the past couple of years continued during the initial 9-month period of this economic development contract. COVID continued to have a major impact on the economy with the introduction of vaccine mandates and the traffic light protection framework leading to considerable impact on local businesses, and the community as a whole. Over this period our focus was on supporting our business community through webinars – providing local HR and legal experts to demystify the traffic light system, offer practical advice on managing vaccine mandates and implementing health and safety measures.

While earlier in the year Horowhenua's economy was continuing to bounce back strongly from the impact of the COVID-19 pandemic, as the year has progressed business and consumer confidence has dropped as inflation, cost of living and interest rates climbed.

However, employment continues to be a strong rallying factor, with record low unemployment rates in Horowhenua at 4% as at 31 March 2022, the lowest since district level tracking began in 2001. The Get-Go programme has continued, with a significant refresh providing more focus on outcomes and sustained support – most particularly with the three Colleges, who co-designed a work ready framework for our students from years 10 to 13 that has been implemented this year.

Since The Horowhenua Company Limited (THCL) was contracted to provide economic development services directly to Council, THCL has worked to establish itself as the economic development agency for Horowhenua – becoming a member of Economic Development New Zealand, building on relationships with other local EDA's (CEDA, Whanganui & Partners, and WellingtonNZ) and regional and central government stakeholders in order to ensure that Horowhenua is reflected in the range of strategies and plans being developed, without slowing down our activity.

As a result, THCL has reached agreement with CEDA and Whanganui & Partners to subcontract resource to be based in Horowhenua to support small businesses

through the Regional Business Partners network – funded by central government. Recruitment for that role is currently underway. Another recent success was supporting Techlam in its funding proposal with Kanoa (MBIE) – with a loan for \$1.7m to purchase new machinery to reduce wastage (and landfill) and improve productivity. This was announced by Minister Nash in July 2022.

THCL continued the programme of Business After 5's and has worked with a number of women business leaders to establish a Women in Business Network that will meet quarterly.

The new quarterly economic dashboard has been developed, and this will continue to evolve with additional data sets now in place to provide more detailed information about changes to the Horowhenua economy over time.

Overall, despite the changing environment over the past year and the likelihood that this will continue for some time yet, THCL is tracking well on all of the contractual measures and looks forward to continuing to partner with Council and the Horowhenua New Zealand Trust on improving the economic and social wellbeing of Horowhenua over the long term.

Catriona McKay
Chief Executive
The Horowhenua Company Limited



Economy

State of the Horowhenua Economy – December 2019, 2020, and 2021

Indicator	2019	2020	2021	Change (2019 -2021)
GDP	\$1.197bn	\$1.226bn	\$1.243bn	+\$46m
Job Count	11,013	11,250	11,437	+424
Unemployment	7.0%	5.6%	5.4%	-1.6%
NEET* rate	20.5%	16.7%	18.0%	-2.5%
Export % of GDP	13.7%	14.4%	17.9%	+4.2%
Mean earnings	\$48,290	\$50,159	\$52,074	+\$3,784
Job count for Māori	2,397	2,435	2,434	+37
Mean earnings for Māori	\$44,087	\$46,474	\$49,180	+\$5,093

*NEET = a young person aged 16-24 not in employment, education or training.



Key Achievements

Over the Reporting Period



- **Economic Data:** Developed new quarterly economic development dashboard and engaged with Councilors' on data that would be useful going forward. New data sets have been subscribed to that will enable deeper analysis and more useful information provided to both Council and the local business community
- **Events:** Developed an Events Strategy and implementation plan for Council
- **Business Support:** Established a new business network – women in business, and working with local retailer on options for retail business support, while continuing to evolve the monthly Business After 5 events
- Provided COVID business support through a series of webinars during introduction of new traffic light framework and vaccine mandate
- **Regional engagement:** Presented Horowhenua's economic development approach to Kapiti Economic Development board, A25 lead team and PNCC/MDC strategic lead team
- Secured Regional Business Partner Network representation in the district to assist businesses in their growth and development plans
- **Get-Go:** Continued the evolution of Get-Go by co-designing and beginning the implementation of a work ready framework with the 3 colleges and connecting schools and employers with vocational training opportunities with UCOL





- **Inward Investment:** Supported local business, Techlam, in applying for and receiving a \$1.7m loan from the Regional Strategic Partnership Fund to invest in new equipment to reduce waste and improve productivity / create new jobs
- **Horowhenua Business Park:** The plan to target and develop a construction hub worked well, along with the strategy to “get in and then out again”, creating a catalyst for the market to take over. This approach involved developing bigger lots to attract larger businesses to Levin and then build as they required/desired (Thermosash / DIA). It also gave them the option to develop their site further (LT McGuinness), attracting smaller, thriving businesses into Horowhenua. Some plots have been acquired by local businesses with plans to expand their own operations
- **Horowhenua Health & Wellbeing Hub:** With proceeds from the Horowhenua Business Park we purchased the Durham Street land specifically for the purpose of building a Health and Wellbeing Hub. We see this as a critical piece of community infrastructure, and while we have had some setbacks, we are continuing to pursue our vision for the benefit of the community. If this project proceeds, it will provide another tangible mechanism for attracting new health professionals to live, work and operate their practice in Horowhenua.

Economic Development Activity Summary

to 30 June 2022



Focus Area – and key performance areas	% of Focus	Activities and Comment
Business Development & Support: <ul style="list-style-type: none"> • deliver 7 business after 5's / targeted business events • Continued promotion of Regional Business Partners and other Government funded business support programmes 	40	<p>A varied programme of business networking events were held over this period – in spite of the pandemic. This included using webinars when face to face networking events were unable to be held, showcasing new businesses to Horowhenua and those long-standing ones who “fly under the radar”, having speakers who covered topics ranging from the economy, leading yourself, fundamentals of small business operation, labour market research results, creating excellent workplaces, and establishing a Women in Business Lunch Series.</p> <p>Ongoing connection of business with the range of government funded support – including working with The Mahi Space to boost digital capabilities of our small business community</p>
Skill-related Support and Labour Market Development: Get-Go	20	<ul style="list-style-type: none"> • Supported 64 people into work over the year July 21 to June 22 • Further developed the Get-Go programme - including co-designing a work ready programme for young people with the Colleges, and re-invigorating social media and website to expand Get-Go employers and enhance useability • Established collaborative relationship with UCOL which has resulted in school construction programme being

		established and business scholarships being offered to Get-Go employers
Economic Data & Insights and supporting strategy delivery	15	<ul style="list-style-type: none"> New quarterly economic dashboard developed and presented to Council
Innovation and Industry Development	10	<ul style="list-style-type: none"> Supported local company to receive funding from Kanoa in order to improve productivity and reduce treated timber waste going to landfill. Working as part of EDA group to align Food and Fibre strategies across Kapiti – Horowhenua – Palmerston North – Manawatu and Whanganui to avoid duplication and clarify action points and timing
Promoting Investment into Horowhenua	10	<ul style="list-style-type: none"> Learning from Horowhenua Business Park captured from new businesses and being used to develop inward investment opportunity Understanding central government funding programmes (including Budget 22 announcements) to be able to connect business with opportunities
Maintaining an influencing role in regional economic development	5	<ul style="list-style-type: none"> Hosted A25 lead team and Kanoa officials for visits to Horowhenua Establishing points of common interest across the 3 EDA's in Manawatu-Whanganui – including tools for small business, and developments underway in other parts of the region that will impact on Horowhenua. Working with KCDC and WellingtonNZ on Wellington's economic development action plan – especially Food and Fibre initiatives in Kapiti

Key Deliverables

to 30 June 2022



Deliverable	RAG	Comment
Quarterly Economic Dashboard developed to agreed format with the first one delivered by 31 March 2022		New Economic Dashboard developed with, and presented to, Council. Dashboards will be developed and provided to Council and businesses quarterly going forward.
New annual customer satisfaction survey for economic development developed and baseline results provided to HDC		Inaugural survey developed. 80% of respondents informed us that they would be likely or very likely to refer us to other businesses. This result has established a baseline moving forward and identified areas for enhancement of our service offering.
Delivering and sharing stories to improve understanding and awareness of economic development activities (2 case studies published)		Case studies developed and published. Communications plan for ongoing publication (integrating Get-Go and Economic Development stories) has been developed and will begin once THCL Website is in place.
New networks such as Women in Business and Young Professionals (established and support / model agreed)		A Horowhenua Women in Business Network has been launched and feedback has been overwhelmingly positive. This will be held quarterly. The team at CS Law continue to run a bi-monthly Young Professionals Network.
Fostering deliberate collaborations with Muaūpoko Tribal Authority and Ngati Raukawa to progress their economic aspirations (established and joint work programme defined)		The relationship with Muaūpoko Tribal Authority is progressing well, with shared interests in a wide range of activities – including Regional Skills & Leadership, Rangitahi development and employment programmes, housing development and health. The relationship with Ngati Raukawa is progressing more slowly, but we have had good engagement in relation to the proposed Health & Wellbeing Hub, and this will be further developed in the coming year
Events Strategy and Implementation Plan delivered to HDC by 31 March 2022		Developed and delivered by 31 March 2022

Planned Activities

July 2022 – June 2023



During February to June 2022, THCL developed a 5-year business strategy that identified the key focus areas for economic development activity – across all elements of the economic development functions.

These focus areas take into account:

- The growing population
- The planned roading developments by central government
- Emerging opportunities (and challenges) created by climate change and emissions reduction
- Council's 2040 Growth Strategy and Blueprint
- Māori and local iwi/hapu aspirations for their own growth
- Challenges of increasingly rapid shifts in the labour market – including the expectations and ambitions of young people
- Enabling housing development that provides modern, warm, and healthy homes for our own people

The 5-year business strategy also identified areas for investment for THCL to support the Trust's mission of improving the economic and social wellbeing for Horowhenua.

While the 5-year focus areas will direct most of the activity of THCL over the next period, there are a number of specific projects planned for the 2022/2023 year that will enhance services and outcomes:

- **RBP implementation** - Recruiting and implementing Horowhenua based RBP activities – under a subcontract to Whanganui & Partners
- **Business Support** - Developing and launching a business support model – to make it clearer what support businesses (or those thinking of going into business) can get – and from whom
- **Inward Investment** – Refining the existing information for businesses thinking of moving to Horowhenua and ensuring it aligns to the work being undertaken to identify Horowhenua as a destination
- **Work ready framework** - Reviewing the work ready framework that was implemented from the beginning of 2022 to understand the tools required to bring this to life to ensure our rangitahi finish school with a clear plan for what they will do next

- **Student pathways mapping** - Undertaking a pilot to map the journey of young people when they finish school and enter the workforce to better understand the interventions and support required for successful transitions from school
- **Working with employers to enhance capability** – using the results of research recently undertaken on the expectations and requirements of young people entering the workforce, work with Horowhenua employers to agree and implement changes required to recruit and retain young people in local employment

THCL continues to develop, with a programme of continuous improvement underway to enhance communications with the business community, improve core operating tools and processes and bring on the skills we need to continue to make a positive impact for Horowhenua.



6.3 Adoption of Financial Policies

File No.: 22/412

1. Purpose

This report presents to Council for adoption reviewed policies for Sensitive Expenditure, Conflict of Interest Prevention, Koha and Donations, Fraud Prevention, and Receiving Gifts. It also introduces a new policy called Giving Gifts

2. Recommendation

- 2.1 That Report 22/412 Adoption of Financial Policies be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the policies for Sensitive Expenditure, Conflict of Interest Prevention, Koha & Donations, Fraud Prevention, Receiving Gifts and Giving Gifts be adopted.

3. Background/Previous Council Decisions

Council has a number of policies that need to be reviewed on a regular basis. The attached policies have been reviewed as part of regular policy review. In addition, a new policy focused on giving gifts has been developed. These policies were workshopped with Council on 31 August 2022.

While internal policies are not normally approved by Council, this group of policies are significant contributors to ensuring a robust control environment and require Elected Members to follow the policies as well.

4. Issues for Consideration

Council engaged the services of our internal auditor (CKS Audit) to carry out a review of the above policies.

The review consisted of comparing the wording of each policy against good practice and guidelines as issued by the Office of the Auditor General ("OAG"), the Association of Certified Fraud Examiners ("ACFE") and Institute of Internal Auditors ("IIA").

With respect to the Conflict of Interest Prevention Policy, the review was also reviewed against Conflicts of Interests Practice Guide issued by the Institute of Directors.

After the draft policies from CKS Audit were provided to Council, CKS Audit became aware of further information pertaining to Sensitive Expenditure that the OAG had made recommendations on. CKS Audit updated Council with this information for incorporation in the drafts, if applicable.

The policies were reviewed against the above mentioned documents together with utilising informed and existing knowledge. Draft policies were provided to Council including comments and decision points.

For the Conflict of Interest Prevention Policy, two appendices were added, the first being examples of conflicts of interest in everyday life adapted from the OAG examples; and the second a Conflict of Interest Management Plan. An amended version of the Declaration of Conflict of Interest form was also included.

As part of the review, it was agreed that the Gifts and Rewards policy be split into two separate policies, Receiving Gifts and Giving Gifts.

The draft policies were further reviewed by officers. Queries and questions raised by CKS Audit were addressed and any changes incorporated into the final policies being presented to this meeting.

Further changes raised at the workshop have been incorporated in the final policies.

There are no fundamental changes to the policies, however amendments have been made to give greater clarity and to include examples where applicable.

For the Conflict of Interest policy:

1. References were added to consenting procedures and guidelines;
2. Further clarification was added on the timing of when a Conflict of Interest declaration is required;
3. Further clarification was added on the process of documenting and managing Conflict of Interests; and
4. Further clarification added to principles applicable to Conflicts of Interest.

Other amendments to the body of the policies fell into three categories.

1. To remove ambiguity, provide clarity, increase detail and/or increase precision regarding wording, for example:
 - a. additional definitions of fraud;
 - b. adding a monetary value to the definition of material value in the Fraud Policy;
 - c. linking the description of confidential or sensitive information in the Conflict of Interest Prevention policy, to LGOIMA;
 - d. stating the actual timing of periodic reviews of koha and donation transactions and of gifts, and ensuring the two policies align with respect to this;
 - e. providing clarification regarding retention of gifts given to staff; and
 - f. providing clarification regarding if and when staff may undertake other employment or participate in other business or voluntary activities that present a conflict of interest with Council.
2. To draw Council's attention to where wording should be checked to ensure it aligns with another policy, including those the auditors were aware of but were outside of the scope of this review. For example, matters covered in the Sensitive Expenditure that also are applicable to the Travel policy.
3. Possible amendments due to suggestions from the OAG and other professional bodies that differed from current policy content. Examples include:
 - a. making provision for cash advances with a credit card in the Sensitive Expenditure policy;
 - b. that Council require contractors or consultants to comply with Council's Conflict of Interest Prevention policy even though they are not employees;
 - c. adding a limit on quantity as well as dollar value of purchases for staff use via preferential access to goods or services through Council's suppliers, this being a form of sensitive expenditure;
 - d. removal of making donations in cash, from the Koha and Donations Policy; and
 - e. including that claims relating to sensitive expenditure need to be in English or Te Reo Māori (or independently translated before payment).

Attachments

No.	Title	Page
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A	Conflicts of Interest Prevention Policy	24
B	Fraud Prevention Policy	49
C	Sensitive Expenditure Policy	59
D	Giving Gifts Policy	76
E	Receiving Gifts Policy	81
F	Koha and Donations Policy	86

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jeff Paulin Manager Financial Special Projects	
Approved by	Jacinta Straker Group Manager - Organisation Performance	
	Monique Davidson Chief Executive Officer	



Conflict of Interest Prevention Policy

Year: 2022



Category:	Finance
Owner:	Group Manager Organisation Performance
Approved by:	Council
Date Approved	September 2022
Review Date:	September 2024
Version No.:	
TRIM Doc. No.	D22/19152

Purpose

The purpose of this policy is to:

- Set out clearly the principles and decision guidelines for identifying and managing conflicts of interest.
- Guide Horowhenua District Council ("HDC") staff in making work decisions so that decisions are seen to be transparent and unbiased and without any perception of conflict of interest.
- Assist staff in assessing the possible impact of their own behaviour and interests on their roles with HDC.

Scope

- This policy applies to all HDC staff, whether permanent or temporary, and all contractors to HDC who are undertaking a full-time equivalent role.
- The term "staff" will be deemed to cover all of the above categories where it is mentioned within this document.
- Any Procurement specific Conflict of Interest process will align with the Procurement Policy.
- Any Building Consenting specific Conflict of Interest process will align with the regulation 17 of the Building (Accreditation of Building Consent Authorities) Regulations 2006.
- Any Resource Consenting specific Conflict of Interest process will align with the Resource Management Planning policy and procedures.

Definitions

Conflict of Interest

- A conflict of interest is any situation where staff's duties or responsibilities conflict, or could be seen to conflict, with some other interest they might

have outside of work¹. This should include any conflict that does not currently exist but where it is reasonably probable that it will in the future²

- It can be helpful to categorise³ Conflicts of interest as:
 - Financial: any situation where a decision will result in financial gain or loss for the decision maker.
 - Non-financial: any situation where although there is no financial gain or loss, some other matter may be a matter on which the decision maker has a bias or has the appearance of bias. For example, from a family relationship, friendship, or any other sort of personal relationship.
 - Conflict of roles - any situation where the staff member is a decision-maker for two different organisations about the same matter. While this is also a non-financial conflict the question to consider is not so much whether the individual's interests' conflict, but whether the interests of the two organisations conflict.
 - Predetermination - any situation where a decision is being made and there is a risk that people will think the decision was made before all the evidence had been considered. Suggestions of predetermination usually arise because of something that has been previously said or done and risks "tainting" the decision with an appearance of bias.

Personal Relationships

For the purposes of this policy a 'close personal relationship' includes:

- a staff member's family (for example: children, spouse/partner, parents, siblings, aunts, uncles, cousins etc., whether by blood or otherwise)
- members of the same whanau or iwi as the staff member with whom there is regular, close contact
- friends
- business partners or associates
- sports teams, cultural groups

Personal relationships do not include those with whom there is little regular contact or intimacy, such as casual acquaintances.

Principles

Principles applicable to conflicts of interest

- Where activities are paid for out of public funds, or decisions are made exercising public powers, members of the public rightly expect the people making those decisions to act impartially, without any possibility that they

¹ OAG Managing conflicts of interest: A guide for the public sector. June 2020. para 2.1

² Institute of Directors. Conflicts of Interests Practice Guide – recognising, declaring, and managing conflicts of interest. 19 November 2021. Page 6. www.idi.org.nz.

³ OAG Managing conflicts of interest: A guide for the public sector. June 2020. paras 3.2, 3.7, 3.12-13, 3.25-26, 3.32

- could be influenced by favouritism or improper personal motives, or that public resources could be misused for private benefit.⁴
- HDC staff must carry out their duties in an efficient and competent manner and avoid any behaviour which might impair their effectiveness or damage the integrity or standing of HDC.
 - At all times staff must avoid situations where their integrity might be questioned or where they may appear to favour one party, supplier, or customer over another.
 - It is not sufficient that no conflict exists. Care must be taken to ensure a reasonable person would not form a suspicion that a conflict may exist, and bias, undue influence or preferential treatment has occurred, or a private benefit obtained.⁵
 - At all times staff must act honestly and impartially and in no circumstances reveal or make private use of personal, confidential, or other non-public information obtained as a result of their employment.
 - Identifying and disclosing of potential conflicts of interest must occur prior to making decisions.
 - Conflicts of interest must be disclosed as soon as they arise.⁶
 - In every instance, consideration must be given as to what action (if any) is necessary to manage the conflict of interest⁷. Useful questions to ask are⁸
 - What would a reasonable person think?
 - What is in the best interests of HDC?
 - Open, honest, and full disclosure to one's manager is a staff member's best protection against allegations of conflict of interest. Advice on the management of conflicts can also be obtained from management.
 - In making the decision on whether or not a conflict exists and how it is to be managed, HDC will act reasonably and have consideration for this policy and the guidelines contained therein. HDC has an obligation to ensure that its decision is timely and that the consideration process is not unreasonably delayed.
 - If uncertainty exists as to whether something constitutes a conflict of interest, it is safer and more transparent to disclose.⁹
 - Staff have a duty to themselves and HDC to raise with management any matter of business, conduct or ethics (whether pertaining to themselves or to a colleague) which causes them concern or which indicates a conflict of interest may exist. This must be done at the earliest opportunity. Enquiries will always be taken seriously and treated confidentially.
 - All decisions regarding whether a conflict of interest exist or not should be recorded in writing¹⁰
 - These principles should be applied together. None should be applied alone, and no principle should be treated as more important than any other.

⁴ OAG Managing conflicts of interest: A guide for the public sector. June 2020. para 2.11

⁵ Informed by OAG Managing conflicts of interest: A guide for the public sector. June 2020. Section 7

⁶ OAG Managing conflicts of interest: A guide for the public sector. June 2020. para 1.4

⁷ OAG Managing conflicts of interest: A guide for the public sector. June 2020. para 1.4

⁸ Institute of Directors. Conflicts of Interests Practice Guide – recognising, declaring and managing conflicts of interest. 19 November 2021. pages 6 and 12. www.iod.org.nz.

⁹ OAG Managing conflicts of interest: A guide for the public sector. June 2020. paras 4.9

¹⁰ OAG Managing conflicts of interest: A guide for the public sector. June 2020. paras 4.45

Protected Disclosures

Nothing in this Policy shall limit the rights and obligations of the staff member and the HDC under the Protected Disclosures Act, 2000.

Situations that can cause conflicts of

Examples include:

- Past or current employment with another organisation.
- Involvement in another business.
- Providing advice, opinions or services which lie outside the staff member's duties.
- Promoting a third party's products or services.
- Investments and property ownership, or beneficial interests in trusts.
- Membership of or holding an office in another organisation or being their spokesperson.
- Professional or legal obligations to someone else.
- Family or close personal relationships.
- Strong political or personal beliefs.
- Making political comments or submissions
- Contact with elected members or the media.
- Accepting gifts, sponsorship, or hospitality.

The guidelines section provides further information on situations that can cause conflicts of interest.

Appendix A contains 10 scenarios in which a conflict of interest can arise in everyday lives and provides guidance about the matters that should be considered. These scenarios are:

- Scenario 1: Funding for a club.
- Scenario 2: Family connection to a tenderer for a contract.
- Scenario 3: Employment of a relative.
- Scenario 4: Public statements suggesting predetermination.
- Scenario 5: Decision affecting land.
- Scenario 6: Gifts and hospitality.
- Scenario 7: Making a public submission in a private capacity.
- Scenario 8: Mixing public and private roles.
- Scenario 9: Personal dealings with a tenderer for a contract.
- Scenario 10: Duties to two different organisations.
- Scenario 11: Professional connection to a tenderer.

Possible outcomes of failing to properly manage a conflict of interest

Examples include

- Influencing or raising doubts as to the impartiality of an officer.
- Damaging the reputation of the HDC for fair dealing.
- Being perceived by the public as acting in the interests of staff members themselves or of people with whom they have personal relationships.
- Being unable to properly fulfil the requirements of employment as a HDC officer.
- Appearing to favour unfairly one party over others.
- Providing a customer with an unfair advantage as to assistance or advice.
- Laying the HDC open to allegations of providing inappropriate or unqualified advice.
- Providing access to non-public information or preferential access to HDC information or services.
- Violating rules concerning external contracts and/or contractual processes.
- Guidance for specific areas in which conflicts may arise.

Guidelines

All staff members will complete and submit a declaration listing specified personal interests¹¹:

- On commencing employment with HDC;
- When changing roles within HDC;
- On returning to a seasonal or casual role with HDC after a period of absence of twelve months.

Other Employment or Interests

- Staff may not undertake other employment or participate in other business or voluntary activities which present a conflict of interest with HDC without consent.
- Where a conflict of interest is established written permission to continue the employment, business or voluntary activity must be obtained from the staff member's Manager and from the other organisation.

Employment or Business Interests

- Before accepting secondary employment or becoming involved in external business interests (including investments or new business proposals), staff

¹¹ OAG Managing conflicts of interest: A guide for the public sector, June 2020, para 5.8

must consider whether the nature of the role, the secondary employer or the business interest is such as:

- To prevent the staff member properly fulfilling their obligations as a staff member of HDC (for example a staff member who has other employment or business interests may be unable to properly perform their HDC duties by reason of fatigue or because of conflicting time commitments)
- By the nature of the employment or business, to throw into disrepute the staff member themselves or their role with HDC.
- To raise doubts about the impartiality of the staff member.
- To impinge on HDC's reputation for fair dealing
- To appear to favour one party above others or provide an unfair advantage to a customer or group of customers.
- To give the secondary employer, business interest or association preferential access to HDC information or services
- Where there is any uncertainty, advice must be sought from the staff member's manager without delay.

Possible Mitigation of Conflict in Business Interests

- Where a business interest has the potential for a conflict of interest with HDC (e.g., offering services, products or advice which competes with HDC services or for which HDC may be a customer), it may be possible to mitigate the conflict of interest by ensuring that:
 - The services or products provided by the business are not in the area of the staff member's influence, expertise or responsibility within the HDC, or that
 - Where the services or products are within the staff member's area of influence, expertise, or responsibility within the HDC, the business does not provide such services within the HDC's territorial area.
- The ultimate decision on whether or not the conflict of interest can be satisfactorily mitigated by these, or other actions will be determined by the Senior Management Team, not the staff member. However, HDC will only make such a decision following consultation with the staff member and, in doing so, will act reasonably and make a timely decision.

Voluntary Interests

- Situations involving actual or perceived conflict of interest may arise where staff undertake a significant involvement in organisations whose activities have a direct impact on their roles as HDC staff. As a result, such involvement must be subject to the same process of consideration of the potential impacts as is undertaken when secondary employment or business interests are being considered.
- In particular, prior approval must be sought and obtained where the staff member is considering taking on:
 - A role as spokesperson for a voluntary activity where that role may impact on public perception of the staff member's impartiality or may result in the staff member publicly representing a position in conflict with HDC's position.
 - A role which involves the staff member being on call or requiring time off to undertake the voluntary activity or associated training (e.g., volunteer fire officer, paramedic etc.).

- Nothing in this section of the policy shall restrict the rights of staff as representatives of employee organisations.

Benefiting Third Parties

- Staff must avoid situations where they are responsible for, or perceived as being responsible for, decisions which benefit third parties (individuals, businesses, or organisations) with which the staff member has a personal relationship.
- In each case, the decision-making must be escalated to another HDC staff member, at a more senior level within the organisation, who is unrelated to either party concerned.

Financial or Contractual Decision-Making

- All financial or contractual decision making will align with the Procurement Policy. Below are additional guidelines with regards to possible conflicts of interest.
- HDC staff must demonstrate appropriate use of public funds. In making decisions with financial impacts or related to the award of contracts for services, goods or works, staff must not be perceived to be benefiting those with whom they may have a personal or business relationship.
- Where a staff member is responsible for a financial or contractual decision which may benefit someone with whom they have a personal relationship, or a business in which the staff member has a beneficial interest, he/she must stand aside from the decision, which shall be escalated to another more senior HDC staff member who is unrelated to either party concerned.
- It should be noted that all parties tendering for contracts with the HDC, or submitting quotes, proposals or expressions of interest that may result in a contract, are required to disclose in a covering letter the interest, involvement, or association of any HDC employee or Councillor with the tenderer or submitter (whether a company, individual or other entity).
- Any tenderer or submitter who (if an individual) is also an employee of HDC or (if a company) has a shareholder, officer or employee who is an employee of HDC, may be considered by HDC to be in a conflicting relationship. HDC retains the right to disqualify such a tenderer or submitter from consideration.

Employment of Family or Those in Personal Relationships

- Staff members must not be involved in decisions to short list, select or employ persons with whom they have a personal relationship, irrespective of whether it is as an employee or contractor, on a permanent, fixed term, temporary or casual basis.
- Nor may a staff member be in a direct report relationship with such a person. In cases where the employment relationship pre-dates the personal relationship, the relevant Group Manager or Chief Executive may approve an exception to this reporting requirement, based on organisational need.
- If such approval is not given, the Senior Manager, People and Capability, will work with the parties to reach an agreed outcome, which may involve the transfer of one or other party to another section of the HDC.

Promotion of Third-Party Interests

- Staff must avoid acting as the representative of third parties in communications or negotiations with HDC, whether on behalf of family, friends, business associates or organisations to which the staff member belongs as promotion of third-party interests can be seen as impinging on the impartiality of the staff member concerned.
- An exception to the above exists for professional associations where the staff member is the recognised, approved nominee or spokesperson.

Professional or Legal Obligations to Others

Where a staff member has professional or legal obligations to other parties which present an actual, potential, or perceived conflict of interest with HDC, they must immediately advise their manager and stand aside from any decisions which are affected, or may be perceived as being affected, by the conflict.

Provision of Advice or Services Outside Of Duties

- HDC staff often can be asked for assistance by customers in completing HDC documentation or for advice on applications, problems, service requests etc.
- This can create conflicts in situations where, in an effort to deliver superior customer service, staff step beyond their defined duties and/or expertise. It can result in some customers being given an apparent unfair advantage by receiving advice or services which are not provided to all. It can also lay the HDC open to allegations of providing inappropriate or unqualified advice, or subsequent legal challenge, where a staff member steps outside of their area of technical expertise.

Limitation on Advice or Duties

- Except where this is explicitly part of their duties (i.e., written into the job description), staff may not:
 - Complete statutory applications on behalf of a customer.
 - Amend HDC records to the benefit of a customer.
 - Provide advice which could later be used against the HDC should a legal dispute or enforcement situation occur.
 - Provide any legal interpretation.
- Officers must not offer advice or an opinion on matters which are beyond their technical/professional competence.

Maintaining Confidentiality

- Staff have a duty not to reveal confidential or sensitive information which is obtained in the course of their employment.
- In this context, 'confidential or sensitive information' includes information which, while not explicitly labelled 'confidential' or 'sensitive' is not able to be accessed by LGMOIA; or although obtainable by LGMOIA is otherwise not generally available to the public. For example it does not include information on HDC's website.

Political Involvement & Private Comment

- HDC encourages its staff to be good citizens. It recognises that there are benefits for both HDC and the community from the involvement of staff in the community in which they live.
- HDC therefore acknowledges that staff as citizens have the usual democratic rights of all citizens. These rights include, but are not restricted to, the right to participate in community groups, both within and outside Horowhenua District, and to express opinions as private citizens within normal democratic processes.
- However, while HDC officers have the same rights of free speech as members of the public they also have a duty not to compromise their employer. Any comment designed to bring the HDC, its elected members or policies into disrepute will be viewed as a breach of that duty and may be treated as misconduct.

Public Comment or Submissions

- Officers have the ability to have input through internal processes into the development of HDC policies and practices they will be responsible for administering or implementing and any concerns about such matters must be expressed through internal processes only.
- When making submissions as a citizen to HDC committees or other bodies, staff must make explicit the role in which they are making these submissions.

Staff Standing for Political Office

- From time-to-time staff seek to pursue a direct political involvement at local, regional or national levels. A conflict of interest could develop, either during campaigning or afterwards if elected, therefore staff and contractors must register any such interest through their manager beforehand.
- The Chief Executive reserves the right to consider each situation on its merits.
- One of three determinations will be made:
 - No serious conflict of interest exists.
 - A conflict exists and ongoing employment with Horowhenua District HDC is incompatible with campaigning and/or holding political office. In such a situation, the staff member or contractor must decide which course they wish to pursue.
 - A conflict exists but can be satisfactorily mitigated by a change in work location or duties. The feasibility of such a change being made shall be dependent on organisational requirements and at the Chief Executive's discretion.
- In making such a determination, the Chief Executive will consult with the staff member concerned, act reasonably and the decision shall not be unreasonably delayed.

Contact with Elected Members

- HDC officers may have contact with elected members in an advisory or support role as part of their duties. However, these contacts must never be used to lobby elected members about issues which the staff member is involved in as a private citizen.

- In particular, staff may not lobby elected officials:
- On matters relating to HDC policies or practices where they have been involved as staff in developing these policies or will be responsible for administering them.
- About the award of contracts, whether for goods, services or works.
- On matters relating to their career development, including, the possible appointment of themselves or others to positions within the organisation. This includes the practice of seeking personal references from elected members.
- It is expected that staff members with private concerns will seek to have these addressed through internal HDC processes rather than via the political arena.
- Any staff member with concerns about potential serious wrongdoing within the HDC or by another HDC officer should follow the process set out in the Protected Disclosures Policy.

Contact with the Media

- Any comment to the media or other external agencies on behalf of the HDC may only be made by staff with the appropriate delegations from the Chief Executive and as per HDC Communications and Media Policy.
- Staff of the HDC have a duty not to compromise their employer or bring the HDC into disrepute. If making a statement to the media as a private citizen, staff members must make it explicit that the comment is made in their private capacity and must ensure that their duty as HDC staff is not breached.

Publications or Public Addresses

- From time-to-time HDC officers may be invited to present papers on HDC policies or processes or wish to cite the Horowhenua District as an example or case study in a professional publication or as part of academic studies.
- Where an officer is presenting the paper or writing the publication in his/her capacity as a Horowhenua District HDC staff member the content of the presentation or publication must receive prior approval from the officer's manager and the HDC 'owner' of the policy or process being described, even if the work on the presentation or publication is undertaken in the officer's own time.
- Where an officer is making the presentation or writing the publication as a private citizen this must be explicitly stated.
- In both cases, the officer must ensure that his/her duties do not bring the HDC into disrepute and that confidentiality of information is maintained.

Gifts

- **Gifts include¹²:**
 - A tangible object or objects. This may be in the form of a voucher.
 - The free use of something usually paid for, for example, free use of a corporate box at a sporting event.
 - Privileged access to goods or service.

¹² OAG Controlling sensitive expenditure: Guide for public organisations, October 2020. Extract from Para 9.6 and 9.10

- Prizes received from a free competition entry obtained while carrying out an organisation's business.
- Gifts do not include cash. Cash gifts are unacceptable in any circumstances¹³.
- For full details refer to the Gift Receipt and Recognition of Achievements policy

Documenting and Managing Conflicts of Interest

- Potential conflicts of interest should be formally recorded as well as discussed with the relevant Manager.
- Appendix B - Declaration of Conflict of Interest, is attached for the purpose of documenting a conflict of interest
- Appendix C – Conflict of Interest Management Plan, is also attached. Appendix C is completed by the staff member and their one-up and is used to record how the conflict of interest will be managed.
- A copy of the form should be filed in the Employee personnel file and recorded on the Conflict of Interest register.
- Copies of such declarations will also then be forwarded to the Human Resources department where a Master Register is maintained.

¹³ OAG Controlling sensitive expenditure: Guide for public organisations, October 2020. Extract from Para 9.11

Adopted by resolution of Council, [resolution number], on [meeting date]

Chief Executive: _____

Date: _____

Mayor: _____

Date: _____

Appendix A: Conflicts of interest in everyday life.

Examples of how conflicts of interest can arise in everyday lives and guidance about the matters that should be considered:

- Scenario 1: Funding for a club
- Scenario 2: Family connection to a tenderer for a contract
- Scenario 3: Employment of a relative
- Scenario 4: Public statements suggesting predetermination
- Scenario 5: Decision affecting land
- Scenario 6: Gifts and hospitality
- Scenario 7: Making a public submission in a private capacity
- Scenario 8: Mixing public and private roles
- Scenario 9: Personal dealings with a tenderer for a contract
- Scenario 10: Duties to two different organisations

The scenarios are intended to show the range of situations that can occur and the issues that might need to be considered in assessing their seriousness and deciding how to manage them. They are examples, not rules. In reality, sometimes a small difference in context or detail can make a critical difference. Judgement is always required.

Scenario 1: Funding for a club

- Sam is a grants officer for a local body that allocates funds for environmental projects in the community. In her role, she does the initial assessment of applications and writes reports for the committee that will consider and decide on each funding round. She also monitors the use of the funding.
- Sam is also a member of a small local residents' association. The association has applied for funding to clean up a local stream and plant native shrubs.
- Normally, this application would be one that Sam would deal with in her work.
- There is a conflict of interest here. Someone could reasonably allege that Sam's likely desire for her association to be successful in its bid might mean that she will not be completely impartial in the way she analyses this application (and the other applications that are competing for the same pool of money). The decision to be made is specifically about the residents' association, and probably affects its funding in a significant way.
- Sam should tell her manager about her personal connection to this application. Sam's manager should consider the nature of Sam's role in processing these sorts of applications, whether her position has a significant

influence on decision- making, and whether someone else in the organisation could work on the particular application.

- It might be prudent for Sam's manager to ensure that all of the applications for this particular set of funding (including the applications from others) are processed by someone else. If the manager takes this view, it might also be preferable that the other person is not someone Sam manages. If the application from Sam's association is successful, Sam might also need to be excluded from administering that grant.
- Alternatively, it could be that no steps are warranted because Sam's role is a low-level administrative one and all the substantive analysis is done by others.
- Another possibility is that the above steps are impracticable, because Sam is the only person in the organisation who can do the work. In that case, some other option (such as carrying out an additional peer review of her work on the matter) might have to be used.
- In this scenario, there is a conflict of interest even though Sam is not one of the leaders of the residents' association, did not prepare the application, does not personally have a financial interest in the matter, and believes she could still consider all applications fairly and professionally. The association is small, so Sam is likely to know its leaders well and work closely with them. However, the situation might be different if the association was a large nationwide organisation like Rotary, and the application was from a different branch of that organisation.

Scenario 2: Family connection to a tenderer for a contract

- Hoani is a project manager for a local body. The local body contracts out some functions to private providers. As part of his role, Hoani is running a tender process to find a new provider for certain services.
- Hoani's brother-in-law, who he knows well, is the managing director and a significant shareholder of one of the private companies that is tendering for the contract.
- There is a conflict of interest here. It is not a financial conflict of interest, because Hoani is not involved in the tendering company and is not financially dependent on his brother-in-law. But the family connection to the company is a reasonably close one, and the decision to be made by the local body directly relates to the company. Hoani is likely to have feelings of loyalty to his brother-in-law (or at least this would be a likely perception).
- Hoani should tell his manager about his personal connection to the tendering company, and the manager should get someone else to manage this tender process. It might also be prudent to take steps to ensure that Hoani does not have access to information about the other tenders or any confidential information about this tender process.
- It matters that Hoani's relative has an important role at the tendering company. The approach might be different if the relative was in a much more

junior position and was not personally involved in the company's tender, especially if the company was a large one. The approach might also be different if the person involved was a distant relative whom Hoani had met only a few times in his life. Assessing the closeness of a personal connection to someone (or the appearance of such closeness) requires careful judgement.

Scenario 3: Employment of a relative

- Stephanie is the principal of a secondary school in a small town. She takes a leading role in hiring staff.
- A vacancy has arisen for the position of finance manager and Stephanie's husband is interested in applying for the position.
- Stephanie has a conflict of interest here. The school needs to employ staff on merit and must avoid perceptions of undue influence or preferential treatment in appointment decisions.
- Stephanie needs to tell the chairperson of the school's board of trustees about the situation. The board should ensure that this appointment process is handled entirely by others, and that Stephanie has no involvement in the process. Because of Stephanie's own position, the board needs to take extra care to ensure that the process is truly transparent and competitive, so that all suitably qualified people are able to apply and be fairly considered, and that there can be no reasonable suggestion that Stephanie might have influenced the decision from behind the scenes.
- But managing the appointment is not the only type of conflict of interest that needs to be considered carefully by the school. Issues are also likely to arise in the ongoing working relationship, where there are matters that directly affect or involve both Stephanie and her husband.
- It is a fact of life that there will be times when two people who are related – or who are in a personal relationship – will work for the same organisation. That is not usually improper in itself. Indeed, it would often be wrong for someone to be disadvantaged simply because of who they are related to, especially in a large organisation where the two people do not work closely together each day.
- However, sometimes – and depending on the nature of the position – appointing someone who is a relative could cause difficulties, even where a fair process has been followed. This is because it can create a risk of a lack of independence, rigour, and professionalism in ongoing decision-making. In a public organisation, it would usually be unwise for relatives to hold two of the most senior positions, or to hold positions that are in a direct reporting relationship.
- In Stephanie's husband's situation, the school's board should consider whether it would be able to manage the frequent and significant conflicts of interest that would be likely to arise if Stephanie's husband were to be

appointed. The two roles are senior ones and likely to involve a direct reporting relationship (or at least a lot of working closely together on managing the school's finances).

- It can be difficult to decide the fairest course of action in these situations. Here, the board might well decide not to appoint the husband because it would be too difficult and complicated to manage the likely ongoing conflicts of interest.

Scenario 4: Public statements suggesting predetermination - amended by HDC from elected member role to staff role

- Ruth is a senior resource management planner for a district council. An application has been received for consent to build housing of a higher density than any of the other housing in that particular area.
- Ruth lives in a small community and has always been very outspoken as to her opposition to high density housing as she considers it will put strain on local services such as roads, Her views are well known within the community.
- Ruth's previous comments are likely to mean that she is biased. Even if she is not biased, there could be a perception by the developer, and, if the application is to be notified, by the public that she is biased. If she is involved in the processing of the application and the application is rejected or additional information required the developer could form a view, and state it publicly, that their application has not been considered by Council in a fair and impartial way. Even if the rejection or additional information requests are entirely valid the developer could still make public statements that are damaging to the reputation of council staff. Should the consent, with documents prepared by Ruth, proceed to a hearing by the planning hearings committee the council's decision could be open to legal challenge on the grounds of bias
- Ideally Ruth should not be involved in the processing of this application. Another staff member or a contractor would step in to process the application.
- The type of function being exercised is relevant. A strict standard needs to be applied when a council is acting in a regulatory capacity, and because a resource consent grants the holder a legal right. The council needs to follow a fair process and make its decision on lawful grounds that comply with the Resource Management Act 1991, because it is making a decision that could be appealed to the Environment Court or be subject to judicial review by the High Court.

Scenario 5: Decision affecting land

- Tom is a roading engineer and works for a local body that is responsible for some of the roading network. The Council is planning to extend an existing road however there are several different routes it could take.

- The local body has come up with several different options for the route which they will now consider in more detail. Land will need to be acquired – compulsorily if necessary – along its chosen route. The project is opposed by many people who live along the possible routes, who fear the road will adversely affect the natural environment and devalue their remaining land. Tom has worked on a number of areas of the project and has now been appointed to the Route Options Working Group that will assess the route options and make a recommendation to the board.
- Tom is also part-owner of a farm that lies directly in the path of one of the route options.
- Tom has a conflict of interest here. He has a personal stake in the decision about which route to choose, because his land could be affected. Although the working group does not make the final decision, it has an important role in analysing the route options and making a recommendation.
- Tom needs to tell his manager that he has an interest in a property affected by one of the options. Tom's role will have to be considered carefully. It might be that Tom does not mind whether the road ends up crossing his land – he might not share any of the concerns of the project's opponents. He might believe that he could contribute conscientiously to the working group to help it arrive at the best technical answer. But his manager should bear in mind the risk that, if Tom's personal connection becomes publicly known, others might easily think that it could affect his views or actions.
- His manager might have to remove him from the working group and assign him to other tasks. (There might be other aspects of the project that Tom could work on, which have no connection to the question of which route to choose.) It might also be wise to ensure that Tom does not have access to confidential information about the decision before it is made public, in case he is considering selling his land.
- Alternatively, Tom's expertise might be indispensable to the project, or he might have a small part in the overall process. Some other options might therefore need to be considered (such as only partly limiting his role or imposing extra supervision).

Scenario 6: Gifts and hospitality

- Rawiri works in the corporate services division of a local body. As part of his role, he manages the department's contractual relationship with its rental car provider. The arrangement with this supplier has been in place for several years, so the department has decided to re-tender the contract. Rawiri has told the current provider that he will soon be inviting expressions of interest for a new contract.
- Rawiri has regular relationship management meetings with the current provider. At a recent meeting, the provider offered to fly him to another city to inspect a new fleet of cars that will shortly be available, and said that Rawiri

could have complimentary corporate box tickets to a rugby test match that happened to be on that night, and stay on for the weekend in a downtown hotel.

- This situation creates risks at any time, but especially given the imminent tender process. Rawiri might not be seen as impartial if he is involved in choosing the new supplier. A competitor could allege that Rawiri is being given an inducement or reward in the implicit expectation that he will look more favourably on the current provider in the coming tender round (or that he will receive further gifts if the current provider is successful).
- Rawiri should discuss the offer with his manager, and carefully consider the local bodies' policy on entertainment, hospitality and gifts. Given the circumstances, it would not be appropriate to accept the offer of the sports tickets and hotel accommodation. With the offer to be flown to another city to inspect the new fleet of cars, careful consideration should be given to whether business reasons can justify the visit. (If it goes ahead, the local body might decide to offer to pay the cost of it.) If other forms of gift or hospitality have already been accepted, the appropriateness of Rawiri having a role in the coming tender process might need to be reconsidered, too.
- This does not mean that gifts must always be refused. It is reasonable to consider the value or nature of the gift and extent of personal benefit (for example, it might be acceptable to accept a gift that is inexpensive and widely distributed). The context and reason or occasion for the gift is relevant, too. For an organisation that operates in a more commercial environment, some types of gift or hospitality might be seen as a necessary element in maintaining relationships with stakeholders and clients. However, in Rawiri's case, the risk is higher because of the proximity to the coming tender round where a strict and fair process will need to be followed and be seen to be followed (and because the justification for at least some elements of the offer appears dubious).

Scenario 7: Making a public submission in a private capacity – amended by HDC from elected member role to staff role

- Ken is a Manager for a city council. The council is proposing to adopt a new bylaw on the location of brothels. As it is required to carry out a formal public consultation process on its draft bylaw, the council has invited written submissions and will hold a public hearing where submitters can make an oral presentation to a council committee. The adoption of the bylaw will be decided by a vote of the full council.
- Ken feels strongly about the draft bylaw and wishes to lodge a submission.
- This situation might create a conflict of interest for Ken.
- The following is the Local Government New Zealand ("LGNZ")'s Guidelines for Staff Wishing to Make a Personal Submission.

- *This guideline has been prepared to assist staff and their employers in situations where an individual member of staff intends to make a personal submission to a public consultation process undertaken by their council.*
- *The Guideline accepts the principle that it is the democratic right of every person in a district, city or region, including local authority employees, to make submissions on matters that could impact upon them.*
- *However, as in all matters of integrity, exercising judgement is essential. It is generally unacceptable for employees to:*
 - *use or reveal any information gained in the course of their work where this is not already known by, or readily available to, the general public – some employees are more likely to have access to this type of information because of the nature of their jobs or their involvement in the preparation of the policy or plan under consideration and this may create a conflict of interest*
 - *purport to express or imply an organisational view*
 - *develop the submission during work time or using organisational resources*
 - *engage in personal attacks on councillors or work colleagues*
- *Staff, who may be unclear about whether a conflict exists or not, should seek advice from their immediate manager. Managers have no right of veto.”*
- *Union members should also consult their union. In situations where the staff, as a group, have a view on a council policy or plan, it may be more appropriate to express that collectively through a union submission.*
- *Personal submissions may not always be the appropriate way in which to express views. For example:*
 - *In cases where an employee is concerned about “serious wrongdoing,” as defined in the Protected Disclosures Act, he or she should consider the Council’s internal procedures/policy on making a protected disclosure for guidance on how to raise a concern of that kind.*
 - *Where an employment issue is involved an employee may wish to raise a complaint or personal grievance with the chief executive. In such cases the provisions of the Employment Relations Act, the council’s code of conduct, any applicable collective agreement and any relevant workplace policies should be considered.*

Scenario 8: Mixing public and private roles

- Antonia is a senior scientist working for a Crown research institute (CRI). The CRI has developed a new product that has significant revenue-earning potential, and Antonia has worked on the product as part of her role in the CRI. However, the CRI needs help in manufacturing and marketing the product on a large scale, so plans to enter into a joint venture with a private company. The CRI is considering appointing Antonia as one of its representatives on the governing body of the joint venture.
- Coincidentally, Antonia is also a shareholder in the private company that will be the CRI's joint venture partner (although she had no role in the CRI's selection of it).
- The situation creates a conflict of interest for Antonia. She stands to benefit from the financial success of the private company. The fact that there might be no direct disadvantage to the CRI (because the joint venture partners are working together, hopefully for their mutual benefit) does not remove the conflict of interest. Her interests in both the CRI and the private company could create confusion about her role and primary loyalty. She could be accused of using her official position in a way that advances her own private interests.
- Antonia needs to tell her manager. It will probably be necessary for Antonia not to be given any major role in governing or managing the joint venture while she has an interest in the private company.
- Antonia's manager might also need to think carefully about what other work, if any, it is appropriate for Antonia to do on the project in her capacity as a CRI employee.
- This decision might not be clear-cut. Antonia might be the best person in the CRI to carry out certain tasks, but the risk is that she could be regarded as spending a large part of her time as an employee of a public organisation, and using the CRI's resources, to carry out work that has a significant element of private benefit for her.
- Antonia's manager might judge that some involvement in the project is acceptable (or even necessary), but it might also be desirable to confine this. For example, Antonia's role could be changed so that she does not have the ability to influence decisions about how the joint venture and project are run. Alternatively, Antonia might be asked to give up one of her roles – that of employee or that of shareholder.
- If circumstances changed to a point where the CRI and the private company became direct competitors with each other, then Antonia's situation might become even more difficult (especially if she remains in a senior position at the CRI, or is still involved in this particular area of work). In that case, it might

become necessary for Antonia's manager to insist on divestment of one or other role – either that she relinquish her private interest or leave her job.¹⁴

Scenario 9: Personal dealings with a tenderer for a contract

- Sandra is a consultant who specialises in project management. Her services have been engaged by a local body to help it carry out a new building project. As part of this role, Sandra has been asked to analyse the tenders for the construction contract and provide advice to the local body's tender evaluation panel.
- Sandra has a lot of personal knowledge about one of the tenderers for the construction contract. She used that firm to build her own house last year, and she is currently using it to carry out structural alterations on several investment properties that she owns. Because of this, she knows the directors of the company very well, and has a high regard for their work.
- This situation might create a conflict of interest for Sandra. She is expected to impartially and professionally assess each of the tenders, yet she could be regarded as being too close to one of the tenderers.
- In Sandra's case, it is probably unwise for her to play a role in selecting the tenderer. (This might or might not require ending the consultancy arrangement altogether, depending on what else Sandra has been engaged to do.) Her dealings with the firm are recent and significant. The risk is that, if this firm wins the contract, Sandra's personal connections with it might allow someone to allege that the department's decision is tainted by favouritism.
- These sorts of situations are not always clear-cut. Particularly in small or specialised industries, people often have had some degree of personal knowledge of, or previous dealings with, other people or organisations that they have to make decisions about. That is not necessarily wrong. Indeed, they will often be chosen for this role precisely because of their experience or expert knowledge, and that might include general impressions about the reputation or competence of others. So, sometimes, these sorts of connections might be judged to be too remote or insignificant. For instance, in this case, the response would probably be different if the firm's private work for Sandra had been a single, smaller job carried out several years ago.
- To take another similar example, careful judgement would also be necessary if the connection was instead that the tendering firm was run by a friend or acquaintance of Sandra. For example, it might be improper for Sandra to be involved in assessing the tenders if the firm was run by a friend she had known for many years and who had attended her wedding. By contrast, there might not be any problem if Sandra simply knew the person in a casual way through membership of the same sports club.

¹⁴ If the private company regularly carries on business in the same general industry as the CRI, the CRI might have an internal policy prohibiting Antonia from being involved in such a company anyway.

- Further careful judgements might be necessary if Sandra had worked for the firm. For instance, the situation might be problematic if she had been a full-time employee in the last year or was also currently providing significant consultancy advice to the firm on another matter. On the other hand, it might not be problematic if she had worked for the firm several years ago, or if she had provided only occasional pieces of consultancy advice in the past.
- This scenario also shows that public organisations need to think about whether and how to manage conflicts of interest that arise for someone who is not a member or employee but is instead a consultant or contractor. Sandra's role is important to the local body and affects an important decision it has to make, and so can expose the local body to legal and political risk. She should be required to agree to abide by the relevant conflict of interest policy for staff. The manager who oversees her work should ensure that she understands the policy and should monitor her in the same way as an employee.

Scenario 10: Duties to two different organisations

- Jean-Paul works for a local body that has some contracting arrangements with private organisations. One of those arrangements is with a charitable trust. The local body is now about to decide whether to discontinue this arrangement. Jean-Paul's role would normally require him to be involved in making that decision.
- Jean-Paul also happens to be one of the trustees of the charitable trust.
- Jean-Paul has a conflict of interest in this decision. He might not be affected personally by the decision, but the trust will be, and he is closely associated with the trust. (The conflict of interest might be particularly acute if the local body is a significant source of the trust's funding and ongoing viability.)
- Also, as an employee of the local body, Jean-Paul has a duty to act in the best interests of the local body, but, as a trustee, he also has a duty to act in the best interests of the trust. In this scenario, the best outcome for one organisation might not be the best outcome for the other, and so it might be impossible for Jean-Paul to faithfully give effect to his obligations to both organisations.
- Jean-Paul should declare a conflict of interest and refrain from discussing the local body's decision. It might be wise for him not to be provided with confidential information about the matter. Jean-Paul might also need to consider whether he has a conflict of interest in the matter at meetings of the trust.

Appendix B: Declaration of Conflict of Interest.

Declaration of interest by management or staff

NOTE: Please discuss this matter first with your Team Leader/Lead, Supervisor or Manager before completing this form they should also sign this form.

The form should also be co-signed by People & Culture. If the staff member declaring the conflict is part of the People & Culture team, the form should be co-signed by a Group Manager from another organisational unit of HDC.

Declaration of Interest

I declare the following existing/potential/perceived* (*delete as appropriate) conflict of interest in relation to the discharge of my duties as a staff member of Horowhenua District Council:

Type of conflict of interest and brief description:

Name

Position

Signature

Date

I confirm that has discussed this declaration with me and I agree/do not agree* that a conflict exists.
(*delete as appropriate)

Name

Position

Signature

Date

Name

Position

Signature

Date

NOTE: If there is no conflict identified, this form should be given to People & Culture by your Team Leader/Lead, Supervisor or Manager for placing on your personnel file. If a conflict has been confirmed please give this form to the Group Manager for recording in the Staff Interests Register then complete a conflict management plan (Appendix C) with your Team Leader/Lead, Supervisor or Manager.

Appendix C: Conflict of Interest Management Plan.

You and your Team Leader/Lead, Supervisor or Manager must complete this plan when you declare a conflict of interest. Decide how to manage the conflict and give details. Provide a copy of the form to the Group Manager. Once the conflict is resolved, this form should be signed and given to HR to place on your personnel file.

Employee Name:	
Job title:	
Conflict:	

How the conflict of interest will be managed:

<p>There are five options for resolving your conflict of interest:</p> <ul style="list-style-type: none"> • Restrict your involvement in the process. • Recruit an independent third party to oversee part or all of the process. • Remove yourself from the process • Relinquish your private interest that causes the interest • Resign from Horowhenua District Council (extreme cases) 	<p>[add detailed information here]</p>
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Approval – I approve the Conflict of Interest Management Plan		
<i>Signature</i>	<i>Name</i>	<i>Date</i>
<i>Team leader/Lead/Supervisor/Manager</i>		

Declaration – I agree to the above Conflict of Interest Management Plan		
<i>Signature</i>	<i>Name</i>	<i>Date</i>
<i>Team leader/Lead/Supervisor/Manager</i>		

Resolved – The conflict of interest has now been resolved and no further action is required		
<i>Signature</i>	<i>Name</i>	<i>Date</i>
<i>Team leader/Lead/Supervisor/Manager</i>		



Fraud Prevention Policy

Year: 2022



Category:	Finance
Owner:	Group Manager Organisation Performance
Approved by:	Council
Date Approved	September 2022
Review Date:	September 2024
Version No.:	
TRIM Doc. No.	D22/119153

Purpose

Horowhenua District Council ("HDC") is committed to preventing the occurrence of fraud and corruption.

This fraud policy and procedure has been established to:

- Promote an anti-fraud culture by providing these guidelines.
- Define what fraud is.
- Facilitate the development of controls that will aid in the detection and prevention of fraud against HDC.
- Set out consistent and specific guidelines and assign responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

Scope

This policy applies to:

- All current employees of HDC including those employed by Council Controlled Organisations ("CCO"s); elected members, consultants, suppliers, vendors, contractors and/or any other parties with a business relationship with HDC. The term "staff" will be deemed to cover all of the above categories where it is mentioned within this document.
- Any fraud, impropriety, dishonesty or irregularity (suspected or actual).

The policy does not apply to:

- Minor fraud perpetrated by the public against HDC for example providing the wrong information in an application.
- Performance management issues that should be resolved by the relevant manager or by HDC People and Culture.

Definitions

Fraud: Includes all intentional acts of deception, misrepresentation and omission committed with the intention of gaining an unjustified, unfair or illegal gain or to cause an unjust, unfair or illegal loss or disadvantage.

Examples of fraud include, but are not limited to:

- All acts of dishonesty.
- Bribery, corruption or coercion.
- Unauthorised use of facilities, vehicles or equipment for personal gain.
- Deliberately not recording leave taken, or any other employee theft of time.
- Misappropriation or improper disposal of assets, including cash, funds and supplies.
- Forgery or alteration of documents or accounts belonging to HDC.
- Disclosing confidential or proprietary information to third parties.
- Accepting or seeking anything of material value from contractors or persons, including before, during and after, any procurement processes.
- Manipulating reporting to obscure impropriety.
- Obtaining funds or any other benefit through misleading claims, representations or by false pretences.
- Inappropriate claims for expenses for personal gain.
- Profiteering for personal, or another person or entities gain, as a result of insider knowledge of HDC's activities.
- Unapproved destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.
- Use of the HDC's credit card for personal gain.
- Inappropriate payments to third parties.
- Presenting false credentials or qualifications.
- Supporting others in, or in any way being party to, fraud or not reporting fraud.
- Any, of the above for personal gratification and/or edification, whether or not there is pecuniary gain.

Corruption¹: The wrongful use of influence to procure a benefit for self or another person contrary to their duty or the rights of others. Types of corruption include:

- Bribery.
- Kickbacks
- Illegal gratuities.
- Economic extortion.
- Conflicts of interest

¹ Association of Certified Fraud Examiners ("ACFE"). www.acfe.com/uploads/attachedFiles/ACFE_Website/Content/review/wcpf03-Bribery-and-Corruption.pdf. Extracted 27 November 2021.

Bribery²: The offering, giving, receiving, or soliciting of anything of value to influence an official act or HDC decision. Bribery includes:

- Commercial bribery: The corruption of a private individual to gain a commercial or business advantage.
- Official bribery: The corruption of a public official to influence an official act of government.

Significant fraud:

- The theft or misuse of HDC assets valued at more than \$1,000,
- A fraud that is of a nature that it has the potential to impact on the reputation of HDC.

Material value: A monetary value of less than \$100.

Immediately: In the context of reporting suspected fraud means as soon as is reasonably practicable.

Principles

- HDC regards fraud as totally unacceptable and will apply a 'Zero Tolerance' approach to fraudulent behaviour.
- All staff are required to act honestly and with integrity and to safeguard the public resources for which the HDC is responsible at all times.
- Staff who suspect fraud must report fraud immediately as outlined in the section on Reporting Fraud below.
- All suspected fraud will be investigated and reported to the Finance Audit and Risk Committee.
- Staff who commit fraud will be subject to the HDC disciplinary procedures.
- Elected members who commit fraud will be subject to the code of conduct.
- Fraud is a criminal offence and any proven instance of fraud will generally constitute serious misconduct.
- Where fraud is proven HDC will prosecute and seek restitution.

Fraud Prevention

HDC will

- Proactively take all reasonable steps to prevent fraud by developing and maintaining a policy framework that sets out clearly procedures, processes and expectations of behaviour.
- Ensure that adequate internal controls exist and that those controls are operating effectively.
- Steps taken by HDC will include but are not limited to:

² ibid

- Regular fraud awareness training for all staff.
- A clear, visible code of conduct that sets out the expectations for employee behaviour.
- Pre-employment screening that includes checking for criminal convictions and credit checks.
- Confirmation of qualifications, where these are a requirement for the role.
- Assuring that staff appointed to positions of responsibility are appropriately qualified, experienced and aware of their obligations in regard to fraud and the protection of assets of HDC.
- Induction processes for new staff that includes being supplied a copy of the fraud policy and code of conduct training.
- Segregation of duties in accordance with good practice.
- Appropriately robust monthly physical and financial reporting that provides information about actual results against budget, benchmarks and expected key performance indicators.
- Robust confirmation of new suppliers.
- The use of a Centralised Contract Register.
- An Internal Audit Policy, Plan and Programme of work carried out by external parties.
- Regular Fraud Risk Assessments by external parties.
- Regular suspicious transaction analysis.
- A safe, documented and widely available process for employees to report suspected fraud.

Managers' Responsibilities

The day to day responsibility for the prevention and detection of fraud, misappropriation and other inappropriate conduct rests with managers.

Managers are responsible for:

- Demonstrating the highest standards of ethical behaviour.
- Identifying the risks to which systems, operations and procedures are exposed.
- Developing and maintaining effective internal controls to ensure effective stewardship of funds and to prevent and detect fraud.
- Ensuring these internal controls are being complied with.
- Strictly adhering to delegations of authority (including the "one up" approval principle and the amount they can authorise).
- Ensuring compliance with all corporate and network policies, procedures and guidelines.
- An awareness and sense of responsibility for the types of impropriety that may occur within their respective areas and being alert for any indication of irregularity.

Employee's Responsibilities

All employees, including managers, are responsible for:

- Being scrupulously fair and honest in their dealings with contractors, suppliers or customers.

- Taking reasonable steps to safeguard HDC funds and assets against fraud, theft, unauthorised use and misappropriation.
- Strictly adhering to all system security measures, segregation of duties and delegations.
- Reporting immediately to their Group Manager or the Group Manager People & Culture or Chief Executive (or where this is inappropriate, the Mayor) if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed.
- Not attempting to personally conduct investigations or interviews/interrogations related to the any suspected fraudulent act.
- Not contacting the suspected individual on any matter related to the suspicion.
- Not discussing the case, facts, suspicions or allegations with anyone unless specifically requested to do so by the Investigators or other authorised person.
- Referring any inquiries from the media with respect to any fraud investigation to the Chief Executive (or where this is inappropriate, the Mayor).

Reporting Fraud

- Any person who is aware of or suspects fraudulent activity including attempted bribery and corruption must immediately report such activity either verbally or in writing to his or her Group Manager in accordance to HDC's Protected Disclosures (Whistle-blowers) Policy.
- An individual who reports a suspicion of fraud regarding another individual or the organisation in good faith will in no circumstances be threatened, intimidated, or dismissed because he or she acted in accordance with this policy. Refer to Protected Disclosures (Whistle-blowers) Policy.
- The Group Manager to whom a protected disclosure is made must refer the disclosure to the Chief Executive immediately.
- If suspicions relate to the Chief Executive, the Group Manager will inform the Mayor, who will carry out all investigations and further steps outlined in this policy.
- The Chief Executive shall determine if an investigation is required. The Chief Executive shall notify the Mayor, the Finance Audit & Risk Committee Chair regardless if an investigation is required. If an investigation is required then HDC's external auditor and the police or Serious Fraud Office, **if appropriate** will also be notified.

Investigations

- The investigation shall be carried out by the Group Manager Organisation Performance or their delegate. Where it has been determined that one or more of the specified delegates should not be advised of the notification, the Chief Executive shall determine who should conduct the investigation.

- Suspected fraud will be investigated in an independent, open minded and professional manner. The interests of the HDC and the suspected individual will be protected as much as possible and good employer processes will be followed at all times.
- Evidence will be protected and all reasonable steps will be taken to ensure it is not contaminated, lost or destroyed. Immediate steps will be taken to secure physical assets including computers, and paper or electronic records.
- Recovery of assets which may include legal action and protection of insurance cover will be priorities of the investigation.
- The investigating officer will have free and unrestricted access to all HDC records and premises, whether owned or rented. The investigating officer will also have the authority to examine, copy, and/or remove all or any portion of the contents of computers, files, desks, cabinets and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody or any such items or facilities, within the scope of the investigation.
- The investigation process adopted may include provision for a preliminary investigation, the purpose of which shall be to determine whether a more comprehensive investigative process should be followed.
- Where the initial investigations reveal that there are reasonable grounds for suspicion of fraud having occurred the initial process followed will include:
 - Informing, in writing, the person(s) who is the subject of the allegation of theft or fraud of the allegation and all information gathered thus far regarding the allegation and requesting a meeting with them and, if they wish, their representative or representatives.
 - Meeting with the person and their representatives to explain the complaint against them.
 - Obtaining a verbal or preferably written response to the allegations (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).
 - Advising the person(s) in writing of the expected processes, including whether a disciplinary process may ensue.
 - It is essential that all available evidence relating to the fraud be preserved.
- The investigating officer will ensure that the advice of the Senior Manager People and Capability (or where appropriate, legal advice) is sought to ensure that appropriate employment process is observed throughout the investigation.
- In cases of significant fraud the services of appropriately experienced and qualified third parties will be utilised to assist or carry out the investigation.
- The investigating officer will be responsible for comprehensive recording and reporting of all aspects of the investigation.
- Throughout any investigation the investigating officer will keep the following informed of progress and developments on a regular basis:
 - Mayor.
 - Chief Executive.

- Independent Chair of the Finance Audit and Risk Committee.
- HDC's external auditors.
- NZ Police or Serious Fraud Office, if appropriate.

Confidentiality

- All participants in a fraud investigation shall keep the details and results of the investigation confidential. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect HDC from potential civil liability.
- The Chief Executive will treat all information received confidentially.
- Notwithstanding the above, where fraud is found to have occurred, HDC reserves the right to share information with the Finance Audit and Risk Committee, HDC members, the NZ Police, Audit NZ and HDC's insurers.

If Fraud is Proven

- Where fraud has been proven, the Chief Executive will:
 - Follow the relevant disciplinary procedures.
 - Direct the manager of the area where the fraud has taken place to put controls in place to mitigate further losses and prevent reoccurrence of similar misconduct.
 - Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
 - Advise HDC's insurers as appropriate (depending on the nature of the fraud).
 - Keep all other relevant personnel suitably informed about the incident and the organisation's response, including the external auditor.
 - Refer the file to and make a complaint to the Police.
- Recovering losses of money or property is a major objective of HDC following any fraud investigation. The amount of any loss will be quantified as far as possible, repayment or reparation sought and prosecution pursued.

Reporting

- On completion of an investigation a full report will be made to the Finance Audit and Risk Committee setting out:
 - The background of the fraud and how the investigation arose.
 - What action was taken in response to the allegations.
 - The conduct of the investigation.
 - The facts and supporting evidence.
 - Actions, legal and disciplinary, taken against any proven perpetrator of fraud.

- Recommendations to minimise the opportunity for fraud through improvements in controls and processes and the plan for implementing these.
 - Actions and outcomes in the recovery of losses through restitution and insurance.
 - The recommendations of the police, external auditors, and any other third party involved in the investigation.
- Where fraud is not proven this report will not be made public.

Related Policies

Protected Disclosures (Whistle-blowers) Policy

Adopted by resolution of Council, [resolution number], on [meeting date]

Chief Executive: _____

Date: _____

Mayor: _____

Date: _____



Sensitive Expenditure Policy

Year: 2022



Category:	Finance
Owner:	Group Manager Organisation Performance
Approved by:	Council
Date Approved	September 2022
Review Date:	September 2024
Version No.:	
TRIM Doc. No.	D22/119154

Purpose

The purpose of this policy is to:

- Set out clearly the principles and decision guidelines for sensitive expenditure.
- Set out clearly defined parameters for sensitive expenditure.
- Ensure that sensitive expenditure is assessed, authorised and reviewed consistently for all staff and elected members.

Scope

This policy applies to all elected members, staff and contractors of Horowhenua District Council ("HDC").

The following topics are not covered by this policy:

- Items of sensitive expenditure specifically provided for by employment agreements.
- Severance payments.

The term "staff" will be deemed to cover all the above categories where it is mentioned within this document.

Definitions

Application – This policy applies to all staff, contractors and elected members of HDC.

Credit card – has the normal meaning, but should also be read as applying to vehicle fleet cards, purchase cards, and equivalent cards used to obtain goods and services before payment is made.

Conflict of interest – A conflict of interest is where the responsibilities of staff are affected by, or could be perceived to be affected by, some other interest from their private life. That other interest could be a relationship, a role in another organisation, or a business interest¹. Conflicts of interest can have both legal and ethical dimensions.

Controls – are the means to promote, direct, restrain, govern, and check on various activities. The purpose of controls is to minimize risks, protect assets, ensure accuracy of records, promote operational efficiency, and encourage adherence to policies, rules, regulations, and laws.

Proper and prudent behaviour – in relation to expenditure, includes identifying and managing conflicts of interest (or situations with the potential to be perceived as conflicts of interest); being fair, honest, transparent, circumspect, and careful to avoid undesired consequences; and being accountable for complying with organisational controls over expenditure.

Public entity and entity – have the same meaning as in section 5 of the Public Audit Act 2001. As provided in that Act, the term includes any subsidiary or other controlled entity of the principal entity.

Sensitive Expenditure² – Any HDC expenditure that could be seen to be giving private benefit to a staff member, their family, or friends that is additional to the business benefit to HDC of the expenditure. Even if there is no private benefit, the mere perception of their being private benefit is sufficient for the expenditure to be classified as “sensitive”. It also includes expenditure by HDC that could be considered unusual or not closely related to HDC’s purpose and/or functions.

Principles

Principles applicable to sensitive expenditure:

- HDC is spending public money – it is not the property of staff to do with as they please. Consequently, all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a local authority and be able to withstand public scrutiny.

¹ OAG Managing conflicts of interest: A guide for the public sector. June 2020. Page 3.

² OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extracts from Page 4, Para 1.3.

- Those standards apply the principle that expenditure decisions³:
 - Have a justifiable business purpose.
 - Preserve impartiality.
 - Are made with integrity.
 - Are moderate and conservative, having regard to the circumstances.
 - Are made transparently.
 - Are appropriate in all respects.
 - Be made with proper authority.
- In practice, an authorised staff member will make the decision on and/or payment for each item of sensitive expenditure. They will need to exercise careful judgement in accordance with these principles and this policy. This will always be about balance in the particular context.
- These principles should be applied together. None should be applied alone, and no principle should be treated as more important than any other
- In the case of expenditure incurred by the Mayor or other elected officials (not explicitly approved by HDC), this is subject to review by the Chief Executive or the Independent Chair of the Audit and Risk Committee, for compliance with this policy.

Application

Deciding When Sensitive Expenditure Is Appropriate⁴

- The quantity of money spent on an item of sensitive expenditure may be small relative to HDC's total expenditure. However, each sensitive expenditure decision is important, because improper expenditure could harm the reputation of, and trust in, the staff member and the HDC as well as local authorities in general.
- In deciding what appropriate sensitive expenditure is, staff members need to take account of both individual transactions and the total amount of sensitive expenditure.
- Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, the entity could be criticised for extravagance and waste.
- To determine the appropriateness/reasonableness of sensitive expenditure the principles in part 4 of this policy must be applied. In addition the following questions should be considered:
 - Does the expenditure support the HDC's Vision, Mission and Values?
 - Could the expenditure be justified to a stakeholder, e.g. the public?
 - Could publicity about the expenditure or occasion adversely affect the HDC?

³ Informed by OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Para 2.4

⁴ Informed by OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Para 2.8-12.

The Responsibilities of Senior Managers, Mayor and Councillors⁵

- To be truly effective, sensitive expenditure policy, procedures and other controls must be embedded in the HDC's values, philosophy, practices and business processes. When this occurs everyone at HDC becomes involved in the proper and prudent management of sensitive expenditure.
- Overall, responsibility for this policy rests with those at the top of HDC, the Mayor, Councillors and the Leadership Team who need to ensure that HDC operates with a high level of integrity. This group must make it clear to staff what is and is not acceptable sensitive expenditure. This group also must model those behaviours to the highest standard.

Good Controls and Judgement⁶

- The responsibilities of the Mayor, Councillors and the Leadership Team at HDC include being accountable for properly and prudently spending the public money under their control. This includes sensitive expenditure and the internal controls that support this.
- While the good controls at HDC will assist good sensitive expenditure decisions, good judgement will also be required. This is because it is not possible or desirable to attempt to set rules for every possible situation that may arise. In the absence of a specific rule for a given situation, Mayor, Councillors and the Leadership Team are expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation.
- The Leadership Team, the Mayor and Councillors are required to ensure transparency in both sensitive expenditure and remuneration systems, to avoid any trade-off between the two. Items of expenditure that may not be justified under the principles of this policy should not be included as part of an employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

General Controls, Claims and Supporting Records for Sensitive Expenditure⁷

- Claims relating to sensitive expenditure need to be in English or Te Reo Maori (or independently translated before payment)
- All claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month of the expenditure being incurred.
- Staff in accordance with the principles of this policy, are required to exercise prudent judgement regarding all HDC related expenditure.
- Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to the HDC business.

⁵ Informed by OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 2.13-14, 2.16.

⁶ Informed by OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 2.17-19.

⁷ Informed by OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 3.12-13.

- Valid original GST compliant invoices/receipts and other supporting documentation must be maintained/submitted for all sensitive expenditure. Credit card statements and EFTPOS receipts do not constitute adequate documentation for reimbursement.
- All claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim.
- All claims must document the date, amount, description, and purpose for minor expenditure (<\$50) when receipts are not available, for example, a vending machine. •
- Separate claims should be made for each person wherever possible. Where a claim relates to more than one person, it should be made by the most senior person and list the other individuals to whom the expenditure relates.
- Where a business case and budget was required before the expenditure was authorised, an explanation should be provided for any incurred expenditure that is more than the agreed budget.
- Wherever possible, HDC's preferred suppliers are to be used.

Approval of Sensitive Expenditure³

- Approval of sensitive expenditure must:
 - Only be given where the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met.
 - Be given before the expenditure is incurred, wherever practical.
 - Be made strictly within their delegated authority in accordance with the delegations manual and only where budgetary provision exists.
 - Be given by a person senior to the person who will benefit or might be perceived to benefit from the expenditure, wherever practical.
- Where public organisations incur significant sensitive expenditure (for example, on international travel) there should be a clear documented process for gaining approval for that expenditure. This process should include preparing a clear business case that describes how the expenditure is linked to what is expected to be achieved through the travel and a budget of expected expenditure, which should be reported against when the expenditure has been incurred.
- In the case of the Executive Leadership Team the "one-up" principle must be applied to the maximum extent possible. However, in the case of the Chief Executive, and the Mayor, an alternative approach is required because there is a no more senior person. In this case, the approvals are to be structured to avoid reciprocal arrangements (i.e. the person approving the expenditure having their own expenditure approved by the person whose expenditure they are approving). This is to be achieved by a two person arrangement:
 - The Mayor and the Independent Chair of the Finance, Audit and Risk committee approves the Chief Executive's sensitive expenditure;

³ Informed by OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Para 3.6-11.

- The Chief Executive and the Deputy Mayor approves the Mayor's sensitive expenditure.

Specific Areas of Expenditure

Bank Credit Cards⁹

- Using credit cards is not a type of sensitive expenditure, but is a common method of payment for such expenditure.
- Currently HDC credit cards are held by the positions of Chief Executive, Mayor and Chief Financial Officer.
- The credit card limit is \$5,000, \$5,000 and \$10,000 respectively with a maximum limit per transaction of \$2,000.
- Changes to the credit card limits shall be approved by the Finance, Audit and Risk Committee.
- Types of Expenditure:
 - Credit cards are to be used to pay for expenses incurred in carrying out work related duties that would include:
 - Travel.
 - Accommodation.
 - Other expenses necessarily incurred when travelling as part of work related duties such as:
 - Taxi fares.
 - Rental car hire where use of the order process cannot be made before hand.
 - Food and drinks where it might reasonably be expected that you would host people to dine for HDC normal business purposes.
 - The occasional purchase of goods and services that can be conveniently paid for online.
 - Internet purchases need to reflect good security practices such as¹⁰:
 - Purchases are made only from established reputable companies known to HDC.
 - Internet sites are verified and secure.
 - Procurement complies with HDC's normal purchasing policies and controls.
 - A copy of the online order form and invoice is printed to support the payment.
 - Card details must not be emailed.
- The credit card must NOT be used for cash advances. Where cash is required that must be obtained by prior arrangement with the Financial Services Manager so that use of that money can be properly documented and accounted for.
- Personal use of the HDC credit card is NOT permitted except in a case that could be regarded as a genuine emergency. Reimbursement of such personal expenditure shall be made to HDC as soon as possible.

⁹ Informed by OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 4.3-6.

¹⁰ Informed by OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 4.6.

Approvals

- A credit Card Purchase Request Form must be completed for each credit card transaction. This form can be found on the HUB. Cardholders must certify the appropriateness of the expenditure, and submit it for approval.
- In most cases a “one-up” principle is applied for approval but in the case of the Chief Executive and the Mayor an alternative approach is required because there is a no more senior person. In this case the approvals are to be structured to avoid reciprocal arrangements (i.e. the person approving the expenditure having their own expenditure approved by the person whose expenditure they are approving). This is to be achieved by a two person arrangement:
- The Mayor and the Independent Chair of the Finance, Audit and Risk committee approves the Chief Executive’s sensitive expenditure;
- The Chief Executive and the Deputy Mayor approves the Mayor’s sensitive expenditure.
- All documentation in relation to expenses, i.e., accommodation accounts, entertainment, invoices etc., must be retained for matching to the credit card statement to support the expenses incurred.
- Invoices/dockets must be appropriately coded with the cost codes and cost elements to which the expense should be charged. Receipts for entertainment must be endorsed with details of who attended and its purpose.
- Purchases of \$50.00 or more require a tax invoice that displays a “GST number” and “Tax Invoice”. The EFTPOS machine receipts are not sufficient for audit/IRD purposes.

Review

- The Financial Services Manager is responsible of the management of the credit card accounts.
- On receipt of each month’s credit card statement from the bank the Finance Officer - Accounts Payable will check off all itemised purchases against supporting documentation. If there are any mismatches, these must be investigated and reconciled with the purchaser.
- On concluding the reconciliation, the statements are signed off by the Financial Services Manager and payment to the bank is made by direct debit on due date.
- Finance will conduct regular reviews for utilisation and credit limit appropriateness and report this to the Finance, Audit and Risk Committee.

Card Security

- Any person making use of a HDC credit card is responsible for the security of the card.
- User ID’s or passwords which may be used to authorise a payment are not to be shared.
- In the event of loss or theft of the card the Financial Services Manager, Chief Financial Officer and the Chief Executive must be notified immediately to prevent unauthorised use of the card.

- Cards must be surrendered upon retirement, resignation or on request from the Chief Executive. The delegated Finance staff member shall promptly destroy the card and advise the issuing bank of its cancellation.

Approval for Issue

- The Finance, Audit and Risk Committee will authorise the issuance of any further credit cards on recommendation from the Chief Executive who must be satisfied that the issuance of any extra card(s) is essential for administrative efficiencies. In recommending the issue of a card the Chief Executive will also include the approved credit limit.

Breach of Use

- If any HDC credit card is used for unauthorised expenditure, by the named cardholder, they:
 - Will be liable for reimbursing that expenditure to HDC.
 - Will be liable for any costs and charges incurred as a result of the unauthorised expenditure including any costs of recovery, if any.
 - Will be liable for disciplinary action, if deemed appropriate.

Travel and Accommodation Expenditure

- Travel and accommodation expenditure includes: private motor vehicles; rental and other hired motor vehicles; taxis; public transport including aeroplanes; accommodation; meals; air points and other travel-related loyalty schemes; use of telecommunications equipment, when travelling. Cash advances are not permitted. Cash advances can be arranged through Finance for overseas travel¹¹.
- For full details refer to the travel policy

Tipping

- The probity issue associated with tipping is that it is discretionary and usually undocumented expenditure. Tipping should not in any circumstances be extravagant. The principle of moderate and conservative expenditure is particularly relevant¹².
- HDC will not reimburse staff or elected officials for tipping while they are on business in New Zealand. HDC will reimburse staff and elected officials for low to moderate tipping during international travel only in places where tipping is local practice.

Entertainment and Hospitality Expenditure¹³

- Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals and alcohol. It also includes non-catering related items, such as HDC funded entry to sporting or cultural events.

¹¹ Components of travel as per OAG, Controlling sensitive expenditure: Guide for public organisations. October 2020. Section 5.

¹² OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 5.21.

¹³ Informed by OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 6.1-5 (which also references a guideline from the Institute of Internal Auditors NZ Inc.

- Expenditure on entertainment and hospitality is sensitive because of the range of purposes it can serve, the opportunities for private benefit, the uncertainty and wide range of opinions as to what is appropriate.
- Five business purposes of entertainment and hospitality have been identified as:
 - Building relationships.
 - Representing the organisation.
 - Reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality.
 - Recognising significant business achievement.
 - Building revenue.
- Expenditure on alcohol is prohibited except where authorised by the Executive Leadership Team.
- Supporting the HDC's internal organisational development may in occasional circumstances also be a legitimate business purpose for moderate expenditure.
- Given the many non-commercial functions of HDC, there will only be limited justification for expenditure under some of the five purposes of entertainment and hospitality above, except in commercial business units.
- The principles of a justified business purpose, moderate and conservative expenditure are particularly relevant to HDC. HDC requires tight control of expenditure and transparent reporting.
- All entertainment and hospitality expenditure must be pre-approved where practical and always supported by clear documentation. This documentation must identify the date, venue, costs, names of the recipients and benefits derived from and/ reasons for the event. This expenditure should be approved as being appropriate by a member of the Executive Leadership team.

Goods and Services Expenditure

Disposal of Surplus Assets

- This section covers obtaining, disposing, or using goods and services that are not covered by the terms and conditions of employment.
- As part of normal business, HDC will from time to time dispose of assets. Typically, this is when the assets have become obsolete, worn out or surplus to requirements. HDC's disposals are intended to be both transparent and fair.
- HDC will not sell assets to staff at a discounted rate if a greater net value is likely to be realised by an alternative method of disposal.
- The principles of preserving impartiality and integrity are particularly relevant. HDC expects staff disposing of assets not to benefit personally from the disposal. All disposals are to be handled in a manner that ensures the staff's personal judgement or integrity are not compromised.

- To ensure transparency, fairness and receipt of best value for HDC, assets identified for disposal to officers shall be valued and subject to a tender or other process that is appropriate to the value of the asset.
- Maximising¹⁴ return to the public organisation can include considering non-financial benefits like sustainability. If the organisation is unable to sell or find an alternative use for its assets, it might be better that the assets are offered to staff rather than being taken to a landfill.

Loyalty Reward Scheme Benefits/Prizes

- Loyalty reward schemes provide a benefit to the customer for continuing to use a particular supplier of goods or services. Generally, the rewards tend to be given in the name of the individual who obtains the goods or service, regardless of who has paid for them. HDC treats loyalty rewards accruing to staff carrying out their official duties as the property of HDC.
- Generally prizes received from a free competition entry obtained while undertaking HDC's business are also treated as if they were received under a loyalty or reward scheme for the purposes of the HDC policy.
 - Prizes as the property of the individual:
 - Where a reward/prize is obtained by chance and without inducement, it may be retained by the individual, otherwise it will be the property of HDC.
- Prizes received in the following circumstances may be treated as the property of the individual:
 - Prizes received from competitions at training or conference events.
 - Prizes received through membership of professional bodies.
 - When prizes are treated as the property of the individual, the recipient must inform their manager or supervisor that they have received the prize.
- If the value of the prize exceeds \$100 the staff member must have the express approval of the Senior / Group manager to retain it.
- Prizes in excess of \$100 must be recorded in the Gift Register, irrespective of whether the prize is accepted or declined.
- In situations where receiving a prize or loyalty reward could be perceived as inappropriate, even if the entity rather than the individual would benefit from it, HDC expects the prize or reward to be declined.
- HDC requires that staff keep a record of loyalty rewards accrued and applied for the benefit HDC, and regularly supply the departmental Group Manager with a report of this record.
- HDC requires staff leaving HDC with unapplied loyalty rewards to transfer the benefits to HDC or buy the unapplied rewards from HDC at the market rate. Where neither of these is practical, arrangements are to be made with the supplier to cancel the unapplied rewards.
- Refer to the Gift Receipt Policy for further information on receiving gifts.

¹⁴ Informed by OAG Controlling sensitive expenditure: Guide for public organisations, October 2020. Para 7.18-22.

Private Use of HDC Assets¹⁵

- Any physical item owned, leased or borrowed by HDC is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the internet, and stationery.
- The principles of transparency, moderate and conservative expenditure, are particularly relevant. Private use for personal purposes will only be permitted in defined limited circumstances.
- The costs to HDC of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.
- Photocopiers:
 - Personal use is permitted in limited circumstances such as copying up to five documents, for example so as to have an ID copy certified.
 - Personal copying should only be done during non-working hours (such as lunch breaks).
 - Personal use is a privilege that may be revoked at any time at HDC's discretion. HDC photocopiers are not to be used for copying documents for clubs, societies or other organisations, for example, minutes for an AGM.
- The use of HDC assets in any private business that any staff member may operate is strictly prohibited.

HDC Use of Private Assets¹⁶

- HDC may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience or availability. HDC may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.
- The main issue associated with HDC's use of private assets is the risk of the HDC paying or reimbursing amounts that inappropriately benefit the staff member or elected official. Therefore, pre-approval by the Department Senior / Group Manager is required.
- In assessing the request the Department Senior / Group Manager will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.
- Staff members must not approve or administer payments to themselves for the HDC's use of their private assets.

Private Use of HDC's Suppliers

- HDC, in limited circumstance, enables staff to obtain goods or services from a supplier on the same or similar basis to HDC, and staff are thus able to obtain the goods or services at a discounted price not otherwise available to them. This is treated as the private use of official procurement processes.

¹⁵ Informed by OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Para 7.5-7

¹⁶ Informed by OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Para 7.8-11.

- If staff have access to some HDC suppliers on the same basis as HDC, they may receive preferential access to goods or services, and potentially at a preferential price, which is not available to the public. The risk is that the availability of the discount to staff will influence the choice of HDC suppliers. In particular, the selection of suppliers must be in HDC's interest and is not to be affected by the availability or possibility of purchasing privileges for staff.
- Staff may make moderate use of any preferential access to goods or services through HDC's suppliers under the following conditions:
 - A maximum quantity of 10 and a maximum of \$500 per order;
 - Prior approval of the supplier by the appropriate Group Manager is required;
 - Staff involved in the selection of preferred suppliers require the Group Managers express approval for all orders;
 - All purchases are to be processed through the HDC's purchase order system;
 - Generally, all orders are to be issued on a cash sale basis only and the staff member must pay in full for the goods and services directly to the supplier at time of supply. A variation to this process is permitted when the supplier does not have the facility to process the purchase at point of sale (e.g. Resene, Beaurapaires, and Noel Leeming). In these instances the purchase will be processed against the staff members debtor account. Accounts are required to be cleared monthly.
- Staff may not use HDC purchasing privileges on behalf of any third party. This includes family members or friends.
- Private purchases from HDC suppliers should not occur in staff time,
- Use of HDC's travel insurance policy is for the business travel only with incidental personal travel to be included only with their manager's prior approval.
- In rare circumstances, a HDC order may cover expenditure with a personal component, e.g. travel or accommodation booking. All and any such private portion of the order must be paid by the staff member to HDC at the earlier of the confirmation of the cost or the receipt of the invoice from the supplier.
- Elected officials may have preferential access to goods or services through HDC's suppliers on the same basis as staff, provided there is no real or perceived conflict of interest.

Staff Support and Welfare Expenditure

Clothing Expenditure

- Jackets with the HDC logo may be purchased with a 50/50 payment arrangement between the staff member and HDC.

- With the exception of jackets with the HDC logo, official uniforms and health and safety-related clothing to be worn by staff when engaged in a normal business activity, will be supplied to staff at HDC's expense.

Care of Dependents' Expenditure

In exceptional circumstances the Chief Executive may authorise the reimbursement of actual and reasonable costs for care of dependent. Situations where this reimbursement may be appropriate include, when a staff member is unexpectedly required to perform additional duties at very short notice, or a dependant unexpectedly requires additional care that the staff member cannot provide because of the essential nature of their duties at the time. In all other instances care of dependants is to be treated as a personal and private expense of the staff member.

Financing Social Club Activities Expenditure¹⁷

- Staff social clubs typically provide the opportunity for staff to have social interaction with both immediate work colleagues and other people in HDC with whom they would not normally have contact. Social clubs may also assist staff to gain a better understanding of the wider roles and functions of HDC and its business units. Thus social clubs assist with organisational development and staff well-being.
- HDC may make a prudent and reasonable monetary contribution to a social club(s). The contribution may be in the form of an all-purpose grant towards the club's annual budget, or it may be a grant or subsidy for a specific event.

Farewells, Retirements and other Recognition of Achievements Expenditure

For full details refer to the Gift Receipt and Recognition of Achievements policy.

- Expenditure on farewells and retirements includes spending on functions, gifts and other items when staff are leaving or retiring from HDC or its Business Units.
- Expenditure on farewells and retirements should not be extravagant or inappropriate to the occasion. The principle of moderate and conservative expenditure is particularly relevant.
- Expenditure on farewells or retirements is to be pre-approved by the Department Senior/Group Manager. The express approval of the Chief Executive is required to step outside the monetary guidelines.
- The detailed policy and monetary limits are included in the HDC's policy on Staff Retirement, Resignation and Acknowledgement of Significant Life Events Expenditure Policy.

¹⁷ OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Section 8

Sponsorship Expenditure

- Staff taking part in an activity that is not part of their job – such as a sporting event – may be sponsored by HDC through the provision of, or payment for, goods or services (for example, a t-shirt or an entry fee).
- Sponsorship should have a justified business purpose, which could include both publicity for the HDC and its objectives, and organisational development. The cost to HDC must be moderate and conservative.
- If the sponsorship does not have a justified business purpose, it is a donation and must confirm with the policy on donations.
- In normal circumstances, sponsorship will be provided through a social club rather than directly to the staff member.
- Sponsorship of people who are not staff must be undertaken in a manner that is transparent. It is also preferable that, if non-staff are sponsored, the sponsorship is of an organisation they belong to, rather than directly of the individual.
- The detailed policy and monetary limits for sponsorship are included in the HDC's policy on Staff Retirement, Resignation and Acknowledgement of Significant Life Events Expenditure Policy.

Other Types of Expenditure

Donations

Donations means an unconditional gift as defined by the Inland Revenue Department (IRD) as follows¹⁸:

- "A payment made to a non-profit body where:
 - the payment is voluntarily made for the carrying on or carrying out of the non-profit body's purposes, and
 - no "identifiable direct valuable benefit" in the form of a supply of goods and services to the payer (or an associated person) arises or may arise in respect of the payment."

For full details refer to the Koha and Donations policy.

Koha

Koha¹⁹ – is a gift, token, or contribution given on appropriate occasions including:

- tangihanga;
- attendance at an event/meeting;
- for use on or for a marae; and
- kaumātua support for pōwhiri, mihi whakatau meetings, or other events.

For full details refer to the Koha and Donations policy.

¹⁸ IRD, IS 20/09, 23 December 2020

¹⁹ OAG Controlling sensitive expenditure: Guide for public organisations, October 2020, Para 9.13.

Communications Technology

- Communications technology for example cell phones, telephones, email and internet access, is widely used in the HDC workplace. While some personal use of this technology may be unavoidable, excessive use incurs costs, including lost productivity to HDC.
- Unless it is impractical or uneconomic²⁰ HDC will require reimbursement of personal use.
- Use of HDC Communications technology for private business is prohibited²¹.
- HDC's policies on general and personal use of communications equipment is contained within HDC's Electronic Communications Policy.

Gifts

- A gift is usually given as a token of recognition of something provided by the recipient.
- Gifts given to staff for long service or on retirement are covered under the HDC's Staff Retirement, Resignation and Acknowledgement Expenditure Policy.
- The giving of gifts must be appropriate, transparent and reasonable.
- The receiving of a gift is not strictly sensitive expenditure however it, nevertheless, is a sensitive issue. The HDC's Gift Receipt and Recognition of Achievements below aims to ensure that staff and elected officials' impartiality or integrity cannot be called into question as a result of receiving gifts.
- For full details refer to the Gift Receipt and Recognition of Achievements Policy.

Consequences of Non-Compliance

Failure by a staff member to fully comply with this Policy may amount to misconduct or serious misconduct by the staff member which may result in disciplinary action up to and including dismissal.

²⁰ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 7.7

²¹ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 7.7

Adopted by resolution of Council, [resolution number], on [meeting date]

Chief Executive: _____ Date: _____

Mayor: _____ Date: _____



Giving Gifts Policy

Year: 2022



Category:	Finance
Owner:	Manager Financial Services
Approved by:	Council
Date Approved	September 2022
Review Date:	September 2024
Version No.:	No Previous Policy
TRIM Doc. No.	D22/119155

Purpose

The purpose of this policy is to set out clearly the principles and processes that apply to giving gifts that are not koha. The giving of koha is included in the Koha and Donations Policy.

Scope

- This policy applies to all elected members, staff and contractors of Horowhenua District Council ("HDC").
- The term "staff" will be deemed to cover all of the above categories where it is mentioned within this document.
- This Policy does not include gifts to staff. These are covered in the Staff Retirement, Resignation and Acknowledgement of Significant Life Events Expenditure Policy.

Definitions

Gift – usually take the form of a tangible object, but might also be in the form of, privileged access to goods or services. ¹

Principles

- Gifts should only be given when there is a justifiable business purpose.
- Gifts should be moderate and conservative and appropriate to the occasion, or for the reason that the gift is being given.
- Integrity and impartiality must be maintained when gifts are given.
- Consideration should be given as to whether the proposed gift could harm the reputation of, and trust in, HDC².
- Gifts must not be given in explicit or implicit expectation of favour in return.
- Gifts must not be given in substitution for legitimate payment or remuneration.

¹ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 9.5

² OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 9.10

Application

- Gifts:
 - Must be lawful in all respects.
 - Must be disclosed in aggregate in HDC's annual report and in detail to the Finance, Audit and Risk Committee.
 - Must not be in cash.
 - Must be non-political.
 - Must conform to the rules as issued by the Inland Revenue Department.
- Except in exceptional circumstances all requests for gifts must be made in advance of any such gift being given.
- If exceptional circumstances applied and prior approval was not obtained, claims for reimbursement must be approved by the departmental manager and the Chief Executive. An explanation of the exceptional circumstances that prevented prior approval being obtained.
- Documentation is to clearly indicate the purpose of the gift and must include the date, amount, and description.
- Any gift with a value of more than \$100 is subject to the express approval of the departmental Senior or Group Manager
- Examples of occasions on which gifts may be appropriate include as a thank you for a speech or presentation.

Requests for Gifts

Requests for gifts must be submitted to the Finance Department on an *Urgent Payment Request* form which:

- Sets out the rationale for the gift on the form;
- Stipulates the account code to be charged; and
- Has been properly authorised by the relevant budget holder.

Review of Transactions

A Gift Register is maintained by the office of the CEO and all gifts given should be recorded in this register.

HDC reviews gifts transactions quarterly to assess the appropriateness of the systems and criteria set out in this policy. Factors considered in such reviews include:

- The amount of transactions.
- The frequency of transactions.
- The recipients.
- The extent of co-ordination within HDC (e.g. where more than one gift is given in respect of the same event or activity).
- The reason for the gift.

- Where applicable, the reasons for transactions carried out under exceptional circumstances.

Authority to Waive the Provisions of this Policy

- . In exceptional circumstances the Chief Executive has the authority to grant an exception to waive the provisions of this policy for an individual case.
- Any such waiver requires documentation additional to the date, amount, description, and reason for giving the gift. The additional information required is an explanation as to why a policy waiver was authorised.
- Any and all waivers are to be reported to the next meeting of the Finance, Audit & Risk Committee.

Adopted by resolution of Council, [resolution number], on [meeting date]

Chief Executive: _____ Date: _____

Mayor: _____ Date: _____



Receiving Gifts Policy

Year: 2022



Category:	Finance
Owner:	Manager Financial Services
Approved by:	Council
Date Approved	September 2022
Review Date:	September 2024
Version No.:	
TRIM Doc. No.	D22/119157

Purpose

The purpose of this policy is to:

- Set out the guidelines and procedures for Horowhenua District Council ("HDC") staff for determining acceptance of, receiving, and documenting gifts and rewards.
- To ensure all staff have a clear and consistent understanding of policies and procedures in relation to receiving gifts and/or rewards.
- To provide staff with the flexibility to accept gifts within the guidelines provided.

This policy applies to elected members and all HDC staff and includes team gifts.

Definitions

Gifts include¹:

- A tangible object or objects.
- The free use of something usually paid for, for example, free use of a corporate box at a sporting event.
- Privileged access to goods or service.
- Prizes received from a free competition entry obtained while carrying out an organisation's business.

Gifts do not include cash. Cash gifts are unacceptable in any circumstances².

¹ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 9.6 and 9.10

² OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 9.11

Rewards

Expenditure to recognise milestones, such as farewells, retirements, also staff achievements. This can include spending on functions, gifts, and other items.³

Infrequent

No more than three times in any 12 month period.

Inexpensive

A monetary value of less than \$100.

Principles

- Acceptance of a gift must not affect any HDC staff member or group of staff members' decision-making, impartiality or integrity. This applies to individual staff members, groups of staff members or ("HDC") as an entity.
- Gifts must also not be accepted if so doing could be **perceived** as affecting decision-making, impartiality or integrity. This applies to individual staff members, groups of staff members or ("HDC") as an entity.
- The principle of moderate and conservative expenditure should always be applied when recognising achievements, for example farewells, retirements, and staff achievements. Expenditure should not be extravagant

HDC Requirements: Gifts

- A Gift Register is maintained by the office of the Chief Executive Officer.
- Consideration must always be given as to whether it is appropriate for a gift to be accepted⁴;
- No gifts, hospitality or other incentives are to be accepted from prospective suppliers once planning for procurement commences. HDC employees, contractors or consultants must not request any gifts, favours or forms of entertainment in return for business, services or information.
- All offers of gifts/entertainment, except for inexpensive gifts that are openly distributed by suppliers and clients must be recorded in the Gift Register, irrespective of whether they are accepted or declined⁵.
- With the exception of inexpensive gifts as per the next bullet point, all gifts that are accepted are to be treated as the property of HDC to be used for either HDC's or the public's direct benefit;
- HDC staff are permitted to accept gifts if they are infrequent and inexpensive and are openly distributed by suppliers and clients (for example: pens, badges, calendars etc.).
- In all instances staff must inform their manager or supervisor that they have received, or been offered a gift even the gift was declined,
- The Gift Register must be updated and have recorded on a monthly basis all gifts received during that month.

³ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 6.6

⁴ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract para 9.12

⁵ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract para 9.12.

- The Gift Register will be reviewed and signed off by the Chief Executive at the end of each month.
- Disciplinary action may be taken where a staff member fails to comply with the principles of the policy. The acceptance of any gift with a monetary value exceeding \$100 must have the express approval of the department manager for staff to retain it.
- Return any items that exceed the acceptable limit within the earliest possible timeframe explaining to the gift giver as to why the gift cannot be accepted.
- The Chief Executive Officer is responsible for final approval of acceptance of gifts.

Adopted by resolution of Council, [resolution number], on [meeting date]

Chief Executive: _____ Date: _____

Mayor: _____ Date: _____



Koha and Donations Policy

Year: 2022



Category:	Finance
Owner:	Manager Financial Services
Approved by:	Council
Date Approved	September 2022
Review Date:	September 2024
Version No.:	
TRIM Doc. No.	D22/119158

Purpose

The purpose of this policy is to set out clearly the principles and processes that apply to donations and the gifting of koha¹.

Scope

- This policy applies to all elected members, staff and contractors of Horowhenua District Council ("HDC").
- The term "staff" will be deemed to cover all of the above categories where it is mentioned within this document.
- This Policy does not include gifts to staff. These are covered in the Staff Retirement, Resignation and Acknowledgement of Significant Life Events Expenditure Policy.

Definitions

Donations – means an unconditional gift as defined by the Inland Revenue Department (IRD) as follows²:

"A payment made to a non-profit body where:

- The payment is voluntarily made for the carrying on or carrying out of the non-profit body's purposes, and
- No "identifiable direct valuable benefit" in the form of a supply of goods and services to the payer (or an associated person) arises or may arise in respect of the payment."
- This carries with it no obligation to account for tax.

¹ Incorporates the matters in the relevant sections of the OAG Controlling sensitive expenditure: Guide for public organisations. October 2020 that is, Donations (Para 9.1 to 9.4) and Koha (para 9.13 to 9.15).

² IRD. IS 20/09. 23 December 2020

Koha³

Koha is a common tikanga in Māori tradition – it involves the act of giving. The same tikanga applies today. In formal situations, taonga are usually given as a token of appreciation and respect. Tikanga are Māori customary practices or behaviours. The concept is derived from the Māori word 'tika' which means 'right' or 'correct' so, in Māori terms, to act in accordance with tikanga is to behave in a way that is culturally proper or appropriate.

The koha reflects the mana of both the giver and the recipient, reflecting what the giver is able to give, and the esteem they hold of the person or group they are making the gift to - and hence plays an important part in cementing good relations, and is taken very seriously, with misunderstanding having the potential to give offence.

Principles

- The principles of preserving impartiality, integrity, mana, and being moderate and conservative should apply to all donations⁴ and koha.
- Consideration should be given as to whether the proposed donation of koha could harm the reputation of, and trust in, HDC⁵.
- HDC affirms that a donation to a third party, including the gifting of koha, is appropriate in circumstances where:
 - There is a clearly identified relationship between HDC and the recipient of the donation or koha; and
 - It can be clearly demonstrated that the donation or gift satisfies the compliance obligations of this policy and either:
 - In the case of koha, is justified in cultural terms and is appropriate to the occasion for example: Tangihanga.
 - Attendance at an event/meeting.
 - For use on or for a marae.
 - Kaumātua support for pōwhiri, mihi whakatau meetings, or other events.
 - In the case of a donation, is justified in terms of its alignment with HDC's vision and strategic goals.
- When staff are attending a cultural gathering in a personal capacity, then any koha will be the responsibility of the staff member concerned and all and any cost will be met by that staff member. Personal relationships and obligations of HDC staff members as private individuals do not of themselves establish relationships or obligations on behalf of HDC in the terms stipulated above.

⁴ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Para 9.13.

⁴ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 9.3

⁵ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. Extract from Para 9.10

Donations

- Donations:
 - Must be lawful in all respects.
 - Must be disclosed in aggregate in HDC's annual report and in detail to the Finance, Audit and Risk Committee.
 - Must be made to a recognised organisation by normal commercial means (not to an individual), and with the exception below, must not be in cash.
 - Are normally paid on receipt of invoice and by direct credit.
 - Must be non-political.
 - Must conform to the rules as issued by the Inland Revenue Department.
- Receipts or other donee acknowledgement, as appropriate, should be obtained from the recipient of the donation wherever possible.
- Except in exceptional circumstances all requests for donations must be made in advance of any such donation being given.
- If exceptional circumstances applied and prior approval was not obtained, claims for reimbursement must be approved by the departmental manager and the Chief Executive. An explanation of the exceptional circumstances that prevented prior approval being obtained.
- Documentation is to clearly indicate the purpose of the donations and must include the date, amount, and description.
- Any payment of more than \$300 is subject to the express approval of the departmental Senior or Group Manager

Koha

- Koha must:
 - Be given on behalf of HDC to be reflective of the occasion and, more importantly, the prestige of HDC in its relations with Tangata Whenua.
 - Be disclosed in aggregate in HDC's annual report and in detail to the Finance, Audit and Risk Committee.
 - Except in exceptional circumstances, all requests for koha must be made in advance of any koha being given.
 - If exceptional circumstances applied and prior approval was not obtained claims for reimbursement must be approved by the Group manager and the Chief Executive. An explanation of the exceptional circumstances that prevented prior approval being obtained is to be recorded.
 - Koha is normally issued in the form of cash
- In some situations it is appropriate for koha to be in the form of gifts and taonga which is appropriate to the giver or the department being represented e.g. books, plants or kai may be presented to Tangata Whenua as koha.

- Presenting koha to a marae by direct credit is perfectly acceptable; and it is not inappropriate to ask for a receipt⁶.
- If there is a group or collective of HDC representatives, only one koha should be given which represents the entire group or organisation.
- All gifts of koha must conform to the rules issued by the Inland Revenue Department.
- Determination of the cost of any koha.
- Documentation is to clearly indicate the purpose of the koha and must include the date, amount, and description.
- Any payment of more than \$300 is subject to the express approval of the departmental Group Manager.

Requests for Koha or Donations

Requests for gifts must be submitted to the Finance Department on an *Urgent Payment Request* form which:

- Sets out the rationale for the gift on the form;
- Stipulates the account code to be charged; and
- Has been properly authorised by the relevant budget holder.

Advice on Koha

Any queries about giving koha or donations should be directed to the Principal Advisor – Democracy or Democracy Support Officer.

Payments which are not Koha

Payments are not koha if they have a taxation implication, such as:

- A payment for personal services – this creates an employer/employee relationship and as a result PAYE must be deducted.
- A payment for the provision of services or a fee for services – this is a business transaction and the payment is treated by the IRD as taxable income to the beneficiary.
- A payment for the use of marae premises involving accommodation, food, drink and/or other services that is strictly a business arrangement. (In cases where a marae is registered for GST, such tax is payable by HDC in addition to the charge levied by the marae and is subsequently account for by the marae as GST input tax).

⁶ OAG Controlling sensitive expenditure: Guide for public organisations. October 2020. "The probity issue associated with koha is that it is discretionary and usually un-receipted expenditure."

- Any other payment that is not an unconditional gift – all such payments are assessable for tax in one form or another.
- Any payments of the types described in this section must not be described as koha, and must be charged to the appropriate expenditure account.

Review of Transactions

HDC reviews koha and donation transactions on a quarterly basis to assess the appropriateness of the systems and criteria set out in this policy. Factors considered in such reviews include:

- The amount of transactions.
- The frequency of transactions.
- The recipients.
- The extent of co-ordination within HDC (e.g. where more than one koha or donation is given in respect of the same event or activity).
- The reason for the koha or donation.
- Where applicable, the reasons for transactions carried out under exceptional circumstances.

Authority to Waive the Provisions of this Policy

- . In exceptional circumstances the Chief Executive has the authority to grant an exception to waive the provisions of this policy for an individual case.
- Any such waiver requires documentation additional to the date, amount, description, and purpose of the donation or koha. The additional information required is an explanation as to why a policy waiver was authorised.
- Any and all waivers are to be reported to the next meeting of the Finance, Audit & Risk Committee.

Adopted by resolution of Council, [resolution number], on [meeting date]

Chief Executive: _____

Date: _____

Mayor: _____

Date: _____

File No.: 22/477

6.4 Adoption of Procurement Strategy and Policy, and Delegations Register

1. Purpose

The purpose of this report is to present with the recommendation for adoption the new Procurement Strategy, updated Procurement Policy and Delegations Register.

2. Executive Summary

The Procurement Improvement Programme, which includes the Procurement Strategy and Policy, is anticipated to have a positive impact on how procurement is conducted at Horowhenua District Council (Council). The Delegations Register has been updated in conjunction with the Procurement Improvement Programme as aspects of this document have a direct impact on the procurement policy.

The development and update of these documents has been endorsed by Finance, Audit and Risk Committee and adoption of these documents will ensure procurement at Council continues to improve.

3. Recommendation

- 3.1 That Report Adoption of Procurement Strategy and Policy, and Delegations Register be received.
- 3.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 That Council adopts the Procurement Strategy dated September 2022.
- 3.4 That Council adopts the Procurement Policy dated September 2022.
- 3.5 That Council adopts the Delegations Register dated September 2022, noting the delegations it now provides to the Chief Executive

4. Background / Previous Council Decisions

In February 2020 an audit on Procurement at Council was commenced by CKS Audit Ltd. This audit focused on compliance with the then current procurement policies and guidelines by analysing approximately 50 different procurements (excluding roadworks) completed by council staff ranging in value. The final report was produced in April 2021 (delayed due to COVID-19) which included 8 recommendations under the categories of necessary and beneficial.

As part of the council's answer to these recommendations, funding was sought and approved as part of the 2021 LTP to recruit a Procurement Advisor and employment commenced in January 2022.

With the number of remedial actions that were required to be completed as per the CKS Audit Ltd Audit, it was deemed necessary to have the Procurement Process and Documentation updated. To ensure this was completed accurately, the consultancy services of Aurecon were contracted to complete a GAP Analysis. This GAP Analysis involved the reviewing of our current documentation and interviews of 14 staff involved in various parts

and levels in Procurement within council. From the GAP Analysis a total of 17 recommendations were provided under the categories of gaps, improvements and opportunities.

The Audit by CKS Audit Ltd and GAP Analysis by Aurecon have influenced the introduction of the Procurement Framework which includes:

- The introduction of a Procurement Strategy
- An update and refresh of the Procurement Policy
- The replacement of the Procurement Manual for the introduction of the Procurement Guidelines
- An update of existing and the introduction of new Procurement Templates
- The refresh and re-introduction of Staff Induction and Continuation Training in Procurement

Other items to be addressed are:

- Refresh and formal re-introduction of a Procurement Review Group/Panel
- Updates to the Councils Websites to reflect the changes.

Alongside this programme, the Delegations Register has been identified as a critical document to have adopted by Elected Members as a part of this sets out the financial delegations for the Chief Executive. The delegation of the Chief Executive sets a base figure as to when procurement activity is presented to Elected Members.

Between June and August 2022, three briefings have occurred with Finance, Audit and Risk (FAR) Committee and Elected Members to discuss the Procurement Strategy and Policy. Out of these briefings, members discussed a number of key areas including, but not limited to:

- the introduction of Broader Outcomes;
- wanting to see greater transparency between officers and Elected Members;
- better reporting to, and a greater inclusion with Elected Members;
- a requirement for business cases and post-project reviews;
- having our processes based on the 5 Principles of Procurement (as set by Government).

All of the areas identified have been worked into the Framework.

The improvements in our procurement are already starting to take shape with a number of process changes, while not yet policy, starting to take effect. This includes the presenting of a Procurement Plan and Tender Outcome report for procurements above \$1,000,000 to Elected Members at an in-committee Council meeting on 10 August 2022. This process shows the intention to show transparency and inclusion with Elected Members.

The Procurement Strategy and Policy as well as the Delegations Register were presented to the 31 August FAR Committee meeting and were endorsed by the committee with a few minor changes required.

5. Discussion

The Procurement Strategy and Policy are documents imperative to the successful outcome of the Procurement Improvement Programme. Without these documents, Council does not have a defined direction in which procurement completed will follow.

The main requirements in the development of the Strategy and update of the Policy were to ensure that the:

- recommendations in the CKS and Aurecon reports were implemented as appropriate
- feedback from FAR Committee and Elected members was incorporated

- documents reflected feedback from Staff from previous policies
- documents were a reflection of the needs and requirements of the Council but ensuring the obligations to the Horowhenua Community were able to be met

The Procurement Strategy and Policy produced reflect the requirements of the Council. With endorsement already received for these documents it is a positive sign that procurement within Council is progressing in the desired direction.

The contents of these documents is also to be reflected within the Procurement Guidelines. The Procurement Guidelines is a document which is a 'one stop shop' for which Council Staff have available to use as a day to day resource in the steps within the procurement process.

The Delegation Register, although not only related to procurement, was seen as a critical document to have refreshed as it held key aspects that would impact how portions of the Procurement Policy was written.

The main requirement in the update of the Delegations Register, in relation to procurement, was to finalise the Chief Executives financial delegations. These delegations have a decisive impact on when Council Staff are required to seek Elected Member input in and approval for a procurement activity.

The update of the Delegations Register, if adopted, will have an effect on the Internal Delegations Register which will need to be updated in the near future.

6. Options

The options available are to either adopt or not adopt each of the following documents:

- Procurement Strategy *dated September 2022*
- Procurement Policy *dated September 2022*
- Delegations Register *dated September 2022*

Adoption of these documents will allow the continuation of the Procurement Improvement Programme and an improved practice of procurement at Council heading into the new triennium.

If these documents are not adopted, this will cause further delays to the Procurement Improvement Programme. Resulting in current outdated policies and procedures being followed which do not have a focus on smart procurement.

6.1 Cost

There is no cost for these options.

6.1.1 Rate Impact

There will be no Rate impacts arising.

6.2 Community Wellbeing

There are no negative impacts on Community Wellbeing arising.

6.3 Consenting Issues

There is no Consenting required or any Climate Change impact.

6.4 LTP Integration

There is no LTP programme related to the options or proposals in this report. There are no Special Consultative Processes required.

7. Consultation

Consultation of these documents has been undertaken with Council Staff, FAR Committee and Elected members.

8. Legal Considerations

There are no Legal Requirements or Statutory Obligations affecting the Procurement Strategy and Policy.

The Delegations Register is made up of its own Legal Requirements and Obligations.

9. Financial Considerations

There is no financial impact, although the adoption of this strategy and policy provide for better financial stewardship.

10. Iwi Considerations

Any considerations relating to Iwi are included within the documents in particular reference to tāngata whenua and culture awareness within the strategy and policy.

11. Climate Change Considerations

There is no Climate Change impact.

12. Environmental Considerations

There are no Environmental considerations.

13. Health & Safety Considerations

There is no Health & Safety impact.

14. Other Considerations

There are no other considerations.

15. Next Steps

If the Procurement Strategy and Policy are adopted, the next steps for the Procurement Team are to:

- Implement the required changes to the procurement process
- Conduct training to Council Staff
- Update or add any links to the Procurement Strategy and Policy to make them available for the public
- Start on the Procurement Programme

If the Delegations Register is adopted, the next steps for the Procurement Team are to:

- Ensure any changes are implemented
- Update or add any links to the Delegations Register to make it available for the public

- Conduct a refresh and update to the existing Internal Delegations Register

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

16. Appendices

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B	Procurement Policy - September 2022	110
C	Delegations Register - September 2022	120

Author(s)	Ben Blyton Procurement Advisor	
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	Monique Davidson Chief Executive Officer	



Procurement Strategy

2022



Approvals

Endorsed by Executive Leadership Team:	
Adopted by Council:	

Change History

Version No.	Amendment/s	Date	Completed by
1.0	New Document	September 2022	Ben Blyton Procurement Advisor

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Part A: Introduction

Executive Summary

The Horowhenua District Council ('the Council') is projected to conduct approximately \$35Million a year worth of procurement for goods, services and works over the next three years to ensure the needs in the community of the wider Horowhenua are met. In order to successfully achieve this, the Council has chosen to adopt a Procurement Framework which includes a Procurement Strategy to set the direction in how procurement is to be completed.

As well as focusing on the needs of the community, the Council has chosen to support locals with a new outlook in how procurement is completed. This includes a focus on a whole of life cost outlook, an emphasis in the procurement planning and delivering on a greater public value procurement outlook, using the correct sourcing methods, the introduction of broader outcomes to support local businesses and strengthen our relationship with local Iwi and Hapū all while acknowledging and being guided by our Procurement Principles and the Government Procurement Rules.

The Strategy will also outline a Procurement Programme which covers the projects identified in the Annual and Long Term Plans into further details. This programme will enable to Council to be open and transparent on its future projects as well as allowing the opportunity for local businesses to prepare for any anticipated proposed work.

Purpose

This document is the Procurement Strategy and applies to the procurement activities that are conducted by the Council.

The purpose of the Procurement Strategy is to outline the direction the Council will undertake procurement and makes up part of the Council's Procurement Framework.

Background

The Horowhenua District population is estimated to almost double by June 2041 and the Council is pro-actively planning for this. Key documents such as the Horowhenua 2040 Blueprint, the Horowhenua Growth Strategy 2040 and the 2021-2041 Long Term Plan have been produced to outline what is required to accommodate this successfully.

Procurement reviews completed in 2021 and 2022 have influenced the requirement for an overall procurement policy and process revival which has included the introduction of this Procurement Strategy as part of the newly established Procurement Framework.

What is Procurement?

The term 'procurement' covers all the processes associated with purchasing the goods/services/works the Council use to run the business and deliver public service objectives.

Procurement starts with identifying the needs, then planning the effective and efficient way to meet them; continuing through to sourcing the goods/services/works; then managing the contract; and ends with the expiry of either the contract or the asset's useful life. Procurement also includes the relationship management and review of suppliers involved.

The Council's approach to procurement is outlined in this Procurement Strategy and the Procurement Policy.

Procurement Framework

The procurement framework is an essential supportive function within the Council. The procurement framework exists to ensure all procurement completed by the Council is completed in accordance with the Council's vision and is in the best interests of the Horowhenua community.

Within the procurement framework there are key documents and functions that influence the conducting of procurement within the Council.

The procurement framework is influenced by the Strategy and Policy which are adopted by Council. The rest of the framework is approved by the Executive Leadership Team.



Why do we need a Procurement Strategy?

The Procurement Strategy is the prime document that outlines how the Council will deliver procurement which:

- Provides the best possible result for the community – public value
- Aligns with the Long Term and Annual Plans
- Meets Council's community and broader outcomes
- Is conducted within a transparent, fair and effective process
- Risk is acknowledged and managed

The Procurement Strategy is the first layer of the procurement framework and sets the precedence for how Council will conduct its procurement activity.

The Council's procurement framework includes the vision and tools for the conducting of procurement within Horowhenua District Council. Council staff conducting procurement are to be conversant with the procurement framework.

Review Period

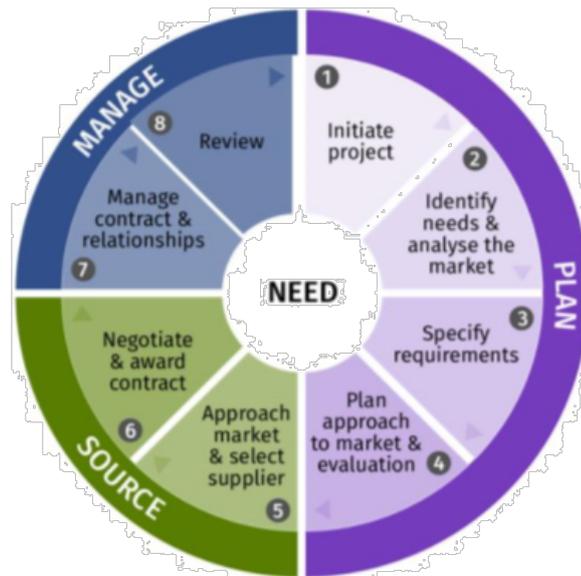
The Procurement Strategy is to have a full review every three years in line with the Long Term Plan or anytime where Council or the Chief Executive requires a review to be completed.

The Procurement Strategy may require refinement and minor amendments between reviews based on other policy/plans approved by Council such as, but not limited to, an Annual Plan. These amendments are required to be endorsed by the Executive Leadership Team and approved by the Chief Executive.

Part B: The Strategy

The Procurement Process/Lifecycle

The procurement process or lifecycle consists of three base categories of planning, sourcing and managing over eight logical stages which all center on the needs/requirements of the procurement itself. For procurement to be successful, all eight stages are required to be followed and completed before moving onto the next.

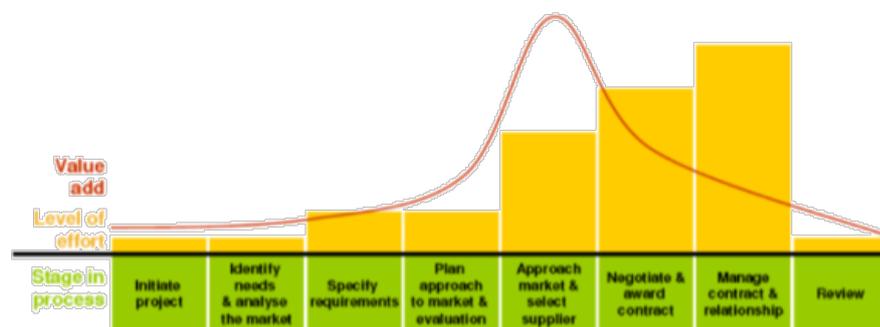


Further details in how this is conducted is covered within the Procurement Policy and Guidelines.

Traditional vs Strategic Procurement

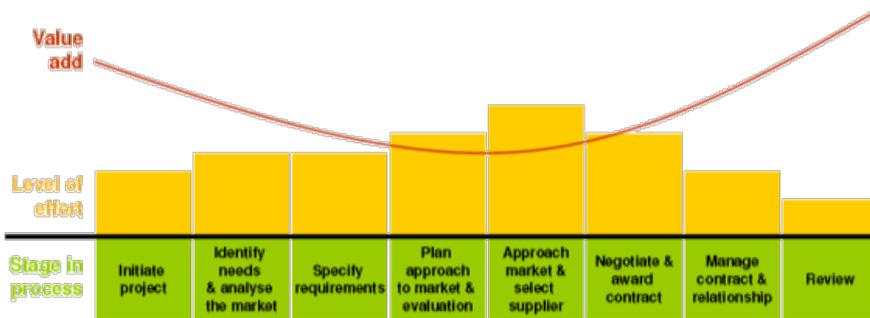
Local Government has previously followed a traditional approach to procurement. This approach has meant little to no emphasis was given to the early phases of projects, and resources were allocated accordingly. As such, most of the added-value was realised during the approach to market phase in order to drive the price of services down.

As a result, high levels of effort are necessitated during the delivery phases of projects to mitigate less than optimal procurement decisions and poor supplier selection.



Council want to change this by taking a more strategic and holistic approach to procurement in order to deliver an overall better outcome for our community.

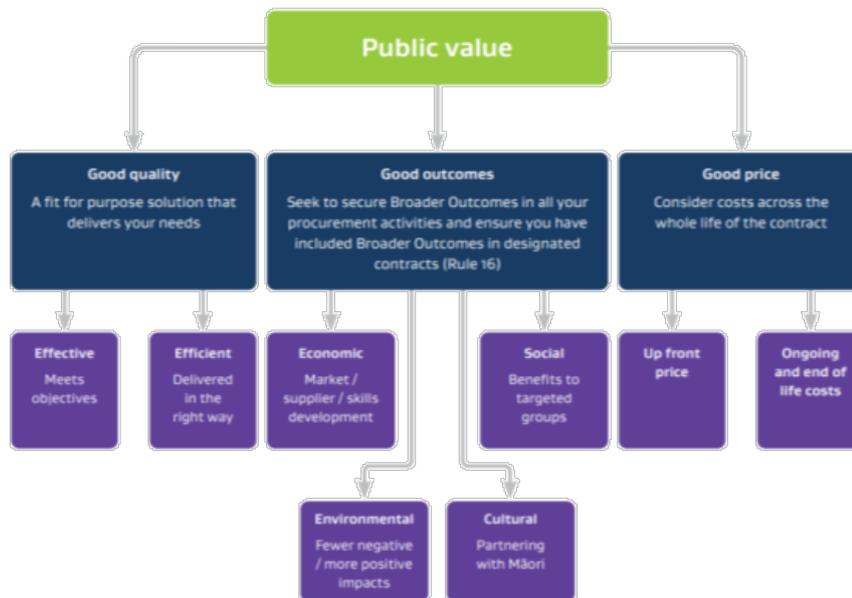
In order to achieve this, the Council will develop a better understanding of the whole of life cost versus a unit cost. Focusing on this and applying the right resources will enhance the whole of life value for money through effective planning, appropriate sourcing strategies, effective contract management and supplier relationship management.



Public Value

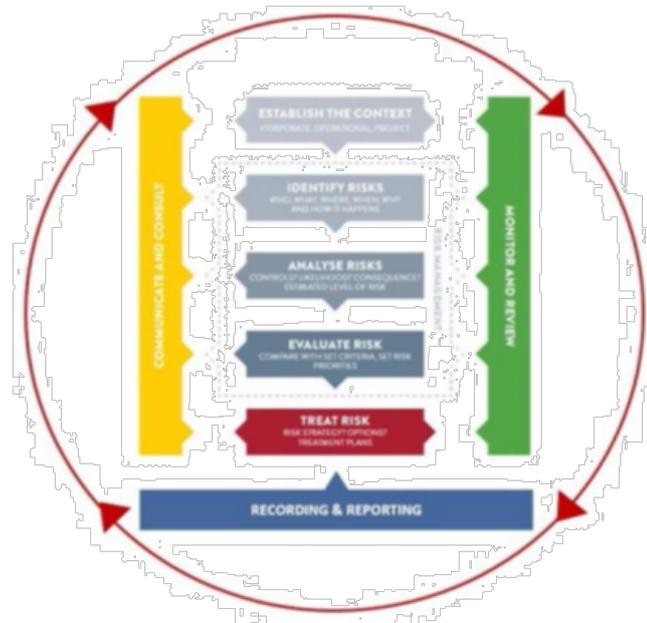
For the Council, public value means obtaining the best possible result from the procurement process while using resources effectively and economically with minimal waste.

It is important that public value does not always focus directly on the initial costs of the procurement. Other factors to take into account are total cost of ownership, delivery timelines, broader outcomes and the quality of service/the product. All of these factors should be applied with the end goal of delivering on the needs/requirements of our community.



Risk Management

Procurement of any goods or services brings some element of risk to the Council whether financial, reputational or health and safety. The risk management framework at Council aligns with AS/NZS ISO 31000 Risk Management Principles and Guidelines. Procurement risk is reported on through the Council's Finance Audit and Risk Committee.



Risk in procurement is manageable through early research and planning. The risks identified are categorised whether low, medium or high risk and whether they can be minimised, isolated or eliminated.

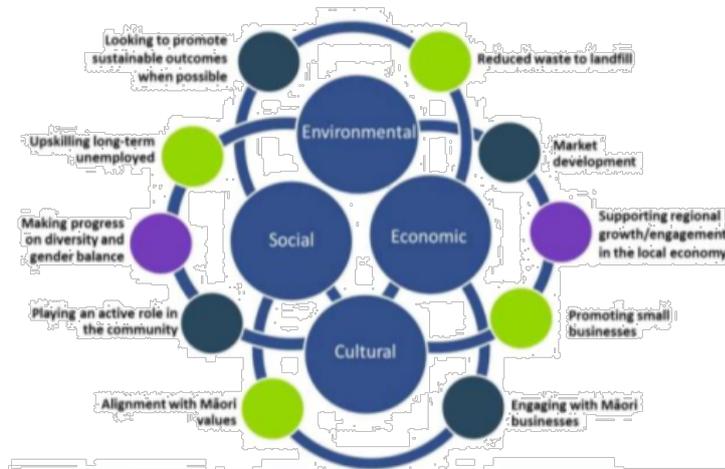
It is the responsibility of Council Officers to identify any risks that may arise prior to, during and after a procurement. Risk assessment and planning is covered within the Council's Procurement Policy and Guidelines.

Our Sourcing Methods

The Council's aim is to be fair to all of our suppliers in how our procurement are sourced. The Council aims to use a mixture of sourcing methods including direct appointments, request for quotes and open and closed tenders. Council will operate where appropriate preferred supplier registers and open supplier panels. The Council is accountable to the community and any sourcing method used will be in accordance with the Council's Procurement Policy and Guidelines.

Broader Outcomes

Broader outcomes are the secondary benefits that can be delivered from a procurement activity that go beyond the delivery of a product or service. These include the wider social, economic, cultural and environmental outcomes in our community. Procurement completed by the Council should be actively aiming to achieve these.



Broader outcomes have previously not been considered specifically within procurement, but have displayed similar principles in the Community Outcomes within the Council’s future strategic planning and form part of the 2021-2041 Long Term Plan. These are what the Council aim to achieve in meeting the current future needs of our communities for good quality infrastructure, public services and performance of regulatory functions.



- We are business friendly.
- We will work with others to enable our economy to grow.
- We support diversity and resilience in our local economy.
- We aspire for economic security for all of our people.
- We seize growth opportunities for our district.



- We contribute to improving our natural environment for current and future generations to enjoy.
- We protect the important natural features in our district.
- We ensure our built environment supports the wellbeing of our people.
- We manage competing pressures on resources sustainably.



- We develop and maintain facilities and infrastructure to meet the needs of current and future generations.
- We provide efficient, reliable and affordable infrastructure.
- We work with partners to develop infrastructure that enables growth.
- Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards.



- We will uphold Te Tiriti o Waitangi and its principles.
- We build mutually respectful partnerships with tangata whenua.
- We support Mana Whenua to maintain and enhance tikanga with their ancestral lands and waterways, wahi tapu and other taonga.
- We support whanau, marae, hapū and iwi in achieving their aspirations.
- We recognise the role of Mana Whenua as kaiiaki of their rohe.



- We value the diversity of our people.
- We recognise the value of our district’s heritage and its contribution to our communities’ sense of identity and pride.
- We take an inclusive approach and encourage our people to participate in local decision-making.
- We provide infrastructure and services as a foundation for resilient and connected communities.
- We build collaborative relationships with service providers to help enable all of our people to live positive and health lifestyles.

Meeting our Community Outcomes is vital to the successful function of the Council. Ensuring that these are used to influence the procurement process will allow them to be followed through during the useful life of the procured product and/or service. Horowhenua District Council is committed to applying the following priority broader outcomes within its larger procurements:

- Local Business inclusion
- Cultural awareness

Other broader outcomes the Council will consider during procurements are:

- Environmental improvement
- Community engagement

Focusing on a large number of broader outcomes through procurement in a smaller district comes with its challenges with many businesses contracted being small-medium in size. An approach of education and encouragement for small-medium contracts (<\$1,000,000) and requirements for larger contracts (>\$1,000,000) will provide a balanced approach to achieving broader outcomes.

Supporting Local

Council is committed to the enhancing the local community by including local businesses better. This will be conducted by early engagement and business briefings and workshops.

Tāngata Whenua

Council is committed to building a better relationship with local Marae, Iwi and Hapū in the Horowhenua rohe and lifting the environmental, social, cultural and economic wellbeing of Tāngata Whenua through procurement. As part of the procurement framework, initiatives will be developed to ensure:

- An early engagement with Iwi and Hapū in planning
- Procurement is completed in accordance with Te Tiriti o Waitangi
- A cultural competency and awareness in Te Ao Māori is available to the Council's suppliers
- Encourage the engagement of Tāngata Whenua in the design and/or delivery of goods, services and works.

Government Procurement Rules

The Government Procurement Rules are the Government's standards of good practice for Government procurement. The Government Procurement Rules are in place to help support good market engagement, which leads to better outcomes for agencies, suppliers and New Zealand taxpayers.

As a Local Government Organisation, Council are not bound by these Rules but are encouraged to apply them. Council have decided to use the Government Procurement Rules as a guide¹ for the planning, sourcing and management of the procurement process.

A key focus of the Rules is the importance of open competition – giving all businesses the chance to participate, and giving them enough time to respond to opportunities properly. The Rules also help to:

- align New Zealand procurement practice with international best practice
- encourage more strategic procurement approaches
- foster competition and innovation, resulting in better solutions
- promote broader environmental, social, cultural and economic outcomes.

The Government Procurement Rules incorporate the Five Principles of Government Procurement and the Government Procurement Charter. The Five Principles of Government Procurement provide the overarching values in procurement – even when or if the Rules do not apply.

¹ All procurement funded by Waka Kotahi New Zealand Transport Agency must follow the Government Procurement Rules. Full details on this are included within the Procurement Policy and Guidelines.



Our Procurement Principles

The Council's Procurement Principles align with the Five Principles of Government Procurement. As well as these, Council will apply the following principles:



Part C: Influences

Central Government

The New Zealand Government (the Government) and other Central Government organisations have a massive influence on how Horowhenua District Council can operate.

While the Council will often be given an opportunity to respond and/or to have its say on policies and procedures the Government propose, ultimately the Government will decide if, as a Local Government Organisation, the Council has to or can choose to follow legislation and guidelines.

Examples of legislation and reforms that are currently in discussions or implementation with direct effect on Council are, but are not limited to:

- Three Waters Reform Programme
- Future of Local Government
- Resource Management Act Reforms

Central Government organisations influence how the Council should conduct its procurement.

Ministry of Business, Innovation and Employment (MBIE), via the Government Procurement Group (GPG), set the standards for procurement in Central Government with a heavy influence is local government and closely associated organisations. The Government Procurement Rules are set by the GPG and as a local government organisation, the Council does not have to adhere to Rules, but is strongly encouraged to. The GPG also facilitate the initiation and oversight of All-of-Government (AoG) Contracts of which the Council can join. The Council's Procurement Strategy and Policy details how the Council has adopted the Government Procurement Rules and AoG Contracts.

Waka Kotahi New Zealand Transport Agency have a major influence in how the roading infrastructure is managed and funded in the Horowhenua rohe. Waka Kotahi are strict users of the Government Procurement Rules set by the GPG. Procurement completed by the Council on behalf of, and/or funded by Waka Kotahi are to follow Waka Kotahi procurement policies and procedures.

WorkSafe influence how the Council is to apply the health and safety of all employees and its contractors. The Council's Health and Safety Policy outlines how this is to be implemented with particular reference to the Health and Safety at Work Act 2015. Health and safety, as per the Procurement Policy, is to be considered in all phases during the procurement process.

Ratepayers/Community

The community has the biggest influence in the direction and decisions which the Council makes. This is achieved via the electing of Council members, contributing to community engagement arranged by the Council or Central Government organisations and the general 'community voice'.

Elected Members/Council

Elected Members (Council) are elected by the community via local government election on a three yearly cycle. The Council set the direction which the Council will operate including approving all plans and strategies.

COVID-19

The COVID-19 Pandemic has overwhelmingly effected how the world operates and the Council is no different. Even after over two years of lockdowns and restrictions, COVID-19 is influencing how we operate. It has had drastic effects on the cost of materials and freight, slowed down production of vital infrastructure material and increased the lead-times for items throughout the supply chain. Overall productivity has slowed due to staff sickness and contractor/suppliers own delays. The 'COVID effect' is going to have ongoing implications for the delivery of Council's projects.



Procurement Policy

2022



Approvals

Endorsed by Executive Leadership Team:	
Adopted by Council:	

Change History

Version No.	Amendment/s	Date	Completed by
1.0	New Document	September 2022	Ben Blyton Procurement Advisor

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Part A: Introduction

Purpose

The purpose of this Policy is to provide direction to staff of the Horowhenua District Council (the Council) who participate in Procurement.

The Council procures significant goods and services that have an impact on the local community. The Council's commitment to delivering a consistent procurement service will contribute to the overall benefits with the wellbeing of its community and meeting the objectives set within the Council's annual and long term plans.

This Policy provides clear guidance in local government Procurement regulations and procedures as well as best business practice completed throughout the procurement process.

This policy is to be read in conjunction with the Council's Procurement Strategy and Guidelines as well as any other relevant Government regulations or Council policies and procedures as listed in Related Documents.

What is Procurement?

The term 'procurement' covers all the processes associated with purchasing the goods/services/works the Council use to run the business and deliver public service objectives.

Procurement starts with identifying the needs, then planning the effective and efficient way to meet them; continuing through to sourcing the goods/services/works; then managing the contract; and ends with the expiry of either the contract or the asset's useful life. Procurement also includes the relationship management and review of suppliers involved.

The Council's approach to procurement is outlined in the Procurement Strategy and this Policy.

Definitions

Term	Meaning
Council	Horowhenua District Council.
Procurement Review Group (PRG)	The Group established by the Executive Leadership Team to manage the overall governance of procurement. The PRG are required to endorse and/or approve procurements as per the procurement classifications. The Group is chaired by the Chief Executive and includes the Executive Leadership Team, the Procurement Team a representative of the Finance Team and an Elected Member.
Staff	Any employee of Horowhenua District Council whether fixed term, part-time, or permanent, or a contractor working on behalf of the Council.

Review Period

The Procurement Policy is to have a full review every three years or anytime where Council or the Chief Executive requires a review to be completed.

The Procurement Policy may require refinement and minor amendments between reviews based on other policy/plans approved by Council. These amendments are required to be endorsed by the Executive Leadership Team and approved by the Chief Executive.

Clarification

All dollar figures are in NZD and are GST exclusive.

Part B: The Policy

Policy Statement

The Council will be guided by the Government Procurement Rules when planning, sourcing and managing procurement.

The Council will apply the approach best suited to the individual procurement, within the framework of the Rules.

Deviations from this Policy requires Procurement Review Group, and if required, Council approval.

Compliance

Compliance with this Policy is required for all procurement activity undertaken by Council staff. The Procurement Review Group or Council must approve any departure from this approach.

Roles and Responsibilities

Role	Responsibilities
Chief Executive and the Executive Leadership Team	<ul style="list-style-type: none">• Modelling the highest standards of compliance with the Policy• Ensure that they and their staff are appropriately trained in the Council's procurement processes and procedures• Monitor that staff comply with the Policy
Procurement Review Group	<ul style="list-style-type: none">• Approval of requests for variations to the procurement process• Reviewing potential conflicts of interest related to procurement• Review, endorsement and approval of procurements in accordance with the procurement classification
Procurement Team	<ul style="list-style-type: none">• Delivery of procurement training to Council staff• Reviewing and management of procurement plans and the tender process• Updating of procurement policies and templates• Management of supplier panels
All Staff	<ul style="list-style-type: none">• Conduct procurement in the best interests of the Council and the community• Comply with the requirements of the Procurement Framework and associated processes and procedures

Conflicts of Interest

Staff are to be aware of potential conflicts of interest while conducting procurement at any level. In accordance with the Council's Conflict of Interest Prevention Policy, where a potential conflict of interest does apply, staff are to advise their manager as soon as practical from when this is identified.

All procurement source and selection processes should include the following as a minimum requirement to meet best practice in public sector sourcing: all members of an evaluation team will sign and submit a conflict of interest declaration prior to evaluation commencing.

To minimise a perceived tender bias or the potential release of information, all correspondence and interaction with suppliers will be managed through a central coordinator during a tender process.

Any supplier evaluations will be subject to rules and policy applicable to member's interests where staff or Councilors may have an interest in the supplier.

Reporting

Procurement reports are to be presented the Council and are to include, at a minimum, the following:

- Procurements completed over \$200,000 - including details of the procurement and who awarded to
- A summary of expenditure for the top 20 vendors

This reporting ensures transparency between staff and Council and is the responsibility of the Procurement Team.

Procurement Programme

The Procurement Programme is a strategic document completed in conjunction with each Long Term Plan and updated alongside each Annual Plan. It provides a timeline and details of projects which fall into a 'C' or 'D' procurement category over a three year period including a procurement approach for each procurement activity.

Emergency Procurement

An 'emergency' is a sudden unforeseen event that can result in injury, loss of life or critical damage to property or infrastructure.

In the event of a genuine emergency the Council will need to be flexible in how it procures goods and services that are required to support their response. In these situations rapid procurement may mean it is not possible or prudent to satisfy all requirements of this Policy.

When making emergency procurement decisions the Council will act lawfully and with integrity. Once the situation is stabilised and there is no risk to human life, the environment or critical infrastructure, a recovery plan will be established to authorise necessary procurement activity.

It is important to note that urgent procurements due to poor planning do not fall under emergency procurement and are still required to follow the correct procurement process.

Health and Safety

The Council is to ensure Health and Safety is applied within the procurement process and through the term of any contract.

Staff conducting procurements are to be conversant with the Council's Health and Safety Contractor Management Policy. As a minimum, procurements which involve the supply of a physical service are to ensure that the contracted vendor (as well as any sub-contractors) have completed the required Health and Safety prequalification criteria to be an approved Council contractor.

Further information is available via 'The Hub' (internal HDC intranet) and from the Council's Health and Safety Lead.

Procurement Classification

Procurement is classified into four categories. These categories are based on value and risk of the procurement and require different levels of final approval authorities.

Category	Criteria	Endorsement	Approval
A	<ul style="list-style-type: none"> Low-medium risk and less than \$50,000 		Manager (based on financial delegation)
B	<ul style="list-style-type: none"> Low-medium risk and between \$50,000 and \$200,000 	Manager	Group Manager
C	<ul style="list-style-type: none"> Low-medium risk and between \$200,000 and \$1,000,000; or High risk and less than \$200,000 	Group Manager	Procurement Review Group and/or Chief Executive
D	<ul style="list-style-type: none"> High risk and above \$200,000; or Above \$1,000,000 	Procurement Review Group and Chief Executive	Council

Risk Management

Procurement brings risk to the Council. Ensuring that risk is properly identified and managed is the responsibility of the staff member coordinating the procurement. Staff are to ensure that risk is identified as early as possible as well as being monitored and managed throughout the procurement activity.

Staff are expected to use the Risk Assessment Tool prior to determining the procurements classification. It is also expected that staff conducting procurements monitor risks using a risk register as per the procurement guidelines. The requirement to do this at each procurement category is as per the table below.

Category	Risk Register
A	Encouraged
B	Encouraged
C	Required
D	Required

Procurement Plans

Procurement Plans are used to set out the 'why' and 'how' Council want to complete its procurement activity. The procurement plan annotates that a correct process has been completed and gives a tool to ensure the correct authority has been sought.

The Procurement Plan is to cover the entirety of a project – a project shall not to be split up into separate procurement activities to purposely avoid any delegation, approval or other requirement levels.

Procurement Plans are required to be submitted and approved in accordance with the following table:

Category	Procurement Plan Type	Description
A	Not Required	
B	Lite	Provides a basic checklist to ensure correct processes have been followed.
C	Standard	Provides a basic background to why the procurement is required and includes basic planning information including budgeting and risk.
D	Detailed	Provides a detailed analysis for the procurement activity essentially incorporating a business case and standard procurement plan together.

A full process of the procurement plan approval process is in the procurement guidelines.

Implementation of Broader Outcomes

Staff conducting procurement should be aware of the secondary benefits available with the implementation of broader outcomes. Broader outcomes should be realistic based on the type of service being provided and also on a contractual value.

Staff should incorporate broader outcomes as education and encouragement for small - medium contracts (<\$1,000,000) and as requirements for larger contracts (>\$1,000,000). The broader outcomes Council is committed to are:

- Local businesses inclusion e.g. by making it a priority that they are included as sub-contractors and/or suppliers
- Cultural awareness e.g. that our suppliers understand Councils obligations to Te Tiriti o Waitangi and knowledge of tikanga relating to the procurement

Other broader outcomes to be considered are:

- Environmental improvement e.g. a suppliers approach to the environment relating the procurement including steps/initiatives to improve or sustain a clean environment
- Community engagement e.g. how the supplier plans to engage with Iwi, Hapū and the community for the duration of the procurement (if applicable)

Supplier Selection Process

Selection Methods

There is an expectation that staff conducting procurement are to use the most suitable selection method applicable to the individual procurement being conducted.

Staff should be conversant with the following supplier selection methods:

Category	Default Selection Method	Alternative Selection Method
A	Direct Award or Three Quotes	
B	Three Quotes or Tender	Direct Award
C	Tender	Direct Award, Three Quotes
D	Tender	Direct Award

Other alternatives to these methods may be applied if a procurement falls under an existing preferred supplier or supplier panel arrangement or an All-of-Government (AoG) Contract. A description of each sourcing method is available in the Procurement Guidelines.

Preferred Suppliers and Panels

The Council may establish direct relationships with suppliers to procure goods and services at a lower than market rate, or at an agreed level of service. This is intended to achieve value for money by consolidating spend and reducing the cost of business through reduced transactions and a reduced number of suppliers.

The Council may establish supplier panels in order to make the procurement process more efficient in cases where similar services/goods are consistently being tendered and the same pool of service providers are bidding.

Supplier panels set up by Council are to be kept open to new suppliers. The Council has the ability to conduct a procurement within the panel in a closed capacity and without going to the open market. All procurements completed from a supplier panel must still follow the processes set out in the Procurement Framework.

The use of either a preferred supplier or supplier panel is as per the below:

Category	Preferred Supplier	Supplier Panel
A	✓	✓
B	✓	✓
C		✓
D		✓

All-of-Government (AoG) Contracts

An All-of-Government Contract (AoG) is a type of approved collaborative contract. AoG establish supply agreements with approved suppliers for selected common goods or services purchased across government. Council is not bound to the use of these contracts but has the ability to use them where they will provide best value.

Tenders and Evaluations

The Council will advertise all Tenders on the Government Electronic Tender System (GETS) and provide sufficient time for respondents in accordance with the Government Procurement Rules.

Tenders for procurements above \$200,000 which are funded by Waka Kotahi New Zealand Transport Agency (NZTA) will require at least one qualified tender evaluator on the evaluation panel in accordance with the Waka Kotahi NZTA Procurement Manual.

As a minimum, Council will require at least one qualified tender evaluator for tenders over \$1,000,000 and additionally an external (and independent) evaluator for tenders over \$4,000,000 on the evaluation panel.

Financial Delegations

Financial Delegations are given to selected roles within the Council. Procurement within the Council can only occur with the authorisation from a manager with a, and within their, Financial Authority. The Council Delegations Register dictates delegations given to the Mayor, Deputy Mayor and Chief Executive and is authorised by Council. The Chief Executive holds the responsibility and authority for the Internal Delegations Register which lists Officer roles and their respective financial authority.

Contractual Considerations

The Council must comply with all relevant law on the formation and performance of contracts. Failure to do this puts the Council at risk or litigation.

Staff should be aware when conducting tenders that legal risks do exist and ensure that complete process is followed correctly.

Council has multiple contracts available to use in the Procurement Guidelines, however a supplier's written contract may also be accepted in some instances.

All contracts signed on behalf of the Council are to be peer reviewed by the Procurement Team.

Templates and Tools

Templates have been developed to make the procurement process easier for staff to understand and follow. These templates are to be used and staff are to make themselves conversant with these. These are located in the templates section of the Procurement Guidelines.

Related Documents

Various guidelines, tools and templates have been developed to support this policy. It is acknowledged that additional material may be developed to support those already available to staff. All information will be made available to staff via 'The Hub'.

Various policies and frameworks exist which support this policy including:

Government Legislation and Standards	Council Policy and Key Documents
Commerce Act 1986	Horowhenua 2040 Blueprint
Contract and Commercial Law Act 2017	Horowhenua Growth Strategy 2040
Fair Trading Act 1986	2021-2041 Long Term Plan
Health and Safety at Work Act 2015	Project Management Policy
Local Authorities (Membership Interests) Act 1968	Conflict of Interest Prevention Policy
Local Government Official Information and Meetings Act 1987	Legal Compliance Policy
Local Government Act 2002	Sensitive Expenditure Policy
Official Information Act 1982	Risk Management Framework
Public Records Act 2005	Information Management Policy
Civil Defence Emergency Management Act 2002	Fraud Policy
Goods and Services Tax Act 1985	Staff Private Purchasing Policy
Land Transport Management Act 2003	Delegations Register
Resource Management Act 1991	Internal Delegations Register
Construction Contracts Act 2002	Procurement Strategy
Public Works Act 1981	Procurement Guidelines
Government Procurement Rules	
Supplier Code of Conduct	
WKNZTA Procurement Manual	



Delegations Register

2022



Approvals

Endorsed by Executive Leadership Team:	
Adopted by Council:	

Change History

Version No.	Amendment/s	Date	Completed by
1.0	New Document	September 2022	Ben Blyton Procurement Advisor

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Introduction

1 Purpose

This document is the Delegations Register for the Horowhenua District Council ('the Delegations Register').

The purpose of the Delegations Register is to set out the Horowhenua District Council's ('the Council') policies, procedures and delegations relating to decision making when giving effect to its statutory duties, responsibilities and powers.

This Delegations Register records all delegations from the Horowhenua District Council to Standing Committees, Subcommittees, Members and Staff. The delegations have been approved by Council resolution/s. Delegations, unless otherwise stated, are deemed to have been made under Clause 32, Schedule 7 of the Local Government Act 2002 (LGA).

2 Background

2.1. Definition of Delegation

Delegation is the conveying of a duty or power to act to another person, including the authority that the person making the decision would themselves have had in carrying out that duty or exercising that power.

For the purposes of administrative efficiency and expediency in the conducting of its day-to-day business, the Council delegates certain statutory duties, responsibilities and powers to its standing committees, subcommittees, members or staff. Likewise, the Chief Executive delegates certain duties and responsibilities to a subordinate level. These delegations are a necessary operational requirement to achieve best use of the abilities of elected representatives and officers and to promote effective and expeditious decision-making. Delegations seek to avoid administrative delays and inefficiencies.

2.2. The Legal Basis

Council's authority to delegate to its standing committees, subcommittees, members or staff is principally derived from Schedule 7, Clause 32 of the Local Government Act 2002 (LGA).

Schedule 7 Clause 32 of the LGA states that:

"Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of the local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except:

- *The power to make a rate; or*
- *The power to make a bylaw; or*
- *The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan; or*
- *The power to adopt a long-term plan, annual plan, or annual report; or*
- *The power to appoint a chief executive; or*
- *The power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or*
- *The power to adopt a remuneration and employment policy."*

Other statutes¹ also confer or limit the ability for the Council to delegate decision-making powers and duties. For instance, Section 34 of the Resource Management Act 1991 restricts the delegation of certain plan approval functions to other than the Council. While the Local Government Official Information and Meetings Act 1987 provides for delegations under section 42 and 43 of that Act, a response to recommendations made to the Council by the Ombudsman (section 32) may not be delegated.

Authority and responsibility are inseparable. Those with responsibility for a task or function should always have the authority to carry it out effectively. It should be noted that no delegation relieves the local authority, member, or officer of the liability or legal responsibility to perform or ensure performance of any function or duty.

Delegates should willingly accept authority and responsibility for decision-making in the certain knowledge that their decisions, if made in a full, fair, and objective manner, will not be interfered with. The act of delegating involves mutual trust and respect without which the efficiency and effectiveness of the Council would be at risk.

2.3. Principles, Terms and Conditions

Unless a delegation in this Register states otherwise, the delegation is derived from the Council. The Council or Chief Executive in their determination as to duties, responsibilities and powers to be delegated will have regard to the principles outlined in Tables 1.

In the exercise of any delegation, the delegate (i.e. the person given the delegation) must comply with the general terms and conditions, which are also identified in Table 1. In addition to the general terms and conditions, the delegate must also comply with any additional terms and conditions that might apply to specific delegations.

The laws relating to local government generally recognise that the decisions of a delegate may be reviewed or appealed to the delegator who may confirm, vary, overrule, or substitute any decision although there are exceptions such as where a decision is made and other review remedies are available (e.g. appeal to a court or tribunal).

Table 1

Principles

Because the business to be transacted by the Council is diverse and wide-ranging, delegations are necessary to ensure the efficient, effective, and timely delivery of services to the communities it represents.

Delegations made to Council Officers have generally been made to the lowest level of competence commensurate with the degree of responsibility and difficulty involved in the undertaking of the delegation.

Where delegations have been made to the Chief Executive and it is noted that the Chief Executive can further delegate, the Chief Executive will delegate those responsibilities, duties and powers having regard to the degree of responsibility and difficulty involved in the undertaking of the delegation.

Wherever possible, delegations to officers and employees will and have been made on a wide basis to promote the most effective and efficient implementation and delivery of Council's policies and objectives.

¹ See Building Act 2004 - Section 232; Civil Defence Emergency Management Act 2002 - Section 12; Impounding Act 1955 - Section 63; Local Government Official Information and Meetings Act 1987 - Sections 42, 43; Privacy Act 1993 - Sections 124, 125; Public Bodies Contracts Act 1959 - Section 4; Resource Management Act 1991 - Section 34A(3); Sale and Supply of Alcohol Act 2012 - Section 198; Fencing of Swimming Pools Act 1987, Section 12 repealed 1 January 2017 by section 19 of the Building (Pools) Amendment Act 2016.

No delegations shall limit the power of Council or other delegator to exercise a function, duty or power in substitution for a delegate.

Delegations must be precise and in writing in order to protect both the Council and the delegate. In the exercise of any delegation, the delegate will ensure they act in accordance with:

- *Any binding statutory authority (in relation to each delegation, relevant sections of the Act will be identified); and*
- *Any relevant Council policy or procedural documents (including reporting and recording requirements).*

In relation to delegations to officer level, every delegation will be to a stated officer and will be exercised in relation to the duties of their position as identified in their Position Description or when an officer has been appointed in an acting capacity.

Decisions, other than on minor or routine matters, made under delegated authority will be reported to the Council or a relevant Committee.

For the avoidance of doubt, supervisors shall have the same powers of delegation as subordinate staff, unless the exercise of such delegation requires, by law, a particular qualification or registration.

Except as otherwise provided in this Delegations Register, the Local Government Act 2002, Local Government Official Information and Meetings Act 1987 or any other enactment, a delegation once made cannot be further sub-delegated.

The Council may, at any time, revoke, suspend for a period, or amend the terms of conditions in relation to any delegation it has made. Where this occurs, it will be recorded by resolution of Council.

The Chief Executive may revoke or suspend for a period, or amend the terms and conditions in relation to any delegation to subordinates that they have made.

Staff will not exercise delegated authority in cases of uncertainty or where it would be desirable that policy direction be given. There are also circumstances where staff will be required to seek peer review prior to exercising delegated authority, in which case supervisors will make this known.

All staff decisions made under delegated authority should clearly contain an appropriate endorsement e.g. 'made under delegated authority'. Where a delegation exists to make a decision on behalf of Council, the delegate has all the necessary powers of Council to effect that decision, including any related transitional powers prescribed by statute.

The delegations to staff, if required by any enactment, are also made through the Chief Executive Officer by virtue of inclusion in this Register.

2.4. Term of Delegation

The Delegations Register will be reviewed annually and unless any delegation is expressed to be for a definable period it will continue until revoked by the delegator or the Council, or withdrawn by operation of law.

2.5. Delegation to Office

Unless a contrary intention is indicated every delegation will be to a stated office or position and not to an individual or the membership of a group in their personal capacities. In every case of this type the delegation will survive any change in the occupier of any such office.

Delegations, Authorisations and Appointments

3 Vote on Behalf of Council

The authority to vote on behalf of Council, where a resolution of Council is not a prerequisite, is delegated to:

- 1) the Chief Executive,

and is delegated to:

- 1) the Mayor; and in their absence
- 2) the Deputy Mayor; or
- 3) the Chair of the Hearings Committee.

The proxy is instructed to vote in the best interests of Council but to take direction from Council on sensitive or controversial matters before committing Council's shareholder votes.

4 Authorisation to Execute Deeds and use the Common Seal

The authority to sign any deed is delegated to any two elected members (being the Mayor, Deputy Mayor and Councillors).

The process for selection of elected members to execute each deed will be dictated by timeframes and the availability of elected members.

The Common Seal of the Council shall be held by the Chief Executive who shall be responsible for its use.

A Council resolution is required for the Seal to be affixed to a document; however in the case of a document of a routine nature, and/or a document which is urgent, the Seal may be affixed to such documents and such action reported to the next Council meeting for a confirmation resolution.

Where the Common Seal of the Council is affixed to any document it shall be attested by:

- 1) the Mayor, or in their absence, the Deputy Mayor; and
- 2) the Chief Executive, or in their absence, the appointed Acting Chief Executive.

The Common Seal will be affixed to any document that is required to be executed under the Seal, including:

- Warrants to enter private land on behalf of the Council made under the Resource Management Act, the Biosecurity Act, the Building Act, Local Government Act 1974 or the Local Government Act 2002;
- When executing any Memorandum of Transfer pursuant to section 80 of the Local Government (Rating) Act 2002;
- Regional policy statements and regional and district plans prepared under the Resource Management Act;
- Bylaws prepared under the Local Government Act 2002 or other relevant statutes;
- Any documents which otherwise require the use of the Council's Common Seal.

All Common Seal transactions will be recorded on the Common Seal Register, which is maintained by the Executive Assistant to the Chief Executive, and reported to a subsequent Council meeting when not already authorised by Council resolution.

5 Credit Cards

Delegated authority to approve credit card expenditure is assigned to:

- 1) The Mayor and the Chair of Finance, Audit and Risk Committee for the Chief Executive's card;
- 2) The Chief Executive and the Deputy Mayor for the Mayor's card;
- 3) The Chief Executive for any credit card held by any other staff member.

6 The Chief Executive

6.1. Administration

Pursuant to section 42(2) of the Local Government Act 2002, the Chief Executive is responsible, on behalf of the Council, for ensuring the effective and efficient management of the Council, employing staff and negotiating the terms of employment of staff.

It is the role of the Chief Executive to lead and oversee staff in implementing the decisions of the Council and ensuring that all statutory responsibilities of the Council are met. The Chief Executive is also responsible for ensuring that all responsibilities, duties and powers delegated to him or her, or to any person employed by the Council, are properly performed or exercised. The Chief Executive may delegate to any other officer of the Council any of their powers under the Act, or any other statute, except the power to delegate or any power that is subject to a prohibition on delegation.

The Chief Executive has absolute control over all employment-related matters concerning staff, and has authority to:

- Approve the employment of all staff.
- Approve staff members taking up or engaging in other employment, in addition to their Council employment, subject to the following provisos:
 - Council duties having priority;
 - The other employment is not to interfere with or impair the due and proper discharge of their normal duties;
 - The other employment will not be carried out during the staff member's Council working hours; and
 - There being no conflict of interest arising from the other employment.

The Chief Executive may nominate another staff member to act as Chief Executive during temporary periods of absence from duties together with such of the Chief Executive's powers as they consider appropriate.

6.2. Finance

The authority to commit expenditure of up to \$1,000,000 excl GST, whether operational or capital expenditure and where budgets have been established by an adopted Long Term Plan or Annual Plan, is delegated to the Chief Executive, who may further delegate to any other officer of Council as required. Any expenditure outside of this requires approval from Council or an appropriate Council Committee Subcommittee on an as required basis.

The Chief Executive is authorised to re-allocate operating expenditure between budgets with the same rating mechanism (funding sources) provided it is necessary to achieve committed outputs decided on during the Long Term Plan (LTP) or alterations to the LTP, and provided the end-of-year budgeted surplus or deficit will be achieved, with any likely exceedance is to be reported to Council or the relevant Committee.

The Chief Executive has the authority to establish financial delegations to other officers (in writing) as they consider appropriate.

The authority to:

- Release or alter loans, mortgages and statutory land charges
- Take appropriate action within Council policy to recover debts
- Write off bad debts of up to \$30,000
- To approve credit notes up to \$30,000
- Consider and approve elected members' remuneration and expense claims
- Approve banking, investment, payroll and tax payments in accordance with councils policy
- Approve the opening and closing of Council bank accounts
- Provide for and manage Council's borrowing facilities, debt, and risk hedging in accordance with council policy
- Receive and/or administer external grants or funding

is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.3. Release of Information, Media and Public Notices

All requests for official information from the Council will be referred to the LGOIMA Officer on behalf of the Chief Executive for their information.

The authority to exercise the Council's powers under Parts II to V of the Local Government Official Information and Meetings Act 1987 (except those in section 32 of that Act) is delegated to the Chief Executive, who can further delegate to any other officer or employee of Council as required.

The ability to refuse to release information under Sections 13 and 17 of the Local Government Official Information and Meetings Act 1987 is restricted to the Chief Executive, who can further delegate to any other officer of Council as required.

The authority to determine in respect of any request for personal information under Part V of the Privacy Act 1993 and Part IV of the Privacy Act 2020 is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

The authority to make statements to the news media relating to Council's business is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

The authority to place public notices and advertisements in relevant newspapers, on social media or other publications or channels is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.4. Legal

The authority to:

- Obtain legal advice on Council's behalf
- Sign on Council's behalf any routine legal administrative document
- File in the name of the Council a Statement of Defence, or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal
- Initiate to have Court costs awarded; and
- Initiate legal proceedings to collect Court costs awarded
- Issue a trespass notice on Council's behalf

is delegated to the Chief Executive, who may further delegate to any other officer of Council as required.

The authority to settle claims against Council, where proceedings are filed or contemplated, up to a limit of \$50,000 (exclusive of GST) in accordance with a recommendation from Council's insurers, or competent legal advice, where time constraints do not permit the matter to be referred to a meeting of Council or an appropriate Committee, is delegated to the Chief Executive and, wherever possible, in consultation with the Mayor or Deputy Mayor.

6.5. Submissions

The authority to:

- Make a submission to a Board of Inquiry in relation to a proposed national policy statement under section 49 of the Resource Management Act;
- Make a further submission to a Board of Inquiry in relation to a proposed national policy statement under section 50(2) of the Resource Management Act;
- Make a submission to the Environment Court in relation to a special tribunal's report relating to a water conservation order (section 209 of the Act);
- Be heard at an inquiry for a proposed Water Conservation Order (section 211 of the Act); and
- Apply for the revocation or amendment of any Water Conservation Order (section 216 of the Act);
- Make a submission to an adjoining local authority on any proposed regional policy statement, regional or district plan or change or variation (Clause 6 of Schedule 1 of the Act);
- Make a submission to any application to an adjoining authority for resource consent (section 96 of the Act);

is delegated to the Chief Executive who, following discussions with the Mayor, Deputy Mayor, or in their absence another Councillor, can further delegate to any other officer of Council as required.

The authority to make a submission on any other matters of general Council interest or concern, where it is not possible within the available time to refer the matter to the Council or relevant standing committee, is delegated to the Chief Executive.

6.6. Council Property and Assets

The authority to:

- Approve the leasing or granting of any licence to occupy or tenancy, to vary the terms and conditions of any lease, licence to occupy or tenancy, or to terminate any lease, licence to occupy or tenancy involving Council land;
- Enter into contracts for the maintenance, management and development of any Council property;
- Enter into binding agreements for the sale and purchase of property (in accordance with the Long Term Plan) with schedules listing such sales or purchases being submitted to the relevant Standing Committee and/or Council on a regular basis;
- Grant and administer stall site licences including licences for the occupation of legal road (including termination thereof where required for non-payment of rental or other good reason);
- Approve the use of any Council building, facility or equipment by an outside person or organisation in accordance with established guidelines;
- Approve the hiring out, and the terms and conditions thereof, of any Council asset and staff;
- Approve the disposal (whether by tender or otherwise) of any motor vehicle or item of plant in accordance with a recognised programme of vehicle and plant replacement;
- Approve the disposal (whether by tender or otherwise), and the terms thereof, of any other surplus Council asset up to a book value of \$50,000 (exclusive of GST) per item;

is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.7. Development Contributions

Authority to carry out on Council's behalf, all its functions, powers and duties in relation to the Horowhenua District Council's Development Contributions Policy is delegated to the Chief Executive, who can further delegate to any other officer of Council as required.

6.8. Rates Remissions and Valuations

The authority to consider and decide on applications made under the following Rates Remissions Policies:

- Part 1 Community groups
- Part 2 Voluntarily protected land
- Part 3 Penalties on rates
- Part 4 Excessive water charges
- Part 5 Remnant land
- Part 6 Rating units in industrial and commercial areas used for residential purposes
- Part 8 Small rate balances
- Part 9 Targeted rates on non-rateable land
- Part 11 Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property
- Part 12 On Bare Land
- Part 13 Council Owned Utilities
- Part 14 Contiguous rating units not in common ownership.

is delegated to the Chief Executive up to \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chairperson of the Finance, Audit and Risk Committee for a decision.

The authority to consider and decide on applications made under Policy Part 7 Land Used for Primary Industry and Rural Residential purposes in areas that have been rezoned as Residential and Business Zones, is by the Chief Executive.

The authority to consider and decide on applications made under Policy Part 10 Properties affected by disasters is decided by the Council.

Section 6 of the Rating Valuations Regulations 1998 allows for a local authority to extend the due date for objections to rating valuations, either because the valuation was not received or for any other good reason. The power to decide on an extension to a due date for an objection is delegated to the Chief Executive.

6.9. Registrar of Members' Pecuniary Interests

The Local Government (Pecuniary Interests Register) Amendment Act 2022 requires Council to appoint a Registrar under Section 54G(1) to:

- compile and maintain the register of members' pecuniary interests; and
- provide advice and guidance to members in connection with their obligations under this subpart.

The Chief Executive is appointed as the nominated registrar. The Chief Executive may further delegate to any other officer of Council as required.

7 Local Government (Rating) Act 2002

The Council delegates all powers, duties and functions under the Local Government (rating) Act 2002 to the Chief Executive and the Officers listed below and excluding those matters in respect of which delegation is prohibited by any Act or regulation, or which are expressly excluded from this delegation.

Note that the Local Government (rating) Act 2002 prevents the Chief Executive from sub-delegating powers under that Act. The following are separate Council delegations direct to officers under that Act.

These are specific delegations to the:

- Chief Executive (CE)
- Group Manager Organisation Performance (GMOP)
- Financial Service Manager (FSM)
- Senior Rates Officer (SRO)

Section	Details of Power	Reasons	Delegated to (Acronym)			
			CE	GMOP	FSM	SRO
27(5)	The decision on whether to divide rating units and the methodology for division.	<i>A division may be required where a single rating unit falls into a number of differential categories.</i>	✓	✓	✓	✓
28(2)	The decision on whether the disclosure of the name of any person is necessary to identify a rating unit.	<i>The Rating Information Database (RID) may not contain the name of any person unless this is necessary to identify the particular property.</i>	✓	✓	✓	✓
29	Authority to determine objections to the RID.	<i>An owner has the right to object to any entry in the RID on a number of grounds. Council determines whether the objection is valid and any actions required correcting it.</i>	✓	✓	✓	✓
35	Authority to remove a name from the RID.	<i>A person's name may be removed from the RID in circumstances outlined in Section 35. Generally this is as a result of a sale or disposal of the property.</i>	✓	✓	✓	✓
39	Authority to determine objections to rates records.	<i>A ratepayer may object to information contained in the rates records on the ground that the rates are calculated incorrectly or that the rates balance is incorrect.</i>	✓	✓	✓	✓
40	Authority to correct errors in the RID and Rate Records.	<i>Errors in the RID or rate records may be corrected even if there was no objection.</i>	✓	✓	✓	✓
52	Authority to agreed methods of payments for rates.	<i>The Act allows rates to be paid by any method that is agreed by the local authority.</i>	✓	✓	✓	✓
54	Authority not to collect small amounts, up to \$10.00.	<i>The Act allows the authority to not collect small amounts where, in its opinion, it is uneconomic to do so. It is envisaged that this will only occur where the cost to collect a debt is likely to exceed the amount of the debt due.</i>	✓	✓	✓	✓
61	Authority to collect unpaid rates from the owner.	<i>Where a ratepayer, other than the owner, is in default, the local authority may collect rates that are in default, from the owner.</i>	✓	✓	✓	✓

62	Authority to collect unpaid rates from persons other than the owner.	Where the owner is in default of their rates, the local authority may recover the rates from a mortgagee.	✓	✓	✓	✓
63	Ability to commence legal proceedings for the recovery of rates that are in default.	Where rates are in default, the local authority may commence legal proceedings against the owner for recovery of the rates.	✓	✓	✓	✓
67	Commencement of rating sales or lease provisions.	Once a local authority has received judgement and payment had not been received within the prescribed period, the authority may commence the process to carry out a rating sale or lease of the land to satisfy the level of the debt. Note: This process is carried out by the District Court Registrar and does not apply to Māori Freehold Land.	✓	✓		
72	Authority to sell land by private treaty.	If land that was the subject of a rating sale does not sell above the reserve set by the Registrar, the Registrar may, with the consent of the local authority, sell the land by private treaty for any consideration that the Registrar thinks reasonable. Note: This does not apply to Māori Freehold Land.	✓	✓		
77-83	Authority to sell abandoned land.	A local authority has the power to commence the process to have land declared 'abandoned' if rates have not been paid on it for three years, and the ratepayer: <ul style="list-style-type: none"> • is unknown, or • cannot be found after due enquiry, or • is deceased and has no personal representative, or • has given notice of the intention to abandon or has abandoned the land. The process is carried out through the District Court and the Court has to be satisfied the appropriate endeavours have been made to discover the owner. Note: This does not apply to Māori Freehold Land.	✓	✓		
85	Authority to administer rate remission and postponement policies.	As defined within the remission and postponement policies.	✓	✓	✓	✓
99	Authority to apply for charging orders.	The Act provides that where it has proved impossible to obtain rate on Māori Freehold Land, a local authority may apply to the Māori Land Court for a charging order on the land.	✓	✓		
135	Authority to sign documents for Court proceedings.	The Act authorises Council to commence legal proceedings. The authority to sign such documents needs to be delegated to appropriate officers.	✓	✓		

8 Resource Management Act 1991

The Council delegates all powers, duties and functions under the Resource Management Act 1991 to the Chief Executive and the Officers listed below and excluding those matters in respect of which delegation is prohibited by any Act or regulation, or which are expressly excluded from this delegation.

Note that the Resource Management Act 1991 prevents the Chief Executive from sub-delegating powers under that Act. The following are separate Council delegations direct to officers under that Act.

These are specific delegations to the:

- Chief Executive (CE)
- Group Manager - Community Experience and Services (GMCES)
- Group Manager – Community Vision and Delivery (GMCVD)
- Group Manager – Housing and Business Development (GMHBD)
- Strategic Planning Manager (SPM)
- Strategic Planner (SP)
- District Plan Lead (DPL)
- Senior Policy Planner (SPP)
- Policy Planner and Principal Policy Advisor (PP)
- Consents Manager (CM)
- Compliance Manager (CPM)
- Planning Team Leader (PTL)
- Resource Management Planners, Planning Technician, Resource Management Planner Cadet and Duty Planner (P)
- Resource Management Planner – Contractor (PC)
- Independent Hearings Commissioner (HC)

Delegations include temporary Acting CE, GMCES, GMCVD, GMHBD, SPM, DPL, SPP, PP, CM, CPM, PTL or SP when relevant or required.

The notation (ICWC) requires any officers exercising powers under the relevant section to obtain the consent of the Chairperson of the Hearings Committee before exercising any authority. Where the delegations refer to consultation with the Chairperson, the Chairperson shall retain the discretion to require such matters to be referred back to the Hearings Committee.

The notation (ICWC) Consultation with the Chairperson shall only be required in respect of applications which have been the subject of a hearing.*

Section or Clause Number	Delegation Description	Delegated to (Acronym)														
		CE	GMCES	GMCVD	GMIHBD	SPMI	SP	DPL	SPP	PP	CM	CPM	PTL	P	PC	HC
10(2)(b)	Time extension to existing use.	✓		✓	✓	✓		✓	✓		✓		✓			
34(A)(1) and (2) and 100(A)	The nomination of one or more commissioners in accordance with Council's policy for appointing commissioners. (ICWC)	✓		✓	✓	✓		✓	✓		✓					
36(5)	Power to reduce or waive fees or deposits for charitable or community organisations or in other situations deemed appropriate.	✓			✓						✓					
37(1)	Power to waive or extend time limits as specified in this section.	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
37(2)	Waive compliance with the requirement to submit information as outlined in Section 37(2) and the power to set new terms for the rectification or the omission of the inaccuracy.	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
37A(6)	Power to determine and notify those persons who are directly affected by the extension or waiver of compliance with a time period, method of service, or service of document.	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
38	Power to authorise an Enforcement Officer/s to carry out all or any of the functions and powers as an enforcement officer under this Act.	✓	✓	✓	✓											
41B	The power to direct an applicant to provide briefs of evidence to the authority before a hearing. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		
41C	The power to request further information prior to or at a Hearing. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		
42	The power to make an order that a hearing be held with the public excluded. The power to make an order prohibiting or restricting the publication or communication of any information supplied or obtained in the course of any proceedings. (ICWC)	✓		✓	✓		✓			✓	✓	✓	✓	✓		
42A(1)	The power to commission a report by an officer or consultant for hearing.	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	
42A(5)	The Authority to waive compliance with service of documents requirements. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓			

86D(2)	The power to make an application to the Environment Court for a rule to have legal effect. (ICWC)	✓	✓	✓	✓													
87AAB(1) and (2)	New Consent Exemption under this section.					✓	✓	✓	✓	✓			✓	✓	✓			
87BB	Exemption of activities from resource consent for marginal or temporary breaches					✓	✓	✓	✓	✓			✓	✓	✓			
87(E)	Decision on whether to allow an application to be determined by the Environment Court and authority to determine an application for referral to the Environment Court is incomplete. (ICWC)	✓	✓	✓	✓													
88(3)1(3A)	The power to determine that an application is incomplete and to return the application with written reasons for the determination.	✓		✓	✓	✓		✓	✓	✓	✓		✓	✓	✓			
91	The power to defer an application pending additional consents.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92(1)	The power to request further information relating to an application.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92(2)	The power to commission a report on any matter relating to the application.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92A(2)	The power to set a time limit within which further information requested by a territorial authority should be provided.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
92A(3)	The power to decline an application for failure to meet requirements under this subsection.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
92B(2)	The power to decline an application in accordance with this section.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
95 and 95(A)–(F)	The power to determine when applications shall be non-notified, limited notified or publicly notified.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
99	The power to convene a pre-hearing meeting and exercise all powers under this section.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
99A	The power to refer applicants and persons who made submissions on the application to mediation and the authority to appoint a mediator under section 34A. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
100	The power to determine that a hearing is not needed. (ICWC)	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓				
101	The power to fix a hearing date and time and place of the hearing.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
102	Functions in relation to joint hearings.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			
103	Functions in relation to combined hearings for resource consents in relation to the same proposal.	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓			

104A, 104B, 104C, 104D	The power to grant or refuse non notified resource consents, and the power to decide on applications made with full or limited notification where a hearing is not required under Section 100 of this Act. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
106	The power to refuse to grant a subdivision taking in consideration the issues specified in S106. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
108	The power to determine conditions of a resource consent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
108A (1), (2) and(3)	Bonds.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
109	The power to authorise Council use of bond funds. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
124(2)(e)	The power to permit an existing consent to continue while applying for a new consent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
125	The power to extend the period within which a resource consent lapses. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
126	The power to cancel unexercised resource consents. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
127	The power to decide on an application for change to or cancellation of consent conditions. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
128-132	The power to initiate and determine a review of conditions of a resource consent. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
133A	Power to approve an amended resource consent within 20 working days of the granting of the original.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
138	The power to grant or refuse partial or full surrender of a resource consent. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
139	The power to grant or refuse an application for a certificate of compliance.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
139A	The power to grant or refuse an application for an existing use certificate.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
149Z	The power to process applications referred from the Minister for the Environment or the EPA.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
169	The power to process notices of requirement from a requiring authority.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
170	The power to decide whether to include a notice of requirement in a proposed plan change. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

174	The power to appeal to the Environment Court against the whole or any part of a decision of a requiring authority. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
176A(2)	The power to waive the requirement for an outline plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
176A(4)	The power to request changes to an outline plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
176A(5)	The power to Appeal against the decision of a requiring authority to the Environment Court. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
181	The power to alter a designation. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
184(1)(b) and 184(2)(b)	The power to extend the expiry period of a designation that has not been given effect to. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
190	The power to process notices of requirement for a heritage order from a heritage authority.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
195A	The power to alter heritage orders. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
198C	The power to decide whether a notice of requirement application will be determined by the Environment Court as requested by applicant. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
198I	The power to decide whether a notice of requirement application will be determined by the Environment Court. (ICWC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
220	The power to impose conditions on subdivision consents.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
221(1)	The power to impose a condition requiring the issuing of a consent notice.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
221(3)(b)	The power to review, vary or cancel any consent notice. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
222	The power to extend a completion period and to issue a completion certificate.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
223	The power to approve any survey plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
224(c)	Power to certify compliance with specified conditions prior to deposit of survey plan.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
224(f)	Power to certify compliance with building code provisions.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
226(e)	Power to issue a certificate in accordance with this Section.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S232.	The power to approve the creation of an esplanade strip in accordance with S232 (1) and (2).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S234(6)	The power to grant (with or without modifications) or decline an application to vary or cancel an instrument creating an esplanade strip.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
234(7)	The power to certify a varied or cancelled esplanade strip.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

235	Power to agree to create an esplanade strip with the agreement of the registered proprietor.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
237	The power to approve survey plans where esplanade reserves or esplanade strips are required.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
237B	The power to authorise the creation, variation, or cancellation of easements.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
240(1) and (3)	The power to endorse survey plans with covenants and to approve the covenant instrument.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
240(4) and (5)	The power to approve the cancellation of a covenant imposed under this Section or under the corresponding provision of any former enactment for non-notified applications.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S241(2)(a)	The power to approve the individual disposal of land or the holding of land in separate titles which have previously been amalgamated.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
241(3) and (4)(b)	The power to cancel in whole or in part any condition described in Subsection (2).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
243	The power to revoke an easement in whole or in part.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
274	The power to nominate an officer or other person to attend a proceeding of the Environment Court.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
299	The power to appeal against the decision or report and recommendation of the Environment Court to the High Court on a point of law. (ICWC)	✓													
311	The power to apply for a declaration in accordance with this Section. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
316	The power to apply for an enforcement order or interim enforcement order.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
325A(2)	The power to cancel an abatement notice.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
325A(5)	The power to determine an application to review and/or amend an abatement notice. (ICWC)*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
330	The power to make the necessary determinations and undertake such actions as are provided for in Subsections (1) to (3) inclusive.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
334	The power to seek a search warrant from a District Court Judge or any duly authorised Justice or any Community Magistrate or Registrar for entry for search.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

357C	The power to grant an extension of time to lodge an objection under Sections 357 to 357B hear and determine any matters under this Section. <i>(ICWC)</i>	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
First Schedule, Part one, Clause 5	Power to decide on whom public notice shall be sent in relation to a policy statement or plan or a change thereto.	✓	✓	✓	✓													
First Schedule Part One Clause 6	The power to make a submission on a proposed policy statement or plan that was notified under Clause 5. <i>(ICWC)</i>	✓	✓	✓	✓													
First Schedule, Part one, Clause 8AA	The power to refer to mediation issues raised by persons who have made submissions on the proposed plan or policy statement and the power to appoint an independent mediator in accordance with this Clause. <i>(ICWC)</i>	✓	✓	✓	✓													
First Schedule, Part One, Clause 14	The power to authorise an appeal against any aspect of a requiring Authority's or heritage protection authority's decision. <i>(ICWC)</i>	✓	✓	✓	✓													
First Schedule, Part two, Clause 23	The power to require further information from an applicant.	✓	✓	✓	✓													
First Schedule, Part three, Clause 32	The power to certify as correct copies of material to be incorporated by reference into a plan or proposed plan.	✓	✓	✓	✓													

File No.: 22/295

6.5 Approval of Budget for Waitārere Surf Life Saving Community Facility

1. Purpose

To present options for consideration of funding the construction of the Waitārere Surf Lifesaving community facility at Waitārere Beach and seek direction as to the way forward with this project.

2. Executive Summary

The Council made a commitment in the 2021 – 2041 LTP to the community to fund the Waitārere Surf Lifesaving community facility design and build with \$3.2m allocated for the project as part of major capital expenditure projects, with the condition that Levin-Waitārere Surf Lifesaving Club fund \$1m.

Through a competitive open tender process Homestead Construction have been engaged by HDC to design the facility under an NZS3916 contract with options to build a new facility and the demolition of the existing building. No commitment has been made beyond this point.

This report provides Council with relevant information, and seeks direction from Council on a way forward.

3. Recommendation

- 3.1 That Report 22/295 Approval of Budget for Waitārere Surf Life Saving Community Facility be received.
- 3.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 Option 1 -That Council increase the budget for the Waitārere Surf Life Saving Community Facility by \$1,262,000, noting that Council will only be financially contributing an additional \$487,000 with the remainder to be externally funded; or
Option 2 – The Council funding does not increase and the project is put on hold until additional funding can be secured

4. Background / Previous Council Decisions

The current surf club building dates back to the early 1950's and the building originally comprised of two levels: the ground floor being a concrete block utility structure and the upper floor being a timber framed pavilion for local community use. The 1960's saw the lower level effectively buried in sand drifts, and site works at the time saw the sand stabilized and sealed to form the existing carpark.

Situated by necessity on the beach foredune, the building structure has deteriorated over time in the harsh coastal environment. The current facility is dilapidated with significant degradation and deferred maintenance of the building. Independent structural assessments in 2010 and 2011 recommended demolition of part of the building as the timber framing in

the pavilion contains rot and bora infestation, brick and block work has cracked, steel reinforcing is degraded and there is water seepage. In addition, a recent earthquake assessment of the building indicates it sits at just 20% of the code. The current building poses a significant risk to health and safety, which in turn impacts on the provision of a valued community service. Engineering assessments have confirmed the Levin Waitārere Beach Surf Club building needs to be replaced.

In the 2013-2014 Annual Plan Council resolved to support this project in principle and actioned officers to work with the project steering group to progress the project. Horowhenua District Council (HDC) engaged legal counsel to proceed with an accretion claim in 2014 for the Waitārere Beach Foreshore to enable the new building to be located closer to the sea, this was granted in 2020.

Following a NOR process in April 2016 the outcome was a designation that enabled HDC permission to erect a surf lifesaving club building on the aforementioned land.

A letter from the Department of Conservation dated 17 March 2020, confirms that the HDC (and its agent, contractors and invitees) are; authorised to construct and operate a surf lifesaving tower and any associated structures.

Long Term Plan 2021-2041 – The Waitārere Surf Club was a key consultation topic as part of the 2021-2041 Long Term Plan. Funding of \$3.15 million, inclusive of the condition that \$1m be contributed from the Levin-Waitārere Surf Lifesaving Club, was allocated for the construction of the surf club with the intention that construction commence in 2022.

Demolishing the current building and constructing a new fit-for-purpose facility has been assessed as the most cost effective long-term option. The community supported the construction of a new surf club as demonstrated by the feedback received during the Long Term Plan.

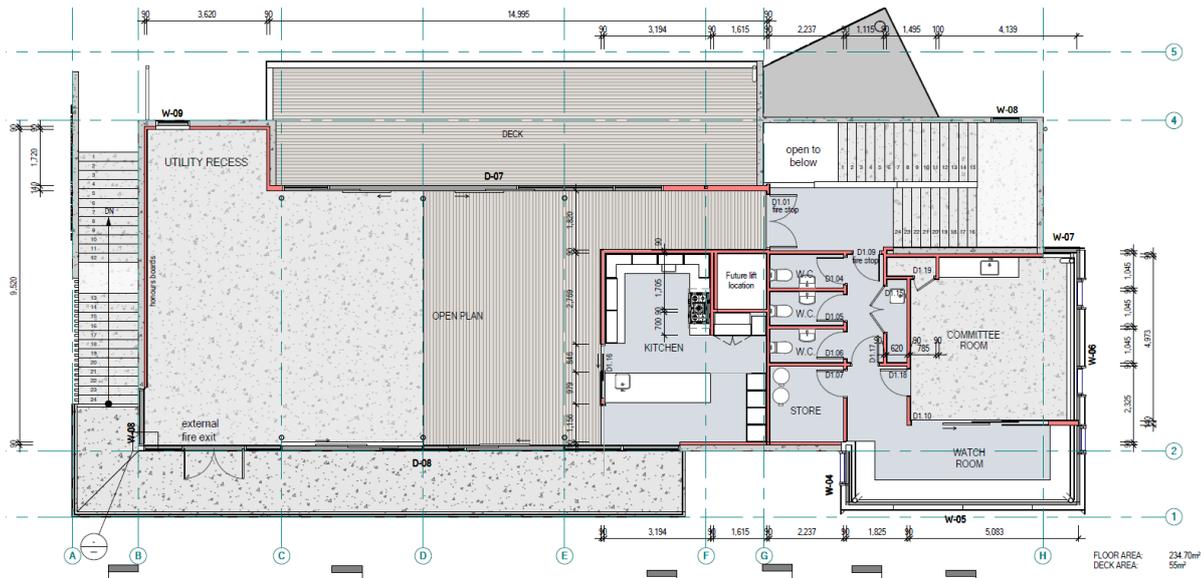
The \$3.15m allocated in the LTP was based on a high level estimate for the various stages of design, survey, architectural services, required and relevant demolition, renewal of the building and provision of new civil infrastructure including roading, necessary 3W upgrades, car parking and landscaping.

Through a competitive open tender process Homestead Construction have been engaged by HDC to design the facility under an NZS3916 contract with options to build and the demolition of the existing building. No commitment has been made beyond this point.

Design - Over the last 10 months homestead has worked closely with the Project steering group comprising of council officers and representatives from the Surf Club, through the concept, developed and detailed design process. Throughout the process, working closely with the consultants, a design has been developed which balances quality, durability, the clubs and community needs and cost. This process is called value engineering. The design has also ensured compliance with the designation conditions.

Examples of this are;

- The current design maximises the allowed building area and is a simple rectangular form.
- Most of the building is precast concrete which acts as both the structure and a low maintenance cladding.
- The building layout locates all the services (plumbing, electrical) at one end of the building reducing duct, pipe and cable runs. Co-locating these services vertically also reduces penetrations in the fire walls/floors.
- Through the structural design process, we have reduced external steel to the minimum, reducing long term maintenance to reduce corrosion risk.
- The roof is a more expensive system but will outperform the cheaper options, so was an area where quality and maintenance outweighed cost.
- HVAC is a simple design over a more expensive ducted system.



First Floor Plan



Projected elevation view

5. Discussion

Confidence in price / Cost to date

A lump sum fixed price offer of \$4,156,000 for the construction and demolition of the existing building has been provided following the design process. Increasing material costs, volatile supply chains, and a shortage of skilled workers have contributed to rapid cost escalation across the sector. The fixed price offer has been reviewed by an independent Quantity Surveyor (QS) and has been shown to be fair and reasonable.

The original cost estimate was based on design requirements with minimal detail and a number of assumptions. Over the last 12 months there has been a steady and significant increase across all trades, freight and materials within the construction industry. The average national cost increase has been 17% from November 2021 through August 2022.

Officers engaged an independent Quantity Surveyor (QS) to undertake an elementary cost assessment of the detailed designs and undertake a review of the Fixed Price Lump Sum Tender.

The current total project estimated final cost (EFC) of \$4,620,000 leaves a budget shortfall of up to \$1,260,000 (Excluding additional funding applied for, more on this below).

The current cost to date (CTD) of \$314,736, forecast expenditure and estimated final cost (EFC) is shown in the table below:

Expenditure	Amount
CTD (design, planning, internal)	\$314,736
Construction	\$3,514,762
Civil – Earthworks, Services & Landscaping	\$582,278
Demolition of old building	\$58,960
Engineer to Contract/Ecologist	\$50,000
Contingency	\$100,000
Construction Subtotal	\$4,306,000
Estimated Final Cost	\$4,620,736

Funding

The surf club has been successful in securing \$1,000,000 funding from New Zealand Surf Life Saving (NZSLS) for the project and has \$200,000 of prior funding to contribute to the project.

The club has provided an application to Eastern Central Community Trust for \$250,000 with an outcome expected in October 2022 following the board meeting in late September.

An application has been made by officers at Council to Lotto – Community Facilities for \$525,113 with an outcome expected in December 2022.

Funding		Outcome
Council	\$2,158,000	Confirmed
NZSLS	\$1,000,000	Confirmed
Surf Club self-funding	\$200,000	Confirmed
Funding Total	\$3,358,000	Confirmed

Shortfall	\$1,262,736	
Lotto – Community Facilities	\$525,113	Applied
Eastern Central Community Trust	\$250,000	Applied
Shortfall with successful funding	\$487,375	

6. Options

Option 1 -That Council increase the budget for the Waitārere Surf Life Saving Community facility by \$1,262,000, noting that Council will only be financially contributing an additional \$487,000 with the remainder to be externally funded; or

This option would fully fund the shortfall in budget for the project, with the requirement for external funding of \$775,113.

Option 2 – The Council funding does not increase and the project is put on hold until additional funding can be secured

This option would not enable construction to progress, result in further escalation of price and put current secured funding at Risk

6.1 Cost

Option	Total Outturn Cost	Additional Council Funding	External funding
Option 1. Fund the full budget shortfall with external funding requirements	\$4,620,736	\$487,000	\$775,113
Option 2. Put the project on hold	Cost escalation would increase the total cost of the project and secured funding would be put at risk	0	\$1,262,000

The tables below show the funding source percentages based of the original budgeted amount and the updated budgets for option 1 based of the fixed lump sum price proposal.

Although Option 1 results in additional Council funding of \$487,000 which could be considered inline with inflation of 25% based of the initial budgeted amount of \$2,158,000. The increased external funding requirements have meant the overall percentage contribution to the project has reduced from 68% to 57%.

Original Budgeted Amounts – LTP 2021

	Amount	Percent
Funding HDC	\$2,158,000	68%
External	\$1,000,000	31%
Total	\$3,158,000	

Option 1 – Increased budget with funding requirements

	Amount	Percent
Funding HDC	\$2,645,623	57%
External	\$1,975,113	42%
Total	\$4,620,736	

6.1.1 Rate Impact

There could be a minor impact from interest on borrowings, subject to option.

6.2 Community Wellbeing

The facility will provide a venue where people (lifeguards, junior surf, parents etc.) can take part in sports and lifesaving activities. The facility and the club activities it facilitates will support beach and water users to undertake activities safely on the beach and in the water. In addition, the Levin-Waitārere Surf Lifesaving Club has been identified by the Waitārere community as an active community group that contributes to the culture of the community.

The club also contributes to the community values identified by the Waitārere community in their Community Plan of:

- Kaitiakitanga (we are actively showing guardianship, care and protection for the Waitārere Beach environment),
- Whakawhanaungatanga (we are connected and able to form relationships with each other to enhance a sense of belonging to the Waitārere Beach community), and
- Manaakitanga (we care for, support and value each other in order to foster a sense of community at Waitārere Beach).

The facility will provide a venue where training and education activities will be held, these include but are not limited to Surf Lifeguard Award, First Aid, VHF radio, IRB crew person and drivers' awards, patrol captain award, junior surf, and search and rescue training and activities.

The new building is being designed to ensure it is a welcoming and inclusive gathering place. While patrols are on and at other times, we expect the building to be 'always open' where people, groups and members can drop-in, meet with each other, and join programmes or activities like Junior surf.

The facility has been designed to be multi-purpose, with 2 -3 unrelated community activities being undertaken at the same time. In addition, the coastline is in a sensitive natural environment and groups regularly undertake planting and clean-up, it is envisioned that the facility would be used to support these type of activities.

6.3 Consenting Issues

There are no anticipated consenting issues.

The Resource consent from Horizons Regional Council has been received for the construction of the surf club. The design has ensured that it complies with the designation requirements. The Building consent has been applied for with Horowhenua District Council and processing is underway.

6.4 LTP Integration

The Waitārere Surf Club was a key consultation topic as part of the Long Term Plan 2021-2041, and \$3.15m was allocated for the design and build, including \$1m contribution from the Levin-Waitārere Surf Lifesaving Club, over 2021/22 – 2022/23.

7. Consultation

Consultation has been ongoing since 2013 through both the LTP / AP process and during the NOR process for the designation. Extensive community engagement was carried out through the Long Term Plan 2021- 2041. Further consultation with the community may be required depending on the direction provided on the way forward.

8. Legal Considerations

There are no legal requirement or statutory obligations affecting options or proposals, other than those obligations to the community given the decisions made during the LTP 2021-2041 processes.

9. Financial Considerations

The financial impacts will vary based on the option Council decide to proceed with, and will be presented in subsequent council report.

10. Iwi Considerations

Ongoing consultation with local Iwi is occurring and they presented in support of the club at the land designation hearing in 2016. MTA and Ngati Raukawa hapu have given written support for the project through the consenting process with Horizons

11. Climate Change Considerations

Climate change was considered extensively during the designation process. With conditions around the location of the building based of expert advice.

12. Environmental Considerations

Environmental considerations have been considered by both the designation process and the consenting process with Horizons. Both have resulted in the conditions for the build, which have been met or are planned to be complied with.

13. Health & Safety Considerations

The current building poses a significant risk to health and safety, which in turn impacts on the provision of a valued community service.

The current building is dilapidated with significant degradation and deferred maintenance of the building. Independent structural assessments in 2010 and 2011 recommended demolition of part of the building as the timber framing in the pavilion contains rot and bora infestation, brick and block work has cracked, steel reinforcing is degraded and there is water seepage. In addition, a recent earthquake assessment of the building indicates it sits at 20% of the code.

Demolition of the current building and construction of a fit for purpose facility will address the health and safety risks.

14. Other Considerations

There are a number of groups, organisations, and individuals from across Horowhenua that wrote letters of support for the construction of a new surf club. These were provided during consultation for the 2021-2041 Long Term Plan.

Community Groups such as the Waitārere Beach Progressive and Ratepayers Association regularly ask for updates on progress and are strongly advocating for the building to be available for other community activities.

15. Next Steps

Officers will carry out next steps based on the decision of council.

16. Supporting Information

Strategic Fit/Strategic Outcome
Decision Making The decision can be made outside the LTP as it relates to an existing decision from the 2021-2041 LTP.
Consistency with Existing Policy The recommendation is consistent with the decision made at the 2021-2041 LTP.
Funding

Risk Area	Risk Identified	Consequence	Likelihood	Risk Assessment (Low to Extreme)	Managed how
Strategic	Additional funding not secured to progress the project.	Construction not able to begin.	Possible	High	Transparency with Council on anticipated build costs.
Financial	Construction costs continue to rise.	Funding shortfall.	Possible	Moderate	Fixed Price offer and managing variations
Service Delivery	Decrease in level and effectiveness of service provided by surf lifesaving club.	Impact on the health and wellbeing of the community.	Low	High	
Reputational	High community interest in this project	Dissatisfaction from the local community if the project	Moderate	High	Transparent and open communication with the

		does not commence.			community throughout the decision making process.
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Confirmation of statutory compliance

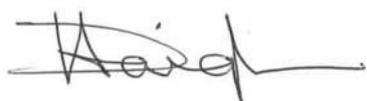
In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

17. Appendices

There are no appendices for this report

Author(s)	Tony Parsons Programme Manager	
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Approved by	Daniel Haigh Group Manager Community Infrastructure	
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	Monique Davidson Chief Executive Officer	
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6.6 2022-23 Financial Decisions Required by Council

File No.: 22/419

1. Purpose

To update Elected Members on a number of current matters and items of interest that affect the Council's financial position and require Council approval to progress.

The items in this paper include:

1. Proposed changes to the capital programme for 2022/23;
2. Rates owing due to vaccine mandate objections when Council approve ;
3. Transferring the remaining funds in the Mayoral relief fund into a Council reserve.

2. Recommendation

- 2.1 That Report 22/419 2022-23 Financial Decisions Required by Council be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Council approve the proposed changes to the capital projects that are outlined in Appendix 1.1.
- 2.4 That the Council agree/disagree to provide grant funding totalling \$369.67 to six properties to assist with paying rates as outlined in section 2 below.
- 2.5 That the Council approve that the remaining funds in the Mayoral Relief Fund totalling \$100,000 be moved into a Council reserve to be used for a future disaster event as outlined in 3.1.

3. Background and Issues for Consideration

1. Proposed changes to the capital programme for 2022/23

When the 2022/23 Annual Plan was approved in June 2022, it included flexibility for the Council to spend up to \$35m on a set list of capital projects.

While a specific capital programme of \$45.9m was approved within our activity areas, we chose to limit the funding for this to a \$35m programme. This is more in line with what we are normally able to complete.

Since the annual plan was set, there have been some changes in assumptions that require to the Council to seek approval to increase the total approved capital programme \$45.9m that the Council is able to choose to plan from. These changes are due to

- a) Council not completing all of the work that was anticipated in some projects during the 2021/22 Financial Year. The approval is required to complete these projects during this financial year.
- b) Change in the timing of the capital programme. This is due to work being able to start earlier than estimated when the annual plan was set.
- c) Increase in the project costs that means an increase to the overall 2021-41 LTP that was approved. Some of the projects identified below have already been approved by Council and some are additional. They have all being included in this paper so that there is clarity on the impacts of all budget decisions made by the Council.

Recommendation/Item for discussion/decision

1.1. Attached is a table that summarises the key changes (Attachment A).

2. Rates owing due to objections raised when Council approved a decision to require vaccine passes at our facilities.

After considerable debate in February 2022, Horowhenua District Council voted to mandate vaccine passes for those 12 years 3 months and over to access community facilities. The mandate came into effect from 21 February 2022.

1. It came after a decision on Thursday, 3 February which required Council staff to have a vaccine pass or undertake regular Rapid Antigen Testing (RAT) to meet the latest Council health and safety requirements. The changes to Council policies reflected risks presented by new highly contagious variants, such as Omicron and are in line with the majority of Councils across New Zealand.

When the policy was introduced there were some ratepayers, who chose to not vaccinate, that objected to paying rates for the facilities they were not able to enter without first providing a vaccine pass.

Currently there is \$369.67 in total rates outstanding balance due to withheld payments across six properties.

2. It is important to note that rates are not a direct charge for services, but a property tax which helps to support a wide range of services and amenities for the entire community as well as activities to further community and economic development and enable participation in democracy.

3. Our services and amenities include drinking water, roads, emergency management, parks, public toilets, libraries and council-owned venues. The cost of providing our services is still there under restrictions related to the pandemic, including under the government's current COVID-19 Protection Framework (traffic light system).

If someone chooses not to use Council facilities, that is unfortunately not a valid basis for a rates rebate.

Recommendation/Item for discussion/decision

2.1 Currently there is \$369.67 in total rates outstanding balance due to withheld payments across six properties. The Council has the option to provide some level of grant funding to assist with paying outstanding rates.

3. Update on the Mayoral Relief Fund

The May 2022 Tornado event had a significant impact on homes and families in the Horowhenua District.

The Mayoral Relief Fund was established to provide financial support to the individuals, families, groups and organisations of the Horowhenua District who have been affected by the Tornado Event of May 2022. It was intended that the grants will provide short-term financial assistance for essential needs not covered by insurance. It is hoped that the grant went some way towards helping to alleviate the emotional and financial stress experienced by some individuals and whānau due to the Tornado Event.

The Council was able to set up a Mayoral relief fund with \$100,000 provided by the Crown, \$100,000 from the Council and further donations from the community included \$50,000 from the Horowhenua NZ Trust. Including other donations, the fund totaled \$280,329. To date the Mayoral Relief Fund Panel has granted 107 applications totaling \$171,383. Included in these grants were funds provided to some residential properties with yellow or red placards to support them with paying rates.

Recommendation/Item for discussion/decision

3.1 The Mayoral Relief panel had its final meeting on Monday 5 September and has recommend that the Council retain \$100,000 in reserve for a future disaster event.

Attachments

No.	Title	Page
A	AP 2022-23 - Capex Budget - Changes requiring Council approval	154

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Abraham Chamberlain Manager Financial Planning and Reporting	
	Pei Shan Gan Financial Services Manager	

Approved by	Jacinta Straker Group Manager - Organisation Performance	
	Monique Davidson Chief Executive Officer	

Activity	Project Description	Changes Requested			Current AP Budget	Revised AP Budget	Impact on LTP	Date Approved	Comments
		Carryover from 2021/22 (Money not spent as planned)	Money brought forward from LTP	Additional Budget					
					\$ 45,894,783	\$ 54,494,674			
Budget changes already approved by Council									
Community Infrastructure	Public toilets - Major renewals	\$ 50,000	\$ 81,000	\$ -	\$ 389,000	\$ 520,000	\$ -	10/01/2021	Transfer of \$470,000 agreed by council (Council meeting 1st October 2021) + \$50,000 forwarded from 2021/2022 - Total required \$520,000 as we have existing contracts.
Community Infrastructure	Donnelly Park improve cricket facilities	\$ -		\$ 80,000	\$ -	\$ 80,000	\$ 80,000	10/08/2022	Approved by Council
Land Transport	Subsidised Roading - Gladstone Road Realignment			\$ 1,260,000	\$ 2,000,000	\$ 3,260,000	\$ 1,260,000	10/08/2022	Approved by Council
Stormwater	Foxton East Drainage Scheme	\$ 316,711			\$ -	\$ 316,711	\$ -	10/08/2022	First invoice for \$730,681.75 was paid in 2021-22. Carryover for final invoice.
Community Infrastructure	Foxton Aquatic Centre			\$ 2,859,507	\$ 2,574,700	\$ 5,434,207	\$ 2,859,507	10/08/2022	
Budget changes requiring Council approval									
Community Infrastructure	Playford Park - Improvements	\$ 50,000		\$ -	\$ 184,050	\$ 234,050	\$ -	To be approved	To complete amenity block which is under contract. It was expected that the work would be completed during 2021/22
Community Infrastructure	Endowment - Foxton Beach Reserves Projects per LTP 2015-2025	\$ 332,000		\$ 18,000	\$ -	\$ 350,000	\$ 18,000	To be approved	The long term plan included \$700k for this project that was to be used for various planned improvements at Holben Reserve. It was expected that this project would be completed by the end of 2021/22, however it was not completed. Officers would like the opportunity to complete the work during this financial year. This is funded from the endowment fund.
Community Infrastructure	Waitarere Surf Club Community Facility	\$ -	\$ -	\$ 1,262,488	\$ 2,624,000	\$ 4,086,488	\$ 487,623	To be approved	This includes the Council portion of the project: Budget confirmed via LTP \$2.158m Surf lifesaving NZ funding \$1.0m Surf Club funding \$0.2m Spend to date \$0.3m Other costs \$0.15m Shortfall \$1.3m
Water Supply	Roads Reservoir	\$ 527,000		\$ 378,000	\$ -	\$ 905,000	\$ -	To be approved	The funding is for accelerated consenting process ahead of 3W reform
Treasury & Support	Fleet Vehicles	\$ 214,000		\$ -	\$ 163,000	\$ 377,000	\$ -	To be approved	Carryover missed in Annual Plan
Treasury & Support	Replacement of computing devices for elected members		\$ 50,000	\$ 15,185	\$ -	\$ 65,185	\$ 15,185	To be approved	This allows for new IT equipment (Surface Pros) to be purchased for all elected members, including community board members as well as pre-purchase some equipment for staff to take advantage of savings to buy in bulk
Water Supply	Levin reticulation - Renewals	\$ 800,000			\$ 1,139,000	\$ 1,939,000	\$ -	To be approved	Project was not completed as expected in Annual Plan
Water Supply	Shannon/Mangaore - reticulation - Renewals	\$ 304,000			\$ 1,202,000	\$ 1,506,000	\$ -	To be approved	Project was not completed as expected in Annual Plan
Solid Waste	Solid Waste property renewals	\$ 2,000		\$ -	\$ -	\$ 2,000	\$ -	To be approved	Project was not completed as expected in Annual Plan
Total		\$ 2,595,711	\$ 131,000	\$ 5,873,180	\$ 10,475,750	\$ 19,075,641	\$ 4,720,315		

File No.: 22/486

6.7 Three Waters Better Off Funding Update

1. Purpose

The purpose of this report is to formally provide an update to Council on the better off support package and an outline of the proposed projects for Council to endorse. From there, applications for projects will be prepared ahead of the application deadline of 30 September 2022.

2. Recommendation

- 2.1 That Report 22/486 Three Waters Better Off Funding Update be received.
- 2.2 That this matter or decision is recognised as significant in terms of S76 of the Local Government Act.
- 2.3 That Council approves the projects outlined in Section 5 of the report totalling \$4.99 million for inclusion in the first tranche of the better off funding application.
- 2.4 That the Council delegates authority to the Chief Executive to complete and submit the Three Waters Better off funding application to the Department of Internal Affairs.

3. Background

In July 2021, the government announced a package of \$2.5 billion to support the local government sector through the transition to the new water services delivery system for drinking water, wastewater and stormwater, and to position local government for the future.

The package aims to ensure that territorial authorities are supported through the three waters transition, the financial impacts of reform are managed and, importantly, all councils and communities will transition to the new system for delivering three waters services in a better position than where they are now.

The funding is comprised of \$1 billion crown funding and \$1 billion from the new water services entities. It is allocated to territorial authorities with 75% allocation based on population, 20% allocation based on the deprivation index, and 5% allocation based on land area. This formula recognises the relative needs of local communities, the unique challenges facing territorial authorities in meeting those needs, and differences across the country in the ability to pay for those needs.

Territorial authorities can use the funding for actions that support government priorities to:

- support communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards
- deliver infrastructure and/or services that enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available
- deliver infrastructure and/or services that support local place-making and community wellbeing.

The funding is available in two tranches with the first \$500 million of Crown Funding available from 1 July 2022 and the remaining \$1.5 billion available from 1 July 2024.

Horowhenua District Council has a total allocation of \$19.95 million to be split as follows:

- Tranche 1 (Sept 2022): \$4.99 million
- Tranche 2 (July 2024): \$14.96 million

To access each tranche of funding, territorial authorities must complete a funding proposal that specifies:

- the proposed projects and/or programmes the funding will be used for, along with key milestones, dates, costs, risks, outcomes monitoring and reporting
- how the proposed activities will deliver on the three priority areas for government (resilience, housing development and/or place-making)
- a wellbeing assessment setting out the expected benefits of the activities

- how iwi/Māori have been engaged in decisions on the content of the proposal. There are several rules that have been made plain around eligibility of projects.

It is important to note that these rules are still evolving, and eligibility will be determined by the Department of Internal Affairs (DIA) ultimately on a case-by-case basis. The rules that we are aware of at this stage are:

- Funding proposals must be for new initiatives or projects, and/or to accelerate, scale up or enhance the quality of a planned project or investment
- The funding must be used and the activities in the proposal completed by 30 June 2027 (though activities can continue beyond this timeframe with resourcing and funding from other sources)
- The total amount of funding payable must not be more than the designated funding allocation (unless co-funding is made available)
- Territorial authorities are expected to consider how the first tranche of funding could support funding proposals for the second tranche
- Funding proposals that were declined for other funding may be able to be considered for better off funding – on a case-by-case basis in discussion with the Department of Internal Affairs (DIA).
- Further information relating to the Pro-Forma Better-off Support Package Funding Proposal can be found [here](#).

Timing for Proposals

Proposals for Tranche 1 funding must be received by DIA by 30 September 2022. While DIA advice is that proposals should be submitted as soon as possible to allow time for them to work their way through DIA processes, Officers have provided updates to Council's relationship Manager of the intended timelines for Councils likely approval of the projects, being 29 September 2022.

Commitments to the Department of Internal Affairs

In submitting and accepting the Better-off Funding with the Department of Internal Affairs, Council will be required to enter into a better off funding agreement. The agreement contains a number of standard funding clauses similar to other contracts that have been executed with Kanoa the Provincial Growth Fund or other agencies. Most significantly, Schedule 2 of the Agreement will however tie Council into a number of restrictions relating to its participation in the Three Waters Transition.

These can be found on Page 24 of the Draft Agreement contained in the link [here](#). Most notably this includes:

- The requirement for collaboration and co-operation with the Transition Unit
- Notifying DIA of and requesting approval for some decisions that Council may make relating to Three Water Services, from borrowing of funds to purchasing or disposing of assets.

These conditions have at large been accepted by Councils throughout New Zealand without amendment, with those Council unwilling to accept the conditions generally considering to not apply for the funding at the time of writing.

4. Discussion

Work to Date

In July 2022 a dragons-den styled session took place with Elected Members and Officers. At this session, Council Officers and Elected Members presented a range of projects for

consideration. A number of projects were presented, and as a result of the feedback are now progressing for further discussion.

On 10 August, Council received an update from Officers on Better-Off Funding and the associated conditions of funding approach and during that workshop, elected members provided some direction towards the preferred list of projects.

The 10 August report provided Council with draft principles to assist in the decision making process:

- Priority will be given to projects that fall within those areas of the District that pay targeted Water Rates
- Priority will be given to those projects that will not fall under the jurisdiction of the new Water Services Entity
- Priority will be given to new projects and initiatives, or existing projects that are already underway but have the potential to be scaled up or accelerated
- Council will aim to ensure that funding is spread across the District
- A project cannot be allocated more than half the total amount available in total
- Only projects that have a broader linkage to the next stage of the better off funding, could receive more than \$500,000 from the better off support package.

The proposals discussed in the Dragon's Den session were presented again and during the meeting further prioritisation was completed. At the completion of the meeting, the Council decided on a short list of projects that would best fit the available funding and criteria for Tranche 1.

5. Options and related costs

The following projects were voted as highest priority by Council at the Council meeting of 10 August:

Project	Current proposal to move forward
Levin Town Center Development	\$2,000,000
Manakau Domain Shared Pathways	\$400,000
Lake Punahou Development Plan	\$80,000
Waitarere Surf Club Development	\$500,000
Te Marie Park Development *	\$500,000
Trig Mountain Bike Track Improvements	\$100,000
Events and Destination Management Strategy	\$350,000
Foxton Aquatic Centre*	\$500,000
Rural Hall Drinking Water*	\$400,000
Levinable Project*	\$80,000
Foxton Courthouse *	\$80,000
Total	\$4,990,000

Levin Town Centre Development (\$2,000,000) - Commence the implementation of the Transforming Taitoko / Levin Town Centre Strategy adopted in November 2018. There are a range of options open to Council from undertaking the Master Plan and model of the future town centre, through to physical construction of town centre projects targeted at revitalising the Levin Town Centre. Which would create a new town centre heartbeat, deliver new housing inventory, remove high risk zone earthquake prone buildings, enable a night time economy and promote a vibrant retail and food space, areas for public congregation, and establish prominent east-west connections to key community spaces. It will provide the ultimate opportunity for place making and local community involvement through a public development funding model.

The funding sought aims to achieve the following things:

- Enhancement of the Levin Town Centre

Manakau Domain Shared Pathways (\$400,000) – Back in 2014, Council governance made a decision to devolve the management of this domain back to the community. An agreement was signed with the Manakau District Community Association in which all responsibilities related to the park were to be held with that community. Recent discussions with both the Manakau District Community Association and the Manakau Football Club (who operate at this site as their base) have indicated a willingness for the park to be developed to incorporate the substantial rise in formal and informal use of this open space. Both parties would like Council to consider taking back the long term management of this site – but have indicated a reluctance to end the existing agreement with no guarantee of future Council funding.

The community plan developed by the Manakau Community in October 2021, with key connectivity and connectivity highlighted as being very important to that community: Improve recreational spaces and water quality. The detail provided in the Manakau Community Plan forms the basis of the works, with the addition of a shared pathway along Waikawa Beach Road, to provide an off road connectivity for houses to the west of this domain. All recent discussions with that community have highlighted how important this is to them.

The funding sought for the Manakau Domain Shared Pathway aims to achieve the following things:

Lake Punahou Development Plan (\$80,000) – The Lake Punahou Development Plan is a development plan that would be led by Muaūpoko (Trustees, beneficial owners), alongside HDC in true partnership that is a way forward to a co-governance model, should this be the desired outcome of Iwi. This would be a blueprint to ensure that all the future projects could happen in stages, as funding and resources allow. It will take time to finalise and implement all works that have been discussed in the Past, Present and Future and a significant amount of funding and investment to ensure this jewel and its surrounding environments are respected and valued by all.

Identified projects in the past directly link to building resilience, natural hazards, and planting of species in and around the water's edge reinforcing that approach. Continued Monitoring of water quality will be required, and weed harvesting outcomes progressed.

A development plan will identify key projects and next steps to return the lake and its surroundings

The funding sought for the Lake Punahou Development Plan aims to achieve the following things:

- The drafting and finalising of a development plan will provide a framework for the delivery of a strong, long-term environmental outcome for this lake, and can incorporate the growth impacts for the Levin Township and how it interacts with this hugely important water body.

- The rich history of this lake and surrounds also present a great opportunity to tell that story through initiatives in the development plan (e.g. interpretive and interactive signage). This will undoubtedly position the space well for domestic tourism from larger centres like Wellington, improving Levin's future as a destination. It can also impact positively on the generation of economic activity, which in turn will improve well-being for the community in a number of ways.

Waitarere Beach Surf Club Development (\$500,000) - Waitārere Beach, one of the best-kept secrets of the North Island's west coast. HDC are working with the Waitārere Beach Surf Club to provide a long overdue upgraded surf club building and demolishing the existing building.

This will leave a gap in the existing car park and provide the perfect opportunity to create a fantastic integrated community space that can be appreciated by locals, the wider community and visitors.

The funding sought aims to achieve the following things:

- Required upgrades to the parking facility
- Much needed upgrades to the public toilets and infrastructure
- Installation of BBQ units
- Landscaping of area
- Signage to promote the local ecology and cultural significance
- Removal of exotic species and native planting

Te Maire Park Development (\$500,000) - Te Maire Park is over 100 years old. Situated adjacent to the township, it's a great place to enjoy fish n chips or a picnic – there are picnic tables available and it's a great place for the community to congregate. The Shannon Railway Station Museum is situated in the long border garden along Plimmer Terrace at the southern end of the park is the Shannon Cenotaph and memorial garden and a monument to a local soldier who was killed in the Boer War – one of the few such monuments around New Zealand. 24hr toilets available nearby on Ballance St and several places for refreshments across the road.

The proposal for the funding is to put in some play equipment, more tables and seating, a stand for bands/speakers, and a toilet/shower block. The intention is also to plant some trees along the railway track, as well as adding in a dump station at the Southern end of SH57.

Trig Mountain Bike Track Improvements (\$100,000) - Standing at 377 metres Kohitere forest stands quietly looking over the town. Hidden amongst its forest canopy is a network of mountain bike trails that are renowned across the region for their challenging nature and being the proving ground for a swath of national and international champions. The tracks are presently maintained by the Levin Mountain Bike club who do a magnificent job with very limited resources. Trail maintenance (Dig) days are the beating heart of the mountain bike club, they provide community spirit, shared knowledge and a sense of achievement for everyone that contributes. But, a band of volunteers can only do so much. The downhill track that is the diamond in the crown needs some attention, a professional trail crew with the input of the club could work wonders and with this as the drawcard Levin can once again host National level events.

At present the usable tracks are all on the eastern side of the hill but there are others on the west which were storm damaged several years ago. If this track is fixed and re-opened it would double the rideable area. The forestry manager is also on board with the ongoing track work, well-built tracks are safer and are less of a risk.

Mountain Biking is booming in Aotearoa. The tracks in Palmerston North and Wellington are packed every weekend. Riders coming from afar who would come to the trails and spend

money on food and drink, fuel, bike maintenance and potentially accommodation. Boosting the Horowhenua economy.

The funding sought aims to achieve the following things:

- Contract a supplier to repair downhill track making it suitable to hold National Events.

Events and Destination Management Strategy (\$350,000) – As part of the Contract for Services for 2021-2022, Council requested that The Horowhenua Company develop an Events Strategy and Action Plan by 31 March 2022 including providing options for ongoing operation. Council requested that the plan focus on creating a wider programme of events to encourage visitation to the Horowhenua District throughout the year. The strategy in a nutshell is to retain, maintain, sustain, expand and evolve events in the Horowhenua district. This proposal is to see the outcomes of that strategy realised and to ensure that the investment made to date in both the identity refresh and the events strategy is leveraged.

The Horowhenua brand refresh project is the first phase in delivering to a destination management strategy that anticipates 10% year on year growth of tourism revenue to the district. The next phase is establishing dedicated resource to continue delivering the destination management kaupapa. Attributing sufficient funding to a media strategy and ensuring ongoing alignment with the event strategy and other tourism related activities.

Additional funding could also be used to support the proposal of a contestable event fund.

Foxton Aquatic Centre (\$500,000) – The Foxton Aquatic Centre proposal is to assist with funding the increased project costs.

Rural Hall Drinking Water (\$400,000) – Across the district there are a number of community halls that are mostly run by (County) Rural Hall Societies.

These halls are a critical asset in rural communities as they provide a community gathering and connection place for residents. In most instances these facilities are not connected to the main council water supplies. This means that they are not as resilient and well set up for the future.

This funding will allow Council to work with community organisations to upgrade the water infrastructure at each of the halls. This will include storage, filtering and collection equipment/infrastructure.

Levinable Project (\$80,000) - Lincoln Place Reserve is designated Open Space and gazette reserve land and is subject to the Reserves Act 1977. It is a 6,000 m² open grassed space with limited amenity value. This property is listed on the disposals list within Council's Property Strategy, current levels of use are low and the reserve is used mainly by pedestrians moving from Goldsmith Crescent to Cambridge Street via Lincoln Place, and vice versa. It is also a vulnerable site with poor visual oversight/passive surveillance. Council together with key stakeholders have worked to develop a proposal for a fully inclusive and accessible playground known as "Levinable". Neighbouring Kainga Ora homes soon to be developed, Council intends to work with Kainga Ora, and Iwi Partners to further develop the proposal and achieve the reserve site as a place for developed open space, and potential housing development in line with the Kainga Ora development surrounding it. The funding sought for the Levinable Project aims to achieve the following things:

- Further develop concept plans into detailed designs, that can be used for future funding applications
- Pursue the relationship with Kainga Ora, and contribute to any costs associated with the initial planning and surveying work required
- Create a seed fund to enable further funding applications or financial contributions towards this exciting project

Foxton Courthouse (\$80,000) - Foxton/Te Awahou is the oldest town settlement in the Manawatu, and the town plus its immediate vicinity hold significant physical and archaeological records of pre European settlement history. The town is indeed the "Birthplace of the Manawatu" and retains much early built and archaeological heritage...but a large proportion of these important heritage assets are unrecognised and at therefore at heightened risk of being erased. The Foxton Court House was built in 1929, and was used as a courthouse until 1971 when all court activities were transferred to Levin. From 1975 the Foxton Historical Society took possession and opened it as a museum until 2013 when the building was closed as it was deemed earthquake prone.

The funding sought for the Foxton Historical Society aims to achieve the following three things:

- Complete a high level feasibility study on the future of the Foxton Courthouse, its purpose, use and future ownership, that can be used for future funding applications
- Complete an updated strengthening solutions and pricing proposal for the Foxton Courthouse
- Commence any work on the upgrading of the Foxton Courthouse that can be completed within the funding envelope, noting that the \$80,000 is essentially seed funding to allow further funding to be secured.

5.1.1 Rate Impact

There are no rates impacts from this specific report, but nothing that some projects will have a rates impact.

5.2 Community Wellbeing

All of the projects presented, no doubt support community outcomes and ultimately enhance the wellbeing of our District. The 'Better Off' funding is focused on community wellbeing.

5.3 Consenting Issues

This will be worked through as more detailed projects plans are created.

5.4 LTP Integration

There is no LTP programme related to this report. There is no Special Consultative Processes required.

6. Consultation

While no formal consultation is required for this report, it is upon Council to engage with Iwi/Hapu on intentions and ideas for how they use Tranche 1 of the better off funding.

Tranche 2 of the better off funding is to be developed in partnership with Iwi/Hapu. Council's discussions with Iwi/Hapu to date have been limited on the broader options, however noting that a number of the projects have existing Iwi/Hapu engagement.

7. Legal Considerations

There are no specific legal considerations.

8. Financial Considerations

There are no specific financial considerations beyond the financial case for each individual project.

9. Iwi Considerations

Iwi / Hapu engagement and partnership is necessary for Council to obtain tranche 2 of the better off funding. Council have begun discussions with Iwi/Hapu on tranche 1 of the better off funding, and some of the projects have specific partnership opportunities which will be explored further.

10. Climate Change Considerations

There are no specific climate change considerations beyond those projects which present connection to climate change action.

11. Environmental Considerations

There are no specific environmental considerations beyond those projects which present enhancement to environmental wellbeing.

12. Health & Safety Considerations

There are no specific health and safety considerations.

13. Other Considerations

There are no other considerations.

14. Next Steps

Once Council have agreed the short list of projects and project values shortlisted for development of a funding proposal, Officers will progress the application and proposals for the better off funding.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

15. Appendices

There are no attachments for this report.

Author(s)	Jacinta Straker Group Manager - Organisation Performance	
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Approved by	Monique Davidson Chief Executive Officer	
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File No.: 22/480

6.8 Evaluation report on the Future of Levin Landfill

1. Purpose

The purpose of this report is for Council to receive advice, following a recent evaluation of the Future of Levin Landfill Business Case, and subsequent advice sought on a way forward for Council.

This report provides Council advice, based on an independent review of the business case, and a refreshed look at the legal obligations of Council in navigating a decision on the Future of the Levin Landfill.

2. Executive Summary

The Future of the Levin Landfill review has sought to find a way forward on the future of the Levin Landfill debate.

Regardless of the decision on the future of the Levin Landfill, Council needs to ensure it has met its obligations under the Local Government Act. This report presents a number of considerations for Council, with the most significant being the advice that it would be unlawful for Council to make a decision on the future of the Levin Landfill, in the absence of a Long Term Plan which gives explicit intent to that process and decision. The current Long Term Plan 2021 – 2041 does not provide this.

There are other options that could have been considered, and were not included in the Future for the Levin Landfill business case. And while the basis of the Landfill Agreement provides good reason for why those options were not considered, in order for Council to meet its statutory obligations, and to address the concerns of the narrowness of the approach to the Business Case, other options could have been considered. Some of these options are important, in order to identify what the best option for Horowhenua District Council is, and to ensure obligations under the Local Government were also met.

This report provides advice and considerations to Council, that emphasises the important role process places in assisting Council in its decision making process. And while the advice, means the recommendations are of a nature where the advice is that a decision cannot be made at this stage, Elected Members cannot ignore the very real need for a future decision on this critical issue.

The impact of the Levin Landfill on the social, cultural and environmental wellbeing of Iwi and the Hokio Community and catchment will continue to challenge Councils resources, and require Council to be world class in the way it manages and operates a compliant Landfill, if it was to remain open. This will require investment of a nature that is currently not catered for in Council's current Long Term Plan 2021 – 2041.

While the independent report presents an alternative view to the original business case on the economic benefits of keeping the landfill open until 2037, these financial benefits must be balanced and reconciled with the ongoing tangible and intangible costs associated with keeping the landfill open, and in turn breaching the Landfill Agreement that Council entered in 2019.

Council needs to invest and put its weight behind developing and driving a wider Waste Minimisation Strategy, in partnership with Iwi, hapū and community, and in doing that, it will have the strategic context to make the necessary decisions on not just the Future of the Levin Landfill but the future service delivery and operations associated with waste services provided by Horowhenua District Council.

Council's aspirations on the scope and process of developing a wider Waste Minimisation Strategy will not only dictate the cost associated with such process, but the timing in which that could occur. While ideally the strategic outlook would exist, ahead of decision making, Council needs to consider its obligations outlined in the Levin Landfill Agreement, and on this basis, look to meet its statutory responsibilities associated with the decision making process as soon as is practicably possible.

While progressing this work, Council at the same time needs to give priority to addressing the ongoing non-compliance issues associated with the Levin Landfill, in addition to the commitments associated with the Levin Landfill Agreement and associated consent conditions, with a particular emphasis on remediation and restoration of the old dump.

3. Recommendation

- 3.1 That Report 22/480 Evaluation report on the Future of Levin Landfill be received.
- 3.2 That this matter or decision is recognised as significant in terms of S76 of the Local Government Act.
- 3.3 That Council notes its obligations under S97 of the Local Government Act to ensure that where a local authority is altering significantly the intended level of service for any significant activity, that a decision can only be made where the decision is explicitly provided for in the Long Term Plan, or the Long Term Plan is first amended.
- 3.4 That Council note the current advice of the Chief Executive that statutory requirements have not been met in accordance with s97 of LGA, therefore a decision cannot be made on the future of the Levin Landfill at this time. This is due to a shortfall in the previous advice provided to Council at the time in which they undertook consultation on the Future of the Levin Landfill.
- 3.5 That Council refers the future of the Levin Landfill to the incoming Council to consider as part of the 2023-2044 Long Term Plan Amendment or the 2024-2044 Long Term Plan, as a key consultative and decision item.
- 3.6 That the Chief Executive be directed to prepare a briefing paper to the incoming Council, outlining the options associated with the Future of the Levin Landfill decision, including an analysis on the risks, costs and any other considerations associated with whether the decision should be included as part of the 2023-2044 Long Term Plan Amendment or the 2024-2044 Long Term Plan.
- 3.7 Further to 3.5 and 3.6, That Council request the Chief Executive to ensure that Officers are progressing work on the basis that the 2023-2044 Long Term Plan Amendment is a realistic option.
- 3.8 That the Chief Executive be directed to report at the first ordinary meeting of the 2022-2025 Triennium, an options analysis on the best practicable option to fast track investment in the remediation and restoration of the old dump site.
- 3.9 That Council continues to ensure no waste is taken to the Levin Landfill, until such time a decision is made about the future of the Levin Landfill.

4. Background / Previous Council Decisions

The Council entered into the Levin Landfill Agreement with Hokio Environmental Kaitiaki Alliance Incorporated (HEKA), Ngāti Pareraukawa and other s274 parties to the Environment Court appeal ENV-2016-WLG-71, in March 2019, to resolve proceedings relating to the 2015 review of Resource Consents.

The Landfill Agreement states that *'HDC's Chief Executive will recommend to the council a closure date for the Levin Landfill, of, at the latest, 31 December 2025'* (Clause 11.1(a)).

The Landfill Agreement also states that *'The Parties acknowledge that the final closure date is for the councillors to determine in accordance with all statutory requirements, including the Local Government Act 2002'* (Clause 11.2).

If Council chooses a closure date on or before 31 December 2025, the Landfill Agreement will remain in place. The Council will need to work with the PMG to develop

a closure and remediation plan for the landfill and to agree and implement the leachate remediation project to address leachate from the old landfill. The reconciliation process includes a formal apology that will need to take place.

If Council chooses a closure date after 31 December 2025, the Levin Landfill Agreement will terminate. This will likely add significant time and cost to the Council for the future consent reviews in 2024, 2029, 2034 and the consent renewal in 2037. It could result in resource consent conditions which are more stringent and have implications for the ease and cost of operation of the landfill.

The decision will impact Council's relationship with Ngāti Pareraukawa as well as other members of the Hōkio community, who negotiated the Levin Landfill Agreement in good faith. A breach to this agreement could result in parties commencing new proceedings in the Environment Court.

The Landfill agreement and the associated commitments sit at the heart of the process to date. To that point it is important to acknowledge the role of the Landfill Agreement in not only determining the scope of the work to date, but also acknowledge the role that the PMG and Community Neighborhood Liaison Group; a role that was clearly outlined and committed to as part of the landfill agreement.

Waste Management and Minimisation Plan

The Council's Waste Management & Minimisation Plan (WMMP) was adopted by Council on 18 July 2018. It sets out how Council will progress efficient and effective waste management and minimisation in the Horowhenua District. The Plan sets targets for dealing with waste over the next six years and provides an action plan to meet those targets.

The targets include:

- Reducing the waste disposed of into the landfill to below 400kg per person
- Recycling at least 40 per cent of the waste collected at the roadside from households and 50 per cent of the waste taken to transfer stations
- Maintaining a high level of public satisfaction with Council's solid waste services.

The policy is due for review in 2024.

Levin Landfill Business Case

Council independently commissioned consultants, Morrison Solutions to develop a business case to assess the options for the future of the Levin Landfill. The work of Morrison Solutions was guided by the Landfill Agreement.

Morrison Solutions' recommendation was to close the Levin Landfill in 2022 as it:

- Provides the best financial outcome
- Is the preferred option assessed by BERL when measured against the social, economic, environmental and cultural wellbeing
- Provides the lowest commercial and operational risk
- Provides greatest incentive for waste minimisation and most strongly aligned with Council's Waste Minimisation & Management Plan
- Meets the requirements of the Levin Landfill agreement.

Council Decision to Consult

On 10 November 2021, the Chief Executive recommended that the Levin Landfill be closed in 2022, thereby meeting the requirements of Section 11.1 (a) of the Landfill Agreement. At the same meeting, Council resolved its preferred option (option 1) for the future of the Levin Landfill Special Consultative Process (SCP), option 1 being 'to close the Levin Landfill in 2022'.

On 24 November 2021, the Council resolved to adopt the Future of the Levin Landfill Statement of Proposal for public consultation to occur. The Statement of Proposal was open for community feedback from 30 November 2021 until the closing date of 31 January 2022.

A total of 150 submissions were received with over 95% of these in favour of option 1 – the closure of the Levin Landfill.

On 13 April 2022, Council resolved to defer a decision on the Future of the Levin Landfill until 31 December 2025, or at any time earlier than that date, following a full evaluation of the incoming Chief Executive by September 2022.

A copy of the report, provided to Council for the 13 April 2022 meeting is **attached** as an Appendix to this report.

Council took some time during the course of the meeting on the 13 April, to form a majority view. The decision making process is set out below:

7.4 Report to consider submissions received on the Future of the Levin Landfill Statement of Proposal

The Council was presented for deliberation, the submissions received on the Future of the Levin Landfill Statement of Proposal.

The Council was provided with an update on the financial modelling for the landfill activity.

The Council provided comments on future waste disposal options and use of the Levin Landfill site.

MOVED by Cr Allan, seconded Cr Mitchell:

That Report to consider submissions received on the Future of the Levin Landfill Statement of Proposal be received.

That this matter or decision is recognised as significant in terms of S76 of the Local Government Act.

That Council acknowledges, with thanks, all who have submitted on the Future of the Levin Landfill Statement of Proposal.

CARRIED

MOVED by Mayor Wanden, seconded Deputy Mayor Mason:

That Council adopt Option 1: Close the Levin Landfill in 2022.

Councillors debated the motion.

MOVED by Cr Brannigan, seconded Cr Bishop:

That the Council defer a decision to close the Levin Landfill until 31 December 2025 or at any time earlier than that date.

Councillors debated the amended motion.

Amendment divisions:

A division was called for, voting on which was as follows:

For:

Councillors: David Allan
Wayne Bishop
Ross Brannigan
Todd Isaacs
Sam Jennings

Against:

Councillors: Victoria Kaye-Simmons
Robert Ketu
Jo Mason
Christine Mitchell
Piri-Hira Tukapua
Bernie Wanden

The division was declared LOST by 5 votes to 6.

Meeting adjourned for a break at 6:56 pm.

The meeting reconvened at 7:08

MOVED by Cr Tukapua, seconded Cr Bishop:

THAT Horowhenua District Council transfer its waste to an alternative site not being Levin for 18 months to allow for the whole solid waste activity to be evaluated and explored options for a decision to close in 2024.

Councillors debated the amended motion.

A division was called for, voting on which was as follows:

For:

Councillors: Todd Isaacs
Sam Jennings
Piri-Hira Tukapua

Against:

Councillors: David Allan
Wayne Bishop
Ross Brannigan
Victoria Kaye-Simmons
Robert Ketu
Jo Mason
Christine Mitchell
Bernie Wanden

The division was declared LOST by 3 votes to 8.

MOVED by Cr Bishop, seconded Cr Jennings:

That the Council defer a decision to close the Levin Landfill until 31 December 2025 or at any time earlier than that date, following a full evaluation by the incoming Chief Executive Officer by 30 September 2022.

A division was called for, voting on which was as follows:

For:

Councillors: David Allan
Wayne Bishop
Ross Brannigan
Todd Isaacs
Sam Jennings
Piri-Hira Tukapua
Bernie Wanden

Against:

Councillors: Victoria Kaye-Simmons
Robert Ketu
Jo Mason
Christine Mitchell

The division was declared CARRIED by 7 votes to 4.

CARRIED

Evaluation of Levin Landfill Business Case

In commencing with Council in May 2022, the Chief Executive undertook to understand the expectations from Council on a full evaluation. The complexity of the issue, and the limitations with time meant that the scope of the evaluation sought to identify the key considerations and trade-offs associated with the options in the business case, and:

1. Consider whether all options were presented
2. Review relevant information and advice provided to support the assessment of options, including assumptions
3. Whether there are any gaps or new considerations that need to be taken into account.

The evaluation also sought to take into account information related to the broader waste and resource recovery industry context including our own waste services, the North Island waste and resource recovery market (including management of clean fill, construction and demolition and organics material), construction / expansion of other landfills and central government's policy direction with respect to waste.

Compliance, consenting pathways, iwi/Māori partnerships, place of the Waste Minimisation and Management Plan, consultation and engagement requirements, Long Term Plan 2021- 2041 alignment and procurement to date were all areas that need to be considered when providing advice.

Given the time constraints on the Chief Executive to provide advice by the end of September 2022, the intention of the evaluation is to answer at a high level the three questions above, not to provide an updated Detailed Business Case in itself.

In providing direction to the Chief Executive, Council asked a number of questions, which have been summarised and responded to further in this report.

5. Discussion

Morrison Lowe, a company not involved in the Future of Levin Landfill discussions or analysis to date, were engaged to lead the evaluation. A copy of the full report is attached as an **appendix** to this cover report.

The work of Alice Grace, and Dan Bonifant of Morrison Low can be summarised as follows:

Morrison Low have been commissioned by the Chief Executive of Horowhenua District Council (HDC) to provide an independent review of the Levin Landfill Business Case dated 28 October 2021 prepared by Morrison Solutions ('the Business Case'). This evaluation will support the Chief Executive's report back to Council at their September 2022 meeting regarding the decision to close the Levin Landfill.

In undertaking this review we have been provided with a significant amount of information including the Business Case, and had the opportunity to meet with Councillors, Council staff, the Levin Landfill Project Management Group and members of the Hokio Community including representatives from the Neighbourhood liaison Group. The landfill has a long history, and as a consequence a large body of information has been produced over the years. In the short time we have had to conduct the review the information provided and engagement with each of these groups was invaluable.

Regardless of the decision on the landfill, there is a need for HDC to shift its focus to its broader waste minimisation strategy. This should start with the review of its WMMP (which needs to be completed over the next 12-18 months and reflected in the next LTP). There is also a need to rebuild trust between staff and Council on landfill issues and between HDC and the community on the landfill so that the outcome is accepted and trusted by all parties. A focus on the common goal of effective waste management and minimisation for the Horowhenua district may present the opportunity to support this.

In our view there are other options for the future of the landfill site that decision makers needed in order to identify what the best option for HDC is. While we have not undertaken the level of analysis to determine whether any of these options would be 'better' than the options considered in the Business Case we have identified that the non-inclusion of these options in the Business Case has meant many stakeholders were left unsure whether the options in the Business Case are in fact the 'best' options for HDC. While it is not our role to provide advice on compliance with the Local Government Act decision making processes, in our view not all options were assessed in the Business Case.

The impact of the landfill on the social, cultural and environmental wellbeing of the Hokio community has been well presented in the business case. Continuing to operate any form of landfill on the site creates ongoing social and cultural damage that is significant for that community. For them, a decision by Council to close the landfill would go some way to restoring their trust in HDC and enable the community to move forward.

The views of the wider Horowhenua community have been harder for HDC to gauge, particularly without the wider waste minimisation strategic context for the landfill decision. We also note that the information presented to the community to date indicates that the better financial outcome aligns with the better social, cultural and environmental outcomes.

The environmental impacts of the landfill site which incorporates both the 'old dump' and the existing waste disposal site (Levin Landfill) exist regardless of whether the landfill is open or closed. HDC is committed to undertaking remedial works to reduce the impacts of the leachate from the 'old dump' on the receiving environment, including Hokio Stream. HDC has invested in a gas extraction and flaring system that will operate while the landfill is open or closed, reducing landfill odour from gas over time. HDC is generally compliant with their resource consents and consent compliance has improved over time. In our view the environmental impacts of the Levin Landfill have not been adequately separated from the broader impacts from the 'old dump' in the Business Case.

Our review of the technical assumptions and the financial modelling in the business case, as well as additional sensitivity testing undertaken as part of this review suggests that

- the differences between the options in the Business Case (and other options if considered) are likely to be greater than presented in the Business Case.*
- further sensitivity analysis shows that Option 3 delivers a better financial outcome in scenarios where the quantities of waste from a rates funded kerbside collection is included.*

We are also concerned that when Net Present Value outcomes, which are modelled over 30 years, are translated to actual changes in rates the financial impact of the different options may be larger than what is portrayed by the NPV.

It is important that this simplified modelling is treated as indicative only but it does highlight the sensitivity of the financial modelling to the assumptions¹ and creates uncertainty about the current financial projections. We also note that neither the financial information about alternative options nor likely scale of financial impacts was part of the business case considered by Council, and was not part of the information presented to the community.

Even if updated financial analysis identified that Option 3 or another option produced a better financial outcome, this would need to be balanced against the impacts on community wellbeing (social cultural and environmental), particularly for affected parties in Hokio. However, the business case did not identify strategic objectives and therefore did not assess options against these. Without this strategic context, it is difficult to see where the trade-offs between options lies and how HDC would balance the competing interests involved in the decision.

Were all options presented?

S77(1) of the LGA requires a local authority to seek to identify all reasonably practicable options for the achievement of the objective of a decision; and assess the options in terms of

their advantages and disadvantages.

The Business Case identified a long list of options; two were discounted as not being reasonably practicable as set out in pg 33-36 of the [Morrison Solutions business case](#). The Statement of Proposal also referenced the two longlisted options that were discarded because they were not reasonably practicable on pg 8.

Three reasonably practicable options were identified, with option 1 adopted by Council as its preferred option.

A scope of work was agreed, for the development of the Business Case. In the absence of a formal terms of reference, ss.77 and 78 of the LGA effectively provides the overarching terms of reference requiring the identification of all reasonably practical options.

On balance in taking the review of Morrison Lowe, it is considered that there were other practicable options that could have been considered. These are referred to on page 7 and 8 of the Morrison Low Report.

It is worth acknowledging that the Landfill Agreement, through the commitments made, narrow the nature of the options that were then transferred into the Morrison Solutions Business Case.

There is obvious tension between the outcomes sought through the Landfill Agreement, and the need for Council to meet its statutory requirements of considering all practicable options.

The work of Morrison Low, coupled with updated legal advice from Buddle Findlay has given clarity to the current situation, and following analysis of that advice, this report seeks to summarise the additional issues and questions that need to be taken into account.

Council's Special Consultative Procedure, and Alignment with Statutory Responsibilities

Council initiated a Special Consultative Procedure (SCP) and issued a Statement of Proposal outlining the three options and identifying its preferred option. Council received submissions and allowed submitters to speak to their submissions, directly to Council. 150 submissions were received, with 144 in support of closing the landfill.

In preparing this report, advice has been sought on the consultative process, with the intention to provide advice to Council on how they navigate a decision making process given the lack of decision thus far. To do that though, advice was sought on the nature of the consultative process, and given the significance of the decision, confirm Council had met its obligations.

Upon seeking additional legal advice, it is clear that a decision on the potential future use of the Landfill can only be made once Council's Long Term Plan 2021-2041 has been amended in accordance with the consultation and decision-making requirements under the Local Government Act 2002, including the SCP.

Having reviewed the consultation documentation provided to the public for the purpose of consulting on the potential future of the Landfill, the LGA consultation requirements have not been met because the documents do not (and other relevant background documents, including the advice provided to Council also do not):

- Indicate that a decision on the potential future use of the Levin Landfill requires an amendment to the LTP and that consultation is being conducted for that purpose; and;

- Include a report from the Auditor-General as required under the LGA.

On that basis, for Council to decide on the future of the Levin Landfill based on the consultation undertaken to date would be unlawful, and therefore not recommended.

Was HDC required to consult on, and include the closure of the Landfill in the LTP?

It is clear (LTP consultation document and the LTP itself) that the potential future use of the Landfill was not consulted on, nor incorporated into the LTP. Rather, while the LTP highlights the risks and uncertainty associated with the possible early closure of the Landfill, the LTP explicitly provides that the LTP is based on the assumed continued use of the Landfill.

Based on the information available to Council about the options for the potential future use of the Landfill at the time, Council was not legally required to consult on the potential future use of the Landfill as part of the LTP process. As the LTP itself notes, consultation on the decision on whether to close the Landfill was to occur following the technical work required under the agreement between Council and appellants to the Landfill review decision (Landfill Agreement). That is Council were not in a position to consult in the most recent Long Term Plan 2021 – 2041 process, as the technical work was progressing.

What process was HDC obliged to follow when consulting on the future of the Landfill?

Under S97 of the LGA all local authority decisions to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of a local authority including, a decision to commence or cease any such activity, must not be made unless the decision is explicitly provided for in a LTP or, the LTP is first amended (as set out below).

S97 applies to Council's decision on the potential future use of the Landfill because:

- The Landfill is identified as a "significant strategic asset" under HDC's 'Significance and Engagement Policy'¹ and is therefore considered to be a "significant activity" for the purposes of section 97; and
- As above, the LTP assumes the continued operation of the Landfill.

Therefore, a decision to close or otherwise materially alter current Landfill operations is a significant alteration of the intended level of service of the Landfill in accordance with S97 and the LTP must first be amended before Council decides on the potential future use of the Landfill.

S93 of the LGA enables Council to amend its LTP at any time but requires that in doing so Council must use the SCP and comply with all relevant consultation and decision-making requirements in the LGA.

Importantly, under S93D of the LGA the consultation document must:

- Describe the proposed amendment to the LTP, provide reasons, implications and alternatives to the proposed amendments and either attach, or otherwise explain where a copy of the proposed amendment to the LTP may be viewed.

¹ <https://www.horowhenua.govt.nz/files/assets/public/council-documents/policies/2021/hdc-ltp-2021-41-significance-and-engagement-policy-30-june-2021.pdf>

- Contain a report from the Auditor General on the consultation document, including on the quality of the information and assumptions underlying the information provided in the consultation document.

Did HDC comply with the consultation and decision-making requirements?

Council commenced consultation on the potential future of the Landfill on 30 November 2021, closing on 31 January 2022. In the public notice, Council stated that consultation was in accordance with the SCP.²

The SCP is set out in the LGA, which at S82 sets out six principles of consultation.

The consultation period did straddle the 2021/22 Christmas New Year period. The consultation plan took note of this and the plan presented and adopted by Council was to extend the consultation period to two months from 30 November 2021 to 31 January 2022. Additionally, the plan also arranged for drop-in sessions both before and after Christmas at various locations around the region, and in particular the Hōkio Beach area. The statement of proposal was provided in digital form and in hard copy, and was available at libraries, services centre and other council facilities around the region. Notification of the proposal was also sent out with the 2nd quarter rates demand to all households.

Additionally there was a one page advertorial and four page submission pull-out published in the Horowhenua Chronicle, as well as Facebook live sessions for the public to speak directly with the Mayor and one of the consultants. Submitters were able to make their views known to Council in writing, by post, email, online or in person.

The information that was available to the public was the Statement of Proposal setting out the three options, which also included the effect on rates for each option. Additionally, the MS Business Case and the BERL Wellbeings Report were also made available. These were redacted in places because of commercial sensitivities and to protect Council's financial position.

The SCP followed for this proposal appears to have met the requirements of the Act, and has taken into account the peculiarities of the Christmas/New Year period. It would also appear that as much information as was possible was made available to the public.

As part of that consultation, there were a number of Engagement Events and the following information related to the Morrison Solutions business case was provided to the public (the 'Landfill consultation documents'):

- Statement of Proposal – The Future of the Levin Landfill
- Levin Landfill Business Case (redacted version)
- BERL Levin Landfill and Horowhenua Waste Disposal Wellbeing Case (redacted version)

Based on a review of the Levin Landfill consultation documents, while the Landfill consultation documents likely complied with most of the consultation requirements, including the SCP requirements, the Landfill consultation documents do not (and it is our understanding that other relevant background documents also do not):

- Either explicitly or implicitly indicate to the public that a decision on the potential future use of the Levin Landfill requires an amendment to the LTP and that the purpose of

² <https://www.horowhenua.govt.nz/News-Events/Public-Notices/Consultation-on-the-Future-of-the-Levin-Landfill>

the consultation document is to provide an effective basis for public participation in Council's decision-making processes relating to the content of its LTP; and;

- Include a report from the Auditor General as required under S93D of the LGA.

In light of this, the Landfill consultation documents do not comply with the LGA consultation requirements for amending a LTP.

On that basis, for Council to decide on the potential future of the Levin Landfill based on the consultation undertaken to date, would be unlawful.

What does it mean for Council's decision-making and implications for the Levin Landfill Agreement?

Once the LGA requirements for amending Council's LTP are complied with, Council can make any decision that it wishes, including a decision not to take any action or to defer the decision.

However, clause 11.1 of the Landfill Agreement requires:

"(h)... [a number of reviews, assessments] and an officer's report and recommendation (which will comply with all statutory requirements) will be provided to HDC councillors at the next council meeting after these requirements have been completed: and

(i) having complied with all statutory requirements, HDC councillors will decide, at the council meeting in (h), on the final closure date for the Levin Landfill."

This means that before deciding the final closure date for the Levin Landfill under clause 11.1(i), Council must first meet all its statutory requirements including under the LGA. As set out above, Council will not meet its statutory obligations under the LGA, until such time as it has properly consulted via a Long Term Plan process.

For now, given that compliance with Council's statutory obligations under the LGA has not occurred, Council needs to defer its decision on the final Levin Landfill closure date to achieve compliance. Such a deferral is consistent with the Agreement.

A future Long Term Plan consultation

The statutory obligations could be complied with as part of an amendment to the LTP next year, or alternatively the upcoming 2024 Long Term Plan process. Council should seek to complete the LGA process and make its decision in a reasonable timeframe. While there will be a new LTP in 2024, Council will need to consider its options on the timing and scope of completing a Long Term Plan process.

There are advantages and disadvantages to an earlier Long Term Plan process, versus the 2024-2044 Long Term Plan process. Some examples of the things that Council will need to consider is as follows – obligations set out in Landfill Agreement, cost, timing of 2024 consent review, timing of Waste Minimisation and Management Strategy review, operational implications of securing space for waste disposal, alongside many other considerations.

This report recommends that the Chief Executive be directed to prepare a briefing paper to the incoming Council, outlining the options associated with the Future of the Levin Landfill decision, including an analysis on the risks, costs and any other considerations associated with whether the decision should be included as part of the 2023-2044 Long Term Plan Amendment or the 2024-2044 Long Term Plan. Given the decision of the Future of the Levin Landfill fill now be decided by the next Council, it is appropriate that it is the same Council that agrees to the scope and timing of that decision making process.

Given the pressure on timeframes, it is recommended also that Officers progress work on the basis that the 2023-2044 Long Term Plan Amendment is a realistic option. This is to avoid a situation where it is no longer a realistic option, because of the time past during the transition associated with triennial elections.

Principles of Decision Making

In reaching its decisions, Council needs to be satisfied that it has followed the principles of consultation as set out in s.82 of the LGA. These principles mean that Council must ensure that people who may be affected have been given accessible information about those effects, how they can have a say and be heard, that Councillors will keep an open mind and consider the views of those affected before making any decision.

The Levin Landfill Agreement

If the Landfill Agreement comes to an end, the obligations under the Agreement will expire. This means HEKA and associated parties to the Levin Landfill Agreement will no longer be prevented from taking, or be associated with, enforcement actions, legal proceedings, claims or inquiries against Council in relation to the Levin Landfill.

This will mean that Council will be vulnerable to the initiation of landfill resource consent conditions in 2024, 2029 and 2034. It is estimated that a single consent condition review alone could cost anywhere between \$800k - \$1.5 million.

This does not take into consideration any costs associated with declaration or enforcement proceedings, or other action taken if Council were to be in breach of the Levin Landfill Agreement.

Council need to give due consideration to the tangible and intangible costs associated with any action that is not consistent with those things committed to through the Levin Landfill Agreement.

Remediation of the old dump

Remediation of the old landfill is required by both the Resource Consents and the Levin Landfill Agreement to address the leachate it currently discharges to the Tatana Drain and Hōkio Stream. The requirements of these two documents are slightly different but are not in conflict with each other. If the Levin Landfill Agreement is still in place, Council will need to meet the requirements of both. Remediation is required by June 2023 and there is an approval process required with the Levin Landfill Project Management Group (PMG), Neighbourhood Liaison Group (NLG) and Horizons Regional Council (HRC) prior to construction.

Tonkin and Taylor developed a 'best practicable options' assessment in 2019, as required by the Levin Landfill Agreement, but did not recommend a best practicable option.

Stantec, on behalf of Council, has now commenced developing and costing options for this and is working with Tonkin and Taylor on some aspects of the modelling. This work is ongoing.

This will be an urgent matter that needs progressing with the PMG.

If further consents are required for this work, or if the parties cannot reach agreement on the preferred remediation option, this timeline may be difficult if not impossible to achieve. The remediation and restoration of the old dump needs to be a priority for Council, alongside a statutory compliant decision making process.

During the course of developing the scope of this work, a number of questions were asked. Summary responses to these questions to provide further context are provided as follows:

If Council closes the landfill what impact could this have on delivery of Council's wider waste services, waste service costs including aftercare, council revenue (and rates), community role in determining use of site during the after closure?

Closing the landfill has limited impact on the delivery of Council's wider waste services. There are more councils in New Zealand that don't own landfills than councils that do own one. Those that do not own a landfill have a contract with a landfill operator (public or privately owned) for disposal of their residual waste (as both landfill-owning and non-landfill-owning councils do for other waste facilities such as recyclables processing).

Landfills should be operated to generate operating surpluses, whether privately or publicly owned. For council-owned landfills, the landfill operation and its surpluses are not necessarily linked to the wider waste services that council delivers. The surpluses can be considered general council revenue that offsets any of its costs. Without landfill surpluses, council costs (for waste services, aftercare or in general) will increase and revenue for council activities will have to be obtained from other revenue sources or rates.

Councils can become dependent on the revenue from landfill surpluses to fund other Council activities and there can be the perception that providing wider waste services that reduce waste to landfill puts this revenue at risk. However, if a council is also providing the diversion services for this material then a drop in landfill revenue can be matched by an increase in revenue from diversion services. For these councils, the decision between their landfill remaining open and being closed moves to a consideration of the extent to which a council want to have influence or control of the waste stream to drive diversion and whether it wants to be the provider of these diversion services.

The role of the community in determining the use of the site during and after closure is not impacted by whether it is open or closed now.

If Council continues to operate the landfill, then what investment is required, timeframe for operation, and what are the impacts of that on delivery of Councils wider waste services, waste service costs including aftercare, council revenue (and rates), community role in determining use of the site during and after closure.

Investment would be required to prepare the next landfill cell to receive waste. The timeframe for operation would depend on how big an area is prepared and how quickly that is filled once constructed, i.e. who are the customers and how much waste do they want to disposal of and over what timeframe. The decision to invest in new cell development should only be made if it can generate operating surpluses that offset the investment costs.

Continuing to operate the landfill has very limited impact on the delivery of Council's wider waste services. If the landfill is open then disposal would be to Council's landfill as opposed to a contracted third party. What can't be avoided though is the need for Council to invest in capacity and capability that is currently not appropriately budgeted for in the current Long Term Plan.

The impact on cost, revenue and rates be the same as in the first question, noting the question above that the operation would only occur if the cost of the investment were able to be recovered from customers.

The role of the community in determining the use of the site during and after closure is not impacted by whether the site is open or closed.

What are the alternative uses for the site and are these feasible, and can these occur regardless of whether the landfill closes or remains open?

Some alternative uses for the site include a resource recovery park, an organics processing facility, acceptance of clean fill and sand mining. This is not an exhaustive list, but represents some of the potentially feasible uses given the local, regional or national context and what other councils have used their closed landfill sites for. However, like any change in site use, these would need to be assessed in further detail to understand benefits, costs and risks and consenting implications.

Some of these site uses are impacted by whether the landfill is open or closed and this would need to be taken into account as part of feasibility assessment. For example, sand mining would only be possible for sand in excess of landfill daily cover requirements. Having more than one operation on the site would make site operations more complex and there would need to be coordination between the activities, e.g. coordinated site traffic management plans.

How could remediation of the old dump be completed alongside any of the other options considered, and do any of these options make it easier or harder to complete remediation?

The remediation of the old dump would be completed as a standalone project regardless of whether the landfill is open or closed at the time, because the two areas are quite separate. Therefore, the landfill being open or closed does not make it easier or harder to complete remediation.

One of the alternative site uses that could be considered in future is the acceptance of clean fill at the landfill site. This option would make it easier (and more cost-effective) to complete one of the old dump remediation actions, which is to increase the thickness of the cap on the old dump. The benefit of this would need to be considered alongside other benefits, costs and risks associated with this option.

If we close the landfill, then when does it close and how do timeframes change the technical and financial impacts?

There are a number of triggers for this, including (but not limited to): sufficient revenue from customers to continue operating, the timing of new cell construction, the rate of filling of a newly constructed cell, and consent expiry and consent review dates.

The landfill is currently closed, although this would be temporary if the decision were made to continue to operate the landfill. Before reopening, a new site operations contract would need to be in place and customers would need to be identified such that sufficient revenue could be received to cover the cost of the landfill being opened. In addition, investment

would be required in a new landfill cell (the current cells are full or near full) and this cost would need to be taken into account when considering the revenue required to keep operating.

Note, as a general principle, the longer the landfill stays open the more there is an opportunity to recover sunk costs, provided sufficient revenue can be generated from customers to cover ongoing operating costs.

What are the legal / reputational risk associated with each option?

For the options of keeping the landfill open or closing it, the legal and consequential reputational risks have been outlined in the business case and legal advice. There are legal risks associated with consent compliance (RMA), including the requirements of the Levin Landfill Agreement. There are also legal risks associated with following appropriate decision-making processes (LGA).

For alternative site uses the legal risks would depend on what use was being proposed and would be part of any feasibility assessment prior to proceeding.

What is the operational impact of no decision on the future of the Levin Landfill so far?

Council signed a Solid Waste Disposal Agreement (WDA) with Midwest Disposal Limited (MDL) on 28 April 2022 [Agreement dated 23 Mar 22] to replace the Waste Services Agreement that expired on 30 April 2022. The initial term is for one month until 31 May 2022, and then can be renewed by the CEO for a further 11 periods of one calendar month until the expiry of the initial term on 30 April 2023.

The CEO must opt in at the end of each calendar month for the WDA to remain in force.

The WDA ensures the continuation of waste collection services and enables Council to access the initial five year beneficial price option as it investigates other options requested by Council. The WDA preserves the availability of the full 20-year term should Council wish to continue the arrangements beyond 30 April 2023.

The WDA also enables Council to undertake non-class 1 activities at the Levin Landfill site if desired. Noting of course, that other uses of the Levin Landfill site will require further exploration, and will have consenting implications.

The current contract with MDL for disposal of recyclable wastes by the public at the Levin Resource Recovery Centre formed part of the Waste Services Agreement that expired on 30 April 2022.

The Council signed a revised Agreement for Disposal of Recyclable Waste on 29 April 2022.

Council has total flexibility to determine ongoing arrangements for waste disposal over the next 12 months including continuation or termination of all or part of disposal arrangements with MDL.

The timing of 30 April 2023, is a key consideration when Council considers other options for waste disposal and the scope and timing of the required Long Term Plan amendment process.

6. Options

The advice provided, presents a challenge – Council must meet its statutory responsibilities, but at the same time need to give effect and meaning to the commitments made in the Levin Landfill Agreement.

The recommendations set out in this report, seek to ensure:

- Council note its statutory responsibilities

- Council accept they have not met its statutory responsibilities
- Council have paved a way for a Long Term Plan process, which ensures Council can navigate its obligations to the Landfill agreement, whilst not avoiding its responsibilities to meet statutory responsibilities.
- Council accept that given the Future of the Levin Landfill will now be a decision for the next Council, that it should be those Elected Members that determine the options for the timing and scope of the Long Term Plan process, noting Council's obligations to upholding the Landfill agreement commitments.

The draft recommendations are set out below: Council now needs to consider these recommendations, in light of the summary advice provided in this report and additional advice attached to this report.

- 6.1 That Report 22/480 Evaluation report on the Future of Levin Landfill be received.
- 6.2 That this matter or decision is recognised as significant in terms of S76 of the Local Government Act.
- 6.3 That Council notes its obligations under S97 of the Local Government Act to ensure that where a local authority is altering significantly the intended level of service for any significant activity, that a decision can only be made where the decision is explicitly provided for in the Long Term Plan, or the Long Term Plan is first amended.
- 6.4 That Council note the current advice of the Chief Executive that statutory requirements have not been met in accordance with s97 of LGA, therefore a decision cannot be made on the future of the Levin Landfill at this time. This is due to a shortfall in the previous advice provided to Council at the time in which they undertook consultation on the Future of the Levin Landfill.
- 6.5 That Council refers the future of the Levin Landfill to the incoming Council to consider as part of the 2023-2044 Long Term Plan Amendment or the 2024-2044 Long Term Plan, as a key consultative and decision item.
- 6.6 That the Chief Executive be directed to prepare a briefing paper to the incoming Council, outlining the options associated with the Future of the Levin Landfill decision, including an analysis on the risks, costs and any other considerations associated with whether the decision should be included as part of the 2023-2044 Long Term Plan Amendment or the 2024-2044 Long Term Plan.
- 6.7 Further to 3.5 and 3.6, That Council request the Chief Executive to ensure that Officers are progressing work on the basis that the 2023-2044 Long Term Plan Amendment is a realistic option.
- 6.8 That the Chief Executive be directed to report at the first ordinary meeting of the 2022-2025 Triennium, an options analysis on the best practicable option to fast track investment in the remediation and restoration of the old dump site.
- 6.9 That Council continues to ensure no waste is taken to the Levin Landfill, until such time a decision is made about the future of the Levin Landfill.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and

- disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

7. Appendices

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Approved by	Monique Davidson Chief Executive Officer	
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**Independent review of Levin Landfill
Business Case**

August 2022



Document status

Job #	Version	Written	Reviewed	Approved	Report Date
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1 Executive summary

Morrison Law have been commissioned by the Chief Executive of Horowhenua District Council (HDC) to provide an independent review of the Levin Landfill Business Case dated 28 October 2021 prepared by Morrison Solutions ('the Business Case'). This evaluation will support the Chief Executive's report back to Council at their September 2022 meeting regarding the decision to close the Levin Landfill.

This report considers whether:

- All options have been presented.
- Relevant information and advice have been provided to support the assessment of options, including assumptions.
- Whether there are any gaps or new considerations that need to be taken into account.

In undertaking this review we have been provided with a significant amount of information including the Business Case, and had the opportunity to meet with Councillors, Council staff, the Levin Landfill Project Management Group and members of the Hokio Community including representatives from the Neighbourhood liaison Group. The landfill has a long history, and as a consequence a large body of information has been produced over the years. In the short time we have had to conduct the review the information provided and engagement with each of these groups was invaluable.

Regardless of the decision on the landfill, there is a need for HDC to shift its focus to its broader waste minimisation strategy. This should start with the review of its WMMP (which needs to be completed over the next 12-18 months and reflected in the next LTP). There is also a need to rebuild trust between staff and Council on landfill issues and between HDC and the community on the landfill so that the outcome is accepted and trusted by all parties. A focus on the common goal of effective waste management and minimisation for the Horowhenua district may present the opportunity to support this.

In our view there are other options for the future of the landfill site that decision makers needed in order to identify what the best option for HDC is. While we have not undertaken the level of analysis to determine whether any of these options would be 'better' than the options considered in the Business Case we have identified that the non-inclusion of these options in the Business Case has meant many stakeholders were left unsure whether the options in the Business Case are in fact the 'best' options for HDC. While it is not our role to provide advice on compliance with the Local Government Act decision making processes, in our view not all options were assessed in the Business Case.

The impact of the landfill on the social, cultural and environmental wellbeing of the Hokio community has been well presented in the business case. Continuing to operate any form of landfill on the site creates ongoing social and cultural damage that is significant for that community. For them, a decision by Council to close the landfill would go some way to restoring their trust in HDC and enable the community to move forward.

The views of the wider Horowhenua community have been harder for HDC to gauge, particularly without the wider waste minimisation strategic context for the landfill decision. We also note that the information presented to the community to date indicates that the better financial outcome aligns with the better social, cultural and environmental outcomes.



The environmental impacts of the landfill site which incorporates both the 'old dump' and the existing waste disposal site (Levin Landfill) exist regardless of whether the landfill is open or closed. HDC is committed to undertaking remedial works to reduce the impacts of the leachate from the 'old dump' on the receiving environment, including Hokio Stream. HDC has invested in a gas extraction and flaring system that will operate while the landfill is open or closed, reducing landfill odour from gas over time. HDC is generally compliant with their resource consents and consent compliance has improved over time. In our view the environmental impacts of the Levin Landfill have not been adequately separated from the broader impacts from the 'old dump' in the Business Case.

Our review of the technical assumptions and the financial modelling in the business case, as well as additional sensitivity testing undertaken as part of this review suggests that

- the differences between the options in the Business Case (and other options if considered) are likely to be greater than presented in the Business Case.
- further sensitivity analysis shows that Option 3 delivers a better financial outcome in scenarios where the quantities of waste from a rates funded kerbside collection is included.

We are also concerned that when Net Present Value outcomes, which are modelled over 30 years, are translated to actual changes in rates the financial impact of the different options may be larger than what is portrayed by the NPV.

It is important that this simplified modelling is treated as indicative only but it does highlight the sensitivity of the financial modelling to the assumptions¹ and creates uncertainty about the current financial projections. We also note that neither the financial information about alternative options nor likely scale of financial impacts was part of the business case considered by Council, and was not part of the information presented to the community.

Even if updated financial analysis identified that Option 3 or another option produced a better financial outcome, this would need to be balanced against the impacts on community wellbeing (social cultural and environmental), particularly for affected parties in Hokio. However, the business case did not identify strategic objectives and therefore did not assess options against these. Without this strategic context, it is difficult to see where the trade-offs between options lies and how HDC would balance the competing interests involved in the decision.

¹ We note that the Business Case also showed that increased quantities of waste to landfill would affect which option presented a better financial outcome.



2 Introduction

Morrison Low have been commissioned by the Chief Executive of Horowhenua District Council (HDC) to provide an independent review of the Levin Landfill Business Case dated 28 October 2021 prepared by Morrison Solutions. This evaluation will support the Chief Executive's report back to Council at their September 2022 meeting regarding the decision to close the Levin Landfill. On 13 April 2022, Council resolved to defer a decision to close the Levin Landfill until 31 December 2025 or any time earlier than that date, following a full evaluation by the incoming CEO by 30 September 2022.

This report considers whether:

- All options have been presented.
- Relevant information and advice have been provided to support the assessment of options, including assumptions.
- Whether there are any gaps or new considerations that need to be taken into account.

This report focuses on the Business Case, not the consenting process, Landfill Agreement nor the consultation process for the closure of the Levin Landfill.

In the time available, our review focussed on the information provided to us by HDC and in person at a series of meetings and workshops. The purpose was to review the options presented to Council, the supporting information and assumptions in order to identify whether all relevant options were presented to Council with the information necessary to support their decision making. It includes indicative modelling but should not be considered as a full financial modelling exercise nor an evaluation of any alternative options discussed in this report.

2.1 The business case

The Business Case presented the following shortlist of options:

- Option 1: close the landfill in 2022
- Option 2: close the landfill by 2025 (when required by the Landfill Agreement)
- Option 3: close the landfill by 2037 (when the resource consents expire)

For all three options, once the landfill closes, HDC-controlled waste is transported to a third party's out-of-district landfill for disposal. Two other options were considered but not shortlisted, which were to close the landfill and invest in a waste to energy plant or close the landfill and invest in a new landfill. Both of these options had a 2025 closure date for the landfill.

Option 1 was the recommended option in the business case.

The business case covered the following topics:

- *Strategic context:*
HDC's solid waste activity, associated waste tonnages and funding sources, and regional and national context
- *Levin Landfill:*
Consent compliance, wider environmental performance and the Landfill Agreement



- *Identification of options:*
Long list to shortlist
- *Description of shortlisted options:*
Consent implications, capital works required, waste tonnages required, greenhouse gas impacts and risks
- *Wellbeing assessment of the options:*
Assessment of options against social, economic, environmental and cultural wellbeing assessment criteria²
- *Financial assessment of the options:*
Approach to modelling, key assumptions, modelling results, sensitivity testing and impact on Council revenue
- *Commercial case:*
Procurement planning, RFP outcome and contractual arrangements
- *Management case:*
Decision-making requirements, project programme and risk register
- *Recommended option*

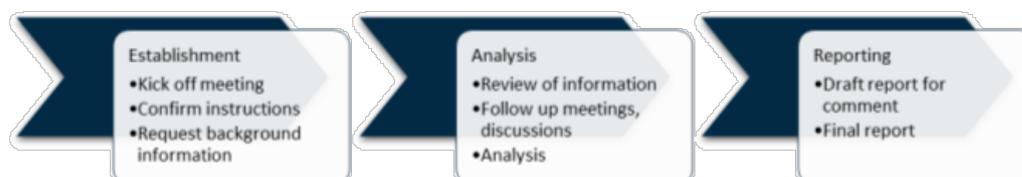
The business case is a comprehensive document that covers a wide range of topics. In the sections that follow, our report will focus on the things the business case does not cover as opposed to relisting all the things it does.

3 Review methodology

The approach taken to this review is shown in the following diagram. A summary of the key documents reviewed is provided in Appendix A and a list of meetings and dates is provided in Appendix B.

Discussions with local iwi and the broader community were not part of this review. A comprehensive stakeholder engagement process would not have been possible within the short timeframe. There are broader council decision making processes that provide for wider engagement.

In this report, we have used summarised financial information rather than specific aspects of financial information provided in the business case as some of this information may have been provided in confidence.



² Levin Landfill and Horowhenua waste disposal Wellbeing case, prepared by BERL, 2021



4 Review of the Business Case

4.1 Broader waste and resource recovery context

4.1.1 HDC's strategic direction for waste

The business case discussed alignment with HDC's Long Term Plan (LTP) and Waste Minimisation and Minimisation Plan (WMMP), with this focusing on what was presented in these documents that related to the landfill. However, it was not clear what HDC's overall vision for waste services was and where the landfill fitted within this vision.

Through our discussions with staff and the Council, it appears that there is not currently a clear vision for waste services that HDC are working towards. It may be that the focus on the landfill in recent years has meant that the wider strategy has not been a priority. However, an overarching strategic direction would most likely assist HDC in making a decision about the future of the Levin landfill.

With a focus on the landfill, affected residents in the Hokio community have been the most engaged in the landfill decision, as they can see the direct impacts of any decision on the community. It has been more difficult to ascertain the views of the wider Horowhenua community. For this wider group, having a broader context for the landfill decision may help to engage them on what the impact of closure might be on them, both from a financial and non-financial (waste minimisation service needs) perspective.

Regardless of the decision on the landfill, there is a need for HDC to shift its focus to its broader waste minimisation strategy. This should start with the review of its WMMP (which needs to be completed over the next 12-18 months and reflected in the next LTP). There is also a need to rebuild trust between staff and Council on landfill issues and between HDC and the community on the landfill so that the outcome is accepted and trusted by all parties. A focus on the common goal of effective waste management and minimisation for the Horowhenua district may present the opportunity to support this.

4.1.2 Waste stream influence to drive diversion

The Business Case highlights competing objectives of waste minimisation and maximising landfill revenue, but it does not provide the context that these do not necessarily have to compete and the two objectives are reconciled by many councils throughout New Zealand.

Under the Waste Minimisation Act, HDC is required to promote waste minimisation in its district and also ensure waste facilities, including landfills, are available. Landfills have their place in ensuring appropriate waste management until such time as a full circular economy with zero waste is realised (as an aspirational goal). HDC does not necessarily have to be the provider of the landfill, rather they need to ensure there is access to one for the district's waste.

In order to drive waste minimisation and resource recovery in its district, HDC needs to have sufficient influence over what happens to waste to enable residents and businesses to minimise their waste. Generally this means ensuring access to resource recovery facilities alongside a landfill and having sufficient control of the waste stream to drive the use of the resource recovery facilities over landfill disposal. If it has access agreements (or owns) both resource recovery facilities and a landfill, HDC can generate revenue from its customers from the use of any of these facilities. An increase in revenue in resource recovery would offset a reduction in revenue in landfill disposal.



Like all councils, HDC has greater influence over residential waste than business waste. This is because HDC provides the collection system for residential waste, which includes kerbside collection services and drop-off points. Providing a comprehensive, fully rates-funded collection system that included refuse, recycling and organics services would give HDC sufficient control to select collection methodologies that encouraged residents to use the recycling and organics service over the refuse collection service.

4.1.3 Resource recovery and uses for the landfill site

In the last twelve months, the Government have released draft policy that further strengthens their commitment to reduce waste generation and recover more resources from the waste that is produced. It is anticipated that these will be confirmed in the latter part of 2022. The Government will look to invest in waste facilities to support resource recovery and they see local government as an important vehicle for this investment. Two key areas for the Government are facilities to support the diversion of organic waste and construction and demolition (C&D) waste from landfill. Alternative uses for the site such as this were not considered in the Business Case.

There are limited facilities for organic waste and C&D waste in the lower North Island, and councils in the Wellington and Manawatū-Whanganui regions are exploring options for what, where and how these are developed. There may be opportunities to use the Levin Landfill site for these activities, subject to a feasibility assessment, consenting and support from the community (recognising that there will be potential impacts to neighbours and the wider Horowhenua district).

Recent closure or access restrictions for the Class 2 landfills (which accept soil (cleanfill or managed fill) and C&D materials) in the lower North Island has highlighted the need for additional facilities for disposal of this type of material. There is also currently an aggregate shortage in the lower North Island and therefore separation of suitable C&D materials and production of recycled aggregate could help alleviate this issue. The Levin Landfill site could be used for this sorting and processing activity, with residual material used to shape the Levin Landfill (and potentially the 'old dump'³ as well) as part of closure works.

As part of this type of facility development, it may be that not all sand in the borrow area at Levin Landfill needs to be used for cover material, with better cover being sourced from incoming cleanfill. We understand that potentially this sand could instead be excavated and sold to local contractors, with this material being in short supply. We have not investigated whether this is feasible or not.

Similarly, a composting facility for food and green waste collected from residential and commercial businesses could be developed, with the compost produced made available for local environmental projects, including planting of the Levin Landfill (and potentially the 'old dump') as part of closure works.

Generating income from resource recovery activities would also be an opportunity to offset cost and recover debt, particularly where these are used as regional facilities.

It is also noted that there is no post-closure plan for how the Levin Landfill will be used following the completion of closure works. This is commonly included in a landfill's management plan and therefore it is unusual to not see one for Levin Landfill. Again, a focus on the decision of the landfill, and with this coming halfway through the consented operating period, may be the reason these plans have not been progressed for the Levin Landfill site. In discussions with staff, Council and community representatives, there were no strong views presented regarding what the site could be used for in future.

³ The Hokio Landfill site includes both the current Levin Landfill (consented in 2002 for 35 years, a modern lined landfill) and the former landfill commonly referred to as the 'old dump' (Operated from the 1970s to 2004, unlined)



4.2 Strategic objectives

The business case does not include strategic objectives. This is usually the first step in any business case and would generally involve workshop(s) with a project team and key stakeholders to identify the issues and opportunities with status quo, which are then mapped to strategic objectives, which the project team and/or stakeholders then agree.

The strategic objectives also then provide the foundation against which all options are assessed and a framework to balance and weight the various competing interests.

Section 2.2.1 of the business case states:

Council's key objective, as defined through the refuse disposal procurement process, is to achieve an optimised solid waste disposal solution that provides best value for the Horowhenua Community in the short term and which aligns with its community's social, economic, environmental and cultural wellbeings, Council's Waste Management and Minimisation Plan (WMMP) and is economically and environmentally sustainable in the longer term.

Although this is presented as Council's objective, it is not written in a way that options could be assessed against. It also focuses on solid waste disposal as opposed to the disposal being one part of the waste management and minimisation system.

What this means for HDC's landfill decision is, without strategic objectives to assess against, decision makers are left to weigh up competing interests with no clear framework within which to do that. Nor, an overarching strategic direction for waste within which the landfill sits.

4.3 Other options

The detailed analysis in the Business Case focused narrowly on options based on the closure date for the Levin Landfill (Option 1 - 2022, Option 2 - 2025 and Option 3 - 2037). Options 2 and 3 used the same annual volume of waste to landfill of 10,000 tonnes. The status quo, where 32,000 tonnes per annum is disposed at Levin Landfill, is not included.

The status quo is almost always included in a business case for comparison. Even if it is not a viable option, presenting it and identifying why that is the base case makes it clearer for decision-makers.

In our view there are other options for the future of the landfill that decision makers needed in order to see what the best option for HDC is:

- Additional HDC-controlled general waste
 - For example, the introduction of rates-funded wheelie bin for refuse, alongside a food waste collection service, could increase HDC-controlled waste by 5,000 to 8,000 tonnes per year to a total of 10,000 to 13,000 tonnes per year
- An option for low tonnages of HDC-controlled general waste that excludes sludge disposal
 - Sludge could be disposed at a different facility. Sludge management is highly likely to be the responsibility of the Water Services Entities from July 2024
- The minimum annual tonnes per annum to recover all landfill capital works expenditure (including existing and future debt)



- Utilising the Levin Landfill site for other purposes as part of closure or post-closure (refer to options identified in section 4.1 above)
- The status quo

We have not undertaken the level of analysis to determine whether any of these options would be 'better' than the options considered in the Business Case. However, that options such as this were not part of the Business Case has meant many stakeholders were left unsure whether the options in the Business Case are in fact the 'best' options for HDC. This leads us to conclude that not all options for the landfill were assessed in the Business Case.

4.4 Environmental impacts – consent compliance

Resource consent compliance was presented in the business case and significant non-compliance with the air discharge consent, caused by landfill odour discharge, in three of the four reporting periods was highlighted. There were also low or medium risk non-compliances in two of the four reporting periods, one in the 2019-2020 period and three in the 2017-2019 period.

In interviews with HDC staff, they indicated that resource consent compliance was not a major issue for the landfill, indicating that recent non-compliances were of a technical nature (e.g. information being provided, but slightly later than the required timeframe). This is consistent with Horizons Regional Council's most recent compliance report for the 2020-2021 period, within which there were no significant non-compliances but low risk non-compliances for four consents (relating to information provision).

Regardless of this inconsistency on views around non-compliance the view expressed by members of the Hokio community, in the meeting with them, is that any non-compliance was unacceptable. This suggests that for the community the historic impacts of the landfill on them cannot be separated from the current efforts by HDC to comply with its consents.

It is noted that the landfill consents do not separate the discharge from the 'old dump' from those of the new landfill. Likewise, members of the Hokio community made it clear that they do not differentiate between the two.

The environmental impacts of the 'old dump' and the Levin landfill are different. In our view the Business Case did not make the distinction between the impacts of the 'old dump' and the landfill clear enough.

- Leachate impacts are from the 'old dump'. Remedial works are planned by HDC to reduce these. HDC is committed to completing these works which is a requirement under its consents. Selecting the optimal solution, that effectively reduces leachate discharge at a cost that is affordable to the Horowhenua community, needs to be managed by HDC. It is clear through discussion with staff that there is a commitment to this, once the final solution has been selected.
- Odour impacts are from the new landfill. Both from the placement of waste when the site is operational, and from landfill gas when the landfill is either open or closed. HDC has installed a flare and over time the gas odour will reduce as gas is extracted from the landfill. This reduction in gas odour will occur whether the landfill is open or closed. If there are periods when the flare is not operational or extraction of gas from the landfill is not sufficient odour from landfill gas will occur. HDC, or its contractors or consultants, will need to actively manage the gas extraction and flaring system to control this odour.



In our view, there is benefit in being clear in the distinction between the 'old dump' and Levin Landfill when discussing the environmental impacts of the site.

Importantly, for the purposes of this review the environmental discharge from the site is largely a result of the 'old dump' and this will need to be addressed whether the Levin Landfill is open or closed. In addition they need to be managed regardless of the decision made. This means that when deciding whether to continue to operate the landfill or close it, the relevant environmental impacts should be those related to the future operation and not the wider impacts of the site.

4.5 Social, cultural and environmental wellbeing impacts

A social impact report was prepared for the Landfill Project Management Group and the Horowhenua District Council by Bronwyn Kerr in June 2020 as part of her restorative justice work commissioned by the Council. The following is an extract from the executive summary of her report.

"The Levin Landfill is a key environmental issue in the region, which particularly affects the physical and social health of residents of the Hōkio community. The landfill has also taken on a symbolic significance, representing wider community dissatisfaction with the state of the environment, council communication, and community relationships. Early closure of the Levin Landfill will be positive for the Hōkio community and hapū Māori, will be a significant contribution to re-building social trust, and will release community energy and potential for more productive, community-enhancing projects.

The community now sees the Landfill as a 'make or break' issue; where early closure will start the process of healing broken relationships, release community potential, and ease the burden of a litigious atmosphere. Delaying closure will likely entrench toxic patterns, and make it even harder for the council and community to work productively together for the Levin area."

This view was similarly presented by members of the community and through the PMG as part of our meetings with them. While the analytical nature of any business case can make it difficult to pick up the depth of community feeling, in general this does come through the Business Case.

Generally, our review found that the views of the local community are presented in the business case, with the social, cultural and environmental wellbeing impacts covered thoroughly.

4.6 Technical & financial assumptions

The following section highlights key inputs and assumptions to the Business Case where in our view there are alternative assumptions that could be used that could potentially affect the outcome. To mitigate the risk a range of inputs / assumptions could have been used to reflect the uncertainty in the assumptions and therefore reduce the risk of challenge.

Appendix C includes some analysis of the financial outcomes of adjusting some of these assumptions in the business case in order to test the sensitivity to changes in assumptions. Section 4.7 then draws conclusions about the financial analysis presented.



4.6.1 Operating costs

Operating costs are presented on a theoretical cost per tonne basis, i.e. operating costs are assumed to vary proportionally with tonnes. As such they may have no relationship to actual expected costs for the running of Levin Landfill. Generally, there are more fixed landfill operating costs than there are variable costs e.g. a minimum of two staff are required to operate the landfill, environmental management costs (leachate, gas, water quality monitoring) depend on consent conditions not landfill size.

Although some attempt has been made to scale up the operating cost per tonne as tonnage reduces, this is extrapolated from a graph that ranges from 20,000 tonnes per annum to 500,000 tonnes per annum, versus an expected disposal volume at Levin Landfill of less than 10,000 tonnes per annum.

In our view, using fixed operating costs in the way modelled will not represent the true costs for operating Levin Landfill. Operating costs are likely to be high with low tonnages of waste but as waste tonnages increase over time due to population growth in the Horowhenua District, these fixed costs would be proportionally less when shared across more tonnes disposed to landfill. There would also be a corresponding impact on any options with higher tonnes disposed to landfill such as the status quo.

There are a number of other operating costs in the modelling that could be reviewed but in our view these costs would be less material than the overall change to operating cost development needed to recognise the true, fixed costs of landfill operation.

4.6.2 Combined costs

The financial model combines transportation and disposal costs. This makes it difficult to assess the key components of the costs (transport and disposal) and in particular the future cost changes which are likely to be different across the two different components.

We cannot therefore determine whether the forecast costs for out of district disposal are truly reflective of likely price increases.

4.6.3 Sludge disposal

The NPV model and the business case are prepared on the basis that three waters reform remains uncertain and that the management of wastewater sludge will continue to be the responsibility of HDC. Twelve months later, in August 2022, the likelihood that this waste will remain the responsibility of HDC after 1 July 2024 is very low. This impacts the financial model and business case because:

- The business case is predicated on the landfill requiring 10,000 tonnes to ensure appropriate mixing of sludge. If sludge is no longer HDC's responsibility the landfill can decide not to accept sludge if it does not have sufficient waste for mixing with sludge. Hence a lower-tonnage modelling scenario could possibly be considered.
- If the landfill does choose to accept sludge, it can charge for the disposal of the sludge at an appropriate rate that reflects the true costs of disposal and this will be additional revenue for HDC.
- The need for a mixing ratio of 1:10 for sludge disposal that is assumed in the business case is not a usual operating assumption. Typically, a minimum ratio of 1:4 is assumed (which is the ratio presented in the Levin Landfill Management Plan). Midwest indicated that a ratio of 1:10 is what they use at Bonny Glenn and therefore applied this rate when operating Levin Landfill as well, however lower ratios are used on other landfills in New Zealand.



- The costs of sludge disposal in Option 1 is assumed to be the same as general waste. Disposal of special waste (including sludge) is typically more expensive than general waste. We also note that there is no escalation if sludge disposal costs increase after year five in the same way that is applied to general waste.
- Transportation costs for sludge are the same as general waste in Option 1 but transportation of special waste (including sludge) is typically more expensive to transport.

4.6.4 Transportation costs

The business case does not present any sensitivity testing relating to transportation costs. This is an area where significant increases have been seen in the New Zealand economy in the last 12-18 months with ongoing variability expected. Option 1 will be the most sensitive to increases in transportation costs as transport is assumed for the longest period of time.

Understanding the materiality of transport costs and the point at which high transportation costs would make Option 2, Option 3, or an alternative option the better financial outcome, would be beneficial to decision makers.

4.6.5 Increases in tonnes and gate fees

In the financial model, the volume of waste disposed is constant throughout the modelling period. Given the Horowhenua district is anticipated to grow significantly over the next 30-years with population expected to double. This growth should be taken into account in the modelling.

Modelled waste volumes in the business case (4,500 tonnes per annum) are already lower than 2021 tonnages, with justification for this cited as being that it aligns to the RFP process. The use of higher volumes of waste will improve the financial outcome for Option 3 compared to Option 1, as higher tonnes add cost in Option 1 and revenue in Option 3.

The model does not specifically allow for increased landfill gate fee revenue over time. If this were to be included in the model, actual gate fee increases would need to be separated from cost increases associated with increasing waste disposal levy and ETS charges. Waste levy and ETS costs are passed through to customers, appearing on both the cost and revenue side of the financial model, usually netting each other off.

If access to resource recovery facilities increases rapidly and tonnes to all landfills decreases, then it is anticipated that landfill gate fees will rise in addition to waste levy and ETS costs being passed on. HDC would be able to charge increased fees aligned to increases at other landfills.

4.6.6 Commercial and technical resources

The business case covers off the challenge HDC has had to date in attracting higher tonnes and which is likely to continue into the future. The landfill has been only marginally viable at 32,000 tonnes per annum and has allowed a discounted gate fee for the operator that made disposal of their waste there attractive. While there is a case to be made that the Levin Landfill operates in the lower North Island where access to more than 32,000 tonnes per annum is possible, they would require an experienced commercial manager that is able to aggressively seek these tonnes for disposal. However, to date the competing objectives of the operators that have run Levin Landfill mean they may have not aggressively marketed the site.



Options 2 and 3 in the Business Case both assume the need for a CCTO to manage the landfill on a commercial basis. There are a number of landfills in New Zealand that operate successfully without the need for a CCTO, and additionally, in Options 2 and 3 it is assumed that the landfill will only be able to attract 6,000 third party tonnes. It is difficult to see how the additional costs (\$150,000 per annum plus establishment costs) can be justified for an operation of that scale. The situation may be different if the status quo option was modelled. Removing the CCTO operating and establishment costs will improve the financial outcome for Option 3 and to a lesser extent Option 2.

HDC have had difficulty attracting and retaining staff in the waste management area and the staff employed have not had the level of commercial and technical expertise needed to manage a landfill operation. Without subject matter expertise, it has been difficult for staff to understand and address key commercial and technical information and associated risks as these have arisen, including health and safety risks, controlling odour or managing disposal fees (some tied to operating contracts) to reduce debt. This has included opportunities and risks raised by HDC's operating contractors, who have this expertise. HDC have also had difficulty using their commercial partners to support them with technical and commercial expertise.

While the landfill is closed, all management tasks reside with HDC's staff, including managing the gas extraction system and flare, and arranging landfill cap repairs to prevent leachate discharge. These ongoing management tasks, required whether the landfill is open or closed, require HDC to have access to specialists. In our view this is an area of risk for Council regardless of whether the landfill remains closed or open.

4.6.7 Financial modelling

The NPV model does not align with traditional NPV modelling approaches, and in particular it:

- Includes inflation but uses a discount rate⁴ that is intended to be used with real (uninflated) values such that the discount rate is at least 2% lower than it should be. Options which have capital expenditure in later years will perform better with a traditional discount rate.
- Includes interest costs and principal repayments which are typically excluded from an NPV calculation. We note however that it does exclude actual capital outlay so there is no "double counting".
- Includes residual values for unpaid debt and aftercare costs at the end of the modelling period, without recognising any residual value in unused landfill airspace or plant and equipment at the end of the modelling period.

4.7 Financial analysis

The financial case presented in the business case presents NPV results that are very similar for each option (see table 1 below below). This creates an impression that there is little financial cost or benefit, and therefore little difference for ratepayers between the different options.

Table 1 - Financial modelling of options in the Business Case

Option	Description	Total NPV over 14 years (from business case, base case)
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⁴ Discount rate stated provided by HDC



Option 1	Close in 2022	(\$19,063,195)
Option 2	Close by 2025	(\$21,496,621)
Option 3	Close by 2037	(\$20,550,845)

Our review of the technical assumptions, the financial modelling and additional sensitivity testing undertaken as part of this review suggests that

- the differences between the options in the Business Case (and other options) are likely to be greater than presented in the Business Case.
- further sensitivity analysis shows that Option 3 delivers a better financial outcome in scenarios where the quantities of waste from a rates funded kerbside collection is included.

We are also concerned that when Net Present Value outcomes, which are modelled over 30 years, are translated to actual changes in rates the financial impact of the different options may be larger than what is portrayed by the NPV.

It is important that this simplified modelling is treated as indicative only but it does highlight the sensitivity of the financial modelling to the assumptions and creates uncertainty about the current projections. We also note that neither the financial information about alternative options nor the likely scale of the difference between options was part of the business case considered by Council, and not part of the information presented to the community. If the potential financial impacts were found to be greater, then this may have engaged a larger group of HDC ratepayers. We also note that any updated financial information would still need to be balanced against the impacts on community wellbeing, particularly for affected parties in Hokio.



5 Conclusion

Our review of the Business Case has identified that there are other options that needed to be in the business case in order to determine what the best option was. These other options include comparison of the options within the Business Case with a status quo, a scenario that represents the quantity of waste that HDC could reasonably control, alternative uses of the site and the quantity of waste that would be required in order to repay the capital investment undertaken by Council. In our view not all options were assessed in the Business Case. It is not our role to advise on Council's decision-making processes, but we recognise that Council will need to consider the potential implications of this.

While we have not undertaken the level of analysis to determine whether any of these options would be 'better' than the options considered in the Business Case we have identified that the non-inclusion of these options in the Business Case has meant many stakeholders were left unsure whether the options in the Business Case are in fact the 'best' options for HDC. There is a need to undertake detailed analysis of the social, cultural, environmental and economic impacts of these in order to determine that.

Our indicative financial modelling suggests that there are alternative scenarios where a better financial outcome is achieved by continuing to use the landfill to dispose of waste. We note that this finding is not inconsistent with the Business Case but the scenarios in which it could happen have not been put to the Council and then the community.

We have also reviewed the assumptions, the technical and financial analysis within the Business Case and believe that there is additional sensitivity testing that needs to be undertaken in key aspects such as the gate rates used for disposal, transport costs, and operating costs for the Levin Landfill. Changes to these will impact the financial analysis of the current options and in our view is likely to make the differences between options greater than what is currently presented in the Business Case where the financial outcomes of the options, and in particular options 1 and 3 are very similar. The potential impact of the differences is also relevant for Council and the community.

The social and cultural components have been well covered in the Business Case which does a good job of presenting the depth of feeling within the local Hokio community. However, there is a need to better separate the environmental impacts of the 'old dump' and the existing waste from the decision about future uses of the Levin Landfill. The environmental impacts of the 'old dump' and existing waste will continue regardless of the decision Council makes.

Before undertaking any further detailed analysis, we would recommend that Council set the strategy for waste and waste services within Horowhenua, then a set of strategic objectives be developed which can be used to evaluate the options for the landfill site.



Appendix A Reference documents

The key documents referenced as part of this review are:

- Levin Landfill Business Case, Morrison Solutions, 28 October 2021, including appendices
- Levin Landfill Financial Model Option 1, 2 and 3, 3 May 2022
- Horowhenua District Council Solid Waste Bylaw 2014
- Horowhenua Waste Minimisation and Management Plan 2018
- Agreement in relation to the Levin Landfill, 13 March 2019
- Levin Landfill social impact report, Bronwyn Kerr, June 2020
- Levin Landfill Management Plan, Stantec, 22 March 2021
- Levin Landfill – Summary of leachate options assessment, Tonkin + Taylor, 6 December 2019
- Levin Landfill – Closure Review – Technical Considerations, Tonkin + Taylor, 6 December 2019
- Levin Landfill – Closure Review – Financial Considerations, Tonkin + Taylor, 6 December 2019
- 2022 06 21 Horizons Compliance Report Summary and feedback

Other documents were supplied and considered but these documents are the main references.



Appendix B Interviews and meetings

- 19 July 2022:
 - HDC Group Manager Infrastructure Development
 - HDC Water & Waste Services Manager
 - HDC Chief Financial Officer
- 25 July 2022:
 - Midwest Disposals Ltd, solid waste contractor to HDC
- 27 July 2022:
 - Horowhenua District Council elected members
 - Levin Landfill Project Management Group
 - Community members, including representatives from the Neighbourhood Liaison Group
- Northland Waste Ltd, solid waste contractor to HDC, correspondence via email



Appendix C Testing model assumptions

In the following table, the Net Present Value (NPV) calculation for the three options in the business case are compared with an updated NPV for the three options prepared by HDC's finance team. HDC's model update extended the evaluation period from 14 years to 30 years, added aftercare costs for all options and included residual debt repayment. Note that it does not include any recognition of value in remaining airspace under any of the options.

The table then presents a number of scenarios where small changes in the financial model assumptions have been made by Morrison Low to demonstrate the sensitivity of the financial modelling to inputs and assumptions. The following is noted:

- Removing the CCTO costs from the business case financial model would have removed \$2.2 million from the NPV, which would have been enough to favour Option 3 over Option 1 in that model. It does not have the same impact on the HDC updated model, because HDC allowed for full debt repayment.
- Removing sludge from HDC cost or obtaining revenue from sludge disposal from 2025 onwards reduces the cost of Option 1 more than it increases the revenue of Option 3, and therefore Option 1 remains favoured with these model assumption changes.
- Increasing the volume of HDC-controlled waste increases HDC costs to dispose of this material in all three options, but cost recovery is greater in both Options 2 and 3 due to the use of Levin Landfill and not a third-party disposal facility.

Note these have been modelled as discrete changes with some combinations. This has been shown to demonstrate the sensitivity of assumptions. It is important that this simplified modelling should be treated as indicative only.

Table C1 NPV of landfill options for different adjustments to modelling assumptions⁵

Option	Option 1 (close 2022)	Option 2 (close by 2025)	Option 3 (close by 2037)
Levin Landfill business case	(\$19,063,195)	(\$21,496,621)	(\$20,550,845)
HDC updated financial model: aftercare costs, debt repaid, 30-yr period	(\$36,054,902)	(\$40,164,460)	(\$43,827,380)
Testing modelling assumptions, using HDC updated 30 year financial model as base case:			
Revise discount rate to nominal	(\$28,418,932)	(\$31,177,420)	(\$32,787,467)
Remove sludge costs for 2025 year onwards	(\$32,514,634)	(\$36,256,625)	(\$43,283,942)
Receive income for sludge for 2025 year onwards	(\$32,514,634)	(\$36,256,625)	(\$41,917,424)
Remove CTO costs	(\$36,054,902)	(\$39,524,460)	(\$41,595,594)
Adjust volumes to match rates funded collection (13,000 tpa) & retain 6k commercial tonnes	(\$62,256,429)	(\$66,613,009)	(\$60,864,558)
Revised discount rate, receipt of payments for sludge and increase volumes to include kerbside waste	(\$47,059,837)	(\$49,341,729)	(\$45,270,832)

⁵ Option with the better financial outcome is highlighted in each case



13 March 2019

HOROWHENUA DISTRICT COUNCIL
HOKIO ENVIRONMENTAL KAITIAKI ALLIANCE INCORPORATED
HOROWHENUA DISTRICT RATEPAYERS AND RESIDENTS ASSOCIATION
INCORPORATED
s274 PARTIES

AGREEMENT IN RELATION TO THE LEVIN LANDFILL

DATED 13 March 2019

1. PARTIES

- 1.1 **Horowhenua District Council ('HDC')** is a territorial authority constituted by Clause 61 of The Local Government (Manawatu-Wanganui Region) Reorganisation Order 1989 and listed in part 1 of schedule 2 of the Local Government Act 2002 and reference to 'HDC' in this agreement includes its successors;
- 1.2 **Hokio Environmental Kaitiaki Alliance ('HEKA')** for the purposes of this agreement HEKA is a subcommittee of the Horowhenua District Ratepayers and Residents Association Incorporated with full delegated authority to work in the best interests of the community and the environment in the matter of the Levin Landfill and includes its successors, signatories to this Agreement, and any person from time to time holding the role of president/chair, secretary and/or treasurer (or similar position);
- 1.3 **Horowhenua District Ratepayers and Residents Association Incorporated ('Ratepayers and Residents Association')** (incorporation certificate number 2303869) and includes its successors, signatories to this Agreement and any person from time to time holding the role of president/chair, secretary and/or treasurer (or similar position);
- 1.4 **Section 274 parties** being s274 parties to Environment Court appeal ENV-2016-WLG-71 ('s274 Parties');
- (a) **Ngāti Pareraukawa** a hapū of Ngāti Raukawa ki te Au te Tonga;
 - (b) **Peter Everton** (also as a director of **Everton Farm Ltd** and **Lakeview Farm Ltd**), PO Box 1012, Levin;
 - (c) **David Stuart Andrew**, 6/185 Fitzherbert Av, Palmerston North;
 - (d) **Dean Murray**, P.D.C Manakau;
 - (e) **Leone Brown**, 5 Hillcrest Lane, Levin;
 - (f) **Palmerston North City Environmental Trust**, PO Box 1271, Palmerston North;
 - (g) **Charles Rudd**, c/- Postal Counter, Levin; and
 - (h) **Water and Environmental Care Association**, c/- 12 Grefor Land, RD4, Waitarere Beach, Palmerston North.

2. BACKGROUND

- 2.1 The original Landfill ("Original Landfill") was established in the 1950s. The Original Landfill was not lined but has been capped. By the 1970s Area 1 of the Original Landfill was filled and capped and Area 2 was established, which has also closed and been capped.

- 2.2 In 1997, Horowhenua District Council obtained resource consent to establish a new landfill at the same site (the "Current Landfill"). The consents were subsequently appealed, and a consent order issued in 2002 approved the current activity. The Current Landfill is lined with an impermeable liner.
- 2.3 Together the Original Landfill and the Current Landfill are called the Levin Landfill. The consents for the Levin Landfill expire in 2037.
- 2.4 HDC has statutory responsibility for the management of waste within its district.
- 2.5 HDC is the owner of, and resource consent holder for, the Levin Landfill. The following resource consents ("Consents") are held by HDC:
- (a) discharge of solid waste to land (discharge permit 6009);
 - (b) discharge of leachate to land (discharge permit 6010);
 - (c) discharge of contaminants to air (discharge permit 6011);
 - (d) divert stormwater runoff from land filling operations (water permit 6012);
 - (e) discharge liquid waste to land (discharge permit 7289); and
 - (f) discharge stormwater to land that may enter groundwater (discharge permit 102259).
- 2.6 HEKA Members, and the s274 parties have a strong relationship with the local area and have consistently been concerned about the potential effects of, and opposed to, the Levin Landfill.
- 2.7 The Parties recognise that this Agreement is a critical step in providing a long-term solution to resolving the effects and cultural issues arising from the Levin Landfill. The agreement resolves many but not all cultural issues and effects associated with the Levin Landfill, HDC is separately developing broader relationships with iwi and hapū which will, amongst other things, address cultural issues and effects relating to the Levin Landfill.
- 2.8 On 30 October 2015 the Manawatu-Wanganui Regional Council ("Horizons") issued a Notice of Review ("Review") of the Consents pursuant to section 128 of the Resource Management Act 1991 ("RMA"). In November 2015 the HDC responded to the Notice of Review under section 129, along with an application pursuant to section 127 of the RMA ("Application") to change the conditions of the Consents.
- 2.9 Following a hearing in September 2016, on 18 November 2016 the Commissioners released their decision on both the Review and the Application ("Decision") on behalf of Horizons.
- 2.10 The Decision was appealed by HEKA and is the subject of Environment Court appeal ENV-2016-WLG-71. The s274 Parties joined this appeal under section 274 of the RMA.
- 2.11 On 15 October 2018 HEKA applied to the Environment Court for declarations (ENV-2018-WLG-124) and enforcement orders (ENV-2018-WLG-125), with Ngāti Pareraukawa listed as a s274 party, in relation to the Levin Landfill.

2.12 The Parties acknowledge that there have been long held differences in views as to the operation and potential effects of the Levin Landfill. The Parties wish to work positively together to resolve and address these issues in the manner set out in this Agreement.

2.13 HDC acknowledges that an effective partnership model needs to involve the Parties, the community members of the Neighbourhood Liaison Group ('CNLG') in the appropriate governance, design, implementation and operational level for the Levin Landfill.

2.14 While Horizons is not a party to this Agreement, the Parties acknowledge that, as the regulator, Horizon's will be involved in discussions and implementation of a number of the matters set out in this Agreement.

3. AGREEMENT

3.1 This Agreement represents the full agreement between the Parties excluding potential agreements with Ngāti Pareraukawa and Muaūpoko addressing broader relationships. HDC will work with Ngāti Pareraukawa and Muaūpoko towards developing potential relationship agreements.

3.2 This Agreement commences when signed by HDC. However, the implementation of the obligations under this Agreement occur as follows:

(a) within 15 working days of all Parties signing this Agreement:

(i) HDC shall pay costs in accordance with clause 14.2(a) and (b);

(ii) HEKA and the s274 Parties will:

- (1) in accordance with clause 4.1(a) sign a joint memorandum in support of this Agreement and seek an adjournment of ENV-2015-WLG-124 and ENV-2018-WLG-125 to allow for the processes at clause 3.2 (c) to (e) to take place;
- (2) withdraw their interests and evidence in Environment Court appeal ENV-2016-WLG-71 (with the intent that this is a final settlement of that appeal between the parties, on a no costs basis); and
- (3) support HDC in opposing any late s274 application(s) in relation to the Environment Court Proceedings;

(b) where any remaining s274 parties to the Environment Court appeal ENV-2016-WLG-71 elect to maintain the proceeding;

(i) HEKA and the s274 Parties to this Agreement will file affidavits in support of this Agreement and will appear in any further proceeding in relation to Environment Court appeal ENV-2016-WLG-71 if required by the Court or by HDC;

(ii) all Parties to this Agreement accept any changes to this Agreement and conditions at Appendix 1 that are imposed by the Court as a result of clauses 3.2 (a)(ii)(1) and 3.2(b).

- (c) 15 working days after the signed consent order is filed with the Environment Court under (a)(ii):
- (i) the PMG will be established and clause 5.1 and all relevant provisions of clause 5 will apply as necessary to achieve (ii) and (iii) below, and clauses 5.10(a) and (b) unless (d) below is not completed;
 - (ii) once (i) has occurred the TAG experts will be appointed in accordance with clause 6.5;
 - (iii) the Levin Landfill closure review under clause 11.1 shall be initiated along with all related clauses as referred to in clause 11.1 or necessary for its implementation, to enable HDC councillors to decide the closure date for the Levin Landfill in accordance with clause 11.1(i);
 - (iv) the leachate BPO assessment under clause 8.2 shall be initiated along with all related clauses as referred to in clause 8, or necessary for the TAG Landfill experts to complete their assessment in accordance with clauses 8.3 and 8.7, but clauses 8.8 and 8.9 will not commence until (d) below is completed;
 - (v) clauses 4.1(f) to (k) apply; and
 - (vi) these obligations terminate if the closure date for the Levin Landfill decided by HDC councillors under (c)(iii) is after 31 December 2025;
- (d) if the closure date for the Levin Landfill decided by HDC councillors under (c)(iii) is 31 December 2025 or earlier then HEKA and the s274 Parties will, within 15 working days withdraw the Environment Court declaration and enforcement proceedings (ENV-2015-WLG-124 and ENV-2018-WLG-125) with no issue of costs among the Parties; and
- (e) on receipt of notice from the Environment Court of (d) being completed, all remaining obligations under this Agreement immediately commence.
- 3.3 The obligations under this Agreement, except as provided in clause 4.3 and for the confidentiality provisions under clauses 6.7, 8.12, 11.5 and 12.3, expire on the earlier of:
- (a) HDC Councillors deciding under clause 11.1(i) on a closure date for the Levin Landfill beyond 31 December 2025;
 - (b) the commencement of closure and remediation resource consents obtained in compliance with clauses 12.4 or 12.6; or
 - (c) a material breach of terms of this Agreement.
- 3.4 No obligation under this Agreement shall be interpreted, applied, or required in a manner that will likely cause a breach of the Consents.

4. OBLIGATIONS ON HEKA, RATEPAYERS AND RESIDENTS ASSOCIATION AND THE S274 PARTIES

4.1 HEKA, Ratepayers and Residents Association, and the s274 Parties will:

- (a) in accordance with clause 3.2(a)(ii):
 - (i) sign consent orders, or other documentation requested by HDC, in accordance with the conditions in **Appendix 1** of this Agreement and otherwise withdraw their appeal (and all evidence) and section 274 notices filed in relation to the Environment Court appeal ENV-2016-WLG-71 with no issue of costs among the Parties;
 - (ii) at the same time as (i) above, provide a signed memorandum to the Environment Court in respect of the Environment Court appeal (ENV-2016-WLG-71) supporting the consent orders or other documentation sought in (i) and stating that they have entered into an agreement with HDC that responds to the concerns raised in the appeal and section 274 notices, and maps a pathway for developing a positive future relationship among the Parties;
- (b) support HDC in obtaining the variation of any Consent conditions sought by HDC in accordance with this Agreement, or agreed to by all members of the Project Management Group ("PMG");
- (c) support HDC in obtaining any resource consents required to enable the leachate cessation or BPO under clause 8.8, and any variation under clause 8.13;
- (d) support HDC in obtaining any resource consents required to implement the closure remediation plan under clause 12.4;
- (e) support HDC, as reasonably required and requested, to obtain the withdrawal of abatement notice 887 (dated 27 June 2017) by Horizons;
- (f) so long as HDC is abiding by:
 - (i) the conditions of the Consents; and
 - (ii) the terms of this Agreement,not take, or be associated with supporting in any capacity, enforcement actions, legal proceedings, claims or, inquiries whatsoever against HDC in relation to the Levin Landfill;
- (g) clause (f) does not exclude parties from making complaints about the Levin Landfill to the relevant TAG experts, the CNLG, and/or the PMG but the Parties agree that before any formal complaints are made to the Regional Council or HDC they will be supported by the PMG (with HDC's agreement not unreasonably withheld);
- (h) a non-formal odour complaints registrar will be maintained by HDC and reported to the PMG and odour expert quarterly;

- (i) support HDC as reasonably requested in any legal proceedings relating to environmental effects associated with the Levin Landfill and/or the Consent;
- (j) support HDC as reasonably requested in relation to the ongoing implementation of this Agreement including any actions contrary to its intent or obligations (including HEKA Members and members of the Ratepayers and Residents Association) and obtaining additional funding for HDC consistent with this Agreement (including from central government); and
- (k) support HDC as set out in clauses 3.2(a) and (b).

4.2 HEKA and the Ratepayers and Residents Association will use reasonable endeavours to encourage their members (including HEKA Members) to follow the provisions of this Agreement and not to take any actions contrary to it.

4.3 In the event of a material breach by HEKA, Ratepayers and Residents Association and/or the s274 Parties, then HEKA, Ratepayers and Residents Association and the s274 Parties remain, bound by their obligations under clauses 4.1 and 4.2. This requirement persists as long as HDC is complying with its obligations under this Agreement and expires upon 3.3(a) or (b) applying (whichever is the earliest).

5. LEVIN LANDFILL GOVERNANCE (PROJECT MANAGEMENT GROUP)

5.1 A Project Management Group ("PMG") will be established to build relationships and have oversight of processes established under, and for the term of, this Agreement. This role is different to that of the NLG which is set out in condition 34 of discharge permit 6009 being to "create a forum in which the consent holder, consent authority and interested parties can engage for the purpose of reviewing and sharing perspectives on monitoring results and where appropriate discuss strategies for maintaining or improving the landfill operation, consistent with the consent conditions".

5.2 The PMG members are:

- (a) 2 representatives selected by the CNLG;
- (b) an independent PMG manager agreed under clause 5.7; and
- (c) 2 representatives selected by HDC.

5.3 A representative of Horizons shall be invited to all PMG meetings to observe and assist the PMG. That representative shall be provided with all information provided to the PMG.

5.4 Within 20 working days of this Agreement, the Parties will inform each other as to their initial nominated representatives for the PMG.

5.5 The PMG shall meet within 20 working days of clause 5.4 (including at that time initiating clause 5.7) and at least twice a year.

5.6 All PMG decisions, appointments, comments and recommendations shall be by unanimous agreement of all PMG representatives. If unanimous agreement is not reached, the independent facilitator will assist the PMG representatives to attempt to reach consensus within 10 working days. If unanimous agreement is still not reached, the PMG shall set out in writing the differing position of its members, to HDC and HDC shall make the final decision. When making its final decision HDC will:

- (a) comply with all legal requirements, the conditions of the Consents and the terms of this Agreement;
- (b) take into account any expert advice that has been provided to the PMG on the topic and the differing positions of the PMG members on the topic; and
- (c) take into account all council policies.

HDC will make the final decision within 10 working days of receiving the written differing position of the PMG members, unless such a timeframe is not reasonably achievable in which case a later timeframe will be notified by HDC to the PMG.

5.7 The PMG members (excluding the PMG manager) shall decide on the appointment of the PMG manager. If the person to be the PMG manager cannot be agreed the CNLG representatives on the PMG shall nominate three independent suitably qualified people to fill the role of the PMG manager. On provision of the names, their CVs, and their rate, HDC shall select one of the three people to be the PMG manager.

5.8 On receipt of an itemised invoice, HDC will pay the following reasonable costs:

- (a) the attendance of the 2 CNLG selected representatives, and the independent PMG manager, at PMG meetings as set out in clause 14.3; and
- (b) the PMG manager undertaking work decided by the PMG in accordance with clause 5.6, as set out in clause 14.3.

5.9 The Parties shall use reasonable endeavours to ensure consistency of the nominated representatives, and their attendance at PMG meetings.

5.10 The functions of the PMG are to:

- (a) build and develop relationships between the Parties;
- (b) determine the role and functions of the PMG manager;
- (c) appoint the TAG experts in accordance with clauses 6.4 and 6.5;
- (d) determine the scope of the TAG experts in accordance with clause 6.6;
- (e) determine the scope for the leachate BPO assessment under clause 8.6, the landfill closure review under clause 11.1(c), and the closure and remediation plan under clause 12.1;

- (f) to provide comments on the draft leachate BPO report under clause 8.7;
- (g) if there is no recommended leachate BPO option under clause 8.3(g), to consider outcomes as to a preferred approach under clause 8.8(b);
- (h) review leachate tender documents under clause 8.9;
- (i) consider options to remediate the land adjacent to the Tatana Drain in accordance with clause 9.1;
- (j) provide comments on the draft closure and remediation plan in accordance with clause 12.4;
- (k) if closure and remediation consents are not granted, or granted on materially different conditions, to consider options in accordance with clause 12.6;
- (l) work in good faith in developing and implementing the Reconciliation Process under clause 13; and
- (m) work with, and/or make recommendations to, HDC on:
 - (i) closure date for the Levin Landfill in accordance with clause 11.1;
 - (ii) community, regional and central government funding and support for remediation and site closure and environmental avoidance, mitigation, offset or compensation costs relating to the Levin landfill and for waste management and minimisation in the district;
 - (iii) waste minimisation opportunities;
 - (iv) potential changes in operation/management of the Levin Landfill; and
 - (v) the broader policy and planning concerns relating to the Levin Landfill including but not limited to remediation and site closure.

5.11 Subject to compliance with all statutory requirements, HDC will implement PMG decisions, appointments and recommendations made in accordance with clause 5.6.

5.12 The PMG shall receive:

- (a) all monitoring and reports required under the Consents;
- (b) all reports prepared in accordance with this Agreement, including draft reports under clauses 8.7 and 12.4;
- (c) information in relation to the broader policy and planning concerns relating to the Levin Landfill including, but not limited to, remediation and site closure;
- (d) the draft and final closure remediation plan and resource consent applications for Levin Landfill closure;
- (e) information on, and development of, HDC waste minimisation policies; and

- (f) information on the management and operations of the Levin Landfill and options that may reduce effects.

5.13. The nominated CNLG representatives on the PMG, and the PMG manager may request access to visit the Levin Landfill. Subject to compliance by the nominated CNLG representatives on the PMG and the PMG manager with all legal requirements, including health and safety, HDC will as soon as reasonably practicable, provide for such access.

6. TECHNICAL ADVISORY GROUP

6.1 A Technical Advisory Group ("TAG") of experts shall be established.

6.2 The purpose of the TAG is to assist the PMG and HDC in accordance with the provisions of this Agreement nor as otherwise agreed by the PMG representatives in writing.

6.3 The TAG consists of, and the functions of each expert are:

- (a) an expert, or experts, in landfill management and closure who shall:

- (i) undertake the leachate BPO assessment accordance with clause 8.3;
- (ii) review and consider the closure date of the Levin Landfill in accordance with clause 11.1; and
- (iii) prepare a closure and remediation plan in accordance with clause 12.1,

the first appointed experts shall be Simone Eldridge and Chris Purchas from Tonkin & Taylor;

- (b) a suitably qualified expert who shall undertake an annual audit of the monitoring and reporting required under the Consents and provide that audit to the PMG by 30 November each year following commencement of clause 3.2(e);
- (c) an odour expert who shall undertake an annual review in accordance with clause 10.1 and assist as set out in clause 12.2, with the first review commencing within 4 weeks of clause 3.2(e) commencing unless agreed otherwise by the PMG;
- (d) a water quality expert to assist as set out in clauses 8.11 and 12.2 or as agreed by the PMG; and
- (e) a groundwater expert to assist as set out in clauses 8.11 and 12.2 or as agreed by the PMG.

6.4 Should either named expert in clause 6.3(a) be unavailable then the PMG shall agree the appointment of an alternative suitably qualified independent expert. If no agreement is reached, HDC shall select a suitably qualified independent expert.

6.5 The PMG shall agree as to the TAG experts in clause 6.3(b) to (e). If the expert cannot be agreed, the CNLG representatives shall nominate three independent suitably qualified experts to perform the role. On provision of the names, their CVs, and their rate, HDC shall select one of the three

people to be the relevant TAG expert. Such experts shall be appointed within 3 months of the PMG being established under clause 3.2(c)(i).

6.6 The scope and function of the TAG experts in clause 6.3 shall be agreed by the PMG in accordance with clause 5.6.

6.7 All reports prepared by the TAG experts will be public. However, any confidential information provided to the experts in clause 6.3 by HDC to assist in their functions under this Agreement shall remain confidential and not disclosed by them unless otherwise agreed by HDC.

6.8 The reasonable costs of the TAG experts in clause 6.3 will be met by HDC in accordance with clauses 14.2 and 14.3.

7. INDEPENDENT FACILITATOR

7.1 The independent facilitator, who, unless otherwise agreed by the PMG representatives in writing, shall be the same person appointed under condition 32 of discharge permit 6009, shall:

(a) attend PMG meetings by agreement of the PMG or as required under clauses 8.8(b) or 12.6;

(b) assist the PMG in agreeing scopes under clauses 5.10(d), 6.6, 8.6, 11.1 and 12.1;

(c) assist in the Reconciliation Process under clause 13 by agreement of the PMG;

(d) assist in resolving disputes in accordance with clause 17.1; and

(e) other matters as agreed by the PMG.

7.2 HDC will pay the reasonable costs of the independent facilitator under clause 7.1 in accordance with clause 14.3.

8. LEACHATE

8.1 In principle, the Parties agree to the outcome of cessation of leachate from the Original Landfill to Tatana Drain and Hokio Stream.

8.2 Within 11 months from clause 3.2(c) commencing, the TAG landfill experts under clause 6.3 will advise on the BPO assessment in accordance with clause 8.3 and 8.4 and produce a final report under clause 8.7(c).

8.3 In undertaking the leachate BPO assessment the TAG landfill experts shall:

(a) undertake an assessment of both options for cessation of the leachate from the Original Landfill and options to materially reduce, in terms of volumes and/or effects of the leachate from the Original Landfill;

(b) consider the potential for leachate discharge from the Current Landfill and advise on whether any of the options in (a) will materially reduce the volume or effects of such leachate (if any);

- (c) if the costs of leachate cessation options are not in accordance with clause 8.4, or are not technically or environmentally feasible under (f), then:
- (i) undertake an assessment of alternative options to maximise the reduction of leachate that are environmentally feasible under (f)(ii);
 - (ii) favour options that maximise the reduction of leachate entering Hokio stream;
 - (iii) favour options based on Tatana Drain being a waterbody rather than an artificial farm drain; and
 - (iv) favour options that capture the maximum amount of leachate, within the requirements of (f);
- (d) identify whether options comply with the existing Consents and/or require additional resource consents (and what consents are likely to be required);
- (e) provide a written report as to all the options considered, their benefits and costs, the cost to design, approve, implement and/or install them and the costs of annual monitoring, maintenance and operation;
- (f) only consider and recommend options under (c) and (e):
- (i) that have been proven to be effective (technically feasible); and
 - (ii) that will provide a material reduction in the volume of the leachate or a more than minor reduction in environmental effects (environmentally feasible); and
- (g) the report in (e) shall identify a recommended option that achieves the requirements of clause 8.3, but if no option achieves the requirements of (f), then no recommended option shall be provided.

8.4 HDC has no obligation to implement any option under clauses 8.1 to 8.3 if the estimated cost will be more than \$350,000 to design, consent/approve, implement, and/or install, and \$25,000 per year to monitor, maintain or operate, and HDC has complied with clause 8.5.

8.5 If the estimated cost for any option under clause 8.3(f) and (g) will be more than \$350,000 to design, consent/approve, implement, and/or install, and \$25,000 per year to monitor, maintain or operate then HDC will use reasonable endeavours to seek funding from an alternative funding source (such as central government).

8.6 The scope for the expert BPO assessment under clause 8.3 shall be agreed by the PMG in accordance with clause 5.6. The scope shall be finalised within 2 months of clause 3.2(c) commencing.

8.7 The report under clause 8.3(e) shall:

- (a) within 6 months of commissioning be provided in draft to the PMG for comment and:
 - (i) the PMG shall meet to discuss the report within reasonable time of receipt of the draft;
 - (ii) all comments are to be provided to the expert within 2 months of receipt of the draft;
- (b) at the same time as (a)(i) above, HDC will provide the draft report to, and consult with, the Neighbourhood Liaison Group and Horizons in accordance with condition 2A of permit 6010 and provide the outcomes of that process to the expert; and
- (c) within 3 months of the provision of the draft report to the PMG, the final report shall be provided to the PMG and be made public.

8.8 Subject to clause 8.4, HDC shall, in order of preference:

- (a) subject to compliance with condition 2A of permit 6010 and obtaining any necessary resource consents or approvals, design, tender and install the recommended option in clause 8.3(g) within 24 months from the date of the report, unless such a timeframe is not reasonably achievable or funding is being sought under clause 8.5, in which case a later timeframe will be notified by HDC to the PMG; or
- (b) if there is no recommended option under clause 8.3(g), or any consents/approvals required for the preferred option under clause 8.3(g) are not obtained, then:
 - (i) a meeting of the PMG will be convened, including the independent facilitator, to consider the BPO report in clause 8.3(e) and agree an outcome as to a preferred approach; or
 - (ii) if no preferred approach can be agreed under (i) then:
 - (1) HDC shall:
 - A. appoint a suitably qualified expert to:
 - within 3 months of appointment to develop and report (which shall include costings) in accordance with a provided scope, which recommends a package (including offsetting and/or compensation options) to respond to the leachate effects on the Hokio stream, with a focus on options within the Hokio Stream catchment and which HDC can deliver without additional statutory or land owner approvals;
 - in preparing the report, work with the PMG representatives;
 - B. provide that report to the PMG manager within 5 working days of receipt;

- C. convene a meeting of the PMG to discuss the report and its recommendations;
- (2) The PMG shall either:
- A. agree to implementing the recommendations contained in the report in (1), or as amended by agreement, or
- B. if no agreement is reached under A, then HDC shall implement the report recommendations in (1) to a minimum of, but no more than (unless HDC otherwise agrees), \$150,000.
- (3) If the recommendations in (1) costs more than \$150,000 to implement then HDC will use reasonable endeavours to seek funding from an alternative funding source (such as central government).
- (4) To avoid doubt, HDC is responsible for delivering, and holding control of the budget of, and payment for, any implementation under (2) above.
- 8.9 If the process under clause 8.8(a) is implemented, HDC shall provide the draft tender documents to the PMG for any feedback which is to be provided within 15 working days and keep the PMG informed of progress on a bi-monthly basis. HDC shall immediately inform the PMG on the commencement and completion of works for the chosen option.
- 8.10 The reasonable costs of the BPO assessment and report, prepared in accordance with clause 8.3, and the reasonable costs of the expert to report under clause 8.8(b)(ii)(1), will be met by HDC in accordance with clause 14.2.
- 8.11 If the TAG landfill experts require expert water quality or groundwater assistance in undertaking the BPO assessment under clause 8.3 and 8.6, then:
- (a) the expert shall provide a scope of works to the PMG to agree, or if there is no agreement, for HDC to confirm;
- (b) the water quality or groundwater experts from the TAG in clause 6.3 shall be appointed;
- (c) the experts shall address the matters in the scope provided; and
- (d) HDC will pay the reasonable costs of the experts in accordance with clause 14.3.
- 8.12 HDC will provide all relevant information to the TAG landfill experts for the BPO assessment in accordance with clauses 8.3 and 8.6, and provide access to relevant staff, to assist him/her with their assessment. Any confidential or commercial sensitive information provided to the independent expert will be to inform the BPO assessment only and the independent expert will not disclose that information.

8.13 If the TAG landfill experts recommend a reduction in monitoring following implementation of the BPO, from that required in the Consents, the Parties will, as set out in clause 4.1 support HDC in varying the conditions to reflect the independent expert's recommendation.

9. TATANA DRAIN

9.1 The PMG will explore options to remediate the land on which the Tatana Drain is located, including, but not limited, to exploring the following options:

- (a) HDC purchasing the land; and
- (b) encouraging Horizons to ensure use of the land is compliant with the Regional Plan and any resource consents.

10. ODOUR

10.1 There will be an annual review and report, in accordance with clause 6.3(c), by the TAG air quality expert:

- (a) of the annual odour reporting and of the implementation of the odour management plan and other management and operational methods as required by the Consent conditions to control odours at the Levin Landfill; and
- (b) that best practice odour management and mitigation methods appropriate for the scale and type of landfill, its surrounding land uses, and affordability to the community, are being implemented at the Levin Landfill.

10.2 HDC will pay the reasonable costs of the audit or review in clause 10.1 in accordance with clause 14.3.

10.3 HDC will initiate direct discussions with Catherine Sullivan and Jacinta Liddell about potential Levin Landfill odour effects and options to mitigate potential effects at their properties.

11. LEVIN LANDFILL CLOSURE

11.1 The process to determine the closure date for the Levin Landfill is:

- (a) HDC's chief executive will recommend to the council a closure date for the Levin Landfill of, at the latest, 31 December 2025;
- (b) the TAG landfill experts in clause 6.3 shall, within 3 months of the scope being set in accordance with (c), complete a review as to potential closure dates, date of the Levin Landfill and whether an earlier closure date than in (a) is feasible given the performance of the landfill, the availability of alternative options and the affordability to the community;
- (c) the scope of the review shall be determined by the PMG in discussions with the experts, in accordance with clause 5.6. If agreement is not reached within 2 weeks, the scope will be set by HDC, in line with (b) and in discussions with the TAG landfill experts;

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- (d) the TAG landfill experts shall produce a report of their review under, and within the timeframes of (b), including a clear recommendation as to the recommended closure date with reasons why, and provide it to the PMG;
 - (e) HDC shall:
 - (i) commission a social assessment on the social effects of the closure date for the Levin Landfill from an independent suitably qualified expert; and
 - (ii) request a cultural assessment from each of Ngāti Pareraukawa and Muaūpoko as to the cultural effects of the closure date for the Levin Landfill.
 - (f) the assessment(s) in (e) shall be provided to HDC within 3 months of being commissioned or requested. If no assessment(s) is provided under (e)(ii) within that time then the process under (g) to (i) shall continue.
 - (g) within 1 month of receipt of the reports by HDC in accordance with (d), (e) and (f) the PMG shall meet to consider them and the two CNLG representatives shall provide a CNLG recommendation in writing to HDC within 5 working days of that meeting;
 - (h) the recommendation under (a) (or an earlier date), the report under (d), the assessments under (e), the recommendation under (g), and an officer's report and recommendation (which will comply with all statutory requirements) will be provided to HDC councillors at the next council meeting after these requirements have been completed; and
 - (i) having complied with all statutory requirements, HDC councillors will decide, at the council meeting in (h), on the final closure date for the Levin Landfill.
- 11.2 HDC agrees that the date agreed by the councillors in clause 11.1(i), is the latest date that the Levin Landfill will be Closed.
- 11.3 The Parties acknowledge that the final closure date is for the councillors to determine in accordance with all statutory requirements, including the Local Government Act 2002.
- 11.4 HDC will pay the reasonable costs of the review in clause 11.1(b) and report in 11.1(d) and the assessments in clause 11.1(e) in accordance with clause 14.2.
- 11.5 HDC will provide to the TAG landfill experts undertaking the review in clause 11.1, access to staff, information and confidential information to assist in that review on the basis that they will not disclose the details of confidential information to any party.
- 11.6 The PMG will continue to monitor potential closure of the Levin Landfill and HDC will consider earlier closure dates raised during PMG meetings and provide responses at the next PMG meeting, if not before.

12. CLOSURE AND REMEDIATION PLAN

- 12.1 2 years prior to the closure date determined under clause 11.1(i), the TAG landfill experts in clause 6.3 shall commence preparing a closure and remediation plan for the Levin Landfill. That plan shall recognise and apply, and provide for the continuance of, any outcomes under clause 8.8 in relation to leachate capture, mitigation offset and/or compensation. The plan shall ensure compliance with Conditions 14 and 25 of permit 6010. The scope of the closure and remediation plan shall be agreed by the PMG in accordance with clause 5.6. The TAG expert shall work with HDC staff in preparing the landfill closure plan.
- 12.2 If the TAG landfill experts require specialist water quality, groundwater or air quality assistance in preparing the closure and remediation plan, then the relevant TAG experts under clause 6.3 shall be utilised and:
- (a) the TAG landfill experts shall provide a scope of works to the PMG to agree in accordance with clause 5.6;
 - (b) the experts shall address the matters in the scope provided; and
 - (c) HDC will pay the reasonable costs of the experts in accordance with clause 14.3.
- 12.3 HDC will provide all relevant information to the TAG landfill experts for the preparation of the closure and remediation plan, and provide access to relevant staff to assist them with their assessment. Any confidential or commercial sensitive information provided to the TAG landfill experts will be to inform development of the closure and remediation plan only and the TAG landfill experts will not disclose that information.
- 12.4 The process for finalising closure and remediation plan is:
- (a) the TAG landfill experts shall provide a draft closure and remediation plan in accordance with the scope under clause 12.1 to the PMG within 6 months of commissioning;
 - (b) the PMG shall meet to discuss the draft closure and remediation plan within 20 working days of receipt of the draft;
 - (c) the PMG will provide agreed comments (if no agreement is reached HDC will decide), within the boundaries of the scope set under clause 12.1, on the draft closure and remediation plan to the TAG landfill experts;
 - (d) the comments under subclause (c) are to be provided to the TAG landfill expert within 3 months of receipt of the draft plan by the PMG;
 - (e) within 2 months of the provision of the comments under subclause (c) the TAG landfill experts shall provide a final plan in accordance with the scope in clause 12.1;
 - (f) HDC will seek resource consents in accordance with the final plan which the Parties and the TAG experts will support; and

(g) subject to those consents being granted, with conditions not materially different to those sought by HDC, HDC will implement the closure and remediation resource consents.

12.5 HDC will pay the reasonable costs of the TAG landfill experts in clause 12.4 in accordance with clause 14.2.

12.6 If under clause 12.4(f) consents are not granted, or the conditions are materially different under clause 12.4(g), HDC will:

- (a) arrange a meeting of the PMG, including the independent facilitator, to discuss the issues, and options to resolve them, with the PMG; and
- (b) implement a closure and remediation process, including obtaining necessary consents (keeping the PMG representatives informed and providing draft consent applications to the PMG representatives for comment), in a manner that addresses earlier issues and is sustainable and affordable to the local community.

13. RECONCILIATION PROCESS

13.1 Reconciliation among the Parties will occur through:

- (a) the provision of an apology by HDC in accordance with clause 13.2;
- (b) the provisions of this Agreement;
- (c) the role and functioning of the PMG; and
- (d) the commitment of the Parties to work together in good faith to build positive relationships going forward on all matters associated with HDC's functions and duties.

13.2 HDC will work with the PMG to agree an apology to be delivered by HDC's CEO in person at a location agreed by the PMG within 3 months of the commencement of clause 3.2(e).

14. COSTS OF PROFESSIONAL SERVICES

14.1 All payments by HDC under this Agreement exclude GST (if any).

14.2 HDC will, on receipt of itemised invoices, unless it agrees otherwise:

- (a) pay the fair and reasonable net costs of HEKA's professional consultants incurred to 6 December 2018, and in preparing this agreement, up to \$85,000;
- (b) pay the costs of the TAG landfill experts in relation to:
 - (i) the leachate BPO assessment under clause 8.10 up to a maximum of \$30,000;
 - (ii) the Levin Landfill closure review under clause 11.4 up to a maximum of \$30,000; and
 - (iii) the closure and remediation plan under clause 12.5 up to a maximum of \$40,000;

- (c) pay the fair and reasonable costs of the expert report under clause 8.8(b)(i)(1) up to a maximum of \$25,000;
- (d) pay the fair and reasonable costs of the social assessment under clause 11.1(e)(i) up to a maximum of \$10,000; and
- (e) on receipt of the assessment(s) under clause 11.1(e)(ii), pay the fair and reasonable costs up to maximum of \$10,000 each for two assessments (\$20,000 in total).

14.3 In addition, under this Agreement, HDC agrees to, on receipt of itemised invoices:

- (a) pay the reasonable costs of attendance of the 2 CNLG representatives, and the PMG manager, at PMG meetings as required by clause 5.8;
- (b) pay the reasonable costs of the PMG manager in undertaking work decided by the PMG in accordance with clause 5.6, in accordance with clause 5.8;
- (c) pay the reasonable costs of the annual audit of the annual report under clause 6.3(b);
- (d) except as provided in clause 14.2(c), pay the reasonable costs of the TAG experts in accordance with clauses 6.8, 8.11 and 12.5;
- (e) pay the reasonable costs of the independent facilitator in accordance with clause 7.2; and
- (f) pay the reasonable costs of the annual report of the odour expert under clause 10.2;

15. PUBLIC COMMUNICATION OF AGREEMENT

- 15.1 This Agreement is public. Appendix 2 attaches a press release to be issued on behalf of the Parties following execution of this Agreement.
- 15.2 The Parties will not discuss this Agreement publicly until the press release has been released. HEKA and the Ratepayers and Residents Association will use best endeavours to ensure that their members do not discuss this agreement publicly until the press release is released.

16. DEFINITIONS AND INTERPRETATION

- 16.1 In this Agreement the following terms shall have the meaning ascribed to them unless the context requires otherwise:

Agreement means the main body of this agreement and schedules.

Application means HDC's application pursuant to section 127 of the RMA to change the conditions of the existing Levin Landfill consents.

Best Practicable Option is as defined in section 2 of the RMA.

Closed means, in relation to the Levin Landfill, the date from which the landfill will not receive any further waste and the landfill closure and remediation plan shall commence.

EP519:044267-11?ag=19

Community Neighbour Liaison Group ('CNLG') means a community member of the neighbourhood liaison group established under condition 32 of discharge permit 6009. To avoid doubt, CNLG excludes HDC's and the regional Councils membership of the NLG.

Consents means the resource consents for the Landfill being 6009, 6010, 6011, 7289 and 102259.

Environment Court Proceedings means ENV-2016-WLG-71 (appeal) and/or ENV-2018-WLG-124 (declarations) and/or ENV-2018-WLG-125 (enforcement orders) brought by HEKA.

HEKA Members means:

- (a) Residents of Hokio Beach Community, Hokio Beach Road and the area surrounding the Levin Landfill, including those who provided submissions on the Review and Application and those who provided affidavits and evidence in support of HEKA in the Environment Court Proceedings.

Horizons means the Manawatu-Wanganui Regional Council.

Landfill means the Levin Landfill located on Hokio Beach Road.

Parties are those parties as defined in Clause 1.

Review means Notice of Review of the Consents issued by Horizons pursuant to section 128 of the RMA and HDC's requested amendments in response to it.

RMA means the Resource Management Act 1991.

Working Day means as defined in section 2 of the RMA.

17. DISPUTE RESOLUTION

17.1 If a dispute arises under this Agreement, the Parties agree to comply with the following provisions of this clause before commencing any other form of dispute resolution (including court proceedings):

- (a) **Initial Resolution:** the Parties will use reasonable endeavours to work together in good faith through the PMG and with each other to resolve any dispute at the immediate time such issues arise in accordance with the principles set out in this Agreement.
- (b) **Escalation:** If the dispute is not resolved by (a) then the Parties will refer the dispute to the independent facilitator and attend in good faith a meeting with the facilitator in clause 8 to see if the issues can be resolved.
- (c) **Arbitration:** In the unlikely event that agreement is not reached after three months of having the dispute escalated, the Parties shall agree to arbitration on the following basis:
 - (i) the arbitration shall be conducted by a sole arbitrator in New Zealand pursuant to the Arbitration Act 1996;

(ii) the Parties must appoint an independent sole arbitrator for the purpose of resolving the dispute. The arbitrator is to be appointed on the agreement of both Parties;

(iii) the Parties' respective responsibilities for the costs of the arbitration shall be determined by the arbitrator; and

(iv) the Parties shall be bound by the decision of the arbitrator.

18. AMENDMENTS

18.1 No amendment to this Agreement will be effective unless it is in writing and signed by all the Parties.

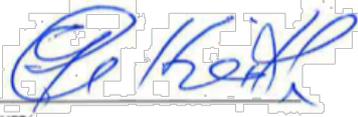
19. SIGNED

19.1 This Agreement may be executed in any number of counterparts. Once a party has executed a counterpart, and the other party has received a copy of the signed counterpart, that counterpart shall be deemed to be as valid and binding on the party executing it as if it had been executed by all the Parties.

19.2 HDC shall sign this Agreement last.

SIGNED BY THE PARTIES

SIGNED for and on behalf of
HEKA by its authorised signatory Geoff
Keith



Signature

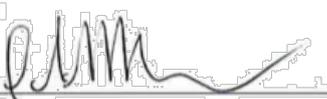
F.G. Keith

Name

Chairperson

Position

SIGNED for and on behalf of the
Horowhenua District Ratepayers and
Residents Association Incorporated by
its authorised signatory Christine Moriarty



Signature

CA Moriarty

Name

Chair

Position

SIGNED for and on behalf of
Ngāti Pareraukawa by its authorised
signatory



Signature

Rachael A. SELBY

Name

CHAIR

Position

Ngāti Pareraukawa
Ngātōkaranu Tamaru

SIGNED for and on behalf of
Everton Farm Ltd by its authorised
signatory


Signature
PETER EVERTON
Name
DIRECTOR
Position

SIGNED for and on behalf of
Lakeview Farm Ltd by its authorised
signatory


Signature
PETER EVERTON
Name
DIRECTOR
Position

SIGNED by Peter Everton


Signature
PETER EVERTON
Name
Position

SIGNED by David Andrew

Signature

Name

Position

SIGNED by Dean Murray

)
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Signature

Name

Position

SIGNED by Leone Brown

)
)

Signature

Name

Position

**SIGNED for and on behalf of
Palmerston North City Environmental
Trust by its authorised signatory**

)
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Signature

Name

Position

SIGNED by Charles Rudd

)
)

Signature

Name

Position

SIGNED for and on behalf of
**Water and Environmental Care
Association** by its authorised signatory

Signature

Name

Position

SIGNED for and on behalf of
Horowhenua District Council by its
authorised signatory acting under
delegated authority

Signature

Name

Position

13 March 2019

Appendix 1 – Agreed conditions for consent order

Appendix 2 - Agreed Press Release



File No.: 22/139

8.4 Report to consider submissions received on the Future of the Levin Landfill Statement of Proposal

1. Purpose

To present to Council for deliberation, the submissions received on the Future of the Levin Landfill Statement of Proposal.

To provide an update to Council on the financial modelling for the landfill activity.

To provide comment on future waste disposal options and use of the Levin Landfill site.

2. Recommendation

- 2.1 That Report to consider submissions received on the Future of the Levin Landfill Statement of Proposal be received.
- 2.2 That this matter or decision is recognised as significant in terms of S76 of the Local Government Act.
- 2.3 That Council acknowledges, with thanks, all who have submitted on the Future of the Levin Landfill Statement of Proposal.
- 2.4 That Council adopt Option 1: Close the Levin Landfill in 2022.
- 2.5 That Council provides delegation to the Chief Executive to accept the waste disposal offer received from Midwest Disposals Limited.
- 2.6 That Council instructs the Chief Executive to investigate alternative disposal options for Horowhenua District Council's council-controlled solid waste and sludge.
- 2.7 That Council instructs the Chief Executive to investigate options for future use of the land on which the landfill sits.

3. Background / Previous Council Decisions

Horowhenua District Council (the Council) entered into the Levin Landfill Agreement with HEKA, Ngāti Pareraukawa and other s274 parties in March 2019 to resolve proceedings relating to the 2015 review of Resource Consents.

The Landfill Agreement states that: "HDC's Chief Executive will recommend to the council a closure date for the Levin Landfill, of, at the latest, 31 December 2025" (Clause 11.1(a)).

The Landfill Agreement also states that "The Parties acknowledge that the final closure date is for the councillors to determine in accordance with all statutory requirements, including the Local Government Act 2002" (Clause 11.2).

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If Council choose a closure date on or before 31 December 2025, the Landfill Agreement will remain in place. The Council will need to work with the Project Management Group (PMG) to develop a closure and remediation plan for the landfill and to agree and implement the leachate remediation project to address leachate from the old landfill. The reconciliation process, including a formal apology will need to take place.

If Council choose a closure date after 31 December 2025, the Landfill Agreement will terminate. This will likely add significant time and cost to the Council for the future consent reviews in 2024, 2029, 2034 and the consent renewal in 2037. It also could result in resource consent conditions which are more stringent and have implications for the ease and cost of operation of the landfill. The decision will impact Council's relationship with Ngāti Pareraukawa as well as other members of the Hōkio community, who negotiated the Landfill Agreement in good faith.

HDC independently commissioned consultants, Morrison Solutions to develop a business case to assess the different options for the future of the Levin Landfill. Morrison Solutions' recommendation is to close the Levin Landfill in 2022, as this produces the best outcome for Council from a strategic, financial, wellbeing and risk perspective.

	Option 1: Close the Levin Landfill in 2022	Option 2: Close the Levin Landfill in 2025	Option 3: Close the Levin Landfill in 2037, or sooner if full
Strategic alignment	●	●	●
Wellbeing – cultural	●	●	●
Wellbeing – social	●	●	●
Wellbeing – environment	●	●	●
Wellbeing – economic	●	●	●
Financial	●	●	●
Risk	●	●	●

Key:

●	●	●
Best-ranked outcome e.g., best alignment to the Waste Minimisation Management Plan (WMMP), highest wellbeing score, lowest cost or risk	Middle-ranked outcome	Worst-ranked outcome e.g., least alignment to the WMMP, lowest wellbeing score, highest cost or risk

On 10 November 2021, the Chief Executive recommended that the Levin Landfill be closed in 2022, thereby meeting the requirements of Section 11.1 (a) of the Landfill Agreement. At the same meeting, Council resolved it's preferred option (option 1) for the future of the Levin Landfill special consultative process, option 1 being 'to close the Levin Landfill in 2022'.

On 24 November 2021, the Council resolved to adopt the Future of the Levin Landfill Statement of Proposal for public consultation to occur. The Statement of Proposal was open for community feedback from 30 November 2021 until the closing date of 31 January 2022.

A total of 150 submissions were received with over 95% of these in favour of option 1 - close the Levin Landfill in 2022.

4. Submissions Received on the Future of the Levin Landfill Statement of Proposal

4.1 Summary

The Future of the Levin Landfill Statement of Proposal was opened for community feedback on 30 November 2021. Public drop-in sessions were held in December at Hōkio Beach, Levin and Foxton, and again in January in Levin and Hōkio Beach.

By the closing date for submissions on 31 January 2022, 149 submissions had been received. One further late submission was received on 8 February 2022.

Submitters expressed the following preferred options:

- Option 1 (Close the Levin Landfill in 2022): 144 submissions
- Option 2 (Close the Levin Landfill in 2025): 1 submission
- Option 3 (Close the Levin Landfill in 2037, or sooner if full): 3 submissions
- No preference stated: 2 submissions.

Hearings were held on 21 February 2022 in Levin. The following 17 submitters gave evidence:

Charles Rudd (#60), Trevor Hinder (#16), Eugene Thomas Henare (#18), Faith Oriwia Henare-Stewart (#31), Peter Everton (#38), Michael Kay (#43), Peter David Thompson (#52), Jacinta Liddell (#5), Vivienne Taueki (#70/72), Kiana-Marino Morris (#76), Greg Carlyon (Levin Landfill Project Management Group (#82), Leone Brown (#86), David Wilson Gifford Moore (#87/110), Christine Moriarty(#88/112/113), Jenny Rowan (#93), Vivienne Bold (#117), Graeme Lindsay (#118).

4.2 List of submitters and their preferred option

Option 1 – Close the Levin Landfill in 2022

Jarad Nuku(#1); Theresa Searles (#3); Polly M (#4); Jacinta Liddell (#5); Angela Povey (#6); Robert James Lynn (#7); Carol Wrathall (#8); Mechelle Morar (#9); Takau Paku (#10); Mechelle Morar (#11); Linda Hill (#12); Paul Knight (#13); Trevor Hinder (#16); Janeve Warren (#17); Eugene Thomas Henare (#18); Jack Warren (#19); Zane Morgan (#20); Paula Bayley (#21); Brian Bayley (#22); Barbara Wheeler (#23); Carol Saker(#24); Jd Ngaira (#25); Phil Edwards (#26); Rosemary Prenderville (#27); Victoria Spackman (#28); Adrienne Brewerton (#29); Melvin (#30); Faith Oriwia Henare-Stewart (#31); Morgan Braddick (#32); Pauline Keast (#33); William Douglas Keast (#35); Jason Kerehi (#36); Kerin Moriarty (#37); Peter Everton (#38); Yolanda Watson (#40); Karen Peterson Butterworth (#42); Michael Kay

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(#43); Taw Hinder (#44); Huia Winiata (#46); Karina Heremaia (#47); Jordan Jensen (#48); Rawiri Richmond (#49); Denise Rivera (#50); Brenda Sullivan (#51); Peter David Thompson (#52); Bernadette Frances Casey (#53); Almudena Cachaza Gómez (#54); Tim O'Donovan (#55); Daren Kill (#56); Darrien Kill (#57); Vivienne Kill (#58); Donna Riley (#59); Charles Rudd (#60); Hata (Peter) Huria (#61); Horahua Patricia Huria (#62); Craig Halverson (#63); Colin J Russell (#64); Geoff Ritchie (#65); Michael B Smith (#66); Steven Brokenshire (#67); Ema Jacob (#68); Emma Apperley (#69); Vivienne Taueki (#70); Erana Harrison-Paurini (#71); Vivienne Taueki (#72); Tawheta Inia Mete Hautapu (#73); Joseph O'Donnell (#74); Alma Winiata-Kenny; (#75); Kiana-Marino Morris (#76); Leanne Harrison (#77); Francessa Hera Maslin (#78); Tyler Janssen (#79); Hēni Jacob (#80); Hera Eparaima (#81); Greg Carlyon (#82); Tama Ruru (#83); Dianna McIntyre (#84); Lewis Rohloff (#85); Leone Brown (#86); David Wilson Gifford Moore (#87); Christine Moriarty (#88); Rachael Selby (#89); Rachael Selby (#90); Joanne Silberton (#92); Jenny Rowan (#93); Francis Geoffrey Keith (#94); Francis Geoffrey Keith (#95); Yvonne Summers (#96); Scott Noel Gill (#97); Anita Leonie Gill (#98); Ladene Neumayer (#99); Malcolm Hadlum (#100); Simon Luke Wood (#101); Amy Boroevich (#102); Mervyn Leger (#103); Eileen Leger (#104); Anne Young (#105); Erana Harrison-Paurini (#106); Leanne Harrison (#107); Ana Harrison (#108); Denise Jeanette Ridley (#109); David Wilson Gifford Moore (#110); Antony James Watt (#111); Christine Moriarty (#112); Christine Moriarty (#113); Rosemary Ireland (#114); Bruce Ireland (#115); Angela Wheeler (#116); Vivienne Bold (#117); Graeme Lindsay (#118); Megan Stevens (#119); Demme Hartley-Tilley (#120); Rona Vivienne Cooper (#121); Peter J Cameron (#122); Sharron Bridson (#123); Bryony Patricia Royce (#124); Julie Brooks (#125); Roxy Warrington (#126); Pam Brooking (#127); Cynthia Evans (#128); Rawiri Heggulun (#129); George Patrick Evans (#130); Lesley Jean Ualesi (#131); Robert Peter Coley (#132); Wendi O'Flaherty (#133); Patricia Present (#134); Eileen Leger (#135); Rosemary Cotter (#136); Susan Stranger (#137); Kieran Stranger (#138); Jacqueline McGregor-Liebenthal (#139); Lindsay Warren (#140); Richard Andrews (#141); Lana-Lisa Maree Woodford (#142); Leon Johnston (#143); Thomas Lynch (#144); Allana Jane Woodford (#145); Graham Hanley (#146); Deborah Rawson (#147); Chrisina Florence Paton (#148); Nichola MacGregor (#149).

Option 2 – Close the Levin Landfill in 2025

Foxton Community Board (#150).

Option 3 – Close the Levin Landfill in 2037, or sooner if full

Matthew Whittington (#2); Rhys Ellis (#34); Allison Anderson (#15).

No Preference expressed for listed options

Eric Walker (#39); Sam Wood (#91).

4.3 Summary of Submissions

Option 1

i. Submitters on behalf of Iwi

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Submitters 18 and 36 on behalf of Warena Te Kerehi Whānau Trust support Option 1 and object to the continued operation of the Levin Landfill on the basis of continued opposition to the siting of a landfill on land that has cultural significance. Their concern extended to the impact on the Hōkio Stream and river. They are seeking ongoing mitigation of the adverse impacts.

Submitters 70 and 72 on behalf of Muaūpoko Co-operative Society and Hōkio A Māori Land Trust, Part Hōkio A Māori Land Trust, and Hōkio Māori Township Māori Land Trust support Option 1.

Submitters 45, 46, 49, 70, 73, 78, 80, 81, 90 and 110 support Option 1 and spoke to the negative impact of the operation of the landfill on land, streams and rivers that are taonga to Ngāti Pareraukawa.

Submitters 31, 89 on behalf of Te Kuria Huia and Ngatokowaru Marae Trustees support Option 1 and expect the closure to be the start of a programme of environmental restoration.

ii. Submitters on Behalf of Community Groups and the Levin Landfill Project Management Group (PMG)

Submissions 44 and 95 on behalf of the Water and Environmental Care Association support option 1 and made the following points:

- Bonny Glen (Midwest Disposals' Ltd landfill near Marton) provides a better environmental outcome
- Concerns re ongoing leaching from landfill
- Concerns re life of proposed liners
- Local treatment of organic waste should not wait until 2030 - would reduce amount going to landfill and reduce transportation and disposal costs.

Submission 82 on behalf of the Levin Landfill Project Management Group supports option 1 and makes the following points:

- Levin Landfill operated in a way that exacerbates degradation over 50 years on rohe, whenua, awa, hapū, adjoining land and community
- Concerned to see appropriate remediation of site
- The benefits of immediate closure are significant for iwi, hapū, and the stakeholder community
- The cultural impacts of immediate closure are lowest
- The environmental impacts of immediate closure are lowest
- The economic benefits for immediate closure are highest for option 1
- The determination to adopt option 1 is consistent with Council's waste management strategy and national directions for the management of solid waste
- The adoption of option 1 has a significantly greater benefit for greenhouse gas emissions.

Submission 88 on behalf of the Horowhenua District Ratepayers and Residents Association supports option 1 and makes the following points:

- The Association has been involved in informing Council and the Regional Council of nonconforming consent issues for a number of years

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- Concerned about contamination of water supply from heavy metals and other carcinogenics
- Concerned about odour levels
- Consider it has been financial and environmental disaster for ratepayers and residents of Hōkio Beach.

iii. Other Submitters

Submitters 16, 29, 37, 38, 46, 52, 53, 60, 69, 85, 86, 93, 96, 100, 101, 112, 118, 119, 120, 122, 135 and 136 support option 1 and raised a number of issues including:

- Adverse impact on the environment from continued operation
- Concerns re ongoing non-compliance with resource consent conditions and lack of enforcement action by the Regional Council
- Concerns about the site's unsuitability for use as a landfill
- Site of cultural significance
- Want Council held accountable for remediation of site
- Need to move to more modern waste disposal methods and technology including recycling and composting
- Risk of ongoing litigation if it continues to be used as a landfill
- Concerns re odour levels and degradation of bore water
- Tension between Council's obligations as regulatory authority and need to raise revenue
- Opportunity to close landfill and meet Te Mana o te Wai water quality targets
- Concern continued operation would be ineffective in meeting Climate Change Targets
- Concerns re leaching and ongoing noise disruption from trucks using site
- Lack of consistent good management/monitoring by Regional Council
- Concern closed landfill has potential to be long term environmental polluter.

Option 2

- Submission #150 on behalf of the Foxton Community Board supports option 2 to allow time to evaluate other options.

Option 3

- Submission #2 supports option 3 so that waste can be disposed of in-district rather than moving the disposal problem to another district
- Submission #15 supports option 3 to allow for future proof options and the upgrade of the Levin Landfill to expand operations and bring in more income
- Submission #134 supports option 3 to to keep living costs down.

Other topics

Several submissions also addressed other topics not related to the Statement of Proposal.

4.4 Officer analysis of submissions

Option 1

A general theme among submitters supporting option 1 was concern about the environmental, social and cultural impacts of the continued operation of the Levin Landfill.

Seventy-four submitters provided comments to support their preference. The following themes were mentioned:

- Environment – 56 submitters, specifically:
 - Leachate – 39 submitters
 - Odour – 13 submitters
 - Greenhouse gas/methane emissions – 9 submitters
- Transport – 6 submitters
- Saving costs/creating economic benefits – 14 submitters
- Consent breaches – 14 submitters
- Cultural concerns – 24 submitters
- Social concerns – 19 submitters.

Seven submitters stated that they wanted Council to take steps to reduce waste.

There is strong support by submitters for closure of the Levin Landfill in 2022. A number of submitters referred to the need for ongoing maintenance, monitoring and remediation of the Levin Landfill site, as well as addressing leachate in the Hōkio Stream. This will be an ongoing responsibility for Council, regardless of the option chosen.

Option 2

In response to Submitter 150 on allowing further time for evaluation of options, considerable time and effort has been put into evaluating future options since the signing of the Levin Landfill Agreement in 2019. Based on the forecast volume of third-party waste, ongoing operation of the Levin Landfill over the period 2022-2025 would be less cost-effective than sending Council's waste elsewhere, as well as providing an additional three years of uncertainty to the Hōkio Beach community and the parties to the Levin Landfill Agreement.

Option 3

In response to Submitters 2, 15 and 134, it is unlikely Council could turn the landfill into an income and job generating business, and for it to be run at lower cost than the out of district alternatives, given the location of the landfill and difficulties competing with larger landfills to the north and south of the Horowhenua District. In addition, there is a strong direction from Central Government to reduce waste volumes being sent to landfill, which will increase competition between landfills for the remaining tonnes, reducing the profitability of landfill operations. Finally, the Levin Landfill has a lower rate of methane gas capture than the three other closest landfills to Levin. The Emissions Trading Scheme requires landfill owners to pay for their emissions through the purchase of New Zealand Units (NZUs). The price of NZUs has doubled since the beginning of 2021 and the higher the price of NZUs in future, the less competitive the Levin Landfill will be. Future participation in this industry would have an increased risk profile to Council.

In response to Submitter 2 on concerns regarding the disposal of HDC waste in a different district, large regional landfills are now becoming the most common form of landfill in New Zealand as their larger scale allows them to meet increasingly stringent environmental requirements, as well as capture a higher proportion of their emitted methane.

5. Update to Financial Modelling

5.1 Update NPV calculations

The financial modelling developed by Stantec for the Business Case has been updated to take into account the higher inflationary environment of 2022 and more recent information on capping and construction costs.

In addition, the financial model has been expanded to include all post closure costs for the full 30-year aftercare period (as recommended by Ministry for the Environment guidelines). This is a different approach to that used in the Business Case which only considered the costs associated with the landfill during the 14-year assessment period.

This results in option 1 continuing to provide the best financial outcome. However, once 30-year aftercare requirements are considered, option 3 provides the least favourable financial outcome. These figures exclude costs associated with remediation of the old landfill (dump).

Table 1: Updated NPV of Options

NPV Option 1 (close the Levin Landfill in 2022)	NPV Option 2 (close the Levin Landfill in 2025)	NPV Option 3 (close the Levin Landfill in 2037, or sooner if full)
(\$36.0m)	(\$40.2m)	(\$43.8m)

The following changes have been made to the financial models:

- Inflation rate changed from 1.5% p.a. to 5% p.a. up to end of 2027, reducing to 2.2% p.a. through to end of 2031, then 2% p.a. thereafter
- Discount rate for NPV calculations increased from 4.5% p.a. to 5.0% p.a.
- Some operational and capital costs estimates have been replaced with actual figures where these are now known
- Aftercare costs modelled out to year 30, with a lower allowance for both environmental monitoring and consultant assessment costs from years 16 to 30 post-closure
- Capital costs have been adjusted for inflation, with a higher contingency also applied
- Changes to some capital and operational requirements and costs have been made based on the latest engineering advice for the landfill
- Spot price of NZUs increased to reflect current market pricing and calculation of NZUs amended based on recent changes to regulations.

The financial impact of changes to third-party tonnes and revenue (Section 7.4.2 of the Business Case) has also been remodelled. Under all realistic scenarios, option 1 is still expected to provide the best financial outcome.

5.2 Impact on budgets and rates

These costs are also presented in terms of the operating and future capital costs below. The totals differ from those above because the existing capital loan repayment is not included

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and the capital costs are shown based on actual expenditure figures rather than loan repayments.

Table 2: Cost of options split by capital and operating costs

	Option 1 Close in 2022	Option 2 Close in 2025	Option 3 Close in 2037, or sooner if full
NPV of operating costs (2022 – 2037) and 30-year aftercare costs	(\$24.8m)	(\$26.4m)	(\$25.4m)
NPV of future capital costs	(\$2.0m)	(\$4.1m)	(\$8.1m)
Total NPV of operating costs and capital costs	(\$26.9m)	(\$30.5m)	(\$33.5m)
2022/23 Net operating costs	(\$1.5m)	(\$1.3m)	(\$1.3m)

While the net operating impact of option 1 is \$1.5m in 2022/23, the Council is proposing to use borrowings to fund some of the increase in the short term. This means that the rates increase for 2022/23 from implementing option 1 will be limited to \$0.4 million or 0.84%. This will be gradually increased over time.

6. Disposal of Horowhenua District Council Waste

HDC currently has a contract open for acceptance from Midwest Disposals Ltd for the disposal of its council-controlled waste into the Bonny Glen landfill for a period of up to 20 years. This includes a one-year term followed by a 19-year term.

Officers will further investigate and report back on alternative disposal options for council-controlled waste, including composting of food and green waste and beneficial re-use of biosolids, over the next 12 months.

7. Potential Future Use of the Levin Landfill Site

The Levin Landfill Resource Consents will continue to be required once the landfill is closed and may need to be renewed in 2037 when they expire. The landfill will continue to generate landfill gas and leachate once it is closed, and the monitoring regime, trigger levels and capping requirements set out in the consents will continue to apply.

HDC has obligations under the Landfill Agreement to develop a closure and remediation plan in conjunction with the Levin Landfill Project Management Group. Currently the Resource Consents allow for the landfill site to be used as a reserve, or for grazing by light stock (sheep).

Alternative use of the landfill site

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The Levin Landfill Agreement defines "Closed" as "means, in relation to the Levin Landfill, the date from which the landfill will not receive any further waste and the landfill closure and remediation plan shall commence."

The Levin Landfill site cannot receive waste, after the date on which Council has decided to close the landfill. Other solid waste uses that may be captured by this definition include:

- Waste transfer station
- Food and green waste composting facility
- Construction and demolition materials processing facility
- Construction and demolition disposal facility (Class 2 landfill)
- Cleanfill (Class 5 landfill).

Other uses that did not involve the receipt of waste would not be captured by the Landfill Agreement. Council could be free to pursue these, subject to obtaining the necessary resource consents.

Evaluation of the site for other solid waste uses

All other uses of the landfill site would have to consider the future direction of solid waste management in New Zealand (and the stated objectives of the HDC Waste Minimisation Management Plan, which is to work towards greater reuse, recycling, recovery and treatment of waste, with disposal the least preferred option.

Other uses would also need to consider the specific consenting requirements for that use. Generally, either an amendment to the existing consents or new consents would be required. Both of these would be likely to be publicly notified by Horizons Regional Council. In addition, given the landfill is designated, HDC would either need to seek a waiver for an Outline Plan, or submit a full Outline Plan, to allow for the change in use. An Outline Plan submission would also likely require public consultation.

Council should seek to reach agreement (if possible) with the community and Landfill Agreement parties for any other use of the landfill site.

Use of the landfill site as a construction and demolition processing facility and landfill (Class 2) is complex. This is likely to be a larger scale business and could face greater community opposition than other solid waste uses.

Government demolition tenders now frequently target 80% diversion from landfill, making the materials separation and recycling the primary part of any construction and demolition waste business. To be a viable construction and demolition facility, the site would need to have both a materials separation/processing facility and a Class 2 landfill. Advantages and disadvantages of a Class 2 facility are outlined below. Class 2 facilities require lined cells and a leachate collection system and may attract ETS charges in future.

Advantages

- Leachate collection system already in place
- Lined cell already designed
- Few dedicated Class 2 facilities in Lower North Island

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- Low population of Horowhenua to provide local market partially offset by improved transport links.

Disadvantages

- Damage to Council relationship with mana whenua and the Hōkio community
- Strong community opposition to use of site for disposal of waste, especially for waste that will generate leachate
- Resource consent process likely to be contentious and may be expensive. Subsequent five yearly consent renewals provide regular opportunity for community opposition adding significant cost to the business
- Operations would produce noise, dust, odour which would require careful mitigation and management
- New cell will need to be constructed up front before business model proved
- New business for Council with different market dynamics, no Council-to-Council customers and practically no HDC-controlled tonnes
- Competition from Central Environmental's Fielding-based construction and demolition recycling facility and a potential new construction and demolition recycling facility in Porirua
- Existing difficulties managing commercial solid waste business likely to remain
- Any new activity would need to follow a decision-making process in accordance with Council's Significance and Engagement Policy which could include a further Special Consultative Process. Funding would also need to be secured through the Long Term Plan.

Based on the assessment of advantages and disadvantages, it appears unlikely that establishment of a construction and demolition processing and disposal facility would have an appropriate risk profile for Council.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

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8. Appendices

There are no appendices for this report

Author(s)	Grayson Rowse Principal Advisor - Democracy	
Approved by	David Wright Chief Executive Officer	

6.9 Council Resolution and Actions Monitoring Report September 2022

File No.: 22/465

1. Purpose

The purpose of this report is to present to Council the updated monitoring report covering resolutions and requested actions from previous meetings of Council.

2. Recommendation

- 2.1 That Report 22/465 Council Resolution and Actions Monitoring Report September 2022 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments

No.	Title	Page
A	Council Actions Monitoring Report 2022 - September 2022	247

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jody Lygo Democracy Support Officer	
Approved by	Ashley Huria Business Performance Manager	
	Monique Davidson Chief Executive Officer	



Council Actions Monitoring Report 2022 As at 6 September 2022

Completed
In progress
Transfer
Off track

Reference	Resolution/Action	Officer	Due date	Status	Officer Comment
21/502	That the Chief Executive provide a full report on all options in respect of vehicular beach access at Waikawa Beach.	M Davidson	30/11/2022		The Chief Executive is working with the Parks and Property Manager and Horizons Regional Council to explore options. Engagement with the Waikawa community and Ngati Wehiwehi will occur in advance of the report.
22/139	That the Council defer a decision to close the Levin Landfill until 31 December 2025 or at any time earlier than that date, following a full evaluation by the incoming Chief Executive Officer by 30 September 2022.	M Davidson	30/09/2022		<p>Following on from Council's decision in April 2022 for the incoming Chief Executive to evaluate the Levin Landfill Business Case, work is on track to present a report to the September Council meeting that evaluates the current business case, and provides some findings, with a range of recommendations / options on a way forward for Council. This will enable Council to make some form of decision on the Future of the Levin Landfill.</p> <p>The evaluation is specially seeking to understand whether:</p> <ul style="list-style-type: none"> - All options have been presented - Review relevant information and advice provided to support the assessment of options, including assumptions

D22/66651

Last update: 8-Sep-22

					- Whether there are any gaps or new considerations that need to be taken into account. This report is presented in the Council agenda for 14 September 2022.
22/166	That Council requests the Chief Executive to prepare a report into implications of, and options for, granting land access for the Foxton Beach Community Centre to build a three-bay garage, and report on implications and options for boundary line adjustments for the land upon which the Foxton Beach Community centre sits.	S Hester	30/08/2022		Discussions were held between Officers and the Foxton Community Board (FCB) at their workshop of 18 July, with the Board agreeing to fund the subdivision process from the Foxton Freeholding Account. A report was provided to the FCB at the meeting of 22 August, and recommendations have been made to Council for consideration on 14 September 2022
22/166	That Council requests the Chief Executive to work with the Windmill Trust and the Foxton Tourism Development Association (FTDA) to look at options for an alternative storage site for the Foxton Tram.	S Hester	30/06/2023		The tram has been relocated from within the Dutch Oven Building to a private site by FTDA. Officers are investigating funding options for a permanent display of the tram within Te Awahou Riverside Cultural Park.
22/166	That Council enters into a variation of the existing lease for Café Molen in support of option 1, as presented to the Foxton Community Board's meeting of 11 April 2022 – to extend the lease for the Dutch Oven into the current tram storage space.	S Hester	30/10/2022		Officers are working with the De Molen Trust to resolve and finalise lease arrangements. Officers are meeting with the Windmill Trust on 7 September 2022.

D22/59985

Last update: 8-Sep-22

CO/2022/27	That Council supports in principle the approach of a consent fee rebate being provided to applicants where new CPT data from their consent application is uploaded to the NZ Geotechnical database. Officers are asked to prepare a report for Council to consider that sets out the process and associated cost implications.	B Spencer	28/02/2023		Officers are currently considering implications
CO/2022/28	That Council approves Officers proceeding with the additional liquefaction assessment and mapping to complete the district liquefaction map, and that this work be funded from within existing operational budgets	B Spencer	28/02/2023		Officers are proceeding with this work
Co/2022/53	That Council ask the Chief Executive to continue conversation with Iwi/Hapu on the shortlisted Projects, and progress input and feedback into the final report for the September Council meeting.	M Davidson	30/09/2023		This provided in a report to Council on 14 September 2022, following which further consultation may

7.1 Proceedings of the Finance, Audit & Risk Committee Meeting held 31 August 2022

File No.: 22/487

1. Purpose

To present to the Council the minutes of the Finance, Audit & Risk Committee meeting held on 31 August 2022.

2. Recommendation

- 2.1 That Report 22/487 Proceedings of the Finance, Audit & Risk Committee Meeting held 31 August 2022 be received.
- 2.2 That the Council receives the minutes of the Finance, Audit & Risk Committee meeting held on 31 August 2022.

3. Issues for Consideration

There are no items that require further consideration.

Attachments

There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jody Lygo Democracy Support Officer	
Approved by	Monique Davidson Chief Executive Officer	

Finance, Audit & Risk Committee

OPEN MINUTES

Minutes of a meeting of the Finance, Audit & Risk Committee held in the Council Chambers, Horowhenua District Council, Levin on Wednesday 31 August 2022 at 4.00 pm.

PRESENT

Chairperson	P Jones
Deputy Chairperson	Cr C B Mitchell
Members	Cr D A Allan Cr W E R Bishop Cr R J Brannigan Cr T N Isaacs Mr B J Jackson Cr S J R Jennings Cr V M Kaye-Simmons Cr R R Ketu Deputy Mayor J F G Mason Cr P Tukapua Mayor B P Wanden

IN ATTENDANCE

Reporting Officer	Mrs J Straker Mrs M Davidson Mr D McCorkindale Mr D Haigh Mr B Spencer Mrs A Huria Mr G Rowse Mr A Chambers Mrs T Glavas Mr B Blyton	(Group Manager – Organisation Performance) (Chief Executive) (Group Manager – Vision & Delivery) (Acting Group Manager – Community Infrastructure) (Group Manager – Housing & Business) (Business Performance Manager) (Principal Advisor – Democracy) (Manager of Financial Planning & Reporting) (Health & Safety Lead) (Procurement Advisor)
Meeting Secretary	Miss J Lygo	(Democracy Support Officer)

Cr Tukapua opened the meeting with a karakia.

1 Apologies

Moved by Mayor Wanden, Seconded by Cr Jennings:

That the apology from Councillors Ketu be accepted.

CARRIED

2 Public Participation

Geoff Kane	Item 7.1 – Twelve Month Report to June 30 2022.
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3 Late Items

There were none.

4 Declarations of Interest

There were none.

5 Confirmation of Minutes

Resolution Number FC/2022/1

MOVED by Mr Jackson, seconded Cr Brannigan:

That the minutes of the meeting of the Finance, Audit & Risk Committee held on Wednesday, 29 June 2022, be confirmed as a true and correct record.

That the minutes of the meeting of the In Committee Meeting of the Finance, Audit & Risk Committee held on Wednesday, 29 June 2022, be confirmed as a true and correct record.

CARRIED

6 Announcements

The Chair thanked Members and officers for their hard work during this triennium.

7 Reports

7.1 Twelve Month Report to 30 June 2022

The Finance, Audit & Risk Committee were presented with the financial report for the twelve months to 30 June 2022.

Resolution Number FC/2022/2

MOVED by Cr Allan, seconded Cr Mitchell:

That Report Twelve Month Report to 30 June 2022 be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The Manager of Financial Planning & Reporting joined the table to speak to this report. He outlined and clarified key points while answering questions from members. The Group Manager – Organisation Performance provided further details to members when required. It was noted that the additional spending on the Three Waters that is loan funded will eventually be taken on by the Three Water Authority. There will be a workshop on 7 of November regarding the impacts of this in the Long Term Plan.

7.2 Risk Management Status Report

The purpose of this paper was to report to the Finance, Audit and Risk Committee on Council's risk landscape, risk management work in progress and to continue a discussion with the Committee about risk.

This report was provided for information purposes only and had been assessed as not significant.

Resolution Number FC/2022/3

MOVED by Mr Jones, seconded Cr Jennings:

That Report Risk Management Status Report be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

That the Finance, Audit and Risk Committee endorse the direction of the work underway to better understand risk, and Council's role in managing that.

That the Finance, Audit and Risk Committee endorse the Delegations Register, Procurement Strategy and Procurement Policy.

CARRIED

The Procurement Advisor and Business Performance Manager joined the table to speak to this report. They outlined key points regarding Risk, Procurement and Delegations while answering questions from members. It was noted that the endorsement received tonight results in the policies going to the 14 September 2022 Council Meeting for Adoption.

It was clarified that the below point included on page 5 of the Delegations Register is historic and will be removed prior to adoption:

- *Any delegation to the Chief Executive that Council has revoked or suspended*

Councillor Jennings was confirmed as the Elected Member representative for the procurement review group.

7.3 Treasury Report

The Finance, Audit & Risk (FAR) Committee were presented with the Bancorp Treasury Report for the June 2022 quarter.

Resolution Number FC/2022/4

MOVED by Cr Isaacs, seconded Cr Bishop:

That Report 22/443 Treasury Report be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The Group Manager – Organisation Performance spoke to this report highlighting the key points and responding to members questions.

7.4 Health and Safety Quarterly Report

The Finance Audit and Risk (FAR) Committee were provided with an update on health and safety matters at Horowhenua District Council for the period 1 June 2022 to 31 July 2022.

Resolution Number FC/2022/5

MOVED by Cr Jennings, seconded Mayor Wanden:

That Report 22/435 Health and Safety Quarterly Report be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The Health & Safety Lead and Business Performance Manager joined the table to speak to this report highlighting that all facilities have completed a trial evacuation.

7.5 Finance, Audit & Risk Resolution and Actions Monitoring Report August 2022

The Finance, Audit & Risk Committee were presented with the updated monitoring report covering resolutions and requested actions from previous meetings of Council. This also includes recommendations made by Audit New Zealand as part of their annual audit.

Resolution Number FC/2022/6

MOVED by Deputy Mayor Mason, seconded Cr Brannigan:

That Report 22/452 Finance, Audit & Risk Resolution and Actions Monitoring Report August 2022 be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The Group Manager – Organisation Performance spoke to this report noting that it has grown significantly. It was confirmed that items marked blue for completed will remain on the monitoring report until Audit NZ has completed their annual audit, and can clear them as completed.

7.6 Finance, Audit and Risk Committee Work Programme

The Finance, Audit and Risk Committee were presented with an outline of a Draft Work Programme.

Resolution Number FC/2022/7

MOVED by Mr Jones, seconded Mr Jackson:

That Report 22/445 Finance, Audit and Risk Committee Work Programme be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

That the Finance, Audit & Risk Committee notes the Finance, Audit and Risk Committee Work Programme.

CARRIED

The Group Manager – Organisation Performance spoke to this report clarifying key points.

Mayor Wanden acknowledged the hard work and time that the Chair and Member Bryan have put into this committee as independent members thanking them.

Cr Tukapua closed the meeting with a karakia

5:27 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF FINANCE, AUDIT & RISK
COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....

UNCONFIRMED

7.2 Proceedings of the Foxton Community Board meeting 22 August 2022

File No.: 22/466

1. Purpose

To present to the Council the minutes of the Foxton Community Board meeting held on 22 August 2022.

2. Recommendation

- 2.1 That Report 22/466 Proceedings of the Foxton Community Board meeting 22 August 2022 be received.
- 2.2 That the Council receives the minutes of the Foxton Community Board meeting held on 22 August 2022.
- 2.3 That Council agrees to the Board's recommendation that they support the Foxton Beach Community Centre with 100% of the funding requested being \$86,848.28.
- 2.4 That Council Agrees to the Board request to commence for officers to commence consultations on the review of the Foxton Beach Freeholding Account Strategy and Policy.

3. Issues for Consideration

The following items considered by the Foxton Community Board meeting held on the 22 August 2022 will require further consideration by the Horowhenua District Council and will be included on a future Council agenda:

The Foxton Community Board resolved the following:

Item 7.3 Foxton Beach Freeholding Account - Request for Funding for Foxton Beach Community Centre Garage Project (attachment A)

That we support the Foxton Beach Community Centre with 100% of the funding requested being \$86,848.28.

In proposing the 100% funding we take note of the precedent set when funding was granted for the Foxton Volunteer Fire brigade vehicle and we note that there is considerable support in the community for this venture based on feedback provided to this meeting.

Item 7.4 Purpose and Scope of Foxton Beach Freeholding Account Review (attachment B)

That the Board requests officers to commence consultations on the review of the Foxton Beach Freeholding Account Strategy and Policy.

Attachments

No.	Title	Page
A	Item 7.3 - Foxton Community Board Report Foxton Beach Freeholding Account - Request for Funding for Foxton Beach Community Centre Garage Project 22 August 2022	259
B	Item 7.4 - Foxton Community Board Report Purpose and Scope of Foxton Beach Freeholding Account Review 22 August 2022	264
C	Foxton Beach Freeholding Account Strategy and Policy - adopted 7 October 2009	267

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Jody Lygo Democracy Support Officer	
Approved by	Monique Davidson Chief Executive Officer	

File No.: 22/422

6.3 Foxton Beach Freeholding Account - Request for Funding for Foxton Beach Community Centre Garage Project

1. Purpose

To present the Board with a request from the Foxton Beach Community Centre, seeking funding from the Foxton Freeholding Account for a three-car garage.

2. Recommendation

- 2.1 That Report Foxton Beach Freeholding Account - Request for Funding for Foxton Beach Community Centre Garage Project be received.
- 2.2 That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the Board ask officers to consult with the Foxton Beach Community over the use of Foxton Beach Freeholding Account funds for the building of a three car garage for the Foxton Beach Community Centre.

3. Background / Previous Council Decisions

The Foxton Beach Freeholding Account ("the Fund"), also known as the Foxton Beach Endowment Fund, was established by the Reserves and Other Lands Disposal Act 1968 ("the Act"). The Act transferred lands that were previously set aside for the Foxton Harbour Board, but were no longer required for that purpose, to the Manawatu County Council. The Horowhenua District Council has superseded the Manawatu County Council as the corporation administering and controlling the land.

The conditions of the Fund are set out in section 13(14) of the Act. These are:

*The council shall from time to time spend the net proceeds from the sale or lease of any of the endowment land on the provision of services and public amenities for the benefit of the inhabitants of Foxton Beach Township, or on the improvement, maintenance, or repair of any such services and amenities, or on the improvement, maintenance, or repair of any existing services or public amenities. For the purposes of this subsection, the term **services** includes roads, road lighting, water supply, drainage, sewerage, and other public works.*

The Horowhenua District Council subsequently adopted its Foxton Beach Freeholding Account Strategy and Policy ("the Policy") on 7 November 2009. The Policy set out, among other things a spending policy, maximum level of contributing and prioritisation for the use of the funds.

The Policy is currently under review.

The Foxton Beach Community Centre has made application to the fund for \$86,848.28 to erect a three car garage next to the community centre to house its fleet of vehicles. One of those vehicles was purchase with the help of the Fund previously.

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Council has also recently approved a boundary re-adjustment for the land upon which the Foxton Community Centre sits, which provides sufficient land on which to site the proposed garage

4. Discussion

The Foxton Beach Community Centre application for funds is assessed against the following:

- Compliance - does the fund request fall within the requirements of the Act?
- Spending Policy – does the project for which funds are requested meet the principles of the policy?
- Maximum level of contribution – what is the maximum contribution?
- Prioritisation – where does this request sit in terms of prioritisation.

4.1 Compliance

The purpose for which the funds are requested is a public amenity that will benefit the inhabitants of the Foxton Beach Township.

4.2 Spending Policy

The Policy sets out the following principles:

- Sustainability: The fund shall be applied to enhance the current and future wellbeing of the inhabitants of Foxton Beach
- Beneficial: The fund shall be applied to services and amenities in ways that consider the social, environmental, cultural and economic wellbeing of the inhabitants of Foxton Beach
- Complementary: The fund is not the sole resource for funding infrastructure and other development, and should be used in a way complementary to other sources to maintain a sense of community responsibility, ownership and fairness
- Responsiveness: The fund shall be applied for infrastructure, but also retain some flexibility to meet needs that are currently unforeseen

The Policy also states that that the Fund will only be used for items included in the "Council's LTCCP (10 year plan) or Annual Plan". While the Council no longer produces a LTCCP, it does consult on a Long Term Plan. This project has not been subject to a Long Term plan funding request and therefore has not been consulted on.

4.3 Maximum Level of Contribution

The maximum level of contribution under the Policy is 50% of the total project cost. Based in the quotes supplied, the total project cost is \$86,848.28. This is made up of:

Consent documentation	\$ 2900.00
Supply and build garage	\$71500.00
Earthworks	<u>\$12448.28</u>
Total	\$86848.28

The maximum level of contribution for this project would be \$43424.14.

4.4 Prioritisation

The Policy sets out the following priorities for applications:

- Whether expenditure has been identified in the LTCCP;

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- Priority items identified by the Foxton Community Board in the Annual Plan/ LTCCP process;
- Community consultation during the Annual Plan / LTCCP process;
- The Principles of the Foxton Beach Freeholding Account Policy have been met; and,
- Whether the minimum account balance level will be breached during the preceding 12 months

As noted earlier the Council has not consulted in this project as part of the Long Term Plan or Annual Plan.

5. Options

This project meets the requirements set out in the Reserves and Other Lands Disposal Act 1968, but it does not strictly meet all the aspects of the Policy. Where this fails to meet the Policy is in the consultation with the community. Separate consultation with the Foxton Beach community could rectify this deficit.

5.1 Cost

Costs of this project, if approved, will be funded from the Foxton Beach Freeholding Account.

5.1.1 Rate Impact

There will be no Rate impacts arising.

5.2 Community Wellbeing

There are no negative impacts on Community Wellbeing arising. The approving of this funding will support community infrastructure that provides ongoing support to the community of the Foxton Beach.

5.3 Consenting Issues

A consent will be required for the building of the garage.

5.4 LTP Integration

There is no LTP programme related to this funding request. There are no Special Consultative Processes required.

6. Consultation

There has been no consultation on this project with the Foxton Beach community. One of the requirements of funding from the Fund is that the community has been consulted through the Long Term Plan or Annual. This has not occurred for this project.

If this project is to be considered for support from the Fund, there would need to be consultation with Foxton Beach Community.

7. Legal Considerations

The legal requirements set out in the Reserves and Other Lands Disposal Act 1968 appear to have been met.

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8. Financial Considerations

There is no financial impact of this decision. Funding would come from the Foxton Beach Freeholding Account.

9. Iwi Considerations

There are no iwi considerations related to this request.

10. Climate Change Considerations

There is no Climate Change impact.

11. Environmental Considerations

There are no environmental considerations.

12. Health & Safety Considerations

There is no health and safety impact.

13. Other Considerations

There are no other considerations.

14. Next Steps

Consultation over the use of the Fund to support this project should be undertaken with the Foxton Beach community. While this project has not been through the Long Term nor Annual Plan process, this additional consultation would give officers a clear view on whether this is a project that is supported by the community. This consultation would ensure that this project would only proceed with the will of the community.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their advantages and disadvantages, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

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22 August 2022

15. Appendices

No.	Title	Page
A	Garage Funding request - Foxton Beach Community Centre	
B	Quotes to support garage fundng request for Foxton Beach Community Centre - August 2022	
C	Foxton Beach Freeholding Account Strategy and Policy - adopted 7 October 2009 (without appendices)	

Author(s)	Grayson Rowse Principal Advisor - Democracy	
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Approved by	Monique Davidson Chief Executive Officer	
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6.4 Purpose and Scope of Foxton Beach Freeholding Account Review

File No.: 22/414

1. Purpose

To outline the scope and purpose of the Foxton Beach Freeholding Account ("the Fund") review, including the involvement of mana whenua in the review. This report is provided at the request of the Foxton Community Board, and seeks the Board's endorsement to commence consultation.

2. Recommendation

- 2.1 That Report 22/414 Purpose and Scope of Foxton Beach Freeholding Account Review be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Board requests officers to commence consultations on the review of the Foxton Beach Freeholding Account Strategy and Policy

3. Background/Previous Council Decisions

The Foxton Beach Freeholding Account Strategy and Policy ("the Policy") was last reviewed in 2009. As part of Long Term Plan discussions, a request was made to review the strategy and policy, as well as the delegations to the Foxton Community Board.

4. Issues for Consideration

The review of the Foxton Beach Freeholding Account is to ensure that it is working effectively for the community of Foxton Beach.

The review will involve consultation with the community including mana whenua.

The purpose of the fund is set by legislation and therefore is not up for review. The fund will continue to be used for:

...the provision of services and public amenities for the benefit of the inhabitants of Foxton Beach Township, or on the improvement, maintenance, or repair of any such services and amenities, or on the improvement, maintenance, or repair of any existing services or public amenities. For the purposes of this subsection, the term 'services' includes roads, road lighting, water supply, drainage, sewerage, and other public works.

Similarly the land underpinning the Fund will not be effected by this review. It is, however, important to note the previous history of the land and its importance to mana whenua.

The Council has a responsibility under the Local Government Act to improve opportunities for Māori to contribute to local decision making, specifically, s4 of the Act says:

In order to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes..

Parts 2 and 6 of the Local Government Act 2002 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority

Foxton Community Board
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decision-making processes. In particular, the role of local authorities as defined in Part 2 of the Act is, inter alia, to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. The principles relating to local authorities in performing their role include providing for opportunities for Māori to contribute to local authorities' decision-making processes.

Part 6 of the Act relates to Council's planning, decision-making and accountability requirements. Section 81 requires a local authority to:

1. Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.
2. Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.
3. Provide relevant information to Māori for the purposes of (1) and (2) above.

Section 77 of the Act requires a local authority, in the course of its decision-making process, to take into account the relationship of Māori and the culture and traditions with their ancestral land, water, sites, wahi tapu, valued flora and fauna, and other taonga if any of the options identified in its decision-making process involves a significant decision in relation to land or a body of water.

Schedule 10 of the Local Government Act specifically requires Council to include in its LTP any steps that the local authority intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision-making processes of the local authority, over the period covered by that Plan.

Council has further developed its undertaking to Māori in its 2021-41 Long Term Plan by recognising the unique position of Tangata whenua in our district, and dedicating itself to fostering the development of Māori capacity to contribute to the decision making processes of the Council over the next 20 years. While it is a requirement in Schedule 10 of the Local Government Act (LGA) 2002, Council aims to extend beyond the legislative framework, to build and maintain strong and meaningful relationships with the Māori community. Council also acknowledges its own journey that is required to developing cultural competencies and knowledge of Te Tiriti o Waitangi principles with all Council Officers in order to achieve the best outcomes when fostering Māori contribution to decision making processes over the term of the Long Term Plan 2021-2041.

As part of this strategy as set out in the Horowhenua 2040 Strategy, Council seeks to support iwi to actively contribute to Council's work programme. Engaging iwi in this review is a mechanism to do that, and the outcome of the review may further support iwi involvement.

Finally, Council has Memorandum of Partnerships exist with: Muaūpoko Tribal Authority, Rangitāne O Manawatū, Te Iwi o Ngāti Tukorehe Trust – representing Ngāti Tukorehe, Te Mateawa, Ngāti Te Rangitawhia and Ngāti Kapu (Ngāti Raukawa), and Te Kotahitanga o Te Iwi o Ngāti Wehi (Ngāti Raukawa). Council does not have Memorandum of Partnership with Ngāti Apa or Te Runanga o Raukawa Inc.(the overarching mandated Iwi body) or with Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao and Ngāti Whakatere (Ngāti Raukawa); however, Council recognise that they are key stakeholders in the district, and are often involved in formal and informal consultation.

The current review of the: Policy is an opportunity for Council to engage with mana whenua for the first time on the Fund.

Attachments

There are no attachments for this report.

Confirmation of statutory compliance

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In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Grayson Rowse Principal Advisor - Democracy	
Approved by	Monique Davidson Chief Executive Officer	



FOXTON BEACH FREEHOLDING ACCOUNT (AKA FOXTON BEACH ENDOWMENT FUND)

STRATEGY AND POLICY

**Adopted by the
Horowhenua District Council
on 7 October 2009**

**FOXTON BEACH FREEHOLDING ACCOUNT
(AKA FOXTON BEACH ENDOWMENT FUND)
STRATEGY AND POLICY**

Introduction

This strategy and policy document applies to the current and future use of the Foxton Beach freeholding account (also known as the Foxton Beach endowment fund), and referred to herein as the fund.

The Horowhenua District Council decided it would be wise to develop a strategy in consultation with the Foxton Beach community to guide the use of the fund to ensure that the considerable sum of money available from the lease, freeholding and sale of the original land, additional land purchased and other investment return by the fund is used in a way that meets the legislative requirements of the endowment and provides for the wellbeing of the inhabitants of Foxton Beach.

Background

Land for the Foxton Harbour Board, initially 407 acres, was scheduled in 1876, but this was increased under pressure from Council and others and a new Harbour Board was established in 1908 with approximately 1000 acres of land endowed by the Minister of Marine.

What became the Freeholding account came from land (leasehold payments) endowed by the Crown under the Reserves and Other Lands Disposal Act 1956 to the Manawatu County Council as the Corporation administering and controlling the land after the Harbour Board's abolition in 1955. The Council paid a negotiated amount for the endowment, allowing for the need to upgrade roads, and was entitled to lease areas of land under 21 year perpetually renewable leases.

The lands were later increased by the freeholding of land after passage of the Reserves and Other Lands Disposal Act 1965 (acknowledging claims and making payment extinguishing Maori rights to certain parcels of land) and the Reserves and Other Lands Disposal Act 1968 (allowing the sale of freehold land to leaseholders and the sale of unleased land). The latter Act placed conditions on the use of funds:

"The Council shall from time to time spend the net proceeds from the sale or lease of any of the endowment land on the provision of services and public amenities for the benefit of the inhabitants of Foxton Beach township, or on the improvement, maintenance, or repair of any existing services on public amenities. For the purpose of this subsection, the term "services" includes roads, road lighting, water supply, drainage, sewerage, and other public works."

Freehold sections at Foxton Beach were sold by the Manawatu County and District Councils or subsequently the Horowhenua District Council to current owners under this legislation, and the proceeds of those sales have been added to the fund for use as provided for (offsetting reduced lease income after freeholding).

In November 1989 the Horowhenua District Council in line with the directions of the Local Government Commission on the vesting of property laid down in the Reorganisation Scheme for the Horowhenua District received property (and funds), located at Foxton Beach commonly known as the Foxton Beach Township Endowment Land.

Over the intervening years the Horowhenua District Council has with the support of the Foxton Community Board, utilised the Freeholding Fund to carry out both major and minor projects to the benefit of the beach community.

From its initial application towards the upgrading of Seabury Avenue, commenced during the later years of Manawatu District Council's control, the Freeholding Fund has been used for water and sewerage reticulation, stormwater drainage, development of the Pinewood Motor Camp, foreshore protection works and land acquisition (for future subdivision in conjunction with Council owned land).

Over more recent years the fund has been applied towards the subdivision of endowment land, creating new sections to meet the growing demand for property within the Beach settlement. This was undertaken as a means of generating more income for the fund as leaseholders purchased the Freeholding rights to their properties, reducing the annual revenue for the fund from this source.

Over the period 1989 to the present time the Foxton Community Board has during its various terms of office recommended to Council the use of the fund to offset funding shortfalls from Council to advance projects/works that might not have progressed without this fund. Council was also able to bring forward works listed on the various Council programmes identified for Foxton Beach using the fund.

Strategy

Vision

Foxton Beach will continue to benefit indefinitely from the fund realised through the lease and sale of endowment land and investment of those funds.

Principles

- Sustainability:** The fund shall be applied to enhance the current and future wellbeing of the inhabitants of Foxton Beach
- Beneficial:** The fund shall be applied to services and amenities in ways that consider the social, environmental, cultural and economic wellbeing of the inhabitants of Foxton Beach
- Complementary:** The fund is not the sole resource for funding infrastructure and other development, and should be used in a way complementary to other sources to maintain a sense of community responsibility, ownership and fairness
- Responsiveness:** The fund shall be applied for infrastructure, but also retain some flexibility to meet needs that are currently unforeseen
- Managed Risk:** The fund monies excess to current requirements shall be invested as per Council's Investment Policy, with all investment returns being retained in the Foxton Beach Freeholding Account

Goal

Application of the fund shall enhance the wellbeing of inhabitants of Foxton Beach. The fund shall be managed in such a way as to assist the inhabitants of Foxton Beach in accessing or benefiting from services and amenities in the present, and to maintain the ability to continue to do so in the future.

Sustainability

To sustain the fund indefinitely Council will sell Endowment land and other land purchased by the fund. The proceeds through the sale of subdivided land, funded through the fund, will be retained in the fund.

Council will access expertise in order to maximise profits from the sale of Freeholding Account land or subdivided land funded through the fund.

Over the next 10 years the fund will be built up to \$5m worth of current assets, at which time this amount will become the minimum balance. Funds in excess of \$5m will be available for expenditure on services and amenities as per the policy.

Until the balance reaches \$5m Council will progressively increase the current balance (\$495k at 30 June 2008) whilst still applying the fund to priority expenditure identified in Council's LTCCP.

An indicative budget will be prepared on an annual basis to show the management of the fund over the next 10 years.

5

The fund balance will be prudently managed as per Council's Investment Policy ensuring an acceptable return on investment.

Revenue and expenditure from the Pinewood Motor Camp will be included in the Free-holding Account balances.

Policy

Objectives of policy

The policy will ensure that the Foxton Beach inhabitants' wellbeing is enhanced by the application of the fund to providing services and amenities, *and that the fund retains the capability to benefit both current and future inhabitants of the area.*

Purpose of policy

This policy has been developed to support the Foxton Beach Freeholding Account Strategy, and to assist with decision-making on the application of funds and prioritisation of the use of the fund.

Purpose of the Freeholding Account

The Reserves and Other Lands Disposal Act 1968 specified conditions on the use of funds, which still apply:

*The council shall from time to time spend the net proceeds from the sale or lease of any of the endowment land on the provision of **services and public amenities for the benefit of the inhabitants of Foxton Beach Township, or on the improvement, maintenance, or repair of any such services and amenities, or on the improvement, maintenance, or repair of any existing services or public amenities.** For the purposes of this subsection, the term "services" includes roads, road lighting, water supply, drainage, sewerage, and other public works.*

Council has added to this purpose of the Freeholding Account as:

- Providing an alternative source of funding
- Advancing capital works
- Reducing rates for water and sewerage
- Facilitating amenities and services of Foxton Beach that may not be provided by Council

Custodian of account

The Horowhenua District Council is the appointed 'Corporation' controlling the fund, and the Foxton Community Board will perform an advocacy or advisory role.

Beneficiaries of the Freeholding Account fund

The beneficiaries of the Foxton Beach freeholding Account funds are the residents of Foxton Beach

Investment Policy

The fund monies excess to current requirements shall be invested as per Council's Investment Policy with all investment returns being retained in the Foxton Beach Freeholding Account.

The key clauses from the Investment policy relevant to the fund include:

1. Legislation Provisions

The Local Government Act 2002 requires:

- investments to be managed prudently and in a manner that promotes the current and future interests of the community (s.101 (1))
- an Investment Policy to be adopted by Council (s.102 (4)(c))
- specific content of such a policy (s.105)

The Council must also make its investments in accordance with the provisions of the Trustees Act 1956 as they apply to the investment of trust funds. In exercising its powers of investment Council is required to exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

2. Objectives

- In making investments, Council may consider:
 - the desirability of diversifying investments
 - the nature of existing investments
 - the risk of capital loss or depreciation
 - the potential for capital appreciation
 - likely income returns
 - the length of term of proposed investments
 - the marketability of proposed investments, both during their term and upon maturity
 - the effect of proposed investments in relation to tax liability
 - the likelihood of inflation affecting the value of a proposed investment

The objectives of the Investment Policy are, in a hierarchy of priority:

- firstly, to minimise the risk of loss of capital
- secondly, to ensure that planned expenditures are not hindered by a lack of available funds, and
- thirdly, to maximise the returns from investment

3. TREASURY INVESTMENTS

3.1 Investment Limits and Management of Credit Risks

Financial instrument investments will be limited to the following issuers, instruments and limits:

Issuers	Minimum Long Credit Rating	Instruments	Limit Overall	Limit Per Credit
NZ Govt	A1	Treasury Bills Government Stock	100%	Unlimited
Local Authorities	A (if rated)	Local authority stock Local authority debentures (Pledged from rates)	100%	\$1m
Major Registered Banks	A-	Money market call deposits Money market term deposits Transferable certificates of deposit Negotiable certificates of deposit Bank bills Promissory notes	100%	\$2.5m
State Owned Enterprises (with prior approval of Council)	A-		10%	\$0.5m

These are considered to be low risk investments. There will be no exposure to medium to high-risk investments.

3.2 Management Of Interest Rate Risks

The mix of financial instrument investments shall be limited as follows:

- Fixed rate investments as a percentage of total financial instrument investments: 50%-90%
- Floating rate investments as a percentage of total financial instrument investments: 10%-50%
- Call investments will not be less than \$250,000
- Fixed rate investments with a duration of:
 - Less than 1 year: 50%-90%
 - 1-2 year: 10%-30%
 - 2-5 years: 10%-30%
 - 5+ years: 0%-10%

The potential use of interest rate instruments will be monitored, but their use will require a specific approval by Council and be backed by prior independent advice as to an assessment of risks and revenues.

3.3 Management of Liquidity Risks

The duration and liquidity of investments will be managed to provide sufficient funds for planned expenditure and to otherwise allow the payment of obligations as they fall due.

3.4 Disposition of Income and Proceeds

Returns from investments will be applied in proportion to any special designated funds, and otherwise to form part of general operating revenues.

3.5 Accountabilities

The management of treasury investments will be carried out by the Accountant under delegation from the District Treasurer.

To measure the performance of investment management the weighted average rate of interest will be compared to prevailing 90-day bill rates and shall not be more than 0.5% less than those rates.

The District Treasurer will report quarterly to Finance & Strategic Planning Committee meetings on investment portfolio status, comparison of interest rates to benchmarks and any instances where the policy has not been able to be complied with.

3.6 Internal borrowing

Council may, from time to time, instead of raising loans or borrowing on overdraft, internally borrow from any Special Fund accounts on such terms and conditions as it thinks appropriate in any instance, but without interrupting the normal cash flow requirements of any such fund. Such terms and conditions may include, amongst other matters, a nil rate of interest and deferral or future waiving of repayments.

Repayments may be made directly to the source fund or through an internal Loan Repayment Fund.

Internal borrowing arrangements will not be subject to clauses 3.2 or 4 of the Investment Policy.

4 Community Group Advances

As at 30 June 2005 Council held secured advances to community groups to the value of \$0.03m.

Interest from these advances is used to offset general rates.

Advances may only be made pursuant to a specific resolution of Council.

Such advances will only be made in the future where such advances will strategically fit Council's core activities. There is no such provision in the LTCCP.

5 Foxton Beach Endowment Property

As at 30 June 2007 Council owned \$6.3m in Foxton Beach endowment property. Rental income from these properties is credited to the Foxton Beach Freeholding Fund.

Use of this fund is governed by Section 21 of the Reserves And Other Lands Disposals Act 1956 and subsequent amendments, and is made only pursuant to a specific resolution of Council or by incorporation in the annual budgets.

Council has a general preparedness to dispose of endowment property by way of sale to lessees at market valuation or subdivision and sale at market valuations. Any proceeds from sale will be credited to the Foxton Beach Freeholding Fund.

6 General Property

As at 30 June 2005 Council owned \$17.5m in land and buildings other than those referred to above or used for infrastructural assets, parks or reserves.

Rental income from these properties is used to offset general rates.

The properties are only purchased, sold or leased pursuant to a specific resolution of Council.

Such properties will only be purchased in the future where such acquisitions will strategically fit Council's activities. The LTCCP identifies the need to purchase property for possible roading, sporting, civic and cemetery needs.

Council has an ongoing policy to rationalise its ownership of property. The LTCCP identifies the possible disposal of rental housing other than pensioner flats, surplus recreational and rural hall land. Any proceeds from sale will be set aside for major renewal or capital expenditure projects.

7 Foreign Exchange

Council has occasional exposure to foreign exchange in purchasing goods and services in the normal cause of business, but any other foreign exchange dealings are prohibited.

Spending Policy

The fund has the potential to continue for an extended period, if managed appropriately. Proceeds from the ongoing sale/freehold of properties and remaining leases can be used to provide for current and future services and amenities, including infrastructure upgrades and other services.

An inflation-adjusted proportion of income from the fund will be retained with the base principal to ensure that future generations are also able to benefit from the endowment.

Expenditure shall be governed by the following principles:

- Sustainability:** The fund shall be applied to enhance the current and future wellbeing of the inhabitants of Foxton Beach
- Beneficial:** The fund shall be applied to services and amenities in ways that consider the social, environmental, cultural and economic wellbeing of the inhabitants of Foxton Beach
- Complementary:** The fund is not the sole resource for funding infrastructure and other development, and should be used in a way complementary to other sources to maintain a sense of community responsibility, ownership and fairness
- Responsiveness:** The fund shall be applied for infrastructure, but also retain some flexibility to meet needs that are currently unforeseen

The fund will be used for Capital Works only, on existing and future infrastructure. The fund will not be used for operating or maintenance costs of existing infrastructure, which will be funded from rates or other revenue sources

The fund will only be used on items included in the Council's LTCCP (10 year plan) or Annual Plan.

Expenditure items identified in the LTCCP or Annual Plan will be derived from the Horowhenua Development Plan (refer Appendix A for Development Plan infrastructure capital items) or relevant Asset Management Plan (refer to Appendix B for Asset management expenditure items for Foxton Beach that are not included in the Horowhenua Development Plan)

Any works related to growth should be funded from Development Contributions and not the Free-holding a/c.

Generally the fund will be used on capital projects within the Foxton Beach boundary. However, the fund can be used where a service or amenity is not provided within the Foxton Beach boundary but will benefit the residents of Foxton Beach. The service or amenity must be located within the Kere Kere Ward.

Maximum level of contribution

The maximum contribution from the fund will be 50% of any total project cost.

Prioritisation

The following will be used by Council as a guide to the prioritisation of funds and how/where the funds will be used.;

- Whether expenditure has been identified in the LTCCP
- Priority items identified by the Foxton Community Board in the Annual Plan/ LTCCP process
- Community consultation during the Annual Plan / LTCCP process
- The Principles of the Foxton Beach Freeholding Account Policy have been met
- Whether the minimum account balance level will be breached during the proceeding 12 months

Foxton Community Board

OPEN MINUTES

Minutes of a meeting of the Foxton Community Board held in the Te Awahou Nieuwe Stroom, 92 Main Street, Foxton on Monday 22 August 2022 at 6.00pm.

PRESENT

Chairperson Mr D J Roache
Deputy Ms P R Metcalf
Chairperson
Members Mr T J Chambers
Mr J F Girling
Cr R J Brannigan
Cr D A Allan

IN ATTENDANCE

Mrs M Davidson
Mr G Rowse
Miss J Lygo
Chief Executive (via Zoom)
Principal Advisor – Democracy
Democracy Support Officer

1 Apologies

There were none.

2 Public Participation

The following people attending the Board meeting and spoke to the following items:

Brett Russell, on behalf of Foxton Beach Progressive Association	Item 7.3 – Foxton Beach Freeholding Account – Request for Funding for Foxton Beach Community Centre Garage Project
Brett Russell, on behalf of Foxton Beach Progressive Association	Item 7.4 – Purpose and Scope of Foxton Beach Freeholding Account Review
John Andrews	Item 7.5 – Council Report on Te Awahou Foxton Flood Mitigation Project
Bill Huzziff	Item 7.5 – Council Report on Te Awahou Foxton Flood Mitigation Project
Lyal Brenton – President, Foxton Beach Community Centre	Item 7.3 – Foxton Beach Freeholding Account – Request for Funding for Foxton Beach Community Centre Garage Project

Mr Brett Russell presented a letter from the Foxton Beach Progressive Association.

Mr Bill Huzziff presented a photo of flooded property.

Speaker's responded to members questions and the chair thanked them for their contribution.

The Chair noted that he will contact the Horowhenua District Council's Chief Executive to request an officer contact Mr John Andrews and discuss his ideas further.

3 Late Items

There were none.

4 Declaration of Interest

Mrs Metcalf declared a conflict of interest for item 7.3.

5 Confirmation of Minutes

Resolution Number FCB/2022/1

MOVED by Ms Metcalf, seconded Mr Girling:

That the minutes of the meeting of the Foxton Community Board held on Monday, 20 June 2022, be confirmed as a true and correct record

That the minutes of the meeting of the In Committee Meeting of the Foxton Community Board held on Monday, 20 June 2022, be confirmed as a true and correct record.

CARRIED

6 Announcements

Mr Roache tabled a report from the Foxton Tourist & Development Association (FTDA).

7 Reports

7.1 Chairperson's Report to 15 August 2022

The Foxton Community Board was presented with matters relating to the Foxton Community Board area.

Resolution Number FCB/2022/2

MOVED by Mr Roache, seconded Ms Metcalf:

That Report 22/423 Chairperson's Report to 15 August 2022 be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Mrs Metcalf's report was taken as read and she highlighted key points. Mr Roache read his tabled report to the board.

7.2 Update on Foxton Beach promenade development

Indicative costs were provided to the Foxton Community Board (FCB) for a project to upgrade the promenade area of Foxton Beach as requested by the Foxton Community Board at the recent workshop, and outlined a procurement process for this project. Funding will be sought for this work from the Foxton Beach Freeholding Account, as requested at the recent FCB workshop.

Resolution Number FCB/2022/3

MOVED by Cr Allan, seconded Mr Roache:

That Report 22/411 Update on Foxton Beach promenade development be received.

That the Foxton Community Board endorse the use of the Foxton Beach Freeholding Account to fund this work, with a report to be submitted by Council officers to the Council meeting of 14 September 2022 seeking that approval.

That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

The Parks and Property Lead (North) spoke to his report highlighting the key points including the estimated cost being \$230,000.00 which would be funded by the Foxton Freeholding Account. Discussion was held surrounding the consultation process, it was clarified that the final design will come back to The Board before it is confirmed.

The Chief Executive noted that the approach to how we use the freeholding account needs to remain consistent and members agreed it is essential that the beach community be brought into this project before we continue further.

Resolution Number FCB/2022/4

MOVED by Cr Allan, seconded Mr Chambers:

That the promenade issue be referred to the Foxton beach Community for consultation.

CARRIED

The above recommendation was left to lie on the table until further discussion with item 7.3.

Resolution Number FCB/2022/5

MOVED by Cr Allan, seconded Ms Metcalf:

That the review of the freeholding account be a part of the public consultation meeting also.

CARRIED

7.3 Foxton Beach Freeholding Account - Request for Funding for Foxton Beach Community Centre Garage Project

A request from the Foxton Beach Community Centre was presented, seeking funding from the Foxton Freeholding Account for a three-car garage.

Resolution Number FCB/2022/6

MOVED by Ms Metcalf, seconded Mr Girling:

That Report Foxton Beach Freeholding Account - Request for Funding for Foxton Beach Community Centre Garage Project be received.

That this matter or decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Discussion was held around the option of recommending to fund 100% of this project. Members provide their opinions for and against this noting that the Community Centre applied originally for 50% funding, as well as the delays that may be caused by requesting 100% funding.

Clarification was provided around the policy's ability to be altered by the Board for certain situations/projects ensuring still that there is no precedent set.

Officer's recommendation" that the Board ask officers to consult with the Foxton Beach Community over the use of Foxton Beach Freeholding Account funds for the building of a three car garage for the Foxton Beach Community Centre" did not proceed due to want of a mover

Resolution Number FCB/2022/7

MOVED by Mr Roache, seconded Mr Girling:

That we support the Foxton Beach Community Centre with 100% of the funding requested being \$86,848.28.

In proposing the 100% funding we take note of the precedent set when funding was granted for the Foxton Volunteer Fire brigade vehicle and we note that there is considerable support in the community for this venture based on feedback provided to this meeting.

CARRIED

Deputy Chair Metcalf did not take part in voting due to her conflict of interest.

7.4 Purpose and Scope of Foxton Beach Freeholding Account Review

The report outlined the scope and purpose of the Foxton Beach Freeholding Account (“the Fund”) review, including the involvement of mana whenua in the review was outlined to the Foxton Community Board. This report was provided at the request of the Foxton Community Board, and sought the Board’s endorsement to commence consultation.

Resolution Number FCB/2022/8

MOVED by Mr Roache, seconded Cr Allan:

That Report 22/414 Purpose and Scope of Foxton Beach Freeholding Account Review be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

That the Board requests officers to commence consultations on the review of the Foxton Beach Freeholding Account Strategy and Policy.

CARRIED

Discussion was held between members, and clarification sort surrounding the definition of public consultation, this was provided by the Principal Advisor – Democracy.

It was noted that there be a process to ensure Mana Whenua are included in the consultation.

7.5 Council Report on Te Awahou Foxton Flood Mitigation Project

The Foxton Community Board was provided with a copy of the report to Council on the Te Awahou Foxton Flood Mitigation Project.

Resolution Number FCB/2022/9

MOVED by Mr Roache, seconded Ms Metcalf:

That Report 22/436 Council Report on Te Awahou Foxton Flood Mitigation Project be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Discussion was held surrounding the need for a viable solution that could contest with what the Regional Council Plans.

7.6 Council report on Proposed Liquefaction Assessment Policy Approach

The Foxton Community Board were presented with a copy of the Proposed Liquefaction Assessment Policy Approach, as presented to Council, for their information.

Resolution Number FCB/2022/10

MOVED by Mr Roache, seconded Ms Metcalf:

That Report 22/437 Council report on Proposed Liquefaction Assessment Policy Approach be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

That the Board notes Council's adoption of Policy C from the report 'Options for Liquefaction Assessment in Horowhenua District – 30 May 2022', as part of the Council's liquefaction policy approach.

CARRIED

Cr Brannigan provided guidance to the board regarding the technicality of this, with clarification of background information, noting that this proposal is to try and simplify the approach of people wanting to build in the community.

7.7 Monitoring Report to 16 August 2022

The Foxton Community Board were presented with the updated monitoring report covering requested actions from previous meetings of the Board, and a monitoring report on the LTP actions focussed on Foxton.

Resolution Number FCB/2022/11

MOVED by Cr Allan, seconded Ms Metcalf:

That Report 22/438 on Monitoring Report to 16 August 2022 be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

An update was provided regarding the CCTV cameras for the Foxton Township, which is ready to be implemented once funding is secured.

Resolution Number FCB/2022/12

MOVED by Mr Roache, seconded Cr Allan:

That we write to the Minister of Justice and our local MP, that the Government re-consider reinstating the existing criteria so that the proceeds from the Crime Recovery Fund, are available for projects such as installing CCTV Cameras in the Horowhenua.

CARRIED

Members discussed specific items on the monitoring report and it was noted that the CCTV cameras will be added to the monitoring report.

7.8 Foxton Beach Freeholding Account Statement - 30 June 2022

The Foxton Beach Freeholding Account statement as at 30 June 2022 was presented to the Foxton Community Board.

Resolution Number FCB/2022/13

MOVED by Mr Roache, seconded Ms Metcalf:

That Report 22/440 Foxton Beach Freeholding Account Statement - 30 June 2022 be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The Principal Advisor – Democracy spoke to the report informing members that the financial reporting is done bi-monthly, and discussion was held surrounding the gain and lose on property sales. It was also clarified that this is a projected forecast not a balance sheet, and a cash flow forecast was requested to be brought back to the board.

The Chair noted his thanks for the support he had received from the Deputy Chair during this triennium, and thanked the Board members for a great three years that have been filled with good decisions. Additionally, officers were acknowledged for their support and engagement.

8.16 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF FOXTON COMMUNITY BOARD
HELD ON

DATE:.....

CHAIRPERSON:.....

Exclusion of the Public : Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Awarding of Contract - Foxton Pool Redevelopment

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 Awarding of Contract - Waitāreere Surf Club Facility

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C3 Summary of Rating Sales required to proceed during 2022/23

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural	s48(1)(a) The public conduct of the part

information for which good reason for withholding exists under section 7.	persons, including that of a deceased person. For privacy of the ratepayers concerned.	of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
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C4 Ō2NL Principal Development Agreement

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.