

Council Briefing Meeting Minutes

Date: Tuesday, 18 August, 2020
Time: 9:00 a.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Tricia Cutforth
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Innes
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

Not in Attendance Cr Shelley Deeming

Scribe Sue Reid (Democracy Adviser)

1. Apologies

Apologies were received from Cr Deeming (absence), from Cr Golightly (late arrival 10:00) and Cr Martin (early departure 11:00).

2. Reports

Her Worship the Mayor convened the briefing at 09:00 and welcomed Mr John Isles (Independent Chair – Risk and Audit Committee) who facilitated the first part of the briefing. She handed over to Ms Emily Thompson (Senior Assurance Advisor) who would take Elected Members through the presentation and answer any questions on policy, with Mr Isles responding to the bigger questions around risk.

2.1 Risk Management Policy and Supporting Framework

Ms Thompson said she would separate the presentation into two parts – the first around the policy and the second around the framework which is how we go about managing risks in Council. This is currently operational, focusing on delivering services to the community and there is a need to look at internal risks which is not a legislative requirement but good business practice.

Ms Thompson gave some background on the Risk Management Policy, what it is about, how it is reported on and what is covered in the policy. She highlighted the Council's risk principles and how they are dealt with throughout the organisation and covered the external risks versus internal risks. It is necessary to recognise there are different levels of risk and risk is not necessarily a bad thing as it gives opportunities and this has been included in the policies.

The WDC Risk Framework Overview highlighted the four types of risks and Ms Thompson explained how they are handled. She drew Elected Members attention to Section 3 on Pages 6 and 7 of the framework document showing how we can identify and manage risk and make that part of how we work in Council.

Risk Evaluation covered Likelihood, Impact and Mitigation and Ms Thompson said if likelihood is high and consequence is high then it's a high risk, but good mitigation and controls will make it drop down to medium or low risk.

She covered how the risks were rated and explained the matrix to Elected Members. At the last briefing there was discussion around increasing or changing colours of the boxes and Ms Thompson showed what the potential new risk matrix looked like and asked Elected Members which way they wished to go. She said there is a balance between changing the risk matrix and re-categorising some risks. Increasing the number of critical risks would create a substantial work programme for staff. There were 21 critical risks on the last audit report and this would increase to 42 with the new version.

Mr Isles asked Elected members if this increase was too conservative. There was a response that they should be talking about catastrophic risks and if the risks were minor it would not be critical but it depended on what the definition of minor is.

Responding to a query about transferring risk to the contractor and making sure they carry the risk, Mr Isles said transferring the risk is a mitigation but it still leaves the risk for evaluation.

Ms Thompson said the table is about impact and likelihood and gives Elected Members the parameters to decide what sits where. There was some discussion around the contractors and everyone on site buying into the risk so they become a watchdog. Ms Thompson said that is one of the principles and

knowledge should be shared down. Mr Isles added that too many watchdogs can become a risk in itself. Various levels of responsibility for contractors and workers were discussed and at council level the management of risks is critical. Mr Isles said that, although you know the process, you do not want to clutter up the Risk and Audit Committee with relatively minor things.

Ms Thompson was asked to walk Elected Members through the process of managing risk coming from the outside and this gets to the people that it needs to go to for an assessment to be made. Ms Thompson facilitates people on the benefits and changes and agreed it is vital that everyone involved in the decision making would have access to the information.

It was noted that roles and responsibilities are critical and driving ownership down to the front line, but there is a lot of uncertainty at the moment with Covid-19 and local government reform, for example around 3 Waters and the RMA. These are big things which will change and how we deal with those is critically important.

Mr Isles said, as far as this Committee is concerned, they don't want so many red boxes but rather to focus on the major and catastrophic but also want to be assured there is a structure in place for smaller risks. He said, as guidance to Ms Thompson, firstly, the current risk matrix is about right and, secondly, the first two lines of catastrophic and major are what concern this Committee, possibly along with some of the moderate.'

Ms Thompson was asked what has been referred to the Risk and Audit committee so far and she responded that with the change in decisions there is time to bring those things to the committee and to be mindful of how they are brought to the committee and how Elected Members have the opportunity to discuss those risks.

Different perceptions of risk were discussed and Mr Isles said you could have more red boxes, but much of it is in the area for management to deal with and only bring to committee if necessary.

When asked if there were examples of what risks were brought to the Committee, Ms Thompson said they do a risk report and quantify which ones may be at the next stage. Ms Thompson said in any report coming to council there is a template for associated risk to be included and report writers are challenged to see if they have considered the risks.

In the agenda, it stated that medium risks are reviewed by department managers six-monthly and low risks are reviewed annually. Ms Thompson was asked if that was proactive enough as, over a long period of time, it could become quite cumulative and would incremental risks be captured. Ms Thompson said the intention is to read the whole risk register on a quarterly basis. Some departments have quite large risk registers and there might be a

need to keep a watch on this. Mr Isles said that he and Ms Thompson would pick this up.

Her Worship said the role of the Risk and Audit Committee is an assurance committee and not a decision making committee and the purpose is covered in page 14 of the agenda. Once a decision is made and it is critical, it comes to the Risk and Audit Committee but it needs to be clarified at what point they should be coming to the Committee.

Ms Thompson said the Risk and Audit Committee is about ensuring Elected Members understand the content of the risk management policy and framework and how it is being applied within the organisation. The Risk and Audit Committee does not have a role to review and provide advice on decisions that are in front of elected members. It was recognised that there is a need to ensure that decision making by Elected Members includes understanding of risks and this is included in the template for reports produced for Council and committees.

Ms Thompson quoted the Terms of Reference for the Risk and Audit Committee and Mr Isles said they will come back for another discussion of a general nature on this.

Ms Thompson continued the presentation with the risk treatment and the reporting of risk and there was discussion with Elected Members on Governance of Risk. Mr Isles asked Elected Members if there are risks which niggle at the back of their minds.

When budgets are set and other opportunities arise, the risk is that Council may not be able to deliver on other projects which then get pushed back and Ms Thompson was asked if this was part of this Committee. She responded that it becomes more of an operational than a financial risk and it is managed at General Manager level. If the project is pulled because of the opportunity, it comes to the Committee or Council and risk should be shown in the associated report.

There was general discussion around uncertainty in terms when we have events like Covid-19 in terms of staff and community mental wellbeing was discussed.

Ms Thompson covered the next steps to consider the feedback from Elected Members before bringing the policy and framework back to the Risk and Audit Committee.

The briefing adjourned at 10:29 and reconvened at 10:35.

2.2 Draft Whangarei District Growth Strategy Update

Mr Tony Horton went through the presentation (attached).

Mr Horton highlighted the draft actions from the Growth Strategy which had been significantly reduced to ensure the actions reflect Council priorities and our statutory obligations. These actions will be reviewed each year and reported back to Council on how each one is tracking, with new actions added as some are ticked off.

Mr Horton said they are looking at a second round of consultation of four to six weeks in September and October, with feedback to Elected Members in November.

Mr Horton said, that analysis shows that there was enough capacity to meet the demand for houses over the next 30 years which puts Whangarei in a good space compared to a lot of other councils where they are seeing shortfalls in land and infrastructure.

Elected member feedback:

- There was general support for a second round of consultation to get valuable feedback on the draft changes that have been made and this would be powerful to feed into the LTP.
- Instead of referring to increasing jobs, it was suggested there should be something around GDP that council may have more leverage on.
- Growth numbers were discussed and the need to show that Whangarei will be growing over the next 30 years.
- Need to include biodiversity and also DoC would be a major stakeholder.
- Sustainability was mentioned and the need to look after what is already in place, for example how we deal with waste.
- Co-housing was discussed and moving towards multiple units on one piece of land. Mr Horton said co-housing was included earlier and it can be put back in.
- There should be more about public transport.
- Include a timeline for the Placemaking Programme.
- The wellbeings and a reflection of that are not adequately expressed and it is lacking in a cultural wellbeing.

Mr Horton continued the presentation covering the Northland to Auckland Corridor Plan update and asked for feedback from Elected Members on the scope.

Elected member feedback

- Need to elected member input into the scope and governance approach
- Northland Forward together is appropriate as an initial forum

- Is this just about transport or wider growth.

Mr Horton continued the presentation around the National Policy Statement Urban Development. A dedicated briefing will be held after general elections on central government reforms.

Elected member feedback

- Parking was discussed, especially around disability parking conditions, and Mr Horton said the district plan team were working with NTA and this will be part of the briefing coming back to council.
- Removal of carparking does not impact on disability car parking which is controlled under the Building Act.

Summary of feedback from elected members was that they were comfortable/supportive of consultation for the Draft Whangarei District Growth Strategy.

Mr Horton said the item would be taken to the next Council or Planning and Development Committee for a formal decision on consultation. Any feedback on the Draft Growth Strategy should be provided by email.

3. Closure of Meeting

The meeting concluded at 12:06.