



Te Kārearea Strategic Partnership Hui Agenda

Date: Wednesday, 18 November, 2020
Time: 9:00 am
Location: Ngunguru Marae
Waiotoi Road
Ngunguru
Attendees: Hapū mandated Chairperson
Cr Phil Halse
Her Worship the Mayor Sheryl Mai
Cr Gavin Benney
Cr Ken Couper
Cr Greg Innes
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid
Delaraine Armstrong
Jade Kake
Tame Te Rangi
Jared Pitman
Mira Norris
Aorangi Kawiti
Deborah Harding
Len Bristowe

No decisions are made at the Hui.

1. Karakia/Mihi	
2. Apologies	
3. Introductions (Whakawhanaungatanga)	
4. Community Forum (Hui a Hapori)	
5. Reports	
5.1. Approach to LTP 2021 - 2031	5
5.2. Three Waters Report Update - November 2020	9
6. Other Business	
7. Closure of Meeting - Karakia	

Te Kārearea Strategic Partnership Standing Committee – Terms of Reference

Membership

Chairpersons	Council based meetings: Councillor Phil Halse Marae based hui: to be determined from mandated hapū members*
Members	Her Worship the Mayor Sheryl Mai Councillors Gavin Benney, Ken Couper, Greg Innes, Anna Murphy, Carol Peters, Simon Reid and Phil Halse Eight mandated hapū representatives: Delaraine Armstrong, Jade Kake, Tame TeRangi, Jared Pitman, Mira Norris, Aorangi Kawiti, Deborah Harding and Len Bristowe
Meetings	Bi monthly for formal standing committee meetings, with hui on being held on a marae in accordance with Tikanga*
Quorum	8 comprised of 4 councillor and 4 hapū members

*note, marae based hui will be in accordance with Tikanga and as such are outside of standing orders adopted under the Local Government Act 2002

Preamble

Te Kārearea Strategic Partnership Forum was formed late in 2012 between Te Huinga (as advocates of the hapū of Whangarei) and Whangarei District Council. The desire to 'develop more robust partnership arrangements over time' was signaled in the 2014 revision of the Agreement. This partnership Committee Represents an important step in that process. While the Purpose, Key Responsibilities and Delegations form the basis for the Terms of Reference to determine what the Committee will do, it is important that the respective principles of each of the Partners continue to underpin the relationship, and that the relationship builds on the foundations outlined in the Agreement. The Statement of Principles for each of the Partners, as established in the foundation relationship agreement, is below.

Te Huinga Statement of Principles

He Whakaputanga o Te Rangatiratanga o Nu Tireni (Declaration of Independence – 1835) and Te Tiriti o Waitangi, 1840 provides the foundational doctrines of authority and partnership that are being sought after by the hapū of Whangārei as the relationship develops with the Whangārei District Council.

Te Huinga will work towards achieving the strategic intent.

Strategic Intent

- Vision/Te Pae Tawhiti: 'Ma nga hapū ano nga hapū e korero' - 'Hapū self reliance and prosperity'
- Mission/Te Kaupapa: 'Achieving hapū aspirations through effective and enduring relationships'
- Whangārei - Māori Community Outcomes:
 - a A rohe with a vibrant Māori culture
 - b A Māori community, which is healthy and highly educated

- c A society that protects and cares for all its members
- d A rohe with a flourishing Māori economy
- e A society that appreciates and cares for its natural environment
- Nga tikanga – Values
 - a Whanau – the extended family is the social unit that Māori identify with.
 - b Mana Hapū - Hapū are the cornerstone of the Māori community and identity.
 - c Mana Motuhake – self-determination, self-reliance and self-sustainability.
 - d Whakarite – Invest time and energy in building decision-making capacity and capability.
 - e Te Manawatoopu – Of one heart and mind. We are stronger working together.
 - f Kia maia – Providing leadership through courage.

Whangārei District Council Statement of Principles

In order to improve and enhance relationships with Māori, Council acknowledge a strategic platform is required upon which to continue to build strong relationships. Council is committed to collaboration with Māori organisations within the District.

Council has a contribution to make towards Māori wellbeing, be it environmental, social, cultural/spiritual or economic. Additionally, further collaboration and relationship building processes with Crown agencies and other local territorial authorities will continue as all such organisations make up part of the many services that impact on Māori wellbeing.

Whangārei District Council wishes to engage with Māori hapū and to recognize the Treaty of Waitangi. The Local Government Act 2002 outlines the obligations of local authorities around the Treaty of Waitangi.

Purpose

To enable the primary partners (Council and hapū of Whangārei) to work closely together to achieve the agreed vision 'He Whenua Rangatira - Whangārei, a district of prosperity, wellbeing and empowered communities' and mission 'Ka tūtuki te Kāwanatanga ā-rohe, ka puāwai hoki te kotahitanga me ōna tini kaupapa - Local Government that works through effective partnership and shared decisions to provide practical solutions'. Central to this is continued development of robust partnerships through learning conversations.

The Committee provides a platform for high level/strategic discussions and priority setting between the primary partners, with preference given to *kanohi ki te kanohi* (face-to-face) and preserving tikanga. Areas of focus include, but are not limited to;

- Identifying the cultural, economic, environmental, and social issues/decisions of Council that are significant for Māori¹ in the Whangarei District. (participation)
- Ensuring Council complies with statutory provisions that refer to Te Tiriti o Waitangi (the Treaty of Waitangi), including providing oversight of key processes and controls (assurance)
- To agree mutual strategic priorities (direction)

However, it is acknowledged that areas of focus/priorities may be beyond the direct control of the committee, meaning that in some areas it will be operating in an advisory capacity.

Recognising this, and to ensure clarity, the Working Group for Maori Participation in decision making (which was tasked with developing Terms of Reference) split the responsibilities of

¹ Māori in this context is defined as people that affiliate to a whanau, hapū, Iwi, mana whenua groups

the Committee into those where it provides advice and recommendations, and those where decision making powers would be delegated.

Key responsibilities – advice and recommendations

- 1) Participation
 - a) Develop pathways (and processes) that will achieve lasting and meaningful relationships between Māori and Council.
 - b) Ensure the views of Māori are taken into account.
 - c) Recommend ways to develop Council capacity
 - d) Recommend ways to develop Māori capacity to contribute to decision making processes
 - e) Governance oversight of initiatives, Te Karearea budget and resourcing to build capacity (both Council and Māori) and deliver on the Terms of Reference
 - f) Provide for equitable participation

- 2) Direction
 - a) Identify strategic priorities for the partnership
 - b) Provide advice on topics referred by Council and Māori
 - c) Advice to, and relationships with, other committees of Council
 - d) Recommendations on harbour and waterway matters (within the jurisdiction of WDC)
 - e) Advice and recommendations on 3 Waters and flood protection infrastructure
 - f) Oversight and advice on central government reform initiatives relating to strategic priorities of the partnership and Te Ao Māori including, but not limited to, three waters reform
 - g) Provide advice and recommendations on key strategic policies, plans and projects of Council, including but not limited to growth strategies, the Long Term Plan and the District Plan
 - h) Information sharing / discussions on Treaty Settlement processes and potential co-governance opportunities (where appropriate)
 - i) Identify matters of significance to Māori that may require joint positions/advocacy with external agencies (i.e. co-governance) or recommendations to Council
 - j) Recommendations on Maori Representation (i.e. under the Local Electoral Act)

- 3) Assurance
 - a) Develop a workplan and strategy log to monitor input to, and decision making/progress on, strategic priorities identified by the Committee
 - b) Monitor and advise on council's compliance with its legislative obligations to Māori, including under the Local Government Act 2002 and the Resource Management Act 1991.
 - c) Receive and consider audit reports on Council's compliance with its legislative obligations
 - d) Monitor and ensure that appropriate action is being taken
 - e) Monitor and assess the primary partner relationship against its vision and mission
 - f) Monitoring compliance with statutory provisions that refer to Te Tiriti o Waitangi (the Treaty of Waitangi), including providing oversight of key processes and controls

Key Responsibilities – under Delegated authority

- 1) Establishing Audit Processes for statutory provisions relating to Te Tiriti o Waitangi (the Treaty of Waitangi).
- 2) Establishing Council processes and templates for Mana whakahono ā rohe Agreements and Iwi/Hapu Environmental Management Plans
- 3) Developing a Te Ao Maori framework for decision making
- 4) Establishment of working parties or steering groups
- 5) Nominating hapū representatives to any Council committee, joint committee or working group (as required, noting that nominations to Council Committees or Joint Committees must then be appointed by full Council)
- 6) Developing collaborative relationships on strategic priorities/areas of focus

5.1 Draft 2021 – 2031 Long Term Plan

Meeting:	Te Kārearea Strategic Partnership Standing Committee Hui (Ngunguru Marae)
Date of meeting:	18 November 2020
Reporting officer:	Dominic Kula – General Manager Strategy and Democracy

1 Purpose

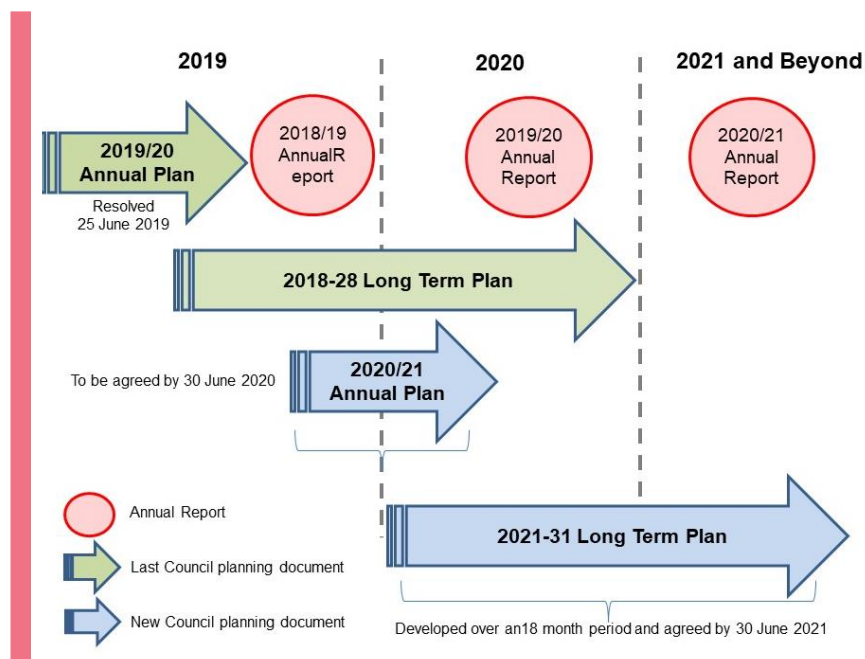
To update Te Kārearea Strategic Partnership Standing Committee and seek feedback on the 2021 – 2031 Long Term Plan.

2 Background

The Local Government Act 2002 (LGA) requires Councils to produce a Long Term Plan (LTP) every three years. The LTP outlines activities and priorities for the next ten years, providing a long-term focus for decision-making.

It also explains how work will be scheduled and funded. An Annual Plan is then developed in the years in between with an Annual Report outlining performance at the end of each year.

A summary of the LTP planning cycle is shown below:



Given the importance of the LTP korero with hapū began early, with an initial hui with Te Huinga in September 2019. At that hui staff worked through the process and timelines for the LTP over the next two years. There was also early korero of where strategic priorities may lie, with feedback being sought on how best to engage with hapū.

With local government elections imminent at that point (in October 2019) it was stressed that there would need to be early discussion between hapū and the new Council around both Māori participation in decision making, and strategic priorities leading into the LTP.

This item outlines korero between hapū and Council since that time, before seeking feedback and direction on how to best work together on this kaupapa going forward.

3 Discussion

Immediately following the 2019 election a hui was held between councillors and Te Huinga. The hui identified a desire from both parties for the Partnership to be more strategic. The potential for Te Kārearea to become a Standing Committee of Council was also identified.

On 12 February a further Briefing was held between councillors and Te Huinga to work through draft terms of reference for a committee. Potential priorities were also identified at that time. At the Briefing a Working Group of hapū representatives and councillors was formed to progress the proposal for Te Kārearea to become a Standing Committee of Council.

Following a COVID delay the recommendations of the Working Group were adopted at the Council meeting of 28 May. At that meeting Council established “Te Kārearea Strategic Partnership Forum from June 2020 - September 2020 in order to bed in a new way of working, and test Terms of Reference”. Council signalled that the Terms of Reference for establishing a Te Kārearea as a Standing Committee would be considered in September 2020.

The importance of the Partners working through respective and collective priorities, including how they can be progressed (or not) within the context and frameworks that each are subject to, was discussed at the first meeting of the Partnership Forum (in June 2020). In doing so it was noted that ‘success will involve the right issue being raised at the right time and in the right way (be that in accordance with Tikanga or through legislative processes)’.

Feedback included in the draft

While there have been some challenges in aligning the LTP process to the timeframes for establishing Te Kārearea as a Standing Committee the LTP has been a regular item of discussion at hui.

At the June 2020 Strategic Partnership Forum staff worked through an overview of LTP process/components, along with the matters that have been discussed with councillors to date and the high level priorities that councillors had identified for this LTP (summary provided as Appendix 1).

In that discussion some of the recurring issues and requests raised by hapū were worked through with a view to capturing these in a strategic context (i.e. instead of focussing on potholes or grading of an individual unsealed road, looking at priorities for spending on the transportation network). At the August 2020 Te Kārearea Strategic Partnership hui a further update was provided on the LTP process, with the Partners then discussing potential priorities.

Priorities/projects raised by hapū (including those raised through community forums and captured in the historic Action Plan) that are currently in the draft 2021 – 2031 LTP include:

- The definition Community Facilities Funding being changed to include marae that provide the same opportunities as community halls
- Increased Community Facilities Funding
- A significant increase in Transportation funding including increased maintenance, road sealing and reseal funding
- Increased funding for traffic calming and ‘slow streets’ initiatives
- Funding for public toilets

The LTP was also discussed as a potential priority in the inaugural Te Kārearea Standing Committee hui, as part of a strategic overview of Council and Central Government initiatives.

Next Steps

Given the statutory timeframes/requirements for the LTP it has been brought to the Committee for consideration at the earliest possible opportunity.

Key milestones through to adoption of the 2021 – 2031 LTP by 01 July 2021 include:

- Adoption of draft documents for Audit – December 2020
- Audit of draft documents – Dec – Feb 2021
- Consultation document adopted – Feb 2021
- Consultation – March 2021
- Hearings of public submissions – April 2021
- Issues & Options / Deliberations by elected members – May 2021
- LTP 2021 – 2031 Adoption – June 2021

As partners we are keen for feedback on priorities/aspirations for the 2021 – 2031 LTP, and how best to engage going forward.

Appendix 1: LTP Process/components

The creation of an LTP is a significant undertaking, which began at the start of this year and will continue through to July 2021. Much of the process is established through the LGA and is guided through the advice from Local Government New Zealand and Audit New Zealand. The steps are summarised below:

Phase 1: November 2019 - July 2020

Establishing, adopting and reconfirming elected member priorities and strategic drivers:

- Transport
- City Centre Revitalisation
- Sustainability
- Northport/Navy
- Housing

And compiling the Information building blocks to inform priorities for:

- Council activities
- Revenue & Finance
- Covid-19 Response

Phase 2: August – September 2020

Setting the direction and parameters for:

- Financial parameters
- Levels of Service
- Prioritisation of projects

Phase 3: October – December 2020 (Current work)

Internal work to produce the draft LTP and supporting documentation required for adoption by Council on 17th December 2020.

The Local Government Act 2002 requires each consultation document to contain an audit report from the Auditor-General and the draft LTP and supporting documents will be submitted to Audit NZ for review prior to Community Consultation.

Phase 4: March – June 2020

Formal consultation on draft LTP, hearings, deliberations and adoption of the 2021 – 2031 LTP.

5.2 Three Waters Reform Update to Te Kārearea Strategic Partnership Standing Committee – November 2020

Meeting:	Te Kārearea Strategic Partnership Standing Committee Hui
Date of meeting:	18 November 2020
Reporting officer:	Simon Weston (General Manager Infrastructure)

1 Purpose

To provide an update to the Te Kārearea Strategic Partnership Standing Committee on the Government's Three Water Service Delivery Reform programme.

2 Background

Over the past three years there has been intense focus on the issues and opportunities facing the system for regulating and managing the three waters (drinking water, wastewater, and stormwater). This has in part been driven by events in Havelock North, and the subsequent 2016 Government Inquiry into Havelock North Drinking Water.

Over that time Council has provided regular updates and Briefings to hapū, notably through hui with Te Kārearea Strategic Partnership Forum. With the creation of a Standing Committee, and given the pace at which reform is moving, this matter has been brought back to Te Kārearea at the earliest possible opportunity.

This has been in addition to, and recognising the limitations of, the Governments processes and engagement on their reform programme. Government engagement has been undertaken predominantly with iwi involving:

- A national iwi reference group for the reform programme;
- Department of Internal Affairs (DIA), Watercare and Auckland Council staff meeting with Te Tai Tokerau iwi and local government Chief Executives (ILGACE) to outline the DIA's proposal on 10 November 2020; and
- A separate programme/process for the Government to consider rights and interests in water (including ownership of water).

3 Discussion

This item provides a comprehensive overview of the Government's Three Water Service Delivery Reform programme, with an emphasis on the timelines and funding decisions currently before Council. While it is intended to standalone item, providing a summary of key information and events relating to the reform, additional information and supporting documents referenced in the item can also be provided if they would aid in understanding of the kaupapa.

Unfortunately, the General Manager Infrastructure will be in Hamilton at the time of this hui, where further announcements on the reform programme are likely to be announced (he

provides his sincere apologies). However, the Chief Executive and General Manager Strategy and Democracy will be present.

Depending on feedback received it is likely that a further update will be provided by the General Manager Infrastructure at the December Standing Committee meeting. A site visit through the new Whau Valley Water Treatment Plant construction is also able to be arranged for the committee if beneficial.

3.1 Issues facing the three waters system and government rationale for reform

Over the past three years, central and local government have been considering the issues and opportunities facing the system for regulating and managing the three waters (drinking water, wastewater, and stormwater).

The Government Inquiry into Havelock North Drinking Water – set up following the serious campylobacter outbreak in 2016 – identified widespread, systemic failure of suppliers to meet the standards required for the safe supply of drinking water to the public. It made a number of urgent and longer-term recommendations to address these significant systemic and regulatory failures.

The Government's Three Waters Review highlighted that, in many parts of the country, communities cannot be confident that drinking water is safe, or that good environmental outcomes are being achieved. This work also raised concerns about the regulation, sustainability, capacity and capability of a system with a large number of localised providers, many of which are funded by relatively small populations.

The local government sector's own work has highlighted similar issues. For example, in 2014, LGNZ identified an information gap relating to three waters infrastructure. A 2015 position paper, argued for a refresh of the regulatory framework to ensure delivery of quality drinking water and wastewater services, and outlined what stronger performance in the three waters sector would look like.

Both central and local government acknowledge that there are many challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. These challenges include:

- Underinvestment in three waters infrastructure in parts of the country, and substantial infrastructure deficits. For example, it is estimated that between \$300 to \$570 million is required to upgrade networked drinking water treatment plants to meet drinking water standards; and up to \$4 billion is required to upgrade wastewater plants to meet new consent requirements. These deficits are likely to be underestimates, given the variable quality of asset management data.
- Persistent funding and affordability challenges, particularly for communities with small rating bases, or high-growth areas that have reached their prudential borrowing limits.
- Additional investment required to increase public confidence in the safety of drinking water, improve freshwater outcomes, and as a critical component of a collective response to climate change and increasing resilience of local communities.

COVID-19 has made the situation even more challenging. Prior to COVID-19, territorial authorities were planning on spending \$8.3 billion in capital over the next five years on water infrastructure. However, COVID-19 is likely to cause significant decreases in revenue in the short term. As a result, borrowing may be constrained due to lower debt limits that flow from lower revenues, and opportunities to raise revenue through rates, fees and charges will be limited.

3.2 Progress with three waters regulatory reforms

Good progress is already being made to address the regulatory issues that were raised by the Havelock North Inquiry and Three Waters Review. The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- improve national-level leadership, oversight, and support relating to the three waters – through the creation of Taumata Arowai, a new, dedicated Water Services Regulator;
- significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation;
- manage risks to drinking water safety and ensure sources of drinking water are protected;
- improve the environmental performance and transparency of wastewater and stormwater networks.

Legislation to create Taumata Arowai had its third reading on 22 July 2020, and Royal Assent on 6 August 2020. This new Crown entity is currently being built and will become responsible for drinking water regulation once a separate Water Services Bill is passed (anticipated mid 2021).

However, both central and local government acknowledge that regulatory reforms alone may not be sufficient to address many of the persistent issues facing the three waters system. Reforms to service delivery and funding arrangements also need to be explored.

4 Proposal – central/local government three waters reform programme

4.1 Overview of proposed approach to three waters investment and service delivery reform

At the recent Central/Local Government Forum, central and local government leadership discussed the challenges facing New Zealand's water service delivery infrastructure, and committed to working jointly on reform. A Joint Central/Local Government Three Waters Steering Committee has been established to provide oversight and guidance to support this work. [Further details are provided in Appendix E.]

Central and local government consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress service delivery reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy.

In July 2020, the Government announced an initial funding package of \$761 million to provide post COVID-19 stimulus, support a three-year programme of reform of local government water service delivery arrangements, and support the establishment and operation of Taumata Arowai.

The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector

and the work of the Joint Steering Committee.

Further information on the reform objectives, and the core design features of any new service delivery model, are provided in pages 3 to 4 of the MoU at Appendix A.

4.2 Reform process and inductive timetable

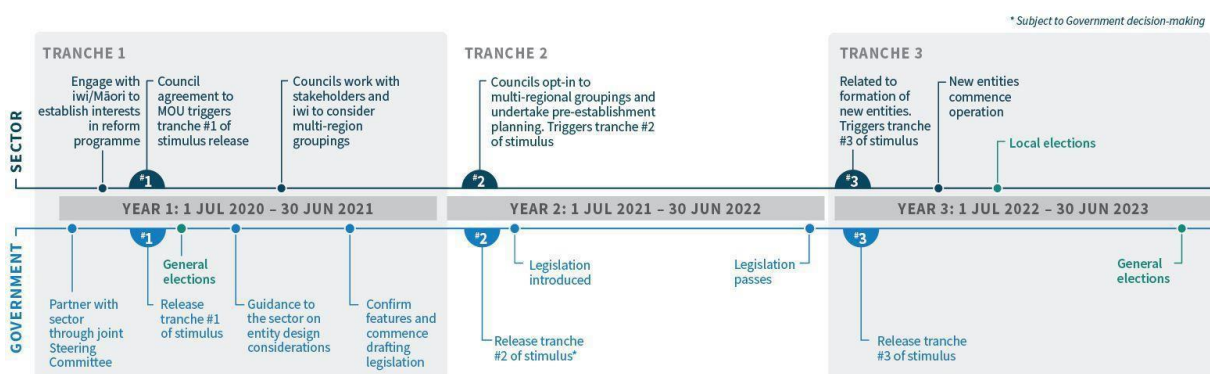
As noted above, this is a three-year programme to reform three waters service delivery arrangements, which is being delivered in conjunction with an economic stimulus package of Crown investment in water infrastructure. The reform programme will be undertaken in stages.

The initial stage is an opt in, non-binding approach, which involves councils taking the actions and signing the documents described below (MoU, Funding Agreement, and Delivery Plan).

Councils that agree to opt in by the end of August 2020 will receive a share of the initial funding package.

Any further tranches of funding will be at the discretion of the Government and may depend on progress against reform objectives.

An indicative timetable for the full reform programme is provided below. While this is subject to change as the reforms progress, and subject to future Government budget decisions, it provides an overview of the longer-term reform pathway.



5 Allocation of the investment package

The Government has determined a notional allocation framework based on a nationally-consistent formula.

The general approach to determining each authority's notional allocation is based on a formula that gives weight to two main factors:

- The population in the relevant council area, as a proxy for the number of water connections serviced by a territorial authority (75 per cent weighting)
- The land area covered by a local authority excluding national parks, as a proxy for the higher costs per connection of providing water services in areas with low population density (25 per cent weighting).

The investment package is structured into two components:

- A direct allocation to each territorial authority, comprising 50% of that territorial authority's notional allocation; and
- A regional allocation, comprising the sum of the remaining 50% of the notional allocations for each territorial authority in the relevant region

The relevant allocations for Whangarei District Council (WDC) are:

- \$5.89 Million (excluding GST) direct allocation for WDC.
- \$14.13 Million (excluding GST) regional allocation for Northland.

The purpose of the Government's regional allocation is to establish collective participation by councils in the reform programme. Each regional group of councils has until 30 September 2020 to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region. Appendix F includes a hypothetical example of how a regional allocation decision-making process could work

The Steering Committee has recommended a preferred approach to the allocation of regional funding, being the same formula that is used to determine the direct allocations to territorial authorities. In this case, WDC would receive an additional \$5.89 Million from the regional allocation.

Officers recommend delegating decisions about the allocation of regional funding to the Chief Executive, with the understanding that the minimum level of funding to the Council be based upon the formula used to calculate the direct council allocations, and noting that participation by two-thirds of territorial authorities within the Northland region is required to access the regional allocation.

6 What actions are the Council being asked to take at this point?

The initial stage of the reform programme involves three core elements:

- Memorandum of Understanding (Appendix A);
- Funding Agreement (Appendix B);
- Delivery Plan (Appendix C).

Initial funding will be made available to those councils that sign the MoU, and associated Funding Agreement, and provide a Delivery Plan.

This initial funding will be provided in two components: a direct allocation to individual councils, and a regional allocation. The participating councils in each region are required to agree an approach to distributing the regional allocation.

The MoU is the 'opt in' to the first stage of the reform and stimulus programme. The MoU needs to be signed and submitted by the end of August 2020. The Funding Agreement and Delivery Plan need to be submitted by the end of September 2020, to access the stimulus funding,

Councils that do not 'opt in' by the end August 2020 deadline will not receive a share of the stimulus funding. Councils will still be able to 'opt in' to the reform programme at a later date, but will not have access to the initial funding package, retrospectively.

6.1 Memorandum of Understanding

A MoU has been developed by the Steering Group, for each council to enter into with the Crown. This is a standardised document, which cannot be amended or modified by either party.

Signing the MoU commits councils to:

- engage in the first stage of the reform programme – including a willingness to accept the reform objectives and the core design features set out in the MoU;
- the principles of working together with central government and the Steering Committee;
- work with neighbouring councils to consider the creation of multi-regional entities (*The wording within the MoU states: water service*)

delivery entities, that are: of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long term);

- share information and analysis on their three waters assets and service delivery arrangements.

At this point, this is a voluntary, non-binding commitment. It **does not** require councils to commit to future phases of the reform programme, to transfer their assets and/or liabilities, or establish new water entities.

The MoU is effective from the date of agreement until 30 June 2021, unless terminated by agreement or by replacement with another document relating to the reform programme.

A legal opinion by Simpson Grierson, commissioned by SOLGM on behalf of the Steering Committee, advises that the MoU **does not** contain any explicit triggers for consultation under the Local Government Act 2002 (refer to Appendix D).

6.2 Funding Agreement

This Council has been allocated \$5.89 Million by the Crown, if it 'opts in' to the reform programme. A further \$14.13 Million has been allocated to Northland (refer to Appendix G) to agree an appropriate distribution between participating Councils. This funding will be provided as a grant, which does not need to be repaid if the Council does not ultimately commit to reform at later stages of the process.

There are several options for how the regional funding could be allocated between councils. The joint central-local government Three Waters Steering Committee preferred approach is to apply the same formula (Applying a 75% weighting for population and a 25% weighting for land area, excluding national parks) used to calculate the direct allocations. Under this approach, the Council would receive an additional \$5.89 Million, contributing to a total funding allocation of \$11.78 Million.

It is recommended that the Council delegates authority to the Chief Executive to agree an appropriate allocation with other participating councils, with the understanding that the Council share of the regional allocation should be \$5.89 Million at a minimum, noting that participation by two thirds of territorial authorities within the region is to access the regional funding. The Funding Agreement is one of the mechanisms for accessing the funding package. Like the MoU, it is a standardised document, for agreement between each council and the Crown. It cannot be amended.

The Funding Agreement guides the release and use of funding. It sets out:

- the funding amount allocated to the Council;
- funding conditions;
- public accountability requirements, including the Public Finance Act;
- reporting milestones.

While there is some local flexibility around how the funding can be applied, the Government has indicated that this investment is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.

The Funding Agreement will be supplemented by a Delivery Plan, which is the document that sets out how the grant funding is to be applied by the Council.

6.3 Delivery Plan

The Delivery Plan is the other mechanism for accessing the funding package.

This Delivery Plan must show that the funding allocation is to be applied to operating

and/or capital expenditure relating to three waters infrastructure and service delivery, and which:

- supports economic recovery through job creation; and
- maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.

The Delivery Plan is a short-form template, which sets out:

- a summary of the works to be funded, including location, estimated associated costs, and expected benefits/outcomes;
- the number of people to be employed in these works;
- an assessment of how the works support the reform objectives in the MoU;
- reporting obligations.

The Delivery Plan will be supplied to Crown Infrastructure Partners (and other organisations as agreed between the Council and Crown), for review and approval. Crown Infrastructure Partners will monitor progress against the Delivery Plan, to ensure spending has been undertaken with public sector financial management requirements.

Within Appendix H is a draft list of projects that will receive further prioritisation for the Funding Application submission in September 2020. Within the list of projects funding is shown for Northland to undertake an options study to consider a regional as well as a multi-region reform entity. This study may include a Northland Waters entity, Northland Infrastructure entity, or other such model that may be deemed suitable for Northland.

7 Attachments

The attachments are considerable in terms of written material. They are available on request or Attachments A;B;C;D;E;F and G be viewed on the DIA website.

1. Appendix A: Memorandum of Understanding
2. Appendix B: Funding Agreement
3. Appendix C: Delivery Plan
4. Appendix D: Legal opinion provided by Simpson Grierson relating to consultation requirements
5. Appendix E: Information on Joint Three Waters Steering Committee
6. Appendix F: Hypothetical example
7. Appendix G: Notional Funding Allocations for Local Government
8. Appendix H: Draft list of projects for the September 2020 Funding Agreement

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of 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 are as follows:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item_____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because_____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.