

TE KAUNIHERA O TE AWA KAIRANGI | HUTT CITY COUNCIL

Minutes of an ordinary meeting of The Hutt City Council held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Tuesday 29 October 2024 commencing at 2.30pm

PRESENT:

Mayor C Barry (Chair)	Deputy Mayor T Lewis
Cr G Barratt	Cr K Brown
Cr B Dyer	Cr S Edwards
Cr A Mitchell	Cr K Morgan
Cr C Parkin	Cr N Shaw
Cr T Stallinger	Cr G Tupou

APOLOGIES: Cr J Briggs

IN ATTENDANCE:

J Miller, Chief Executive
A Blackshaw, Director Neighbourhoods and Communities
J Griffiths, Director Strategy and Engagement
A Geddes, Director Environment and Sustainability
J Kingsbury, Director Economy and Development
J Livschitz, Group Chief Financial Officer
C Parish, Head of Mayor's Office
K Stannard, Head of Democratic Services
R Hardie, Head of Strategy and Policy (part meeting)
K Glanville, Senior Democracy Advisor
H Clegg, Minute Taker

PUBLIC BUSINESS**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

Whakataka te hau ki te uru	<i>Cease the winds from the west</i>
Whakataka te hau ki te tonga	<i>Cease the winds from the south</i>
Kia mākinakina ki uta	<i>Let the breeze blow over the land</i>
Kia mātaratara ki tai	<i>Let the breeze blow over the ocean</i>
E hī ake ana te atakura	<i>Let the red-tipped dawn come with</i>
He tio, he huka, he hau hū	<i>a sharpened air.</i>
Tihei mauri ora.	<i>A touch of frost, a promise of a</i>
	<i>glorious day.</i>

2. APOLOGIES

RESOLVED: (Mayor Barry/Cr Parkin)

Minute No. C 24501

"That the apology received from Cr Briggs be accepted and leave of absence be granted."

3. PUBLIC COMMENT

There was no public comment.

4. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

5. WATER SERVICES DELIVERY PLAN AND DELIVERY MODEL

Report No. HCC2024/5/307 by the Strategic Advisor

Dougal List, Programme Director, Water Reform – Wellington Water Councils was in attendance for the item.

The Chief Executive elaborated on the report. She explained that both Wellington City (WCC) and Greater Wellington Regional Councils had agreed to the regional model. She also explained that the current decision facing them was whether to commit to the regional water services delivery plan and model. She said that specific details would follow once additional legislation was enacted and the total number of participating councils was finalised. She emphasised the importance of consistent and unified communication in educating the public. She confirmed that the report's recommendation would remain unchanged, regardless of how many councils joined the regional model.

In response to questions from members, the Group Chief Financial Officer agreed to provide information on the average price per water connection in Lower Hutt.

The Chief Executive noted that the details regarding financial support from each council would be coordinated with the Local Government Funding Agency and Crown partners once the delivery model was finalised. She acknowledged that banks would expect local councils to act as the lender of last resort.

In response to questions from members, Dougal List acknowledged that Council had a higher level of three waters-related debt due to the decision to increase funding in order to address the backlog of leaks. He stated that this would not disadvantage Council under the recommended model.

The Chief Executive noted that while Council did have a high level of three waters-related debt, it also had a financial plan to repay the debt.

In response to further questions from members, Dougal List advised that with over 200 water service price plans across the region, some harmonisation was needed. He said the current prices would be fixed for three years as a new entity and cohesive regional pricing was developed, addressing actual costs. He added that a governance role for member councils, monitored by the Commerce Commission, would oversee consumer protection, pricing and transparency. He confirmed that final details were anticipated in a Bill expected by December 2024. He noted that WCC had requested a consumer protection mechanism in the model.

In response to further questions from members, the Group Chief Financial Officer acknowledged concerns regarding the high level of debt funding for water services, which would result in revenue passed to the new agency falling short of the actual costs for each water service. Dougal List explained that detailed financial modelling was not yet developed and that, initially, the focus would be on assessing the funding required to operate the new model, which would likely result in increased costs. He added that the next step was to explore ways to keep these increased costs affordable.

In response to a question from a member, the Group Chief Financial Officer clarified it would be more costly to operate independently. She said that while the 'go-it-alone' model was not recommended, it was included as the only model with available financial figures. She explained that comparing the current model with the recommended one was impossible due to their different setups. She added that the comments in paragraphs 37 and 38 of the officer's report would be verified by the Strategic Advisor.

In response to further questions from members, the Chief Executive noted that as more participants joined the regional model, greater efficiencies could be achieved. She advised that the proposed model was based on the philosophy of "keeping up, backing up, building up and cleaning up" with a focus on significantly upgrading stormwater and wastewater networks.

Mayor Barry advised that the report required in-principle approval for a model aimed at achieving optimal outcomes. He spoke to two additional recommendations, parts (12) and (13), emphasising that a consumer charter was an important design element for the new water entity.

Cr Stallinger expressed support for the recommendations. He thanked officers for the work to date in providing information for the best way forward.

Cr Dyer emphasised that communications from all member councils should be coordinated and comprehensive to ensure the public receives adequate and consistent information. He hoped the reform process would avoid issues seen in the previous one.

Cr Brown congratulated the team on the work so far and noted the challenge lay in providing the highest standards to consumers. She said even the best consultation process might fall short in conveying the complex issues to the public.

Cr Mitchell emphasised the need for clear communication to inform the public that costs would initially increase before stabilising at a more sustainable level.

Mayor Barry agreed with the comments of the previous speakers. He agreed that the public should be informed that the cost of delivering safe water would rise in the future and that all member councils were moving in a unified direction.

RESOLVED: (Mayor Barry/Cr Tupou)

Minute No. C 24502

"That Council:

- (1) *notes the legislative changes enacted under the Government's plan, Local Water Done Well through the Local Government (Water Services Preliminary Arrangements) Act 2024, to address long standing water infrastructure challenges which include:*
 - (a) *the requirement for councils to produce a Water Services Delivery Plan and accompanying*

- implementation plan by 3 September 2025;*
- (b) consideration of a fit for purpose future delivery model;*
 - (c) ensuring water services are financially sustainable; and*
 - (d) greater central government oversight through economic and quality regulation;*
- (2) notes that the Government intends to introduce further water services legislation in December 2024 to be enacted in mid 2025 that will establish the enduring settings for the new water services system;*
 - (3) notes that all councils within the Wellington region plus Horowhenua District Council have worked collaboratively on exploring a joint approach to water management across the region;*
 - (4) receives the report, dated 4 October 2024, on a recommended regional approach to a joint Water Services Delivery Plan (WSDP) and delivery model attached as Appendix 1 to Report No. HCC2024/5/307;*
 - (5) notes the report sets out a proposed regional asset owning Water Services Council Controlled Organisation model (WSCCO) for participating councils to consider and compare with their current service delivery model;*
 - (6) notes that the proposed joint regional model will be considered by each of the participating councils in late October and November 2024, with some expected to consider other options, such that the new model may not include all ten participating Councils;*
 - (7) notes that Council is required by the Local Government (Water Services Preliminary Arrangements) Act 2024 to consider and consult on at least two options for the future delivery model for water services, being the current model versus a new model;*
 - (8) agrees that Council consult on two options, being;*
 - (a) a new regional asset owning WSCCO as proposed; and*
 - (b) the status quo, with changes to meet new legislative requirements, of a non-asset owning CCO as currently exists with Wellington Water Limited;*
 - (9) adopts in principle as its preferred option for consultation the proposed WSCCO model requiring a joint WSDP;*
 - (10) agrees in principle that Council work with other councils in the region on a joint consultation plan for undertaking the requisite public engagement on the future proposed model for the ownership and delivery of water services;*
 - (11) notes that Council has already agreed to fund this financial year its share of the ongoing work required to progress the proposed regional model and joint WSDP at an estimated cost of \$500,000, offset by savings within the operating budget for three waters;*
 - (12) agrees that Council considers a consumer charter an important design element of a new water entity; and*
 - (13) agrees that the high-level principles of a consumer charter should be agreed upon by the shareholder councils and iwi, to pass to the new entity to finalise within the context of the new economic regulatory framework."*

6. DRAFT MEETING SCHEDULE FOR 2025

Report No. HCC2024/4/276 by the Senior Democracy Advisor

RESOLVED: (Mayor Barry/Deputy Mayor Lewis)

Minute No. C 24503

"That Council:

- (1) receives and notes the report;*
- (2) adopts the meeting schedule until 10 October 2025 attached as Appendix 1 to Report No. HCC2024/4/276, subject to approval by the Community Boards in respect of its meeting dates;*
- (3) agrees that the venues for the meetings of Council, its committee and subcommittees, other than Community Boards, be the Hutt City Council Chambers, 30 Laings Road, Lower Hutt;*
- (4) agrees to a commencement time of 2pm for Council, committees and subcommittee meetings;*
- (5) notes that under Standing Order 9.12, the Chair of a scheduled meeting may cancel the meeting in consultation with Chief Executive; and*
- (6) notes that the meeting times will be publicly notified by the Democratic Services business unit."*

7. **RECOMMENDATION TO COUNCIL FROM THE POLICY, FINANCE AND STRATEGY COMMITTEE MEETING HELD ON 14 OCTOBER 2024**

New Zealand Local Government Funding Agency Annual General Meeting

RESOLVED: (Cr Mitchell/Cr Stallinger)

Minute No. C 24504

"That Council:

- (1) notes that the next Local Government Funding Agency (LGFA) Annual General Meeting (AGM) is scheduled for 19 November 2024;*
- (2) agrees that the Group Chief Financial Officer attend the AGM and vote on behalf of Hutt City Council, in line with the decisions that follow;*
- (3) agrees to vote to support the appointment of the following as directors of the LGFA Board:
Craig Stobo, Elena Trout, Alan Adcock, as detailed in Section B of Report No. PFSC2024/5/286;*
- (4) agrees to vote to support Auckland and Wellington City Councils being reappointed as Nominating Local Authority members, as detailed in Section C of Report No. PFSC2024/5/286;*
- (5) agrees to vote to support the proposed remuneration increases for Directors, as detailed in Section D of Report No. PFSC2024/5/286; and*
- (6) agrees to vote to support the proposed changes to the LGFA Foundation Policies, as detailed in Section E of Report No. PFSC2024/5/286."*

8. **RECOMMENDATION TO COUNCIL FROM THE POLICY, FINANCE AND STRATEGY COMMITTEE MEETING HELD ON 29 OCTOBER 2024**

Hutt City Council Group Annual Report 2023-2024

RESOLVED: (Mayor Barry/Cr Dyer)

Minute No. C 24505

"That Council adopts the recommendations made in relation to the Hutt City Council Group Annual Report 2023-2024 agreed at the Policy, Finance and Strategy Committee meeting held on 29 October 2024."

9. **QUESTIONS**

There were no questions.

10. EXCLUSION OF THE PUBLIC

RESOLVED: (Mayor Barry/Cr Mitchell)

Minute No. C 24506

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

11. *Ricoh Sports Centre Procurement Process*

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:

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Ricoh Sports Centre Procurement Process.</i>	<i>The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities (s7(2)(h)). 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) (s7(2)(i)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above.

That Andrew Howie from Building Intelligence Group be permitted to remain after the public section of the meeting as they have knowledge that will assist Council in relation to the item."

There being no further business, the Chair declared the public part of the meeting closed at 3.07pm. The public excluded part of the meeting closed at 4.07pm.

C Barry
MAYOR

CONFIRMED as a true and correct record
Dated this 10th day of December 2024