



KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI | POLICY, FINANCE AND STRATEGY COMMITTEE

21 October 2024

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Tuesday 29 October 2024 commencing at 2:00 pm

The meeting will be livestreamed on Council's You Tube page.

Membership

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

For the dates and times of Council Meetings please visit www.huttcity.govt.nz

Have your say

You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this by emailing DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY

KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI | POLICY FINANCE AND STRATEGY COMMITTEE

Chair:	Cr Andy Mitchell
Deputy Chair:	Deputy Mayor Tui Lewis
Membership:	Mayor Campbell Barry Cr Keri Brown Cr Brady Dyer Cr Simon Edwards Cr Karen Morgan Cr Chris Parkin Cr Tony Stallinger Refer to Council's Standing Orders (SO 31 Provisions for Mana Whenua)
Quorum:	Half of the membership
Meeting Cycle:	Meets on an eight-weekly basis or at the requisition of the Chair
Reports to:	Council
Membership RMA Hearings	An independent Commissioner plus a minimum of either three or four elected members (including the Chair) and alternates who have current certification under the Making Good Decisions Training Assessment and Certification programme for RMA Decision Makers

OVERVIEW:

This committee assists Council in setting the broad direction of the city, discharging statutory functions and overseeing organisational performance. The committee is aligned with the Office of the Chief Executive and Strategy and Engagement Directorate.

Its areas of focus are:

- Long term/high-level strategic focus
- Long Term Plan/ Annual Plan oversight
- Treaty partnerships
- Economic development
- Financial and non-financial performance reporting
- Oversight of the Property Working Group
- Oversight and general co-ordination (including community engagement) of strategies and policies
- Bylaw development
- Oversight of Council Controlled Organisations/Statements of Expectation/Statements of Intent
- Strategic oversight of current community engagement

PURPOSE:

To assist the Council in setting the broad vision and direction of the city to promote the social, economic, environmental and cultural well-being of the city's communities in the present and for the future.

This involves determining specific outcomes that need to be met to deliver on the vision for the city, and overseeing the development of strategies, policies, bylaws and work programmes to achieve those goals. This committee is also responsible for monitoring the overall financial management and performance of the Council Group.

DELEGATIONS FOR THE COMMITTEE'S AREAS OF FOCUS:

- All powers necessary to perform the committee's responsibilities including the activities outlined below.
- Develop required strategies and policies. **Recommend draft and final versions to Council** for adoption where they have a city-wide or strategic focus.
- Implement, monitor and review strategies and policies to ensure policies and strategies are consistent, effective and current.
- Identify the need for any new strategies and policies.
- Oversee the implementation of major projects provided for in the Long Term Plan or Annual Plan.
- Oversee budgetary decisions provided for in the Long Term Plan or Annual Plan.
- **Recommend to Council** the approval of any financial decisions required outside of the annual budgeting process.
- Advocate for strong relationships with Council's Mana Whenua partners as outlined in the Tākai Here agreements ensuring the outcomes of the committee are in line with the aspirations of the partners.
- Advocate for the best interests of Māori communities in Lower Hutt having regard to the committee's goals.
- Ensure the committee is operating in a way that is consistent with various pieces of legislation that provide for Te Tiriti o Waitangi.
- Maintain an overview of work programmes carried out by Council's Office of the Chief Executive and Strategy and Engagement, Directorate.
- Oversee any consultation/engagement processes required on issues before the committee.
- Approve and forward submissions (other than those delegated to the District Plan Review Committee).
- Any other matters delegated to the committee by Council in accordance with approved policies and bylaws.
- The committee has the powers to perform the responsibilities of another committee where it is necessary to make a decision before the next meeting of that other committee. When exercised, the report/minutes of the meeting require a resolution noting that the committee has performed the responsibilities of another committee and the reason/s.
- If a policy or project relates primarily to the responsibilities of the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee, but aspects require additional decisions by the Komiti Hapori Ahurea me ngā Rangapū | Communities, Culture and Partnerships Committee, Komiti Hanganga | Infrastructure and Regulatory Committee and/or Komiti Kaupapa Taiao | Climate Change and Sustainability Committee, then the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee has the powers to make associated decisions on behalf of those other committees. For the avoidance of doubt, this means that matters do not need to be taken to more than one of those committees for decisions.

Bylaw Delegations:

- Develop and agree the Statement of Proposal for new or amended bylaws for consultation/engagement.
- **Recommend to Council** the approval of draft bylaws before consultation.
- The Chair of the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee, in conjunction with the Chief Executive, is authorised to appoint a subcommittee of suitably qualified persons to conduct hearings on draft bylaws on behalf of the committee.
- **Recommend to Council** new or amended bylaws for adoption.

Financial, Project and Performance Reporting Delegations:

- **Recommend to Council** the budgetary parameters for the preparation of Council's Long Term Plans and Annual Plans.
- Monitor progress towards achievement of budgets and objectives for the Council Group as set out in the Long Term Plan and Annual Plans, including associated matters around the scope, funding, prioritising and timing of projects.
- Monitoring and oversight of significant city-wide or strategic projects including operational contracts, agreements, grants and funding, except where these are the responsibility of another standing committee.
- Monitor progress towards achievement of the Council's outcomes as set out in its overarching strategies for the city and their associated plans.
- Oversee the activities of the Property Working Group in its implementation of the Purchase and Sale of Property for Advancing Strategic Projects Policy.
- Oversee the acquisition and disposal of property in accordance with the Long Term Plan.
- Monitor the integrity of reported performance information at the completion of Council's Annual Report process.
- **Review and recommend to Council** the adoption of the Annual Report.
- **Recommend to Council** the approval of annual Statements of Intent and annual Statements of Expectation for Council Controlled Organisations and Council Controlled Trading Organisations and granting shareholder approval of major transactions.
- Monitor progress against the Council Controlled Organisations and Council Controlled Trading Organisations Statements of Intent and **make recommendations to Council** in the exercising of Council powers, as the shareholder, about Council Controlled Organisations/Council Controlled Trading Organisations under sections 65 to 72 of the Local Government Act.
- Oversee compliance with Council's Treasury Risk Management Policy.
- Consider and determine requests for rate remissions.
- Consider and determine requests for loan guarantees from qualifying community organisations where the applications are within the approved guidelines and policy limits.

HUTT CITY COUNCIL

KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI
POLICY, FINANCE AND STRATEGY COMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt

on

Tuesday 29 October 2024 commencing at 2:00 pm

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tio, he huka, he hau hū
Tihei mauri ora.

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a
sharpened air.
A touch of frost, a promise of a glorious
day.*

2. APOLOGIES

No apologies have been received.

3. PUBLIC COMMENT

Generally, up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have

5. RECOMMENDATION TO TE KAUNIHERA O TE AWA KAIRANGI
COUNCIL - 29 OCTOBER 2024

Hutt City Council Group Annual Report 2023-2024

Report No. PFSC2024/5/308 by the Advisor Strategic Planning and Business 7

Please note: The Hutt City Council Group Annual Report 2023-24 and Annual Report Summary 2023-24 will be separately circulated as part of a supplementary agenda.

6. **QUARTER 1 2024-25 COUNCIL'S PERFORMANCE REPORT**

To be circulated separately as part of a supplementary agenda.

7. **QUESTIONS**

With reference to section 32 of Standing Orders, before putting a question, a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

8. **CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA**

Unuhia!	<i>Release us from the supreme sacredness</i>
Unuhia!	<i>of our tasks</i>
Unuhia i te uru-tapu-nui	<i>To be clear and free</i>
Kia wātea, kia māmā	<i>in heart, body and soul in our</i>
Te ngākau, te tinana, te	<i>continuing journey</i>
wairua i te ara takatū	<i>Oh Rongo, raise these words up high</i>
Koia rā e Rongo whakairihia	<i>so that we be cleansed and be free,</i>
ake ki runga	<i>Yes indeed, we are free!</i>
Kia wātea, kia wātea!	<i>Good and peaceful</i>
Ae rā, kua wātea!	
Hau, pai mārire.	

Jack Kilty
Democracy Advisor

07 October 2024**Report no: PFSC2024/5/308**

Hutt City Council Group Annual Report 2023-2024

Purpose of Report

1. The purpose of this report is to seek the Policy, Finance and Strategy Committee's endorsement of the Hutt City Council's Group Annual Report 2023-24 (to be separately circulated as Appendix 1) and Summary Annual Report for 2023-24 (to be separately circulated as Appendix 2), and the Committee's recommendation to Council to adopt the Group Annual Report 2023-24 and Summary Annual Report.

Recommendations

That the Committee recommends that Council:

- (1) notes that on 24 September 2024, the Audit and Risk Subcommittee considered the draft content of the Hutt City Council Group Annual Report 2023-24 and recommended that Council endorses the adoption of the Group Annual Report subject to satisfactory resolution of:
 - a. completion of final design and minor editorial changes;
 - b. completion of the external audit and any adjustments required; and
 - c. receipt of final audit clearance from Audit New Zealand;
- (2) notes that on 14 October 2024, the interim unaudited Group Annual Report 2023-24 was received and noted by the Policy, Finance and Strategy Committee;
- (3) notes that there have been amendments made to the draft Group Annual Report since it was considered by the Policy, Finance and Strategy Committee and that these amendments are outlined in the officer's report in paragraph 6;
- (4) approves the draft Group Annual Report 2023-24 and Annual Report Summary 2023-24, separately circulated as Appendices 1 and 2 to the report, subject to receipt of final audit clearance;
- (5) receives Audit New Zealand's opinion on the Group Annual Report 2023-24 and Summary Annual Report 2023-24;

- (6) adopts the Group Annual Report 2023-24;
- (7) adopts the Summary Annual Report 2023-24; and
- (8) delegates to the Chief Executive authority to make minor editorial changes to the 2023-24 Group Annual Report before publication.

For the reasons of meeting legislative requirements and to inform and engage with the community.

Background

2. Under Section 98 of the Local Government Act 2002 (the Act), Council must complete and adopt an Annual Report within four months of the end of the financial year to which it relates. Local authorities have until 31 October 2024 to adopt their Annual Report.
3. The purpose of the Annual Report is to:
 - a) compare the actual activities and the actual performance of the local authority during the year with the intended activities and the intended level of performance as set out in the Long Term Plan and Annual Plan; and
 - b) promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.
4. On 24 September 2024, the Audit and Risk Subcommittee considered the draft content of the Hutt City Council 2023-24 Group Annual Report and recommended that Council endorse the adoption of the Group Annual Report (see link [Agenda of Audit and Risk Subcommittee Tuesday, 24 September 2024](#) subject to satisfactory resolution of:
 - a) completion of final design and minor editorial changes;
 - b) completion of the external audit and any adjustments required; and
 - c) receipt of final audit clearance from Audit New Zealand.
5. On 14 October 2024, the Policy, Finance and Strategy Committee noted and received the unaudited Hutt City Council Group Annual Report for the year ended 30 June 2024. The report included information about some amendments to the Annual Report since it was considered by the Audit and Risk Subcommittee.
6. Following consideration by the Policy, Finance and Strategy Committee on 14 October 2024, the following significant amendments were made to the draft Group Annual Report:
 - a) alterations to various sections of the annual report for the updated valuation of above ground assets for the three waters networks after the revised report from WSP valuers was received;
 - b) adjustment to reduce grant revenue by \$5.4M as a result of booking Government funding for the Naenae pool too early in error;

- c) modifications to both non-financial and financial statements once Wellington Water Limited board adopts and distributes its annual report; and
 - d) modifications to tax related accounts once auditors have audited Council and Group financial performance.
7. The 2023-24 Group Annual Report (separately circulated as Appendix 1 to the report) and Summary Annual Report (separately circulated as Appendix 2 to the report) reflect the feedback received from the auditors.

Reviews and quality assurance undertaken

8. To mitigate the risk of error, omission and non-compliance with legislation and accounting standards in preparation of the Annual Report, officers performed quality assurance reviews.
9. All the technical quality assurance reviewers who performed reviews from a financial perspective were Chartered Accountant-qualified or equivalent and had the appropriate technical accounting skills and knowledge.
10. External specialist advice was sought where necessary, including:
- a) the revaluation of the Group's land, buildings, infrastructure, and art collection assets undertaken by Aon Risk Solutions and WSP;
 - b) an actuarial assessment on the landfill aftercare provision undertaken by Eriksen & Associates Limited; and
 - c) a taxation calculation review undertaken by PricewaterhouseCoopers.

Process for adoption of Group Annual Report

11. The process that has been followed is set out in **Table 1**.

Table 1 - High level plan for adoption of the Group Annual Report

Date	Activity	Status
Jun-Jul	Interim audit by Audit NZ	Complete
Jul-Aug	Preparation of content of Annual Report by officers	Complete
Aug - Sept	Audit clearance was obtained on Annual Reports for Seaview Marina Ltd and Urban Plus Ltd	Complete
16 Sept	Final Audit New Zealand audit commences.	Complete
24 Sept	Draft unaudited FAR presented to ARSC. Seeking endorsement ahead of final audit adjustments (if required) and minor editorial changes.	Complete
14 Oct	Draft unaudited FAR presented to PFS. The audited Annual Reports for Seaview Marina Ltd and the Urban Plus Ltd Group will also be presented.	Complete
29 Oct	Audited FAR and SAR presented to PFS, followed by Council decision meeting to adopt FAR and SAR.	Today

The purpose of Summary Annual Report

12. The Summary Annual Report (separately circulated as Appendix 2 to the report) provides information regarding the major matters dealt with in the Group Annual Report. It includes the Mayor and Chief Executive's statements, a performance overview, a summary of financial statements and the financial overview.
13. The Summary Annual Report is audited on whether it represents, fairly and consistently the information regarding the major matters dealt with in the Group Annual Report.

External audit and audit opinion

14. John Whittal, Audit Director for Audit New Zealand, will be present at the PFSC subcommittee meeting to provide an update on the audit process and to issue the audit opinions.
15. Following Council's adoption of the full Annual Report and Summary Annual Report, the final audited versions will be published on our website.

Climate Change Impact and Considerations

16. The Group Annual Report highlights the Council's response to climate change during the 2023-24 financial year.

Communications

17. On adoption and publication of the Group Annual Report and Summary, officers will deliver relevant and concise messages to key stakeholders and our community through a variety of channels. This will primarily focus on making people aware of our Annual Report and how to access it.

Legal Considerations

18. The Local Government Act 2002 sets out the information and timing requirements for the Annual Report. The 2023-24 Annual Report and Summary Annual Report must be completed and adopted by 31 October 2024 and made publicly available within one month.

Financial Considerations

19. The financial content of the Annual Report aligns with the results previously reported to the Policy, Finance and Strategy Committee on 14 October 2024 after adjusting for matters described above. The supplementary agenda will detail any further final changes made to the results, including feedback from Audit New Zealand.

20. The Wellington Water Ltd Annual Report was delayed and was not completed in line with the statutory deadline. It was, therefore, not included in the results presented on 14 October 2024. The supplementary agenda will detail the late adjustments recorded in the group results related to this.

22. Seaview Marina Limited and UrbanPlus Limited Group Annual Reports have been adopted by their respective Boards and were considered by the Policy Finance and Strategy Committee meeting on 14 October 2024.

Appendices

Appendices are to be separately circulated.

Author: Harman Singh
Advisor Strategic Planning and Business

Reviewed By: Richard Hardie
Head of Strategy and Policy

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Reviewed By: Jarred Griffiths
Director Strategy and Engagement

Approved By: Jo Miller
Chief Executive