

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Council will be held on:

Date: Thursday 31 October 2024
Time: 9:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Council Kaunihera OPEN AGENDA

Membership

Chairperson Mayor Paula Southgate

Heamana

Deputy Chairperson Deputy Mayor Angela O'Leary

Heamana Tuarua**Members**

Cr Maxine van Oosten
Cr Moko Tauariki
Cr Ewan Wilson
Cr Mark Donovan
Cr Louise Hutt
Cr Andrew Bydder
Cr Tim Macindoe

Cr Geoff Taylor
Cr Sarah Thomson
Cr Emma Pike
Cr Maria Huata
Cr Anna Casey-Cox
Cr Kesh Naidoo-Rauf

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Amy Viggers
Mana Whakahaere
Governance Lead

22 October 2024

Telephone: 07 838 6699
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www.hamilton.govt.nz

Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council¹:
 - a) The power to make a rate.
 - b) The power to make a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Council's Governance Statement.
 - g) The power to adopt a remuneration and employment policy.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council does not accept the recommendation.
 - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Approval of any changes to city boundaries under the Resource Management Act 1991.
 - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

¹ [Clause 32, Schedule 7, Local Government Act 2002](#)

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- j) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- k) Approval of Activity Management Plans.
- l) Sister City relationships.

Oversight of Strategies, Plans and Reports:

- Long Term Plan
- Annual Plan
- Annual Report
- Shaping Hamilton Kirikiriroa Together
- Our Climate Future
- He Pou Manawa Ora

Oversight of Policies and Bylaws:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to officers specific to the Resource Management Act 1991*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*
- *Climate Change Policy*
- *Any Community Engagement Policies*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Council to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

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

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6699.

Council Report

Committee: Council

Date: 31 October 2024

Author: Amy Viggers

Authoriser: Michelle Hawthorne

Position: Governance Lead

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Council Open Minutes 12 September 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Council Meeting held on 12 September 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Unconfirmed Council Open Minutes - 12 September 2024

**Council
Kaunihera
PUBLIC EXCLUDED MINUTES**

Minutes of a meeting of the Council held in Council Chamber and Audio-Visual Link , Municipal Building, Garden Place, Hamilton on Thursday 12 September 2024 at 12.00pm.

PRESENT

Chairperson	Mayor Paula Southgate
<i>Heamana</i>	
Deputy Chairperson	Deputy Mayor Angela O’Leary
<i>Heamana Tuarua</i>	
Members	Cr Maxine van Oosten Cr Moko Tauariki Cr Ewan Wilson Cr Mark Donovan Cr Louise Hutt Cr Andrew Bydder Cr Geoff Taylor Cr Sarah Thomson Cr Emma Pike Cr Maria Huata Cr Anna Casey-Cox Cr Kesh Naidoo-Rauf Cr Tim Macindoe

The meeting was adjourned 12.00pm to 12.16pm.

- C1. Confirmation of the Elected Member Closed Briefing Notes 7 August 2024**
Resolved: (Mayor Southgate/Deputy Mayor O’Leary)
That the Council confirm the Closed Notes of the Elected Member Briefing held on 7 August 2024 as a true and correct record.
- C2. Confirmation of the Elected Member Closed Briefing Notes 27 August 2024**
Resolved: (Mayor Southgate/Deputy Mayor O’Leary)
That the Council confirm the Closed Notes of the Elected Member Briefing held on 27 August 2024 as a true and correct record.
- C3. Confirmation of the Elected Member Closed Briefing Notes 28 August 2024**
Resolved: (Mayor Southgate/Deputy Mayor O’Leary)
That the Council confirm the Closed Notes of the Elected Member Briefing held on 28 August 2024 as a true and correct record.

C4. Digital Services - Microsoft Enterprise Agreement and Server and Cloud Enrolment

The Chief Digital Officer provided an update noting that numbers hadn't been finalised. Staff responded to questions from Members concerning number and type of licences, impact of agreement with changes with upcoming waters CCO, difference between Microsoft and other licences, flexibility of the licence.

Resolved: (Cr Wilson/Cr Hutt)

That the Council:

- a) receives the report;
- b) approves the renewal of the Microsoft Enterprise Agreement, and Server and Cloud Enrolment contracts for an additional period of 36 months to 30 September 2027 and at a value no greater than \$4,775,810;
- c) delegates authority to the Chief Digital Officer to renew (finalise and execute) these agreements as approved on behalf of Council; and
- d) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.

C5. Digital Services - Microsoft Azure Renewal

The report was taken as read. Staff responded to questions from Members concerning a possible waters CCO using the same agreement.

Resolved: (Cr Wilson/Cr van Oosten)

That the Council:

- a) receives the report;
- b) approves the renewal of the Microsoft Azure Cloud computing subscription for an additional period of 36 months to 30 September 2027 at a value no greater than \$3,027,216;
- c) delegate authority to the Chief Digital Officer to renew (finalise and execute) these agreements as approved on behalf of Council; and
- d) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.

Cr Wilson declared a conflict of interest during the discussion of item C6 (Appointment of new Independent Commissioners' Panel). He did not vote on the matter.

C6. Appointment of new Independent Commissioners' Panel

The report was taken as read. Staff responded to questions from Members concerning eligibility of a member of the panel, measures of eligibility and necessity of appointment, consequence of decisions and meaning of chair endorsed.

Staff Action: *Staff undertook to provide the elected members with a biographical synopsis of each panel member.*

Amendment: (Cr Bydder/Cr Taylor)

That the Council:

- a) receives the report;
- b) appoints the following individuals to the Independent Hearing Commissioners' Panel, to take effect from 30 October 2024 for a term of three years:
 - i. David Hill
 - ii. Vicki Morrison-Shaw

- iii. William (Bill) Wasley
- iv. Nicholas Manukau
- v. Robert Schofield
- vi. Amy Robinson
- vii. Ian Munro
- viii. Heike Lutz
- ix. Eileen von Dadelszen
- x. Gina Sweetman
- xi. Karyn Kurzeja
- xii. Alastair Black
- xiii. Barry Mosley
- xiv. Vanessa Hamm
- xv. Mark Tamura
- xvi. John Olliver
- xvii. Siani Walker
- xviii. Alan Matheson
- xix. Sarah Stevenson
- xx. Ken Fletcher
- xxi. Helen Atkins
- xxii. Judith Makinson
- xxiii. Simon Berry
- xxiv. David McMahon
- xxv. Dave Moule
- xxvi. Chris Dawson

- xxvii. any Hamilton city councillor or Maangai Maaori who is a Ministry for the Environment accredited RMA Commissioner;
- c) delegates authority to the new Independent Hearings Commissioners' Panel to hear and decide certain Resource Management matters as contained in the Panel's Terms of Reference; and
- d) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.

Those for the Amendment:

Councillors Bydder and Huata

Those against the Amendment:

Mayor Southgate, Deputy Mayor O'Leary,
Councillors Hutt, Pike, Casey-Cox, Taylor,
Naidoo-Rauf, van Oosten, Thomson,
Donovan, Tauariki and Macindoe

The Amendment was declared lost.

The Substantive Motion was put.

Resolved: (Cr Thomson/Cr Naidoo-Rauf)

That the Council:

- a) receives the report;
- b) appoints the following individuals to the Independent Hearing Commissioners' Panel, to take effect from 30 October 2024 for a term of three years:
 - i. David Hill
 - ii. Vicki Morrison-Shaw
 - iii. William (Bill) Wasley

- iv. Nicholas Manukau
- v. Robert Schofield
- vi. Amy Robinson
- vii. Ian Munro
- viii. Heike Lutz
- ix. Richard Knott
- x. Eileen von Dadelszen
- xi. Gina Sweetman
- xii. Karyn Kurzeja
- xiii. Alastair Black
- xiv. Barry Mosley
- xv. Vanessa Hamm
- xvi. Mark Tamura
- xvii. John Olliver
- xviii. Siani Walker
- xix. Alan Matheson
- xx. Sarah Stevenson
- xxi. Ken Fletcher
- xxii. Helen Atkins
- xxiii. Judith Makinson
- xxiv. Simon Berry
- xxv. David McMahon
- xxvi. Dave Moule
- xxvii. Chris Dawson
- xxviii. any Hamilton city councillor or Maangai Maaori who is a Ministry for the Environment accredited RMA Commissioner;

- c) delegates authority to the new Independent Hearings Commissioners' Panel to hear and decide certain Resource Management matters as contained in the Panel's Terms of Reference; and
- d) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.

The motion was carried.

The meeting was adjourned 12.47pm to 12.50pm.

C7. Property Purchase - Te Kaaroro Nature Precinct

The General Manager Destinations Group provided an update noting that existing budgets would cover the costs. Staff responded to questions from Members concerning projects that will be reprioritised to enable the purchase, intention of the purchase, activation of visitor accommodation in the Long-Term Plan, confidentiality of land purchases.

Staff Action: *Staff undertook to report back on the process to ensure confidentiality of land purchases.*

Resolved: (Deputy Mayor O'Leary/Mayor Southgate)
That the Council:

- a) receives the report
- b) approves the purchase of the land and buildings ("the property") described in the Schedule below and physically located at 429 Rotokauri Road, Waikato District, for a sum not exceeding

\$2,550,000 (two million, five hundred and fifty thousand dollars) plus GST (if any);

- c) approves funding the purchase of the property from capital funding of \$2.117M for Zoo Masterplan Implementation provided in the 2024-2034 Long Term Plan; along with re-prioritised Destinations website development funds of \$316k, and \$117k from Waiwhakareke Nature Precinct funding brought forward from FY26/27.
- d) delegates authority to the Chief Executive to negotiate and complete the purchase of the property and sign any documents necessary to give effect to this decision; and
- e) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.
- f) that staff prepare, in time for the 2027 Long-Term Plan, a full proposal for glamping and/or overnight accommodation.

The meeting was closed with a karakia.

The meeting was declared closed at 1.31pm.

Council Report

Committee: Council

Date: 31 October 2024

Author: Amy Viggers

Authoriser: Michelle Hawthorne

Position: Governance Lead

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Extraordinary Council Open minutes 17 September 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 17 September 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Extraordinary Council Open Unconfirmed minutes 17 September 2024

Council *Kaunihera* OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 17 September 2024 at 9:32 am.

PRESENT

Deputy Chairperson Deputy Mayor Angela O’Leary
Heamana Tuarua

Members Cr Geoff Taylor
Cr Sarah Thomson
Cr Emma Pike
Cr Melaina Huaki
Cr Anna Casey-Cox
Cr Kesh Naidoo-Rauf
Cr Maria Huata
Cr Tim Macindoe
Cr Maxine van Oosten
Cr Ewan Wilson
Cr Mark Donovan
Cr Louise Hutt

In Attendance Mayor Paula Southgate
Cr Andrew Bydder

External Presenters Mary Hill
James Muldowney

Deputy Mayor Angela O’Leary assumed the role Chair in the absence of Mayor Paula Southgate.

1. **Apologies – *Tono aroha***
Resolved: (Cr Thomson/ Deputy Mayor O’Leary)
That the apologies for lateness from Cr Moko Tauariki are accepted.
2. **Confirmation of Agenda – *Whakatau raarangi take***
Resolved: (Cr Tim Macindoe/Deputy Mayor O’Leary)
That the agenda is confirmed noting that debate time for item 5 (Code of Conduct - Complaint - Outcome of Investigation) is increased to 3 minutes.
3. **Declarations of Interest – *Tauaakii whaipaaanga***
Cr van Oosten declared Interest in item 5 (Code of Conduct - Complaint - Outcome of Investigation) and noted that she would not take part in the discussion of vote on the matter.
4. **Public Forum – *AAtea koorero***
No members of the public wished to speak in the Public Forum.

5. Code of Conduct - Complaint - Outcome of Investigation

The Chief Executive provided an update on the Code of Conduct report drafted by the independent investigators Mary Hill. Ms Hill spoke to the key points on her report process and the options presented to Members for consideration. Tompkins Wake representative, Ms Hill and staff responded to questions from Members concerning the Code of Conduct, process followed, and costs of the investigation. Investigator Mary Hill and staff responded to questions from members concerning potential breaches of the Privacy Act, was this able to be handled informally, with this being a Council matter when actions happen in a personal capacity, the cost associated with the investigation, any conflicts of interests related to the investigator Ms Hill, are relationships between Territorial Authorities relevant when making recommendations in this case.

Cr Andrew Bydder then provided a verbal submission in support of his written submission that was included in the agenda for the meeting.

Staff Action: *Staff undertook to report the total costs of the investigation to a future meeting of the Finance and Monitoring Committee.*

Motion: (Deputy Mayor O'Leary/Cr Thomson)

That the Council:

- a) receives the report;
- b) considers the investigators report and accepts the findings of the investigator's report.
- c) determines the following penalties as recommended in the investigators report be imposed:
 - i. issues a formal letter of censure to Councillor Bydder that includes advice that any further conduct of this nature is likely to result in more serious penalties;
 - ii. notes that a letter of censure shall include the decision of Council on the outcome of the Code of Conduct complaints, and any penalties imposed; and that the letter be signed by the Deputy Mayor on behalf of Council;
 - iii. requests Councillor Bydder attend relevant training which may cover matters such as conduct expected of elected members including dealing with members of the public and the media, and the requirements of the Code to be completed by 1 December 2024;
 - iv. requests Councillor Bydder tender a written apology to Waipaa District Council Mayor Susan O'Regan by 17 October 2024;
 - v. requests Councillor Bydder make a public apology to Cerebral Palsy New Zealand and IHC by the 17 October 2024;
- d) notes that the censure and penalties are proportional to the behaviour that is found to be in breach of the Code; and
- e) notes that that Council will review relevant sections of the Code of Conduct for the purposes of providing clarity for when a connection exists between an Elected Member's private and official capacity.

Amendment: (Cr Taylor/Cr Pike)

That the Council:

- a) notes the report; and
- b) notes that the Council will review relevant sections of the Code of Conduct for the purposes of providing clarity for when a connection exists between an Elected Member's private and official capacity

The Amendment was put.

Those for the Amendment:	Crs Macindoe, Pike, Taylor, and Wilson.
Those against the Amendment:	Deputy Mayor O'Leary, Crs Casey-Cox, Donovan, Huata, Hutt, Naidoo-Rauf, and Thomson.

The Amendment was declared LOST.

The Motion was then put and declared CARRIED.

Resolved: (Deputy Mayor O'Leary/Cr Thomson)

That the Council:

- f) receives the report;
- g) considers the investigators report and accepts the findings of the investigator's report.
- h) determines the following penalties as recommended in the investigators report be imposed:
 - vi. issues a formal letter of censure to Councillor Bydder that includes advice that any further conduct of this nature is likely to result in more serious penalties;
 - vii. notes that a letter of censure shall include the decision of Council on the outcome of the Code of Conduct complaints, and any penalties imposed; and that the letter be signed by the Deputy Mayor on behalf of Council;
 - viii. requests Councillor Bydder attend relevant training which may cover matters such as conduct expected of elected members including dealing with members of the public and the media, and the requirements of the Code to be completed by 1 December 2024;
 - ix. requests Councillor Bydder tender a written apology to Waipaa District Council Mayor Susan O'Regan by 17 October 2024;
 - x. requests Councillor Bydder make a public apology to Cerebral Palsy New Zealand and IHC by the 17 October 2024;
- i) notes that the censure and penalties are proportional to the behaviour that is found to be in breach of the Code; and
- j) notes that that Council will review relevant sections of the Code of Conduct for the purposes of providing clarity for when a connection exists between an Elected Member's private and official capacity.

Those for the Motion: Deputy Mayor O'Leary, Crs Casey-Cox, Donovan, Huata, Hutt, Naidoo-Rauf, Pike and Thomson.

Those against the Motion: Crs Macindoe, Taylor, and Wilson.

The meeting was adjourned from 10.50am to 11.10am during discussion of the above item.

The meeting was adjourned from 11.45am to 12.00pm during discussion of the above item.

The meeting was declared closed at 12.43 pm

Council Report

Committee: Council

Date: 31 October 2024

Author: Keryn Phillips

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 25 September 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirms the Open Notes of the Elected Member Briefing held on 25 September 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes 25 September 2024

Elected Member Briefing Notes – 25 September 2024 – Open

Time and date: 9.30am, 25 September 2024

Venue: Committee Room 1, Hamilton City Council

1. Demand Responsive Parking – Central City Parking

Staff introduced the topic and explained that the purpose of the presentation was to provide Members with an update on the roll out of Central City Parking changes (from 1 October 2024). Members asked questions in relation to the following matters:

- Education campaign including notification process of price changes
- Location and distance between kiosks and disability parking
- Parking app capabilities
- Enforcement
- Flexibility of changing charges
- Revenue including from advertisement
- cost of kiosks
- Vandalism mitigation

Staff Action: Staff undertook to provide Members with data and trends on parking in the central city, including the Christmas period, in the new year.

2. Plan Change 14 – Flood Hazards

Staff introduced the topic and explained that the purpose of the session is to discuss two main options for managing risks in depression areas and response for Plan Change 14. Members asked questions in relation to the following matters:

- Drain maintenance and clearance
- Freeboard requirement for commercial premises
- Civil Defence response to affected areas
- Climate change considerations
- Number of properties in depression areas
- International Best Practice
- Te Ture Whaimana
- Investment in prevention, education and engineered solutions
- Impact on house insurance and LIMs

3. Pukete Neighbourhood House Design

Staff introduced the topic and explained that the purpose of this session was to address the resolution of 14 December concerning the site for the Ashurst Park reclassification to enable the new build to accommodate Pukete Neighbourhood house on: *that staff bring the draft detailed design to an Elected Member Briefing confirming within the current estimated budget the refit of the kitchen, allowing for appropriate indoor/outdoor space for Pukete Neighbourhood House to operate a 'social good' cafe.* Members asked questions in relation to the following matters:

- Incorporation of a social good café
- Flexibility in the design
- Timing and use of possible external funding
- Savings identified in construction costs
- Use of contingency funding

Staff Action: Staff undertook to provide feedback from form Members to the designer regarding the incorporation of a window space for a future café space.

4. Outdoor Dining and Footpath Sign Permits

Staff introduced the topic and explained the purpose of this session was to discuss trading in the Public Places Policy and Bylaw in particular the sections concerning 'Cafes, bars and restaurants wishing to use part of the footpath space directly outside their premises for outdoor dining must obtain a permit from Council and the cost involved.

- fees
- process for changing the policy
- feedback on the current policy
- use of parklets.

Staff Action: Staff undertook to provide Members with addition information on the implications of charging versus not charging for hospitality businesses.

Council Report

Item 8

Committee: Council

Date: 31 October 2024

Author: Stephanie Goss

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 16-17 October 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Notes of the Elected Member Briefing held on 16-17 October 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Open Briefing Notes 16-17 October 2024

Elected Member Briefing Notes – 16-17 October 2024 – Open

Time and date:	9.30am, 16 October 2024
Venue:	Committee Room 1, Hamilton City Council

Transport Projects

David Speirs from New Zealand Transport Agency (NZTA) outlined NLTP implications from Central Government. Staff introduced the topic and explained that the purpose of the session was reviewing the proposed Advanced Transport Management Programme for 2024-2027 while also providing a general update on the other approvals received for the minor improvements programme. David Speirs from New Zealand Transport Agency (NZTA) outlined NLTP implications from Central Government. Members asked questions in relation to the following matters:

- Central Government funding decisions, and amounts;
- Enforcement;
- Bus Network;
- Advocacy for funding from NZTA for high risks areas;
- Communications strategy;
- Risks; and
- Data related to high crash areas.

Staff Action: Staff undertook to provide members a list of High crash rates areas, options for feed from Drivers reported roading activity, introducing Redlight Camera systems, and alternative funding options for future projects given the reduced funding from Central Government.

Long term Plan Amendment and 2025/26 Annual Plan

Staff introduced the topic and explained that the purpose of the session is present a proposed timeline for the Long-Term Plan Amendment and 2025/26 Annual Plan completion. Members asked questions in relation to the following matters:

- Central Government Interest in Council's decisions;
- Work programme to meet targets prior to December;
- Consultations & Engagements; and
- Staff capacity.

NZTA subsidy options

Staff introduced the topic and explained that the purpose of the session is to provide members with New Zealand Transport Agency subsidy allocation and information and seek direction on the reprioritisation of programmes. Members asked questions in relation to the following matters:

- Transport Program funding split;
- Engagement;
- Risks;
- Scoping of programmes;
- Community feedback; and
- Prioritising options.

Targeted rates for waters

Staff explained that the purpose of the session is present options for rating for water services. They noted three different scenarios had been modelled for water and wastewater. Members asked questions in relation to the following matters:

- Rating scheme;
- Modelling; and
- Council's rating process in comparison to other councils.

Staff Action: *Staff undertook to provide Members with a copy of a rating invoice to ratepayers.*

Long term Plan Amendment and 2025/26 Annual Plan

Staff explained that the purpose of the session was to test a series of assumptions developed by staff that would be present at the 31st of October meeting. Members asked questions in relation to the following matters:

- Revenue reduction;
- Private Investment;
- Scope of Long-term Plan Amendments;
- High level communication strategy;
- Local Government Reform and other legislation changes;
- Debt-to-revenue limit;
- Changes to Capital Expenditure and Programme;
- Timeframes;
- Council's credit rating assessment;
- Local Government Inflation; and
- Collaboration.

Council Report

Committee: Council

Date: 31 October 2024

Author: Amy Viggers

Authoriser: Amy Viggers

Position: Governance Lead

Position: Governance Lead

Report Name: Chair's report

Report Status	<i>Open</i>
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Recommendation - *Tuutohu*

That the Council receives the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report - 31 October 2024



Chair's Report

31 October 2024

General updates

On 1 October, I travelled to Wellington for meetings with Local Government Minister Simeon Brown, and to discuss issues and gain insight from Government agencies. Future Proof also welcomed Minister Bishop to our meeting on 9 October.

These were all great opportunities to profile Hamilton and our region, provide an update on how our priorities support the Government's agenda, and demonstrate our strong interest in partnering on a regional deal that takes our economy – and as a result, community wellbeing, from strength to strength.

I emphasised that Hamilton sits at the heart of the 'golden triangle', a strategically significant economic zone between Hamilton, Auckland and Tauranga, and is one of the fastest-growing metropolitan centres in Aotearoa New Zealand.

Our area generates more than 50% of New Zealand gross domestic product (GDP) and is home to more than 50% of the nation's population. Our population is projected to increase by around 30% over the next 30 years. As we know this is a testament to our lifestyle, with families and businesses choosing our great river city as a place to live, work and raise families.

But this is also why a regional deal is essential to the success of New Zealand. I showed the scale at which we can deliver working with the Government, using Ruakura and Peacocke as examples, and the opportunities that exist – particularly around Southern Links. I believe that we are well placed to deliver the housing and development outcomes the Government wants, and we need, through partnership.

I noted the cost of infrastructure is the biggest challenge facing the region. We have enough zoned land to cater for growth over the next 30 years, but local government simply cannot afford the cost of infrastructure required to develop that land. Partnerships are needed for maximum impact.

Priorities over the coming months

As a Council, we have a huge work programme to take these conversations forward and to tackle key issues over the next 6 months.

The key topic for agreement will be our approach to Local Water Done Well. For me, this is about finding the best and most cost-effective way to deliver water services for future generations. As a city, we're already doing well, but I want Hamilton to be an exemplar.

I am pleased at progress and efforts to build consensus amongst this Council to date. I hope this continues to ensure we get the best possible outcome for our city – which is based on evidence rather than personal politics.

We also have tough decisions to make on transport and infrastructure, as we respond to the Government's requirements to cater for growth, and urban development. Grappling with RMA reform, and other policy changes from Wellington, which continue to come at us at pace, will also be key.

Other issues

The declining situation in the CBD has also been front and centre recently. We have said time and time again, our CBD should be the beating heart of our city. And indeed, there is so much going on, with Infrastructure Acceleration Fund (IAF) enabled housing, the new theatre, and big hotels all on their way!

Yet antisocial behaviour is trending upwards, and the truth is that this is affecting businesses and public confidence in our CBD especially. This is despite more police on the front line – which is having a positive impact. These trends are not dissimilar to other cities around the world, but this also is not what we want for our city. I am committed to Council playing its part.

I continue to meet regularly with government agencies to understand how we can wrap support around people in need. The Safest City Taskforce is pulling together its next work plan, which will have a focus on crime prevention through environmental design (CPTED). We are also working closely with the Hamilton Central Business Association and listening to views of central city businesses and hospitality, as we bring our vision to life. I am working closely with the Chair of Strategic Growth and District Plan Committee on small but effective interventions we can make that will create a better atmosphere in the CBD.

Finally on Fairfield/Enderley. This is a longstanding priority and vision for me (and other Councillors around the table). Enderley offers the opportunity to deliver housing but also to revitalise and renew one of our older suburbs. I hoped a "revitalising Enderley" project would deliver learnings we can use in other old areas of our city.

Progress has been made but I am keen that Council relooks at how we can continue to work with Kāinga Ora and other developers, to support our communities that live in this area through a long-term vision. There are some hard - and indeed expensive - decisions to be made in terms of future investment in infrastructure – waters – to cater for growth. But for me, it's something we must do if all parts of our city are to thrive. I want to ensure there are plans in place for investing when the time is right.

Recommendation

That the Council receives the report.

Paula Southgate
Mayor of Hamilton

Council Report

Item 10

Committee: Council

Date: 31 October 2024

Author: Greg Carstens

Authoriser: Blair Bowcott

Position: Unit Director Commercial & Analytics

Position: General Manager Strategy, Growth and Planning

Report Name: Development Contributions Community Grant Options

Report Status	Open
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Purpose - *Take*

1. To provide the Council options regarding the establishment of a Development Contributions Community Grant fund to support the payment of Development Contributions for small-scale development by community organisations where there is negligible impact on infrastructure.

Staff Recommendation - *Tuutohu-aa-kaimahi*

- a) That the Council:
- b) receives the report;
- c) request staff include **Option 2** of the staff report to include a Development Contributions Community Grant with a total funding pool of \$40,000 per annum (Start 2025/26 Financial Year) for consideration in the development of the Draft 2025/26 Annual Plan and the Long-Term Plan Amendment; and
- d) notes that;
 - i. development contributions funded through the grant represent a community grant, not a remission under the Development Contributions Policy;
 - ii. If approved, this would be incorporated in the Council's grant schedule, and added to the Community Grants Policy following adoption and start in the 2025/26 Financial Year.
 - iii. there is no budget for a Development Contributions Community Grant in the 2024-34 Long-Term Plan.

Executive Summary - *Whakaraapopototanga matua*

2. Elected Members have received requests from community organisations to issue waivers, in part or in full, for Development Contribution charges required for small-scale development. In these cases, the organisations have argued that their development creates little additional demand on Council infrastructure, but the development has been too small for an actual demand remission.
3. Staff reported to the Strategic Growth and District Plan Committee on [27 August 2024](#) (Item 7) outlining a grant as the preferred option to provide relief to these community organisations as opposed to changing the Development Contributions Policy. The Committee requested staff

investigate options for a grant for small-scale community development that has a negligible impact on Council's infrastructure and services and to report back to the 31 October 2024 Council meeting. This report presents the options for such a grant.

4. There is no budget for a grant scheme in the 2024-34 Long-Term Plan. If Elected Members wish to proceed with this option, a budget will need to be agreed and the corresponding financial impact noted.
5. If Elected Members want to provide financial assistance to small-scale community development staff recommend that the Council include a Development Contributions Community Grant with a total funding pool of \$40,000 per annum for consideration in the development of the Draft 2025/26 Annual Plan and Long-Term Plan Amendment. If approved, this would be incorporated in the Council's grant schedule, and added to the Community Grants Policy following adoption and start in the 2025/26 Financial Year.
6. Staff consider the decisions in this report are low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

7. In July 2024, some Elected Members were approached by members of the community seeking a remission or a waiver of Development Contributions charges for their small-scale developments with a community-related function, on the basis that their development did not impact Council infrastructure and services. Other community organisations have made similar requests in the past. The types of developments included a storage extension to the Hamilton Roller Skating Club, a shade canopy at the hockey grounds, and a bike shed/storage space at Minogue Park.
8. In each instance, staff reviewed the DC assessment, and, in each instance, the charge was consistent with the Development Contributions Policy. Staff were also asked whether consideration could be given to making an exception to the Development Contributions Policy. By design, staff do not have discretion to remit DC charges based on considerations outside the scope of the policy provisions.
9. Council provides an *Actual Demand Remission* in its operative Development Contributions Policy that has a minimum threshold of five household unit equivalents (HUEs). Small-scale developments such as storage sheds or canopies undertaken by community organisations usually will not meet this threshold.
10. Staff recommended that Elected Members did not make changes to the Development Contributions Policy to account for these developments as it has just undergone a comprehensive review, which included full public consultation.
11. As part of the latest Development Contributions Policy review, Council considered a grant to fund DCs on any development by community organisations. This would present significant financial exposure and uncertainty, and ultimately budget constraints meant the grant option was not progressed as large-scale developments can incur high DC charges. Developments on this scale are excluded from the scope of the grant discussed in this report.
12. A grant scheme was recommended as the best method of providing financial relief for DCs for small community developments because it would:
 - i. maintain the integrity of the Development Contributions Policy;
 - ii. allow Councillor discretion as to what to support (or not);
 - iii. have less financial exposure for Council as an amount can be determined in advance and budgeted for;

- iv. be a fair and transparent process, as opposed to Council making ad hoc decisions for individual exemptions from DCs; and
 - v. not set a policy precedent for other developments or create pressure to expand the remission further.
13. At the [27 August 2024](#) Strategic Growth Committee meeting, the Committee requested staff investigate and report back with options regarding the quantum and policy direction for a potential community grant fund to support the payment of DCs for small-scale developments by community organisations where there is negligible impact on infrastructure.

Discussion - *Matapaki*

14. The purpose of the proposed grant is to support not-for-profit community organisations when they are required to pay a Development Contribution charge on a small-scale development project, such as a storage space or shelter canopy.
15. The recommendations for the proposed grant, as well as the draft criteria for the applicant and the development, have been designed to only capture development that has a negligible impact on council infrastructure and services, and where – due to the size of the development – an actual demand remission does not apply.
16. There is no budget for a grant scheme in the 2024-34 Long-Term Plan.
17. If Elected Members wish to proceed with this option, a budget will need to be agreed and the corresponding financial impact included in the Draft 2025/26 Annual Plan and Long-Term Plan Amendment.
18. If approved, funding would be considered operational expenditure.
19. If Elected Members wish to have a funding round in 2024/25, the Council will need to make an unbudgeted funding decision to finance the grant (an unfavourable variance).

Options

20. Staff have assessed that there are several reasonable and viable options for the Council to consider.

Table 1: Options for the consideration to develop a Development Contributions Community Grant.

Option	Advantages	Considerations
Option 1: Status Quo	<ul style="list-style-type: none"> No additional expense for Council. All development pays its share in line with the DC Policy. 	<ul style="list-style-type: none"> Community organisations disadvantaged by DCs. DCs are often an unexpected and unbudgeted cost for these types of developments. Requests for exemptions can be disproportionately time consuming.
Option 2: \$40,000 per annum Total funding pool (Start 2025/26 Financial Year) <i>Note that staff recommend that the fund is not carried forward each year.</i>	<ul style="list-style-type: none"> Fund is large enough to fund several small-scale developments if they landed on the same year or funding round for the full DC charge. Enough to fully fund an eligible development in a greenfield growth cell. 	<ul style="list-style-type: none"> If there were multiple funding rounds, it could not fund two greenfield developments in a single round. Otherwise, would expect the fund to be rarely over-subscribed. Funding of grant is based on

Item 10

	<ul style="list-style-type: none"> Limits financial exposure and creates greater certainty for council. 	current DC charges. Any significant increase in DCs would mean some developments could not be fully funded.
Option 3: \$30,000 per annum Total funding pool (Start 2025/26 Financial Year) <i>Note that staff recommend that the fund is not carried forward each year.</i>	<ul style="list-style-type: none"> Fund is large enough to fund most small-scale development. 	<ul style="list-style-type: none"> Some greenfield development may not get a grant to cover all their DC charge if split across two funding rounds. One greenfield development could exhaust a funding round.
Option 4: \$20,000 per annum Total funding pool (Start 2025/26 Financial Year)	<ul style="list-style-type: none"> Could fund multiple eligible infill developments. 	<ul style="list-style-type: none"> Higher likelihood of over subscription so some developments miss out or pay partial DCs. Would need to consider prioritisation or apportioning funding.
Option 5: \$40,000 per annum Total funding pool (Start this financial year) <i>Note that staff recommend that the fund is not carried forward each year.</i>	<ul style="list-style-type: none"> Fund is large enough to fund several small-scale developments if they landed on the same year/round for the full DC charge. Enough to fully fund an eligible development in a greenfield growth cell. Limits financial exposure and creates greater certainty for council. 	<ul style="list-style-type: none"> Not budgeted for. Could not fund two greenfield developments in a single funding round. Otherwise, would expect the fund to be rarely over-subscribed. Assessment based on current DC charges. Any significant increase in DCs would mean some developments could not be fully funded.
Option 6: \$30,000 per annum Total funding pool (Start this financial year) <i>Note that staff recommend that the fund is not carried forward each year.</i>	<ul style="list-style-type: none"> Fund is large enough to fund most small-scale development. 	<ul style="list-style-type: none"> Not budgeted for. Some greenfield development may not get a grant to cover all their DC charge if split across two rounds. One greenfield development could exhaust a funding round.
Option 7: \$20,000 per annum Total funding pool (Start this financial year)	<ul style="list-style-type: none"> Would fund multiple eligible infill developments. 	<ul style="list-style-type: none"> Not budgeted for. Higher likelihood of over subscription so some developments miss out or pay some DCs. Would need to consider prioritisation or apportioning funding.

21. Staff recommend **Option 2** as this allows the grant to be included in the Draft 2025/26 Annual Plan and provides the best outcome if there were multiple small-scale developments by community organisations in any given year or funding round.

22. Staff recommend that the total grant fund pool is set at \$40,000 per year. While other fund sizes were considered, staff recommend this fund size to ensure Council can achieve the original objective to provide full relief. The fund amount was calculated so that if two applications, including one from greenfield, were made in a single round, the applicants could receive the full amount. Any funding remaining from the \$40,000 would expire and not be available for allocation in future years.
23. **Table 2** below shows an example DC charges for a 30m² development under the 2024/25 Development Contributions Policy across different catchments. Catchments with multiple sub-catchments have been averaged.

Table 2: Example DC charges under 2024/25 Development Contributions Policy

Catchment	Estimated DC charge for 30m ² commercial space
Infill East	\$5,030
Infill West	\$5,630
Infill West (Lake Rotokauri)	\$11,420
Peacocke	\$15,700
Rotokauri	\$10,540
Rotokauri (Lake Rotokauri)	\$16,110
Rototuna	\$11,430
Ruakura	\$8,030

24. A smaller fund could be implemented but could be too small when split over two funding rounds, to fund an eligible development in areas with higher DC charges, or the fund could be exhausted by a single development; however, a smaller fund could be apportioned or use a process of prioritisation.
25. Should the Council choose the staff recommendation of **Option 2** to bring the grant into the Draft 2025/26 Annual Plan and it is adopted, a new grant schedule would be added to the Community Grants Policy.
26. **Table 3** outlines draft criteria that applicants would need to meet to be eligible for a Development Contributions Community Grant. These criteria would form the grant schedule, which would be adopted following the adoption of the 2025/26 Annual Plan and Long-Term Plan Amendment.

Potential Policy Direction

27. Based on initial direction, staff have created draft criteria for a Development Contributions Community Grant. **Table 3** provides a summary of the draft criteria and features of the grant. **Attachment 1** is a draft schedule for the Community Grants Policy, subject to approval of the funding through the annual plan and long-term plan amendment process.

28. Table 3: Summary of draft criteria and features of the proposed grant fund

	Recommendation
The fund	<ul style="list-style-type: none"> Grant fund of \$40,000 per annum. Split over two rounds per year. Not carried forward from each year. If the fund is over-subscribed in a round, the Community Grants Sub-Committee will decide how the funding will be allocated to applicants.
The development	<ul style="list-style-type: none"> Was consented in the previous 12 months. Has negligible impact on Council's infrastructure and services. Generally smaller than 30m². Meets the commercial definition in the DC Policy (i.e. not retail or industrial).
The applicant	<ul style="list-style-type: none"> Not-for-profit community groups and organisations.
The grant	<ul style="list-style-type: none"> Applicants can apply for up to 100% of their DC costs. Generally limited to \$10,000 per applicant. Applications are made in advance of paying DCs. No other costs are covered. Approval through the Community Grants Sub-committee. Is not a remission under the development contributions policy

29. The proposed criteria would limit applications to consents from not-for-profit community organisations that were granted within the previous 12 months. This is to limit funding to current projects that have not already paid DCs.
30. A general size guideline of 30m² is proposed as a means of limiting the scope of the remission to small-scale developments that are more likely to have negligible impact on council's infrastructure and services. The proposed use of the word "generally" maintains a degree of flexibility so that a development that is slightly over 30m² could still be considered if all other criteria are met. A 30m² limit also ensures that the recommended funding pool should support most eligible developments.
31. When considering the types of development that should be included/excluded, staff consider that retail and industrial development should be excluded. Retail development allows the organisation to sell goods or services and to recoup costs. It includes things like bars or cafés. As such, DCs could be recouped. Retail development generally places more demand on Council infrastructure and services than other forms of development.
32. Any development that generates demand will be ineligible for a grant regardless of size, type of development or the legal status of the applicant.
33. Staff recommend that applicants can apply for 100% of the required DC charge. As a guide, a DC charge for a 30m² project in infill would usually be between \$5,000 and \$6,000, while greenfield could be between \$10,000 and \$16,000. Council could also cap the grant at \$10,000, although this would mean eligible developments in some greenfield areas would not be able to claim the full DC charge.
34. The anticipated size of most individual grants would allow applications to be approved by staff under delegation; however, approval through the Community Grants Sub-Committee would give Elected Members oversight and allow some flexibility and discretion.

35. Grants would be repayable if a development does not occur or DCs are not paid. An audit process would be established, and applicants would be advised of this from the outset.
36. If the grant fund is not approved in the Draft 2025/26 Annual Plan and Long-Term Plan Amendment, current and future requests for a remission or waiver would be advised that there is no avenue of support and that their DC charge stands.
37. If the grant fund is approved, based on **Option 2**, staff will seek approval of the draft schedule (**Attachment 1** and summarised in **Table 3**) for inclusion in the Community Grants Policy.
38. **Table 4** outlines the advantages and considerations of the suggested criteria relating to the applicant and the development if the Council approved funding for the grant through the Draft 2025/26 Annual Plan and Long-Term Plan Amendment process. All applicants must be a not-for-profit community organisation. If an applicant meets this test, the criteria below will apply.

Table 4: Grant fundamentals – suggested criteria

Outline	Advantages	Considerations
Application is made prior to paying Development Contributions	<ul style="list-style-type: none"> Helps small organisations that may not have funding up front. Community organisations often do not expect a DC as part of their small-scale projects and have not budgeted for DCs. Does not delay projects as organisations know they have budgeted funds for DCs 	<ul style="list-style-type: none"> Applicants could need to refund grant if development goes ahead. Would be best with two rounds of funding per year so as not to cause project delays.
Limit on eligibility to developments consented within 12 months of the funding round	<ul style="list-style-type: none"> Captures current developments. Manages demand for the early rounds of funding. 	<ul style="list-style-type: none"> There are potentially eligible developments that have paid DCs in recent years who would not be able to apply. Likely that the fund will be overwhelmed in the first year. DCs on these developments have already been paid.
100% of DC charge covered	<ul style="list-style-type: none"> 100% reflects the negligible increase in demand for council services. Limits financial stress caused by DCs for community organisations. 	<ul style="list-style-type: none"> May mean a round needs apportioning if oversubscribed.
If a grant round is over-subscribed, funding allocation is determined by the Community Grants Sub-committee	<ul style="list-style-type: none"> Allows Elected Members to determine how the funds are distributed and prioritise applicants or apportion as they see fit. Ensures Elected Members can support the types of organisations and development that they intended. Allows some discretion 	<ul style="list-style-type: none"> The decision could be perceived as political. Not all Elected Members are represented on the sub-committee, but all are able to attend. Most grant amounts are expected to be relatively small and could be approved under delegation.
Limit size of developments – Maximum floor area of 30m ²	<ul style="list-style-type: none"> Helps to set realistic expectations. Is a tangible measure that community organisations will understand. Developments less than this size are 	<ul style="list-style-type: none"> Developments could be larger than the stated size and still be within the intended development type (this can be mitigated by wording in the

Note that the development would still need to meet the negligible demand test	<p>less likely to create actual demand on the network.</p> <ul style="list-style-type: none"> • Captures the target developments discussed by Council. 	schedule to allow for some flexibility).
Grant only applies to commercial developments	<ul style="list-style-type: none"> • Most eligible developments will be classed as commercial development or an ancillary activity to an existing commercial activity. • Helps to determine whether a development generates demand. • A retail development can generate income that could be used to pay DCs. • Retail developments generally create higher levels of demand than other development types. 	<ul style="list-style-type: none"> • Will exclude development that has the potential to generate revenue for community organisations. For example, the addition of a bar at a rugby club would be excluded.
Consideration of other funding	<ul style="list-style-type: none"> • Allows council to consider other funding sources, for example an HCC community services grant. 	<ul style="list-style-type: none"> • An organisation with an eligible development could miss out or receive less funding if they already receive other funding from Council.
Weight towards lower income organisations if required	<ul style="list-style-type: none"> • Prioritises funding to organisations with limited funds. • Focuses on those that have few options to fund DCs. 	<ul style="list-style-type: none"> • Larger organisations with similar developments could miss out.
Prioritise organisations that provide free or low-cost activities or services if required	<ul style="list-style-type: none"> • These organisations tend to have lower income and are providing benefit to the community. 	<ul style="list-style-type: none"> • Could exclude organisations with large incomes from fees and memberships, and those operated more like a business.

Financial Considerations - *Whaiwhakaaro Puutea*

39. There is no budget for a grant scheme in the 2024-34 Long-Term Plan.
40. As such, its approval would require the \$40,000 of operational expenditure per annum to be included in the Draft 2025/26 Annual Plan and Long-Term Plan Amendment.
41. Any unallocated funding from each year would not be carried forward.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

42. Staff confirm that the recommended grant arrangements comply with the Council's legal and policy requirements.

Climate Change Impact Statement

43. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

44. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
45. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
46. The recommendations set out in this report are consistent with that purpose.

Social

47. The DC grant is designed to support small-scale developments by community organisations which may include development that supports social wellbeing across a range of communities and encourage social engagement.

Economic

48. The DC Grant will help ensure that small-scale community developments do not suffer economic or financial hardship because of DCs.

Environmental

49. There is unlikely to be any impact on environmental wellbeing and will not reduce environmental emissions.

Cultural

50. The grant may support community organisations to retain, interpret and express their shared beliefs, values and identities through their small-scale developments.

Risks - *Tuuraru*

51. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

52. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
53. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Draft Schedule for Proposed Development Contributions Grant on Small Scale Developments

Schedule to be included in the [Operative Community grants policy](#) if approved in 2025/26 annual plan and long-term plan amendment process.

Grant for development contributions on small scale community development

Target Applicants	Community groups or organisations that are legally constituted as not-for-profit (charitable trust or incorporated society) operating for a minimum of 12 months.
Grant Outline	A one-off grant to offset a development contribution charge on small-scale development that has a negligible impact on council services. Generally, the development will be less than 30m ² and the grant will be considered up to \$10,000.
Grant Rounds	Two times per year
Allocation and approval process	<ol style="list-style-type: none"> 1. Staff assess applications and make recommendations. 2. Where possible staff will seek advice from relevant community sector advisors 3. The Community Grants Sub-committee has delegated authority to make and approve final allocation decisions

Schedule X

The purpose of this grant:

To support the development contribution charge on small scale projects undertaken by community groups where the development has negligible impact on Council infrastructure.

Who the grant is targeted at:

- The applicant must be a community group or organisation that is legally constituted not-for-profit (charitable trust or incorporated society).
- The applicant organisation must have a Trust Deed or Constitution with a minimum of three board or committee members.
- The applicant organisation must have been operating for a minimum of 12 months.
- Consideration will be given to other sources of funding including other council and central government support.
- Not-for-profit groups who provide free or low-cost activities or programmes within the Hamilton City boundary and have completed a small-scale capital project that incurred development contribution charges.

How much is available per grant application:

Generally, the grant will provide for development contributions charges up to \$10,000.

What will be funded

The grant will only fund development contributions. An applicant may only apply for the equivalent of the development contribution charge issued by Hamilton City Council.

To be eligible to apply, the development must meet the following criteria:

- Does not materially impact demand for council services.
- The total DC charge is below \$10,000.
- Will generally be a storage space, canopy or covering of an existing space.
- Has GFA of less than 30m2.
- Must be within the Hamilton City Council boundary and must trigger a DC charge.
- Must meet the definition of commercial development in the DC policy.
- The consent for the development must be lodged with council within the last 12 months.
- The development cannot be retail or industrial.

The grant will only fund development contributions. If the development does not receive code compliance certification, the grant must be repaid in full.

When can applications be made

Fund opens twice per year.

Council Report

Committee: Council **Date:** 31 October 2024
Author: Niall Baker **Authoriser:** Blair Bowcott
Position: Corporate Planning Lead **Position:** General Manager Strategy, Growth and Planning
Report Name: 2024-34 Long-Term Plan Amendment Update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Council approval of direction-setting decisions in relation the 2024-34 Long-Term Plan Amendment, including:
 - a. agreeing a set of assumptions for the purpose of developing the Draft Long-Term Plan Amendment;
 - b. changes to rates in 2025/26 to provide transparency and 'ring fencing' of revenue in relation to water services, in response to Local Water Done Well requirements; and
 - c. updated transport budgets resulting from changes to the New Zealand Transport Agency Waka Kotahi (NZTA) subsidy.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) approves for the purpose of developing a Draft Long-Term Plan Amendment, the Long-Term Plan Amendment and Financial Strategy assumptions as set out in **Attachment 1**;
 - c) notes the decisions that will be required at the Council meetings on 12 December 2024, 11 February 2025 and 20 March 2025, as set out in **Attachment 2**;
 - d) notes that staff are seeking legal advice on the interaction between requirements relating to the Long-Term Plan, Annual Plan and Local Water Done Well, which may lead to a different approach if required, with the goal of delivering the required changes in the simplest, most cost-effective and easiest to communicate and understand way.
 - e) approves for the purpose of developing a Draft Long-Term Plan Amendment, targeted rates for each of water, wastewater, and stormwater from 1 July 2025, with a reduction in the general rate, noting that:
 - i. the targeted rates will be set in such a way as to ensure as close as possible alignment to the current distribution of rates between properties; and
 - ii. the targeted rate will be set on a capital value basis;
 - f) approves for the purpose of developing a Draft Long-Term Plan Amendment, to remove the

following from the Long-Term Plan from 1 July 2025:

- i. the Government compliance rate;
 - ii. the service use water rate; and
 - iii. the service use wastewater rate;
- g) notes that the Revenue and Financing Policy and Funding Needs Analysis will be updated and reported to the 12 December 2024 Council meeting, to inform final decisions on rates in the Draft Long-Term Plan Amendment;
 - h) notes that, notwithstanding the intention set out in e) i. above, the upcoming citywide property rating revaluation will likely change the distribution of rates, meaning ratepayers may experience a change in their rates as a result of the revaluation;
 - i) approves a reduced aggregated transport minor improvement programme of \$45,166,212 over three years from 2024/25 to 2026/27 consisting of the allocated net local share funding only plus approved National Land Transport Policy (NLTP) subsidy of \$1,797,800 and \$306,000 as set out in Table 3 of this report;
 - j) notes that the Infrastructure and Transport Committee will prioritise projects for 2024-27 within the aggregated transport minor improvement programme;
 - k) approves the baseline position of a reduced aggregated transport minor improvement programme for years 4 -10 (2027/28 to 2033/34) for the Long-Term Plan amendment consisting of the allocated net local share funding only with zero assumed NLTP subsidy, noting that the individual transport improvement projects include:
 - i. Biking and Microbility;
 - ii. Low Cost Low Risk- Walking;
 - iii. Low Cost Low Risk- PT Improvements Strategic;
 - iv. Public Transport Improvements;
 - v. Low Cost Low Risk Local Roads;
 - vi. Low Cost Low Risk- Road to Zero; and
 - vii. Bus Rapid Transit Business Case;
 - l) approves *Option 1* of this report to manage the organisational renewals within the three-year 2024-27 renewal funding, less \$10,004,014, which is the footpath NLTP subsidy not received over this three-year period, providing a total organisational renewals budget of \$349.9 million for 2024-27; and
 - m) notes that the baseline organisational renewal funding for Years 4 -10 (2027/28 to 2033/34) will remain the same as the 2024-34 Long-Term Plan except for the assumed NLTP subsidy for footpath renewals, which has now been removed.

Executive Summary - *Whakaraapopototanga matua*

- 3. At the 12 September Council meeting ([agenda and minutes](#)), in response to the government's Local Water Done Well programme, Council resolved to create new targeted rates for each of the three waters services, and to pursue work on the design of a water services Council Controlled Organisation.
- 4. Following the receipt of decisions from NZTA on 3 September 2024, Council's response to that issue has been subsumed into the Long-Term Plan Amendment process.

5. The changes from the Local Waters Done Well programme and NZTA create changes to the 2024-34 Long-Term Plan, further discussed in the Discussion section of the report.
6. This report provides an update on the Long-Term Plan Amendment process and the decisions that will be required from Council over the coming months. Given the fast moving and uncertain environment in which we are operating, it also sets out a series of assumptions that are underpinning our approach, which we are asking Council to approve.
7. The report also seeks direction-setting decisions on the creation of the targeted rates and changes to the transport programme in response to the NZTA subsidy decisions.
8. Council will be required to make decisions at the 12 December 2024 Council meeting on all Long-Term Plan amendment matters. We will provide full advice consistent with the Significance and Engagement Policy in that report. In the meantime, the decisions required in this report are considered to have low significance.
9. Staff also consider that the recommendations comply with the Council's legal requirements, noting that we are seeking legal advice on the interaction between the Long-Term Plan Amendment, Annual Plan, and Local Waters Done Well and will update Council as appropriate.

Background - *Koorero whaimaarama*

Long-Term Plan Amendment

10. At the Council meeting on 12 September 2024 ([agenda and minutes](#)), Council made a series of preliminary decisions in response to the government's Local Water Done Well agenda. These included a proposal to separate waters-related charges from the general rate and Uniform Annual General Charge, and for staff to progress work on the design of a Council Controlled Organisation (CCO) for water services.
11. This work was to include both the design of a Hamilton City Council-only CCO, and work with Waikato District Council on a jointly owned CCO. Ongoing work on the latter proposal was subject to a formal resolution by Waikato District Council being passed by no later than 26 September 2024. Such a resolution was passed on [24 September 2024](#), so the work has continued.
12. The establishment of new rates and the transfer of strategic assets to a CCO are both matters that, subject to legal advice, can only be introduced via a long-term plan amendment, so at the 12 September Council meeting, Council also requested staff to progress work on this. The potential requirement for a long-term plan amendment had been foreshadowed at the 2024-34 Long-Term Plan deliberations meeting on 4-6 June 2024 ([agenda and minutes](#)).
13. On 3 September 2024, New Zealand Transport Agency Waka Kotahi (NZTA) advised Council of the outcome of funding decisions in the 2024-27 National Land Transport Plan (NLTP). This included a significantly reduced subsidy and will require reprioritisation of the transport programme included in Council's 2024-34 Long-Term Plan.
14. Because this potentially affects all years of the 2024-34 Long-Term Plan, the reprioritisation of the transport programme is also being considered through the Long-Term Plan amendment process.

Local Waters Done Well Legislation

15. Changes are proposed to both the water services delivery system and to the water services regulatory system. For full details on the water reform system changes refer to the 12 September 2024 Council item ([agenda and minutes](#)).
16. The Local Waters Done Well programme is being implemented in three stages by Central Government, each with its own piece of legislation.

17. The first Bill, the [Water Services Acts Repeal Act](#) (enacted in February 2024), repealed the previous Government's water services legislation and restored continued council ownership and control of water services.
18. The second tranche of legislation, the [Local Government \(Water Services Preliminary Arrangements\) Act](#) received Royal Assent on 2 September 2024. This Act establishes the Local Waters Done Well framework and the preliminary arrangements for the new water services system. Key areas included in this Act are:
 - a. Requirements for councils to develop Water Services Delivery Plans within 12 months of the Act being enacted.
 - b. Requirements for councils to include in those plans baseline information about their water services operations, assets, revenue, expenditure, pricing, and projected capital expenditure, as well as necessary financing arrangements, as a first step towards future economic regulation (also refer to below section 'Water Service Delivery Plans').
 - c. Streamlined consultation and decision-making processes for setting up CCOs that deliver water services, and joint local government arrangements, both of which are currently provided for in the Local Government Act 2002.
19. The third Bill, the proposed Local Government Water Services Bill, is still in development and is planned to be introduced to Parliament in December 2024, with enactment expected in mid-2025. It will establish the enduring settings for the new water services system. The Department of Internal Affairs (DIA) released information in early August 2024 about the proposed Bill.
20. The third Bill, the proposed Local Government Water Services Bill, is still in development and is planned to be introduced to Parliament in December 2024, with enactment expected in mid-2025. It will establish the enduring settings for the new water services system. The Department of Internal Affairs (DIA) released information in early August 2024 about the proposed Bill.
21. For an overview of key milestones for the implementation of Local Waters Done Well, refer to Department of Internal Affairs' Local Waters Done Well Implementation Roadmap in **Attachment 3**.

NZTA Funding

22. The Government Policy Statement on land transport (GPS) sets out the Government's strategic direction for the land transport system and guides how the NZ Transport Agency Waka Kotahi (NZTA) invest the National Land Transport Fund (NLTF).
23. The National Land Transport Programme 2024-27 (NLTP 2024-27) is a three-year programme that sets out how NZTA, working with its partners, plans to invest the NLTF to create a safer, more accessible, better connected and more resilient land transport system that keeps New Zealand moving. Activities in the NLTP 2024-27 must reflect the priorities in GPS 2024 and be funded from the appropriate Activity Class.
24. Council received a letter from NZTA on 3 September 2024 advising it of all the funding decisions relevant to Council for the three-year period 2024/27.
25. The impact of these decisions was reported to the Infrastructure and Transport Committee on 26 September 2024 ([agenda and minutes](#)). In summary, the funding decisions from NZTA meant that Council would receive \$56.4 million less in subsidy across the three-year period than it had assumed in the 2024-34 Long-Term Plan for the same period. Under the NLTP process, no funding decisions have been made for years 4-10 (2027/28 to 2033/34).
26. Council largely received the NLTP subsidy it expected for the maintenance, operations, and renewal of its transport network with the exception of renewal funding for footpaths. With the exception of three nominated low cost low risk local improvement projects, Council received no subsidy support for its minor transport improvement programmes.

27. On 26 September 2024 it was resolved that the Infrastructure and Transport Committee (amongst other things);
- a) *receives the report; and*
 - b) *notes that the 2024-34 Long Term Plan included an assumption that NZ Transport Agency subsidy had a high level of uncertainty and that there may be a need to reprioritise programmes to ensure compliance with Council financial strategy;*
 - c) *notes that work is continuing with the footpath renewals as scheduled for 2024/25 as part of the delegation allowing Renewals and Compliance to be managed at an all of Council activity level and across three years*
 - d) *notes that if the transport capital projects and programmes are not reduced from their gross current approved funding amounts in Councils 2024-34 Long Term Plan then Councils financial strategy is highly likely to be breached, given the significant amount of assumed NZ Transport Agency subsidy not being approved in the National Land Transport Programme 2024-27 for those programmes;*
 - e) *approves the following modelling scenarios to be reported to the 31 October 2024 Council meeting to inform reprioritisation of programmes to ensure compliance with Councils current financial strategy in 2024/25 and for the proposed 2025/26 Annual Plan and/or the proposed Long Term Plan Amendment;*
 - i. *no reduction in the transport capital projects and programmes notwithstanding the subsidy decisions*
 - ii. *reduction of the transport capital projects and programmes equivalent to the assumed subsidy not approved (effectively local share only)*
 - iii. *removal of the transport capital projects and programmes where no subsidy is approved.*
 - iv. *an increase in the Renewals and Compliance programme from 2025/26 onwards to manage the organisational impacts of the reduced subsidy for footpath renewals.*

Discussion – *Matapaki*

Long-Term Plan Amendment Process

28. A Long-Term Plan amendment is required for changes:
- a. to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including a decision to commence or cease any such activity;
 - b. to transfer the ownership or control of a strategic asset to or from the local authority; or
 - c. on any rate that is not in accordance with the existing long-term plan and the funding impact statement for the relevant year.
29. Staff believe the Council decisions on 12 September 2024 ([agenda and minutes](#)), meet the criteria b) and c) above. (There are legal intricacies here through the interaction of three separate pieces of legislation. We are taking legal advice on this matter and will update Council as required.)
30. In addition, Council is required to produce an Annual Plan each year except for the year in which an original long-term plan is adopted. This gives effect to the relevant year of the long-term plan and sets out any changes compared to the long-term plan.

31. Annual plans are also required in years in which long-term plan amendments are made. Typically, the long-term plan amendment process would set out the changes required that have triggered the long-term plan amendment, and the annual plan would introduce the more business-as-usual changes.
32. However, given the wide-ranging impact of the changes being delivered through the plan, staff believe that one combined and aligned process would be clearer and simpler, both to manage internally and communicate externally. Subject to legal advice, we are therefore proposing to make all changes Council resolves through the Long-Term Plan Amendment. Following the adoption of the Long-Term Plan Amendment in June 2024, we would introduce at that stage an Annual Plan, which would be fully consistent with Year 2 of the amended Long-Term Plan. The Annual Plan would therefore not require consultation and could be adopted at the same meeting, meeting our legislative requirements.
33. The Local Government (Water Services Preliminary Arrangements) Act requires consultation on Council's approach to water services, and the submission of a water services delivery plan by 3 September 2025. Our assumption is that we will run a single consultation in early 2025 meeting our requirements under both the Local Government Act and the Local Government (Water Services Preliminary Arrangements) Act; adopt the Long-Term Plan Amendment (and as set out above, the 2025-26 Annual Plan) by 30 June 2025; and submit the Water Service Delivery Plan by 3 September.
34. The Long-Term Plan amendment is subject to a full audit process. This will be a much more rigorous, and therefore constraining, process than we experienced during the development of the 2024-34 Long-Term Plan, for which the government waived the requirement for the Consultation Document and underlying information to be audited. This means that decisions on proposals for consultation will be required at the 12 December 2024 Council meeting. There is very little scope for change after that point, until the final deliberations meeting in May 2025, following community consultation.
35. Pending the outcome of legal advice and discussions across the sector, we may pivot to a different approach if required, utilising the full powers available under the new legislation (particularly in relation to the charges proposed for waters) and to account for the timing of the third Bill becoming law. The goal will be to find the approach to delivering the required changes that represents the simplest, most cost-effective and easiest to communicate and understand mechanism.
36. In the meantime, this report is designed to share as much of staff's thinking as possible, and seek direction setting decisions on various matters, to descale what must be agreed at the 12 December 2024 meeting.
37. The full timetable for the Long-Term Plan Amendment process, and the decisions required at each of the meetings between now and the consultation taking place, is provided in **Attachment 2**, noting this is a fluid process and subject to change.

Long-Term Plan Amendment and Financial Strategy Assumptions

38. We are operating in a dynamic environment but have fixed deadlines to which we are working (in particular, 30 June 2025 to introduce new rates for 2025/26 and 3 September 2025 to submit a Water Services Delivery Plan). This is best illustrated by the timing of the proposed Local Government Water Services Bill, which is due to be introduced in December 2024 (around the time Council will be required to make decisions on the Draft Long-Term Plan Amendment) and is expected to be enacted in mid-2025 (around the time the Long-Term Plan Amendment is due to be adopted).

39. In order to make progress we have made a number of assumptions relating to the Long-Term Plan Amendment and our Financial Strategy, as set out in **Attachment 1**. Each of these could change as more information becomes known, and we will advise Council as and when they do. In the meantime, we are asking Council to approve the assumptions, noting they will form the basis of the decisions required at the 12 December 2024 Council meeting. If Elected Members disagree with any assumptions, we would ask Council to advise us, via a resolution, at this meeting, so we can revise our plans ahead of preparing the 12 December 2024 report.
40. The assumptions are largely as discussed at the Elected Member briefing on 17 October 2024, although a few have evolved since then based on the discussion.

Water Services Delivery Plans

41. Water service delivery plans must be submitted to DIA by 3 September 2025. They must include:
- a. the current state of the water services network, including current levels of service, asset condition and lifespan, the asset management approach being used, and any issues, constraints or risks impacting on the delivery of water services;
 - b. the water infrastructure needed to meet regulatory requirements and provide for population growth;
 - c. *an explanation of what Council proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028;*
 - d. the operational and capital expenditure required to deliver water services;
 - e. financial projections including:
 - i. the operating costs and revenue required to delivery water services, including how that revenue will be separated from the territorial authority's other functions and activities;
 - ii. projected capital expenditure on water infrastructure;
 - iii. projected borrowing to finance the delivery of water services; and
 - iv. the anticipated or proposed model for delivering water services (including whether the territorial authority is likely to enter a joint arrangement or will continue to deliver water services in its district alone); and
 - f. an implementation plan for delivering the proposed model or arrangements
42. Water service delivery plans will be required to cover a period of not less than ten financial years, starting with 2024/25. Consideration may be given to a 30-year horizon as more appropriate for assessing sustainability of water services given the long-asset lives and investment cycles. Future regulatory requirements are expected to drive higher costs, with many of these costs likely to be faced beyond the current Long-Term Plan period.
43. As part of the Local Water Done Well programme, the government has also introduced new waters-related reporting requirements and economic regulation of waters through the Commerce Commission. The new requirements include the need for new, separate annual planning and reporting for waters, including presenting separate balance sheet, profit and loss, and cashflow information for each of the three waters and complete transparency and separation of waters related revenue and cost from other Council activities, revenue, and expenditure. Amongst other things this will require the preparation of a separate waters annual report and a new water planning document – the Water Services Strategy – that will include infrastructure and pricing strategies and plans for waters.

Rating

44. Large parts of current waters-related revenue is collected as part of the Council's general rate (refer to the table below for the current rating structure). Staff have interpreted the requirements of complete waters-related transparency and separation of waters revenue, costs, balance sheet, and cashflow from other Council activity to mean that it will not be able to continue to use the general rate to collect waters related revenue. A key part of the Local Water Done Well framework is the complete ring-fencing of all waters-related revenue and costs.
45. On 12 September 2024 the Council resolved (amongst other things) to approve Hamilton City Council's long-term preferred water services delivery option to be a regional, or Future Proof sub-regional two waters asset-owning CCO that provides stormwater services to HCC and other shareholders. A key feature of such a CCO is that it achieves revenue independence from Council and is able to set and collect its own revenue.
46. In resolution I) of the 12 September item ([agenda and minutes](#)), Council further resolved to approve:
 - i. *the establishment of an internal business unit by 30 June 2025 – including full required transparency of waters costs and revenue;*
 - ii. *the incorporation through a Long-Term Plan (LTP) amendment a proposal to separate waters related charges from the General Rate and Uniform Annual General Charge and change the Development Contributions policy to ensure complete transparency of waters related activity;*
 - iii. *the design work for the establishment of an Hamilton City Council only CCO intended to commence trading from 1 July 2026, including any statement of proposal that would be the basis of consultation relating to the transfer of significant assets;*
 - iv. *that the design of an Hamilton City Council only CCO must enable an entity with a regional outlook which other shareholders could join, or which could be joined with other CCOs over time;*
47. The combination of the requirements from the new the Water Service Delivery Plan, economic regulation, transparency, and separation of all waters-related activity from other Council activity and Council's preferred water service delivery option, and the establishment of an internal business unit from 30 June 2025, all mean that Council will need to move quickly to separate waters related charges from the general rate for the 2025/26 financial year.
48. These targeted rates would continue to be set by Council until these services were otherwise charged by a CCO (potentially from 1 July 2026). If Council continues to be responsible for delivering water services itself (via a separate business unit), the targeted rates would remain indefinitely.

Current water rates

49. Table 1 below summarises how Council currently charges different property types for waters services.
50. Residential, commercial (which includes Business Improvement District commercial), and other are categories defined for the general rate.
51. Service use includes properties that are legally non-rateable (such as schools and churches) and charitable organisations which Council treats as non-rateable.

Table 1: Current charging arrangements for different property types for water services

	Residential	Commercial	Other	Service use
Water	General rate (CV) Govt. Compliance rate (CV) UAGC (SUIP) Rates remission if network is unavailable	Water meter or fixed amount per rating unit if connected	Water meter or no charge if water network not available	Water meter or fixed amount per SUIP if connected
Wastewater	General rate (CV) Govt. Compliance rate (CV) UAGC (SUIP) Rates remission if network is unavailable	General rate (CV) Govt. Compliance rate (CV) UAGC (SUIP) Rates remission if network is unavailable	No charge wastewater network not available	Service use wastewater rate (LV & CV)
Stormwater	General rate (CV) Govt. Compliance rate (CV) UAGC (SUIP) Applied to all rateable property			No charge

Key terms used in the table above:

- Capital Value (CV) – the likely price the property would sell for at the time of the valuation, excluding chattels.
- Uniform Annual General Charge (UAGC) – a fixed portion of general rates applied in the same way to all property regardless of the property type or value.
- Separately Used or Inhabited Part (SUIP) – An SUIP is every rating unit and any part or parts of a rating unit used or occupied by the ratepayer for more than one single use, any portion inhabited or used by the owner / a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

Refer to 2024-34 Long-Term Plan Council Revenue and Financing Policy and Funding Impact statement for full terms: [Long-Term Plan](#).

Options

52. We have developed and modelled three options for how new targeted rates for water services could be set. These options were presented to the Waters and Rates Working Group on 27 September 2024 and an all of Council briefing on 16 October 2024.
53. The modelling, which is provided at **Attachment 4**, is based on existing Year 2 budgets in the 2024-34 Long-Term Plan (including the planned 15.5% rates increase).
54. Rates revenue has been maintained by sector (residential/commercial) after remissions.
55. The Government Compliance rate, service use wastewater, and service use water rates would be discontinued from 1 July 2025 as we introduce the new targeted rates.
56. For each option, any differentiated capital value rates have been set to be the same differential factor (i.e. how much more will commercial pay than residential).
57. Applying the rates by capital value will ensure the closest alignment with the current system, and the fewest number of ratepayers seeing either an increase or decrease in their rates. It will also therefore be the easiest to communicate to the public.

58. In general, moving to either form of fixed rates would mean lower value properties paying more than they currently do, and higher value properties paying less.
59. Based on current legislation, we had previously assumed that, once established, a CCO would have to charge by fixed dollar amount until such a time that volumetric charging were possible (i.e. once water meters are installed). This would have presented an argument for Council to apply the new rates on a fixed amount basis in 2025/26, to avoid a further significant change a year later.
60. However, DIA have recently advised us that the upcoming Local Government Water Services Bill will allow a CCO to charge for waters on capital value for a transitional period (of around five years) to allow for the installation of water meters to enable volumetric charging. This provides a further strong argument for remaining with capital value for the new rates in 2025/26: there is *no need* to change the basis on which rates are set until the eventual move to water meters.
61. Retaining a capital value system also provides the maximum amount of time to review options for charging by a CCO and to communicate future changes to ratepayers.
62. **Capital value is the option preferred by the Waters and Rates Working Group and recommended by staff.**
63. Council should note that whatever decisions it makes on the targeted rates, most ratepayers will experience a change to their rates (in addition to the planned rates increase) due to the upcoming citywide property rating revaluation. This does not change the total rates collected across the city but changes the distribution of rates between properties depending on how values change from the current 2021 valuation.

NZTA Funding

Transport Minor Improvement Programme

64. Table 2 below shows the aggregated three-year gross minor transport improvement programme (i.e. total expenditure including the assumed NZTA subsidy in the first three years of the 2024-34 Long-Term Plan) including:
- Biking and Microbility;
 - Eastern Pathways- School Link;
 - Low-Cost Low Risk- Walking;
 - Low-Cost Low Risk- PT Improvements Strategic;
 - Public Transport Improvements;
 - Low-Cost Low Risk Local Roads;
 - Low-Cost Low Risk- Road to Zero; and
 - Bus Rapid Transit Business Case.

Table 2: Aggregated three-year gross minor transport improvement programme

2024-34 Long-Term Plan Gross Aggregated Minor Transport Improvement Programme	2024-2027 Funding			
	2024-25	2025-26	2026-27	Three-Year Total
TOTAL	\$30,851,625	\$35,362,051	\$23,708,038	\$89,921,714

65. Council requested a modelling scenario that assumed that there was no reduction in the gross cost of the aggregated minor transport improvement programme over the three-year period 2024-27 that would require Council to make up the shortfall of the reduced revenue.
66. Further modelling undertaken since the Infrastructure and Transport Committee meeting on 26 September 2024 ([agenda and minutes](#)) has confirmed that Council financial strategy would be breached under this scenario where it made up the shortfall in lost NLTP funding over the three-year period 2024-27 and so this option has been discounted.

67. Further modelling has indicated that Council would not breach its financial strategy for the scenario where the minor transport improvement programmes were reduced by the amount of subsidy not received (generally 51% which is the Council Financial Assistance Rate), leaving just the local share nett cost and any subsidy that was approved.
68. Staff received direction at the 16 October 2024 briefing to:
- reduce the minor transport improvement projects for the three-year period 2024-27 covering the NZTA approvals to the local share funding together with any subsidy that was approved;
 - aggregate all of the previous transport improvement projects into one allocation for minor transport improvements, allowing Council to make subsequent decisions on how it wanted to allocate this funding across all of the previous programmes; and
 - assume, for the purposes of the LTP Amendment, a baseline position for Years 4-10 (2027/28 - 2033/34) of local share only for the same transport improvement programmes and assuming no NLTP subsidy.
69. Table 3 below summarises the aggregated minor transport improvement programme for the three-year period of 2024-27 (the NLTP approval period) consisting of the local share allocated against each transport improvement programme in the current 2024-34 Long-Term Plan together with the limited amount of NLTP subsidy approved.

Table 3: Aggregated minor transport improvement programme 2024-27

Revised 2024/34 Long-Term Plan - net plus approved subsidy	Programme	2024-2027 Funding			
		2024/25	2025/26	2026/27	Three-Year Total
CE 19057- Biking Plan Implementation	Biking and Micromobility Strategic Routes Programme A	2,058,000	2,140,320	2,221,652	\$6,419,972
	Eastern Pathways- School Link	5,659,500	7,491,297	1,332,991	\$14,483,788
	Low Cost Low Risk Walking Programme A	1,029,000	1,070,160	1,110,826	\$3,209,986
CE 19058- Public Transport Mode Shift	Low Cost Low Risk -PT Improvements- High Frequency Routes- Strategic	2,058,000	2,140,320	2,221,652	\$6,419,972
CE 21060 Public Transport Improvement	Public Transport Improvements Programme A	385,875	401,310	416,560	\$1,203,745
CE 21058 Transportation Safety Improvements	Low Cost Low Risk- Local Roads Programme A	771,750	802,620	833,120	\$2,407,490
	NLTP Subsidy	102,000	102,000	102,000	\$306,000
	Low Cost Low Risk- Road to Zero Programme A	2,572,500	2,675,400	2,777,065	\$8,024,965
	NLTP Subsidy	816,000	981,800	0	\$1,797,800
CE 15087 Transport Upgrades for Development	Bus Rapid Transit Business Case	233,069	302,989	356,436	\$892,494

Revised 2024/34 Long-Term Plan - net plus approved subsidy	Programme	2024-2027 Funding			
		2024/25	2025/26	2026/27	Three-Year Total
TOTAL		\$15,685,694	\$18,108,216	\$11,372,302	\$45,166,212

70. Adopting this programme results in a reduction of the minor transport improvement programme over three years from \$89.9m to \$45.2m. It is proposed that the previous programmes are managed as an aggregated programme, with all decisions on project prioritisation within the aggregated programme being decided by the Infrastructure and Transport Committee using the recently adopted Transport Decision Making framework.
71. A recommended programme of works will be presented to the 28 November 2024 meeting of the Infrastructure and Transport Committee for approval noting that it is a priority to approve the projects for the current 2024/25 year.
72. In accordance with the previous resolutions of the Infrastructure and Transport Committee all transport projects have been put on hold pending a decision at this meeting which is likely to affect the delivery timing of any projects approved. The timing matters and any required deferrals will be considered as part of subsequent Committee meetings.
73. In addition to the minor transport improvement programmes there was one other project approved for full subsidy which is the Hamilton transport model. This project will proceed as normal.
74. The baseline Long-Term Plan Amendment position assumed for the transport improvement programmes from Years 4-10 is the same as the scenario outlined above in that the programmes will be reduced to include just the net local share and assume no NLTP subsidy as a conservative approach.
75. The only other substantive project in the Long-Term Plan which assumes an NLTP revenue is the Ruakura Eastern Transport Corridor, which has \$47.6m expected revenue programmed over years 4-8. There is a risk that this revenue will not be received but the direction from the 16 October 2024 briefing was to retain the revenue assumption based on the likely alignment of this project with GPS 2024.

Footpath Renewals

76. Council largely received the NLTP subsidy it expected for its transport maintenance, operations and renewals with the exception of footpath renewals. Table 4 below shows a \$10m shortfall across three years.

Table 4: Loss of NLTP subsidy for footpath renewals

2024/34 Long-Term Plan	Programme	2024-2027 Funding			
		2024/27	2025/26	2026/27	3-year Total
Footpath Renewals	Gross Long-Term Plan cost	7,248,529	6,433,359	7,669,411	\$21,351,299
	NLTP subsidy expectation	3,336,893	3,325,732	3,341,389	\$10,004,014
	NLTP Subsidy approved	0	0	0	\$0

77. This reduction in this revenue for footpath renewal applied across the organisational portfolio of renewals relates to just under a 3% reduction, as shown in Table 5 below:

Table 5: Impact of loss of footpath renewals subsidy on organisational renewals budget

2024/34 LTP	Programme	2024-2027 Funding			
		2024/27	2025/26	2026/27	3-year Total
Organisational Renewals	Gross Long-Term Plan cost	107,301,455	111,127,728	141,443,414	\$359,872,597
	NLTP subsidy not received	3,336,893	3,325,732	3,341,389	\$10,004,014
	Reduced LTP	103,964,562	107,801,996	138,102,025	\$349,868,583
	Reduction	3.1%	3.0%	2.4%	2.8%

78. Two options exist.

- Option 1 is to manage the organisational renewals including footpath renewals within the reduced organisational Long-Term Plan renewal funding for the three-year period. **This is the preferred option** noting that the 2027-37 Long-Term Plan will provide an opportunity to assess the adequacy of the organisational renewal programme at a time when Council has responded to Local Water Done Well. This option is unlikely to see a noticeable reduction in the level of service for footpaths expected from the existing 2024-34 Long-Term Plan.
- Option 2 is to re-allocate some of the aggregated minor transport improvement programme to organisational renewals to either fully or partly compensate for the footpath renewal subsidy not received.

79. The baseline position for Years 4 to 10 of the Long-Term Plan Amendment is to retain the existing organisational renewal funding but to remove the NLTP subsidy assumption.

Financial Considerations - *Whaiwhakaaro Puutea*

80. The financial implications of the various workstream options for inclusion in the Long-Term Plan Amendment described in this report will be presented at the 12 December 2024 Council meeting.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

81. Staff confirm that the matters in this report comply with the Council's legal and policy requirements.
82. As set out, staff are engaging external advice from lawyers in regard to the interaction between the different pieces of legislation relating to long-term plan amendments, annual plans and the Local Water Done Well programme. Should external advice suggest we need to modify our approach, staff will inform members and ensure discussion on the appropriate alternatives.
83. Staff note that the Local Government Water Services Act is still to be released, with anticipated introduction to Parliament in December 2024. Staff will continue to work with both internal and external lawyers to ensure that Council complies with the relevant legislation as it becomes available.

Climate Change Impact Statement

84. Staff have assessed the recommendations against the Climate Change Policy for both emissions and climate change adaptation. At this stage it is not feasible to complete an adaptation or emissions assessment.
85. Whichever service delivery option is chosen by Council under the Local Waters Done Well framework, the impacts of climate change on water service delivery will need to continue to be a key component of future infrastructure planning.
86. Transport generates 64% of greenhouse gas emissions in Hamilton Kirikiriroa, and as outlined in Our Climate Future: Te Pae Tawhiti o Kirikiriroa reducing these emissions through a low emissions transport network is critical to Hamilton becoming a thriving low carbon city. A low emissions transport network includes multiple different transport modes, including electric vehicles, public transport, cycling, walking and other forms of active transport. The reduced funding for walking and cycling will impact on our ability to transition towards a low emissions transport network that meets our communities needs. And, along with other decisions, will mean we will very likely not achieve our 2030 emissions reduction target for the city.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

87. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the four wellbeings').
88. The subject matter of this report has been evaluated in terms of the four wellbeings during the process of developing this report as outlined below.
89. The recommendations set out in this report are consistent with that purpose.

Social

90. Decisions on changing rates can have a social wellbeing impact such the level of financial stress/ability to pay for ratepayers.
91. Water services are fundamental to social well-being. The Local Water Done Well programme will guide the way in which water services are delivered and the long-term ability to meet the needs of Hamilton.
92. Good transportation and infrastructure decisions positively benefit public social wellbeing by creating easy ways to get to various places in the city in different ways. Hamiltonians are more likely to use active multimodal methods of transport if there are safe and efficient routes to the places they like to go. In addition, allowing for various methods of travel provides options for them to travel to and from their destinations.

Economic

93. Water services are fundamental to economic wellbeing. The decision relating to Local Waters Done Well in this report relates to rates, which is the primary revenue source for Council.
94. The public are more likely to travel on roads that are safe and easy to navigate. Decisions to improve and maintain transport networks can have a positive impact on the businesses accessed via those routes, as staff and customers are able to better use the routes.
95. Decisions on transport investment have the potential to create an incentive for economic activity within the city – for example for businesses to move or remain in Hamilton.

Environmental

96. Water services are subject to significant environmental regulation. The Government's Local Water Done Well programme will introduce further regulation relating to stormwater management and will also introduce national standards for wastewater discharges. Whichever service delivery option is chosen by Council under the Local Water Done Well framework, environmental aspects such as resource consenting for water service delivery will need to continue to be a key component of future infrastructure planning.
97. Transport decisions can have environmental impacts through changes in transport patterns and modes, and the design of the transport routes. Good transport design can decrease CO2 emissions and help mitigate the risks arising from climate change.

Cultural

98. The Local Government Act 2002 requires local authorities to facilitate Maaori participation in decision making processes within local government. There are relationships, rights and interests that Maaori have with water and recognised at a local level in agreements between mana whenua and councils.
99. The resolutions of the 12 September Council meeting start Council on a path to the possible establishment of a CCO that owns and manages the delivery of drinking water and the collection, treatment and discharge of wastewater and has the potential to manage stormwater on behalf of the Council.
100. The intent of the CCO would be to provide management and delivery of water infrastructure, rather than resource management or freshwater.
101. Using an arms-length entity to manage waters may have an impact on the ability of Maaori to contribute to waters-related decisions. As is provided for in the 12 September 2024 resolutions this will need to be addressed through engagement with Waikato-Tainui as the details of options for consultation are developed.
102. The starting point is that existing obligations regarding Treaty of Waitangi and Treaty settlements for councils and their CCOs will continue to apply, regardless of the future arrangements that councils choose to use for their water services delivery.

Risks - *Tuuraru*

103. Staff are working with external agencies, lawyers, and neighbouring Councils to ensure risks have appropriate mitigation. Staff will continue to inform Members of risks which may arise and, if appropriate, will seek legal advice to ensure that future risks are appropriately managed.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

104. Council will be required to make decisions at the 12 December 2024 Council meeting on all Long-Term Plan amendment matters. We will provide full advice consistent with the Significance and Engagement Policy in that report. In the meantime, the decisions required in this report are considered to have low significance.
105. The Local Government Act 2002 provides for consultative processes when setting up CCOs, and developing long-term plan amendments in general. The Local Government (Water Services Preliminary Arrangements) Act modifies these requirements through a streamlined consultation and decision-making process for setting up CCOs that deliver water services, and joint local government arrangements.

106. We are seeking legal advice on the interaction between these two pieces of legislation and will provide full advice on consultation and engagement options in the report for the 12 December 2024 Council meeting.
107. Engagement with iwi has commenced to ensure the potential impacts of Local Water Done Well on Maaori interests are understood in the context of Hamilton City. Iwi/Maaori have documented interests arising from Treaty settlements, current joint planning and decision-making arrangements with council (through the Joint Management Agreement Committee), and a demonstrated and ongoing commitment to addressing their rights and interests in freshwater.
108. There are a wide range of community views and preferences in relation to rates, transportation programmes, and the delivery of waters services.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Assumptions

Attachment 2 - Timetable

Attachment 3 - Local Water Done Well Implementation roadmap (August-2024)

Attachment 4 - Rates samples and graphs .



Attachment 1: Long-Term Plan amendment and Financial Strategy assumptions

Assumptions

- The Long-Term Plan Amendment is being introduced in a dynamic environment, but must meet some fixed deadlines (30 June 2025 to introduce new rates for 2025/26 and 3 September 2025 to submit a Water Services Delivery Plan).
- In order to make progress we have made a number of assumptions, as set out in Attachment 1. Each of these could change, and we will advise Council as and when they do.
- In the meantime, we are asking Council to approve the assumptions, noting they will form the basis of the decisions required at the 12 December 2024 Council meeting. If Elected Members disagree with any assumptions, we would ask Council to advise us, via a resolution, at this meeting, so we can revise our plans ahead of the 12 December 2024 report.

Process assumptions

1. Everything remains as per the 2024-34 Long-Term Plan apart from:
 - a) changes driven by Local Water Done Well;
 - b) changes as a result of the NZTA subsidy decisions; or
 - c) other critical changes identified by staff or Elected Members.
2. All changes made will be included in the Long-Term Plan amendment. The 2025/26 Annual Plan will be a legal compliance document (with no public consultation), referencing Year 2 in the amended Long-Term Plan.
3. This is a long-term plan amendment, not a new long-term plan, but will lead to a "new" long-term plan document, and an updated Infrastructure Strategy.
4. There are likely to be further substantial changes we need to make in the Year 3 Annual Plan (or possibly a further long-term plan amendment alongside it), or in the 2027-37 Long-Term Plan or beyond. Unless these changes need to be introduced in 2025/26, they will not be included in the 2025 Long-term Plan amendment.

DCs assumption

1. The Long-Term Plan development contributions revenue projection (see next page) be provisionally kept at the same level as the 2024/34 LTP at \$495M and \$347M for 3 waters, due to substantial uncertainty in inputs. This projection is conservative and interim and will be updated once information firms up. The uncertainty relates to:
 - A shifting capital programme (including the viability of collecting DCs against the \$90M SWTP)
 - Uncertainty about Elected Members appetite to increase DCs or further subsidise them to keep the current DC charge levels, and to what extent the new legislation limits this
 - Work yet to be done to determine the allocation of costs between developers and ratepayers for new projects.
 - Uncertain economic conditions and the extent to which higher DCs will generate more revenue, or alternatively suppress development.

Some of these uncertainties act in competing directions, increasing the overall uncertainty.

DCs assumptions

LTPa DC Revenue projection 09-10-2024											
DC revenue by activity (\$'000)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Reserves	531	715	1,010	1,398	1,459	1,437	1,482	1,596	1,832	1,835	13,296
Community infrastructure	123	161	204	267	289	300	313	316	327	320	2,619
Transport	5,865	8,243	10,906	14,556	15,993	15,432	16,037	15,204	15,806	14,768	132,810
Stormwater	2,001	2,278	3,294	4,564	4,805	4,186	4,063	5,892	7,585	8,226	46,894
Wastewater	8,526	11,284	15,271	20,939	23,421	22,991	24,406	23,492	24,612	23,407	198,349
Water	4,128	5,804	7,733	10,901	11,546	11,607	12,355	12,361	13,086	12,257	101,779
Provisional LTPa = LTP DC revenue	21,174	28,485	38,417	52,625	57,514	55,954	58,657	58,861	63,249	60,813	495,749
% of revenue that is 3 waters	69.2%	68.0%	68.5%	69.2%	69.2%	69.3%	69.6%	70.9%	71.6%	72.2%	70.0%

Environmental assumptions

1. Growth projections will be as per the 2024-34 Long-Term Plan.
2. Any boundary changes required (or triggered through other processes e.g. fast track) will not be completed in time to inform the long-term plan amendment and will be addressed in the following year(s).

Legislative assumptions

1. The Local Government (Water Services) Bill ('Bill 3') will be introduced in December 2024 and enacted by mid-2025. We'll need to (dynamically) ensure our plans as set out in the Long-Term Plan amendment and Water Services Delivery Plan meet any requirements set out in that Bill.
2. Local government reform that the government has signaled will not be enacted in time to drive changes in the long-term plan amendment.
3. No other legislative changes will impact the long-term plan amendment.

Financial assumptions

1. Council may have access to a debt-to-revenue limit through LGFA of up to 350% from 2025/26 onwards, should it wish. This will be subject to certain criteria around spending on core infrastructure.
2. Any significant rates decrease or operating expenditure increase in 2025/26 will mean that we don't meet our commitment to balance the books in Year 3, and hence delay our ability to begin repaying debt.
3. S&P Global has assessed Council's credit rating and, following a credit rating downgrade, left Council on negative watch. This means there is a risk of a further credit rating downgrade in the future if there continues to be inadequate revenue to fund capital expenditure, with large capital account deficits. This would depend on Council's financial situation following shifting Waters to a CCO. Council's borrowing costs would increase following any credit rating downgrade.
4. Our assumption on inflation is likely to use the BERL projections, which are due to be released shortly, as a starting point. (We will discuss options on this at the 20 November 2024 Elected Member briefing.)
5. We will update our interest rate assumptions to reflect current interest rate forecasts.

Reminder: 2024-34 Long-Term Plan financial assumptions

Separate inflation rates were used for the operational and capital budgets due to the different cost drivers that impact these costs.

Operating expenditure (excluding personnel) and revenue inflation in financial modelling is:

Operating inflation	
2024-25	0.0%
2025-26	3.5%
2026-27	3.5%
2027-28	3.6%
2028-29	3.7%
2029-30	3.7%
2030-31	3.7%
2031-32	3.2%
2032-33	3.2%
2033-34	3.2%

Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

Capital inflation	
2024-25	0.0%
2025-26	4.0%
2026-27	3.8%
2027-28	4.0%
2028-29	4.0%
2029-30	4.0%
2030-31	3.8%
2031-32	3.4%
2032-33	3.4%
2033-34	3.4%

Reminder: 2024-34 Long-Term Plan financial assumptions

	Interest rate
2024-25	4.67%
2025-26	4.41%
2026-27	4.41%
2027-28	4.42%
2028-29	4.57%
2029-30	4.71%
2030-31	4.89%
2031-32	5.03%
2032-33	5.18%
2033-34	5.37%

Reminder: 2024-34 Long-Term Plan financial assumptions

- **“Council has not allocated funding to investigate a CCO or similar partnership involving Hamilton.** Establishment costs for any new entity would be significant and likely require a minimum three-year lead time before it could be operational.”
- “There continues to be high level of uncertainty around the Government's proposed changes to legislation, regulation and policy drivers which impact the way in which three water services and infrastructure are provided. This uncertainty means that there are likely to be future **implications which are unfunded** in this LTP, such as:
 - any change required to meet new legislation and regulation, such as the **economic regulation** signalled by the Government;
 - any **change in levels of services that may be required** in response to new performance measures;
 - any investment required to **explore alternative three waters delivery models**; and
 - the former water service reform included centrally funded procurement for nationally-consistent digital architecture **for asset management, service maintenance and customer relationships**. Halting the reform programme means these costs will now fall on councils. **Council has made no provision to fund these upgrades** and faces the future dilemma of establishing bespoke local upgrades or awaiting a potential regional entity to ensure local investment isn't wasted”
- "It is assumed that Council's credit rating AA-/Negative/A-1+ remains unchanged." (Note, our credit rating has since been downgraded to A+ on a negative watch.)

Reminder: our current Financial Strategy

Paying for the city's everyday costs

- Everyday costs should be paid from everyday revenues
- Using debt to fund everyday costs is neither prudent nor sustainable
- We must operate with surpluses if we are to repay debt and continue to invest in the city's future
- "Balancing the books": Financial Strategy enables a balanced or surplus budget from year three onwards

Rates

- Average residential rate increases will not exceed 16.5% in 2025, 15.5% in 2026 and 14.6% in 2027.
- New targeted rate for pool safety inspections established
- Average rates increases set at the lowest level possible to still achieve capital investment programme

Debt to revenue

- The initial Debt-to Revenue Ratio limit of 285% in the first year, and subsequent reductions, is in line with the limits set by the LGFA
- Projections show Net Debt increasing to a peak of \$2.5 billion in 2034. Rates increases from 2027 onwards will create surpluses to contribute to repaying debt.
- By 2034 Council will have \$148 million in debt capacity within the 280% Debt-to-Revenue Ratio limit.

12

Reminder: 2024-34 Long-Term Plan Financial Strategy measures and rates increases

Table 1: Debt-to-Revenue

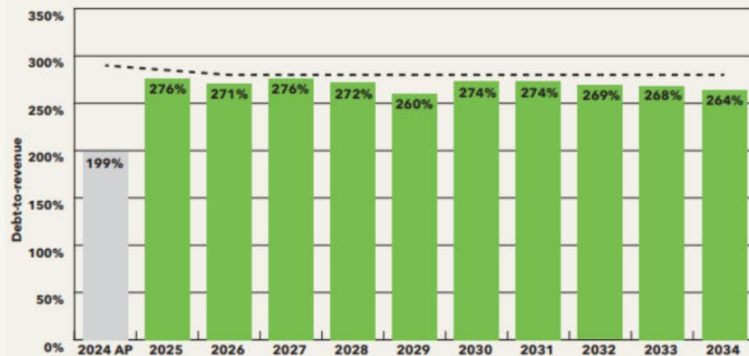


Table 3: Everyday costs and revenues (Balancing the books)

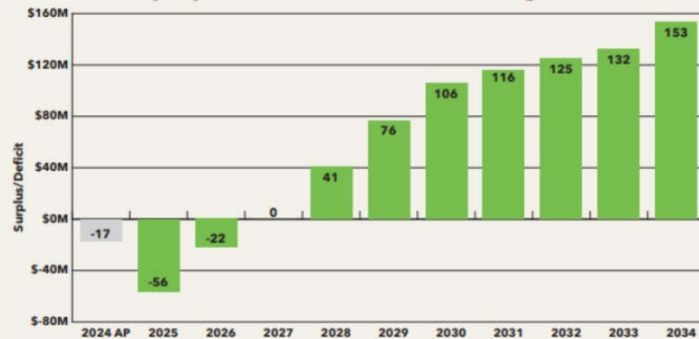


Table 2: Net Debt

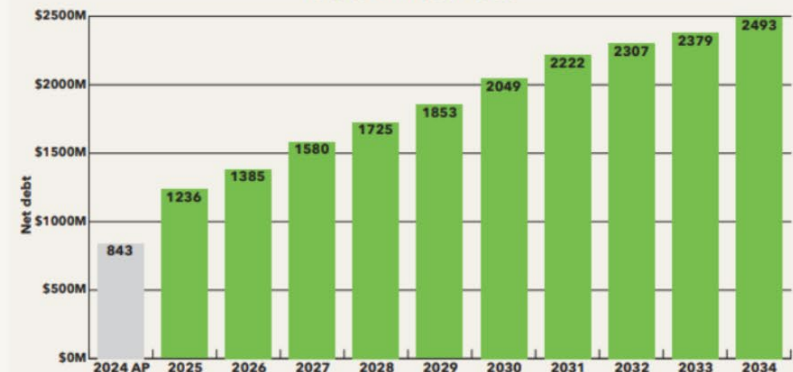
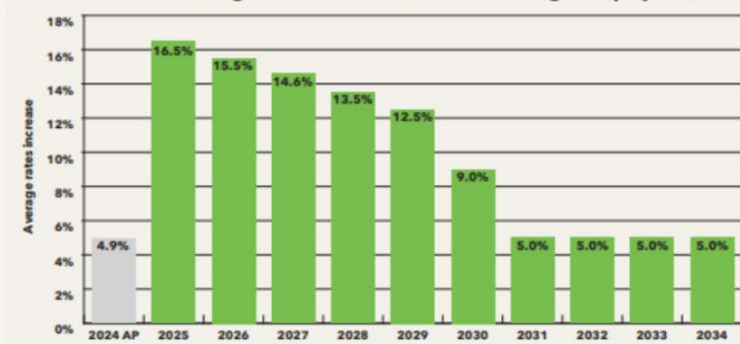


Table 4: Average rates increases (to existing ratepayers)



Rates assumption

1. Rates will be based on increase included in the 2024-34 Long-Term Plan, including 15.5% in Year 2.

Note

- New 2024 rating valuations from our citywide revaluation will take effect for rates from 1 July 2025.
- Some redistribution of rates between properties will occur due to the revaluation.
- The new values will likely be available, and ratepayers notified, some time between February and May 2025 (this is outside of Council's control).
- Proposed rates figures for public consultation may be based on current (2021) rating valuations.

Local Water Done Well assumptions

1. CCOs will be able to charge on a capital value basis as a transitional measure (i.e. until water meters are in place).
2. Significant increased (or at least optimised, logically sequenced) investment in our waters capital programme will be required in the long-term plan amendment to meet the 'financial sustainability' test in the Water Services Delivery Plan (WSDP). This was a key requirement of the Local Government (Water Services Preliminary Arrangements) Act.

In the 2024-34 Long-Term Plan, budgetary constraints meant Council made the decision not to fund all waters capital projects that had been recommended to meet growth. (This is a subset of the \$4.4 billion infrastructure costs over the next ten years that the 2024-54 Infrastructure Strategy noted that Council would like to meet but was unable to due to financial limitations.) The new legislation that has subsequently been enacted is designed to ensure that such projects are funded.

3. A CCO would have 500% debt-to-revenue limit from day 1 of operating.
4. Council will own stormwater assets (and consents) and charge through the stormwater targeted rate. The CCO would manage services.
5. Specific engagement with iwi is required due to the impacts on existing partnership structures and iwi interest in the awa.
6. Economic regulation will be a requirement of water services. This is likely to be introduced in the form of information disclosure in around 2026. The specifics of regulation are not yet known, however there are a number of other utility providers that are subjected to economic regulation. We assume that economic regulation will require additional and enhanced business functions.

NZTA assumptions

1. For transportation operational and renewals programmes, NZTA co-funding continues at levels similar to historic approvals aligned with the Government Policy Statement on Transport, except in the footpath and cycleway programmes where no co-funding has been assumed.
2. For the remainder of the transport capital programme we have assumed no NZTA co-funding unless there is an existing approval.

'Residual Council' assumption

1. Hamilton City Council will provide some support to the CCO or business unit on a shared services basis. The practical and financial implications of this are being worked through, and will feed into the Business Case.

Efficiency/service level assumptions

1. Due to the scale of the changes we're introducing, we do not have the capacity to develop or implement further level of service options during the development of the Long-Term Plan amendment.
2. We'll review stranded overheads and any efficiencies that might exist once we've established a CCO (if that is Council's ultimate decision). This is a matter for the Year 3 Annual Plan (or possible further long-term plan amendment) or more likely the 2027-37 Long-Term Plan.

Consultation assumptions

1. We'll run a single community consultation in March/April 2025 to inform final decisions on water service delivery and the Long-Term Plan amendment.
2. Hamilton City Council and Waikato District Council will run separate consultations using joint material as appropriate.

Consultation questions assumptions

2025-26

- Design of targeted rates for each of the three waters (TBC).
- Development Contributions - phasing and capping of charges.

2026-27 and ongoing

- HCC Business Unit, HCC CCO or HCC and WDC CCO.

2025-26 and ongoing

- Changes to transport programme (TBC).
- Further budget changes (TBC).
- Fees and charges.

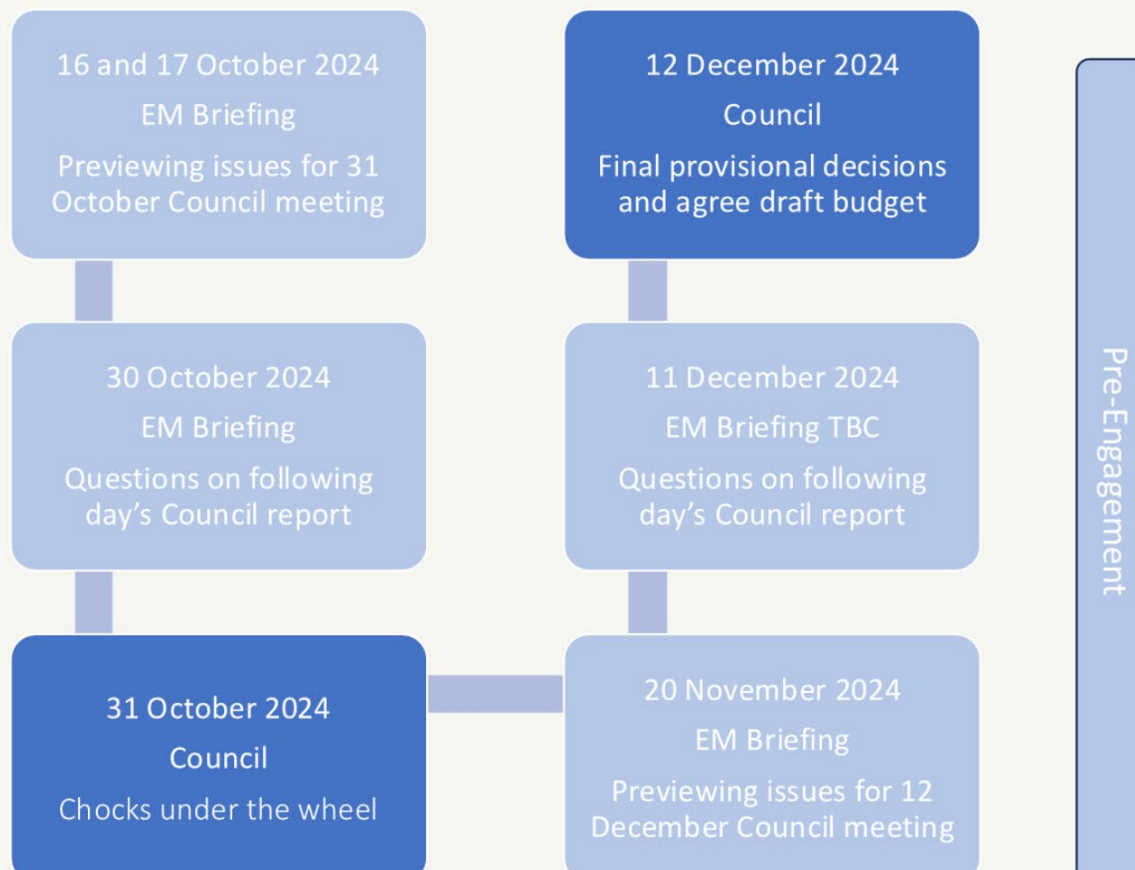
Miscellaneous

- Any other comments.

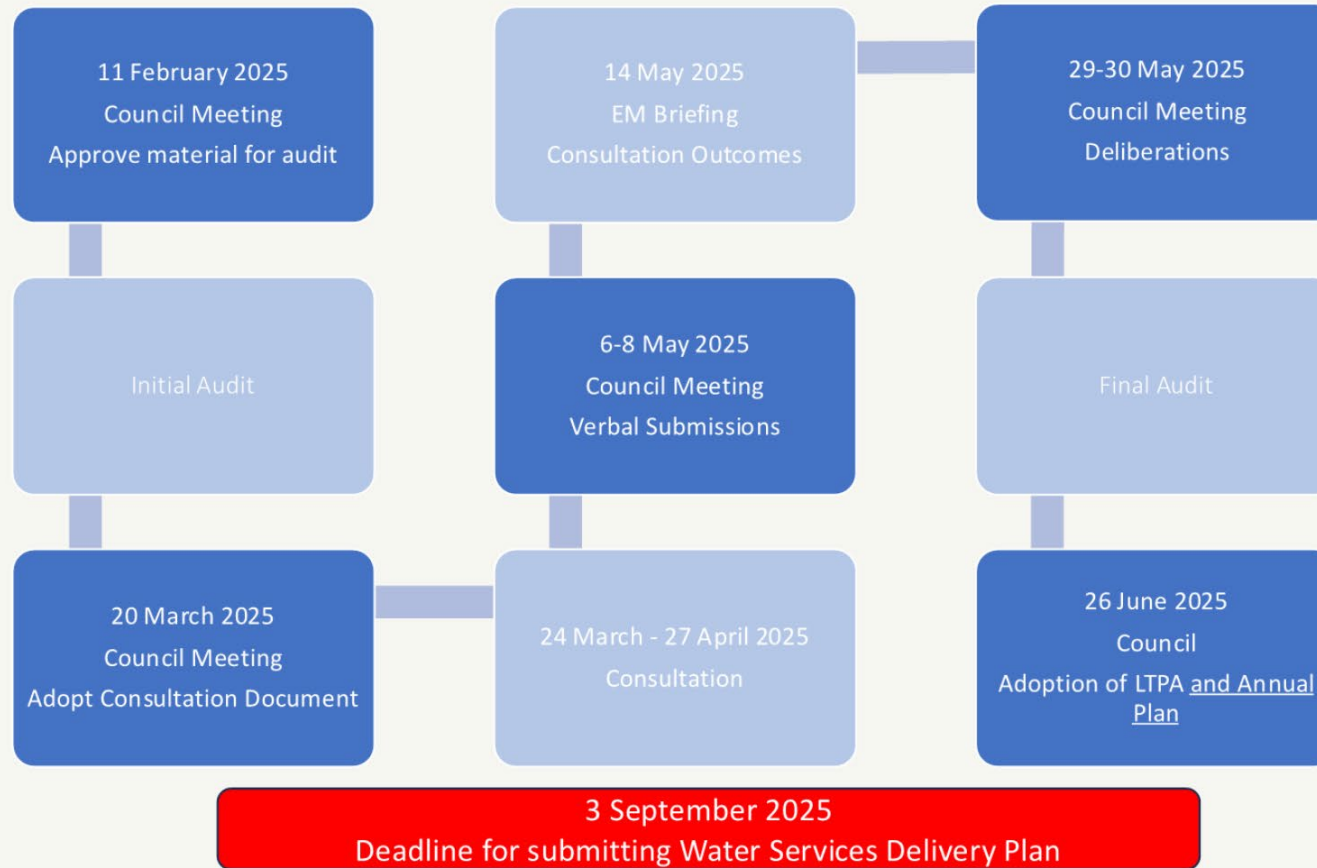


Attachment 1: Timetable

High Level Timeline (2024)



High Level Timeline (2025)



The next four Council meetings

31 October 2024 Chocks under the wheels

Long-Term Plan amendment overview

Decisions on structure of targeted rates for water services

Decision on response to NZTA subsidy outcome

Agreeing assumptions

12 December 2024 Decisions

Final provisional decisions on preferred option (and consultation options) for:

- water model (and consequences for residual Council)
- rates structure/Revenue & Financing Policy

Decisions on other budget adjustments

Decision on rates increase and other financial parameters

Decision on LGFA debt limit

Set direction for Consultation Document

11 February 2025 Approve for audit

Adopt draft budget

Approve Consultation Document for audit

Approve draft LTP document for audit

Approve draft Financial & Infrastructure Strategies for audit

Approve DC Policy and schedule for audit

20 March 2025 Approve for consultation

Approve the following for consultation, noting that any changes beyond typos would require re-audit and missed deadlines:

- Consultation Document
- Draft LTP document
- Draft Financial & Infrastructure Strategies
- DC Policy and schedule

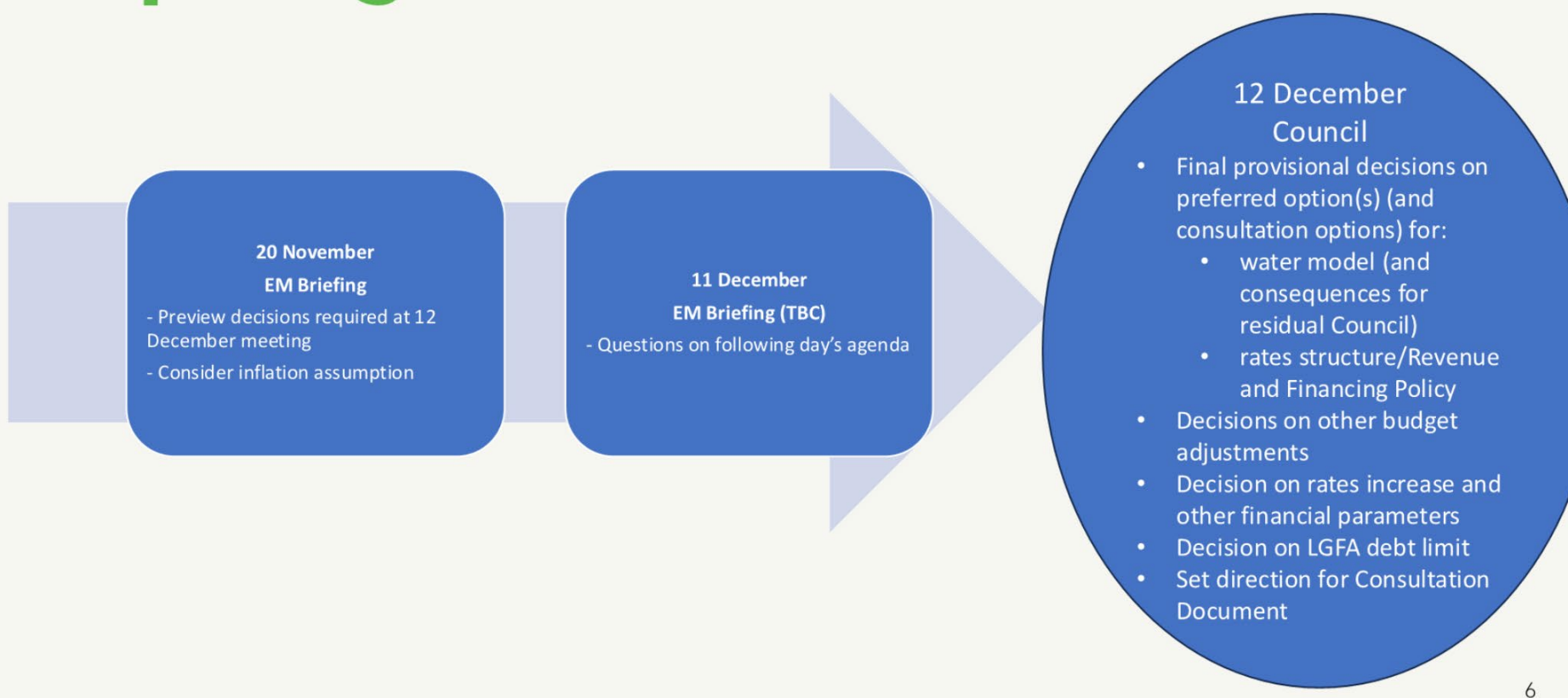
Audit opinion issued on Consultation Document

Preparing for 31 October Council



Other information sessions before 12 December TBC

Preparing for 12 December Council



Local Water Done Well IMPLEMENTATION ROADMAP

This document provides an overview of key activities and milestones for the implementation of Local Water Done Well.

It outlines the key steps in the overall Local Water Done Well programme to help councils and other stakeholders understand the timing of the programme. It is not intended to be comprehensive or cover related agency workstreams. All information and timeframes are indicative and subject to change, in line with legislative processes.

August 2024

Workstream	Next 6 months (Jul-Dec 2024)	Jan -Jun 2025	Jul-Dec 2025	Jan-Jun 2026	Jul-Sep 2026
LEGISLATION					
Local Government (Water Services Preliminary Arrangements) Bill (Bill 2)	Bill 2 enacted (Aug 2024) Department of Internal Affairs (DIA) provides guidance for councils to support implementation of Bill 2				
Local Government Water Services Bill (Bill 3)	Bill 3 introduced (Dec 2024)	Bill 3 enacted (mid-2025)	DIA provides guidance for councils to support implementation of Bill 3		
COUNCIL WATER SERVICE DELIVERY ARRANGEMENTS					
Water service delivery arrangements	Councils can establish new water organisations allowed under existing legislation DIA/Crown Infrastructure Partners (CIP) supports councils on delivery model considerations CIP and Local Government Funding Agency (LGFA) support councils on structuring and financing for new water organisations (Dec 2024-Feb 2025)		Councils can establish new water models provided through legislation Minimum requirements for local government water services providers in effect		
Water Services Delivery Plans (WSDPs)	Councils develop WSDPs DIA supports councils to populate WSDP template (Sep-Nov 2024)	Councils finalise WSDPs, with DIA support as needed	Councils submit WSDPs to DIA for review and acceptance (Aug-Nov 2025) Final opportunity for councils to apply for WSDP extension (Jul 2025)	Councils publish accepted WSDPs (Nov 2025 or later for extensions) DIA shares accepted WSDPs with Commerce Commission and Taumata Arowai DIA monitor WSDPs Implementation Plan (Nov 2025 until complete)	

KEY: Mandatory activities

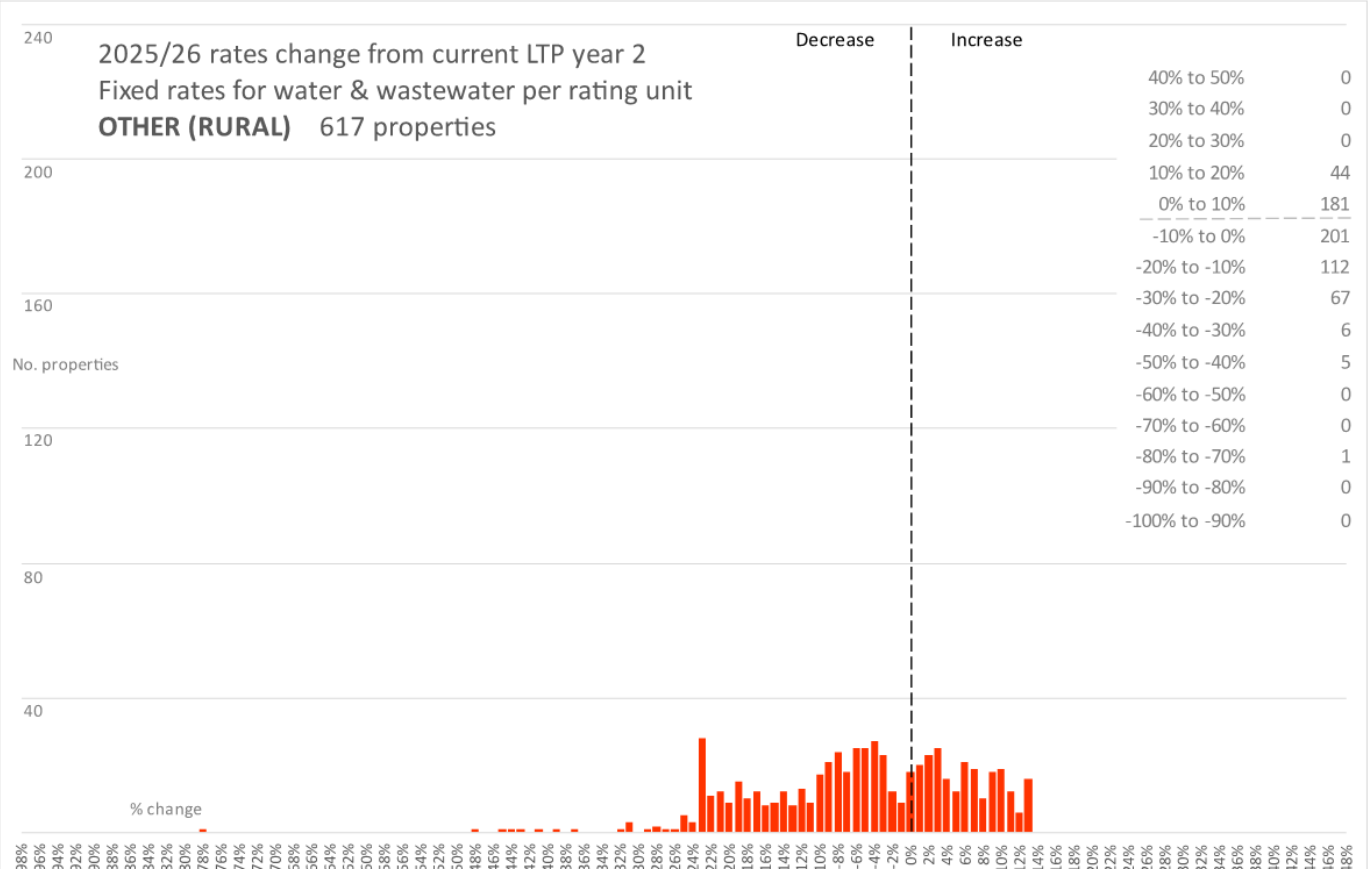
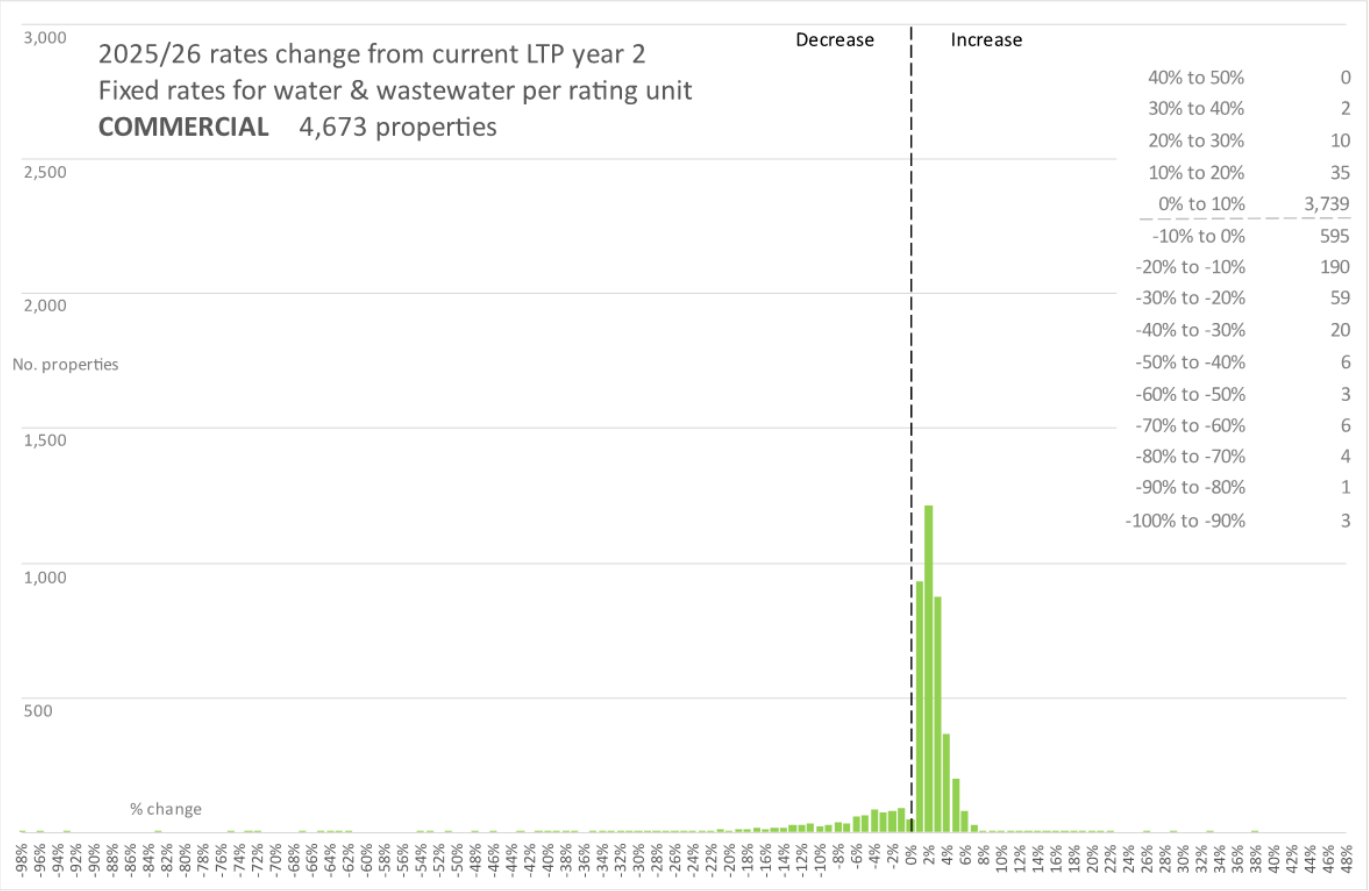
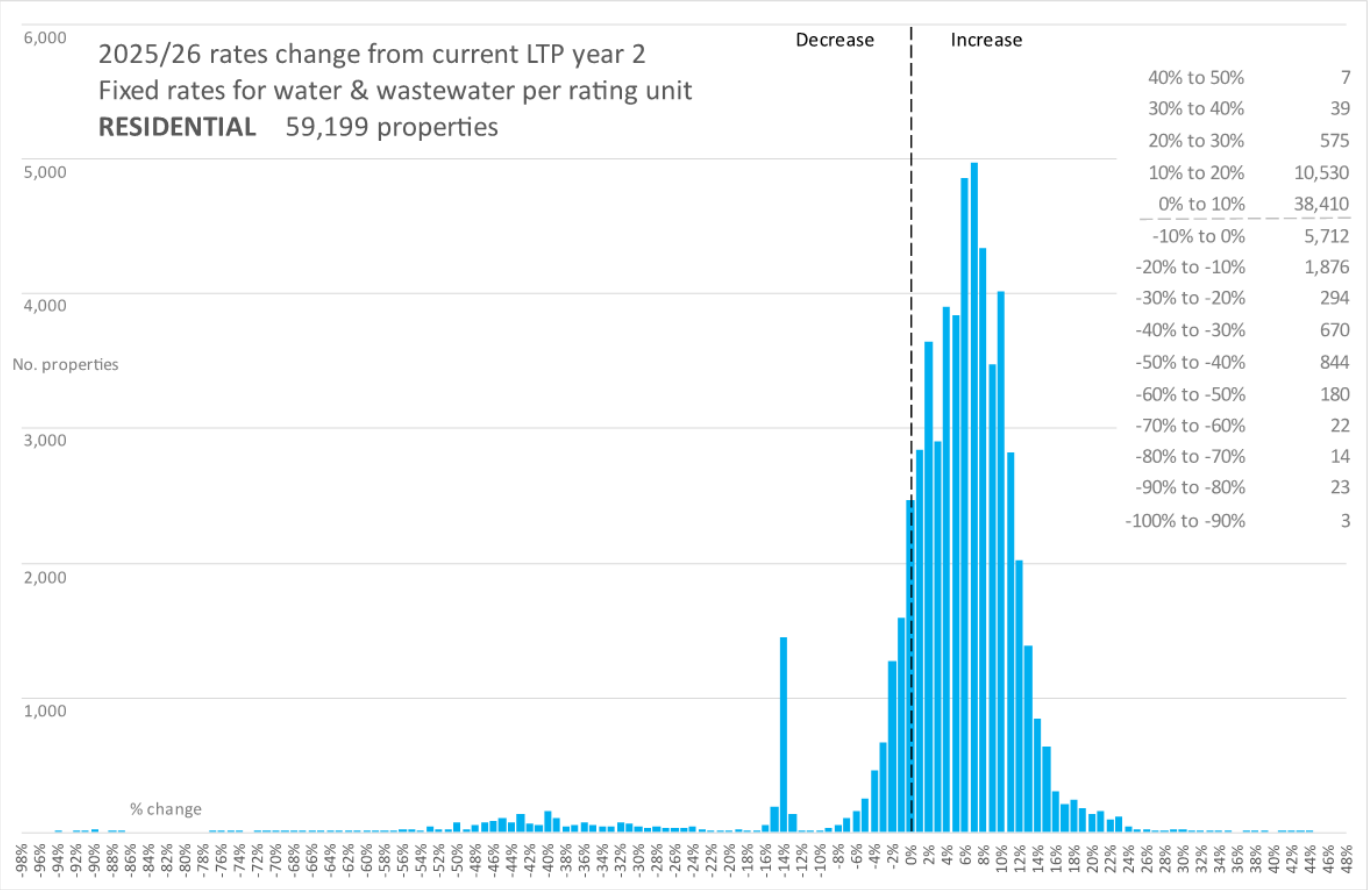
Workstream	Next 6 months (Jul-Dec 2024)		Jan -Jun 2025	Jul-Dec 2025	Jan-Jun 2026	Jul-Sep 2026
ECONOMIC REGULATION						
Crown monitor for Watercare (interim economic regulator for Watercare)	Crown monitor appointed	Crown monitor quarterly reporting				
	Watercare submits business plan to Crown monitor	Crown monitor annual reporting (starting 30 Nov 2024)				
	Watercare Charter in place					
Ringfencing of water services	Councils must consider ringfencing as part of WSDPs			Consideration of ringfencing requirements and impacts on council operations, and implementation of financial controls to enable ringfencing of water services financial information	Water service providers prepare stand-alone financial statements for water supply, wastewater and stormwater, and in aggregate, for the period to 30 June 2026, as part of annual reporting (anticipated)	
Information disclosure	Councils provide information as part of WSDPs (foundational information disclosure)		Commerce Commission consultation on potential information disclosure requirements		Information disclosure requirements in place (within 6 months of Bill 3 enactment)	
	Early information disclosure on assets and investments for some councils (subject to ministerial approval)					
Revenue thresholds					Revenue thresholds in place (if required)	
Quality standards and performance requirements					Quality-only regulation and performance requirements can apply	
Price-quality regulation						Price-quality regulation can apply
ENVIRONMENTAL REGULATION						
Drinking water						
Drinking water quality regulatory environment	Regulatory changes to ensure regulation is proportional to risk for drinking water suppliers					
Wastewater						
Wastewater environmental performance standards	Taumata Arowai engages on development of wastewater standards		Taumata Arowai consultation on wastewater standards		Wastewater standards in place (mid-late 2025)	
					Modular designs for treatment plants available (that meet wastewater standards)	
Stormwater						
Stormwater management roles and responsibilities					New urban stormwater provisions take effect	
Water service bylaw alternatives					Alternative options to bylaws available to councils (e.g. drinking water catchment plans, trade waste plans and rules, water supply and wate management enforcement)	
Infrastructure						
National Engineering Design Standards (NEDS)					DIA develop NEDS regulations	NEDS in place (early 2026)

FIXED AMOUNT PER RATING UNIT

WATER	Undifferentiated fixed rate per rating unit applied to all connected property. \$534 per RU.
WASTEWATER	Undifferentiated fixed rate per rating unit applied to all connected property. \$1,040 per RU.
STORMWATER	Differentiated capital value rate applied to all rateable property. Commercial differential = 3.59.
GENERAL RATE	Adjusted to maintain total rates revenue by sector with 15.5% increase. Commercial differential = 3.59.
UAGC	Discontinued. New fixed rates are more than the UAGC.
GOVT. COMPLIANCE	Rate discontinued. Primarily funds waters.

				2024/25 rates	2025/26 rates	2025/26 rates	Change from 2024/25		Change from current Y2	
Description	Rate category	Capital Value	SUIPs	Actual	Current LTP Y2 15.5%	New LTP Y2 15.5%	\$	%	\$	%
RESIDENTIAL										
5th percentile	Residential	500,000	1	2,289	2,644	3,062	773	33.7%	418	15.8%
25th percentile	Residential	690,000	1	2,875	3,320	3,627	753	26.2%	307	9.3%
Median residential	Residential	830,000	1	3,306	3,818	4,044	738	22.3%	226	5.9%
75th percentile	Residential	1,075,000	1	4,061	4,690	4,773	712	17.5%	83	1.8%
95th percentile	Residential	1,475,000	1	5,293	6,113	5,963	670	12.7%	-150	-2.5%
Median vacant	Residential	530,000	1	2,382	2,751	1,577	-805	-33.8%	-1,174	-42.7%
Higher value	Residential	2,000,000	1	6,910	7,981	7,525	615	8.9%	-456	-5.7%
4 SUIPs	Residential	1,200,000	4	6,693	7,730	5,145	-1,548	-23.1%	-2,585	-33.4%
RURAL (wastewater unavailable, water by meter)										
Median residential	Other	830,000	1	2,641	3,050	2,470	-171	-6.5%	-580	-19.0%
Lifestyle	Other	1,800,000	1	4,852	5,604	5,356	504	10.4%	-248	-4.4%
Large rural block	Other	12,000,000	1	28,104	32,461	35,709	7,604	27.1%	3,248	10.0%
COMMERCIAL										
5th percentile	Commercial	500,000	1	5,334	6,160	6,386	1,052	19.7%	226	3.7%
25th percentile	Commercial	545,000	1	5,746	6,637	6,867	1,121	19.5%	230	3.5%
Median Commercial	Commercial	1,075,000	1	10,606	12,250	12,534	1,928	18.2%	284	2.3%
75th percentile	Commercial	2,230,000	1	21,196	24,482	24,883	3,686	17.4%	401	1.6%
95th percentile	Commercial	8,910,000	1	82,447	95,226	96,304	13,857	16.8%	1,078	1.1%
Same value as res median	Commercial	830,000	1	8,359	9,655	9,914	1,555	18.6%	259	2.7%
No water meter	Commercial	1,000,000	1	10,437	12,002	12,266	1,829	17.5%	263	2.2%
4 SUIPs	Commercial	2,850,000	2	27,630	31,913	31,512	3,881	14.0%	-401	-1.3%
10 SUIPs	Commercial	9,100,000	10	90,930	105,023	98,335	7,405	8.1%	-6,688	-6.4%
RETIREMENT VILLAGES										
Linda Jones	Residential	133,617,000	240	591,375	683,016	399,183	-192,192	-32.5%	-283,833	-41.6%
Forest Lake Gardens	Residential	53,500,000	154	280,156	323,566	160,776	-119,380	-42.6%	-162,790	-50.3%
LARGE COMMERCIAL										
The Base Te Awa	Commercial	391,200,000	182	3,723,313	4,300,410	4,184,697	461,384	12.4%	-115,713	-2.7%
Centre Place	BID Commercial	135,550,000	120	1,382,553	1,590,914	1,506,048	123,495	8.9%	-84,866	-5.3%
Chartwell	Commercial	136,000,000	121	1,337,642	1,544,965	1,455,119	117,478	8.8%	-89,845	-5.8%
Fonterra dairy factory	Commercial	108,600,000	1	996,525	1,150,987	1,162,165	165,640	16.6%	11,178	1.0%
K-Mart distribution centre	Commercial	87,150,000	2	800,595	924,687	932,827	132,232	16.5%	8,140	0.9%
All utilities (not waters)	Commercial	290,630,000	9	2,671,589	3,085,685	3,107,346	435,758	16.3%	21,662	0.7%
Ruakura Inland Port	Commercial/Other	516,470,000	32	3,530,074	4,077,181	4,153,137	623,063	17.7%	75,956	1.9%

FIXED AMOUNT PER RATING UNIT

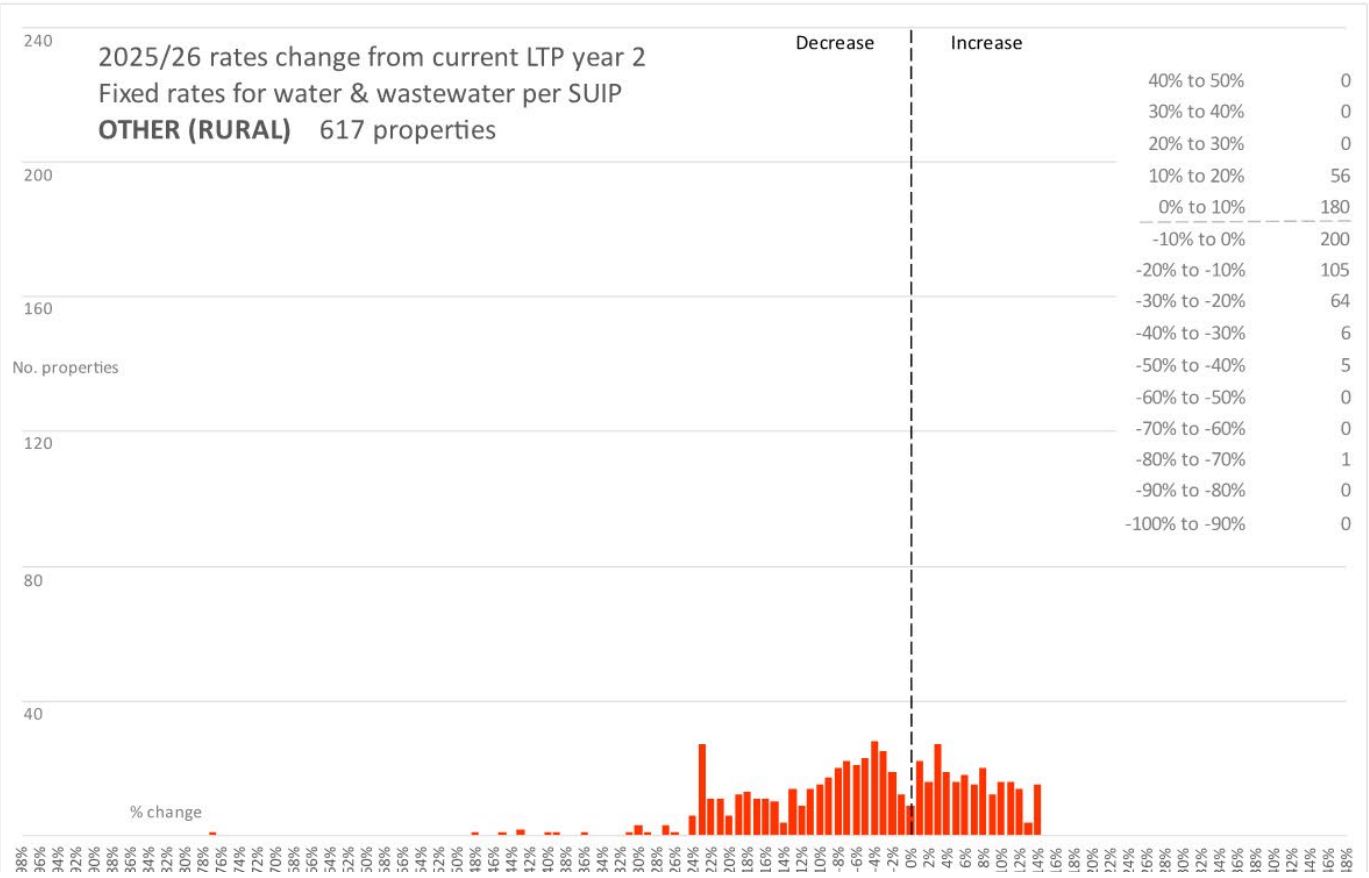
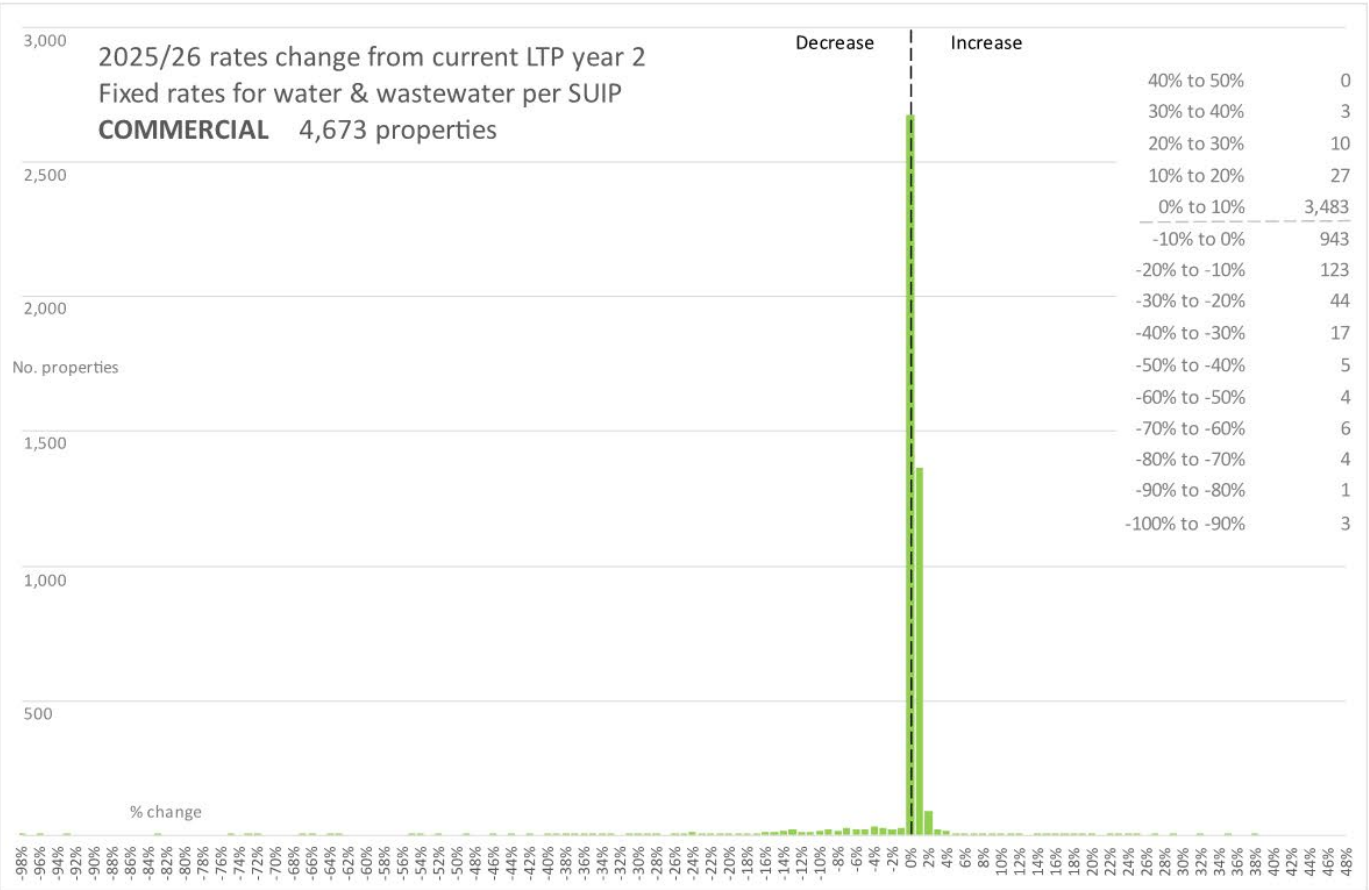
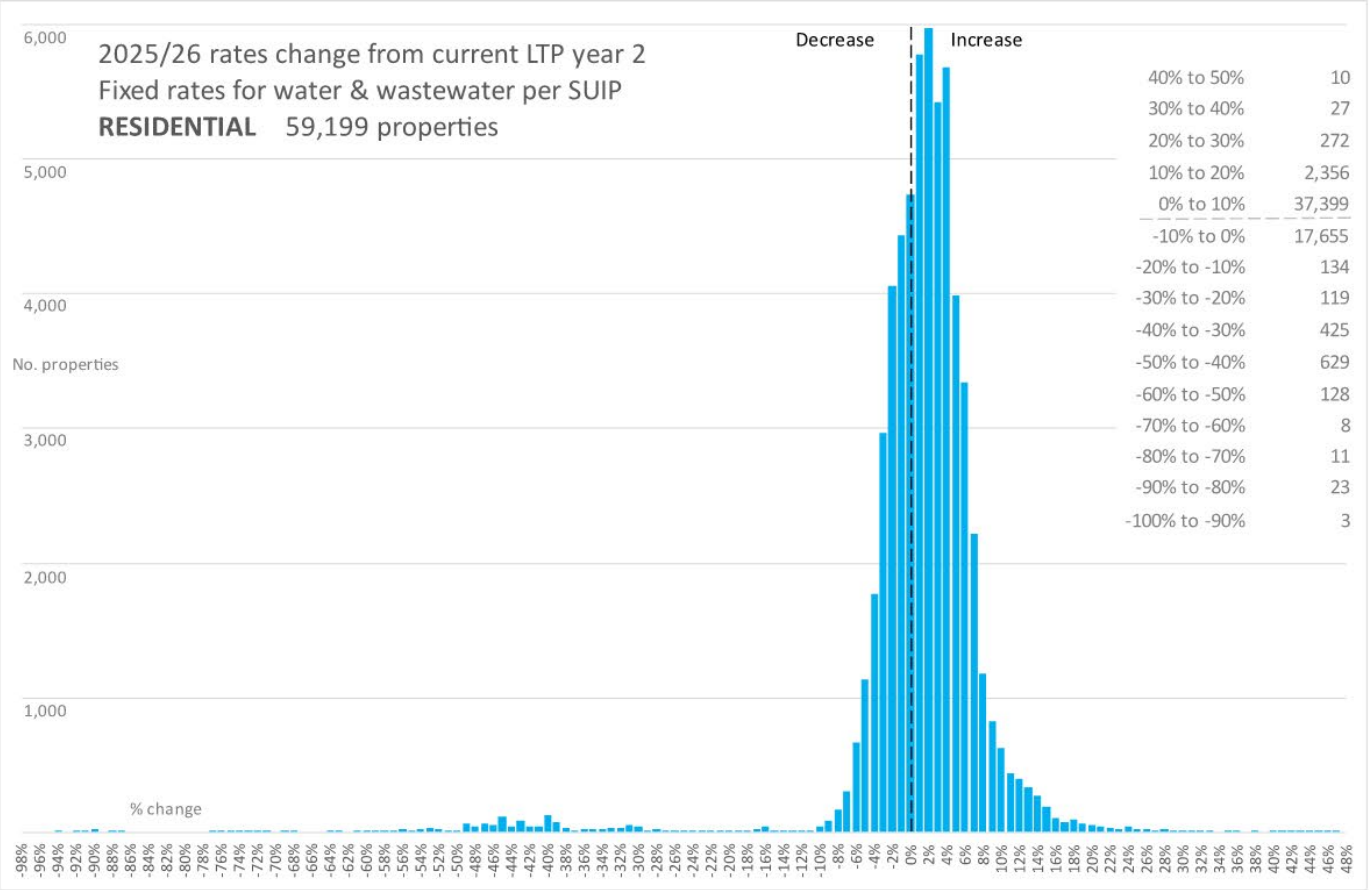


FIXED AMOUNT PER SUIP

WATER	Undifferentiated SUIP rate applied to all connected property. \$480 per SUIP.
WASTEWATER	Undifferentiated SUIP rate applied to all connected property. \$914 per SUIP.
STORMWATER	Differentiated capital value rate applied to all rateable property. Commercial differential = 3.53.
GENERAL RATE	Adjusted to maintain total rates revenue by sector with a 15.5% increase. Commercial differential = 3.53.
UAGC	Discontinued. New fixed rates are more than the UAGC.
GOVT. COMPLIANCE	Rate discontinued. Primarily funds waters.

				2024/25 rates	2025/26 rates	2025/26 rates	Change from 2024/25		Change from current Y2	
Description	Rate category	Capital Value	SUIPs	Actual	Current LTP Y2 15.5%	New LTP Y2 15.5%	\$	%	\$	%
RESIDENTIAL										
5th percentile	Residential	500,000	1	2,289	2,644	2,892	603	26.3%	248	9.4%
25th percentile	Residential	690,000	1	2,875	3,320	3,461	587	20.4%	141	4.3%
Median residential	Residential	830,000	1	3,306	3,818	3,881	575	17.4%	62	1.6%
75th percentile	Residential	1,075,000	1	4,061	4,690	4,615	554	13.6%	-75	-1.6%
95th percentile	Residential	1,475,000	1	5,293	6,113	5,813	520	9.8%	-300	-4.9%
Median vacant	Residential	530,000	1	2,382	2,751	1,588	-794	-33.3%	-1,163	-42.3%
Higher value	Residential	2,000,000	1	6,910	7,981	7,386	476	6.9%	-595	-7.5%
4 SUIPs	Residential	1,200,000	4	6,693	7,730	9,171	2,478	37.0%	1,441	18.6%
RURAL (wastewater unavailable, water by meter)										
Median residential	Other	830,000	1	2,641	3,050	2,487	-154	-5.8%	-564	-18.5%
Mid lifestyle	Other	1,800,000	1	4,852	5,604	5,393	540	11.1%	-212	-3.8%
Large rural block	Other	12,000,000	1	28,104	32,461	35,951	7,846	27.9%	3,490	10.8%
COMMERCIAL										
5th percentile	Commercial	500,000	1	5,334	6,160	6,209	875	16.4%	48	0.8%
25th percentile	Commercial	545,000	1	5,746	6,637	6,685	939	16.3%	48	0.7%
Median Commercial	Commercial	1,075,000	1	10,606	12,250	12,297	1,691	15.9%	48	0.4%
75th percentile	Commercial	2,230,000	1	21,196	24,482	24,528	3,331	15.7%	46	0.2%
95th percentile	Commercial	8,910,000	1	82,447	95,226	95,263	12,816	15.5%	37	0.0%
Same value as res median	Commercial	830,000	1	8,359	9,655	9,703	1,343	16.1%	48	0.5%
No water meter	Commercial	1,000,000	1	10,437	12,002	11,983	1,546	14.8%	-19	-0.2%
4 SUIPs	Commercial	2,850,000	2	27,630	31,913	32,007	4,377	15.8%	94	0.3%
10 SUIPs	Commercial	9,100,000	10	90,930	105,023	105,500	14,571	16.0%	477	0.5%
RETIREMENT VILLAGES										
Linda Jones	Residential	133,617,000	240	591,375	683,016	734,865	143,489	24.3%	51,849	7.6%
Forest Lake Gardens	Residential	53,500,000	154	280,156	323,566	374,957	94,801	33.8%	51,392	15.9%
LARGE COMMERCIAL										
The Base Te Awa	Commercial	391,200,000	182	3,723,313	4,300,410	4,308,787	585,474	15.7%	8,377	0.2%
Centre Place	BID Commercial	135,550,000	120	1,382,553	1,590,914	1,596,607	214,053	15.5%	5,693	0.4%
Chartwell	Commercial	136,000,000	121	1,337,642	1,544,965	1,550,706	213,064	15.9%	5,741	0.4%
Fonterra dairy factory	Commercial	108,600,000	1	996,525	1,150,987	1,150,886	154,360	15.5%	-101	0.0%
K-Mart distribution centre	Commercial	87,150,000	2	800,595	924,687	924,664	124,070	15.5%	-22	0.0%
All utilities (not waters)	Commercial	290,630,000	9	2,671,589	3,085,685	3,077,498	405,909	15.2%	-8,187	-0.3%
Ruakura Inland Port	Commercial/Other	516,470,000	32	3,530,074	4,077,181	4,126,783	596,710	16.9%	49,602	1.2%

FIXED AMOUNT PER SUIP

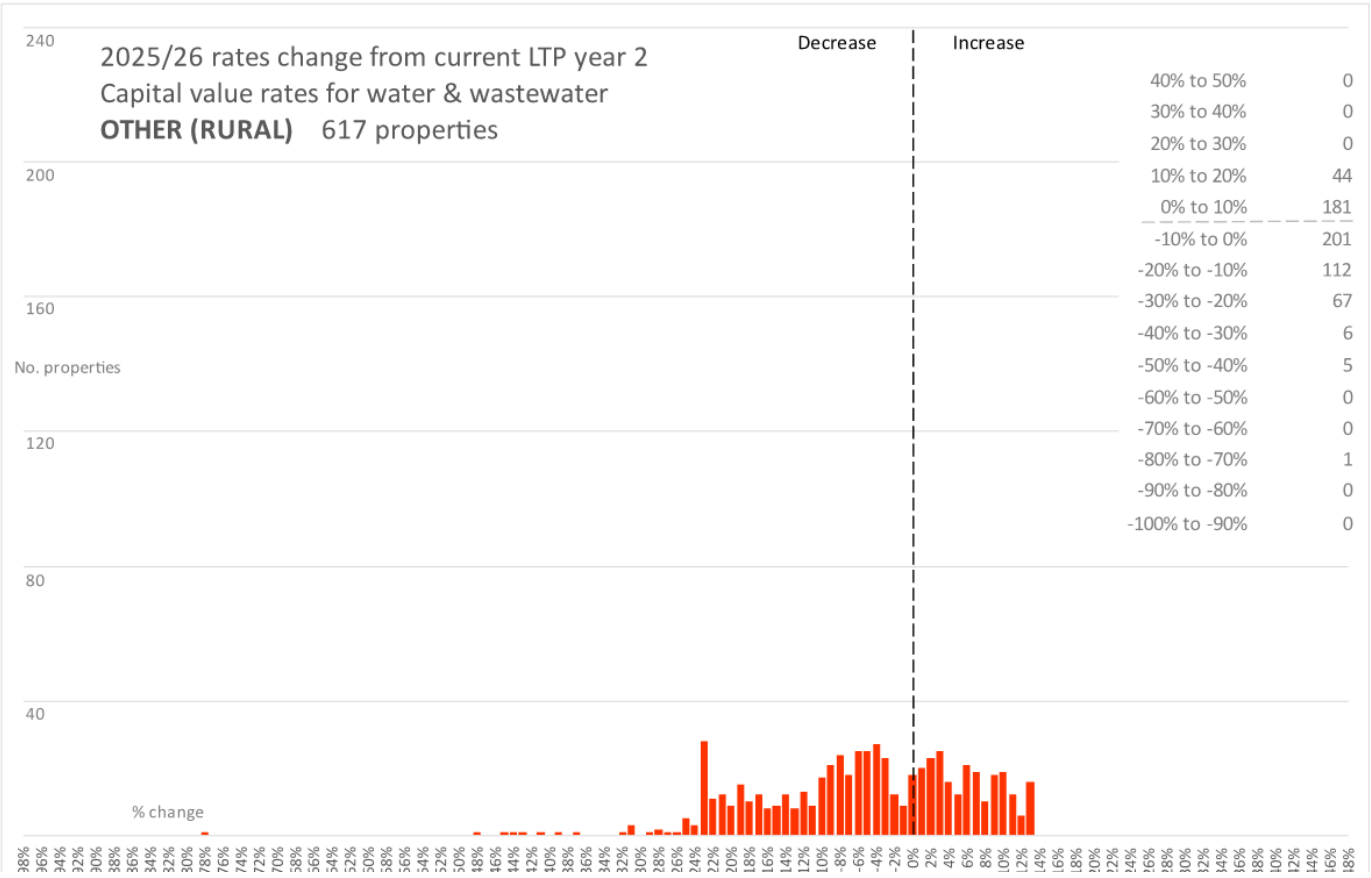
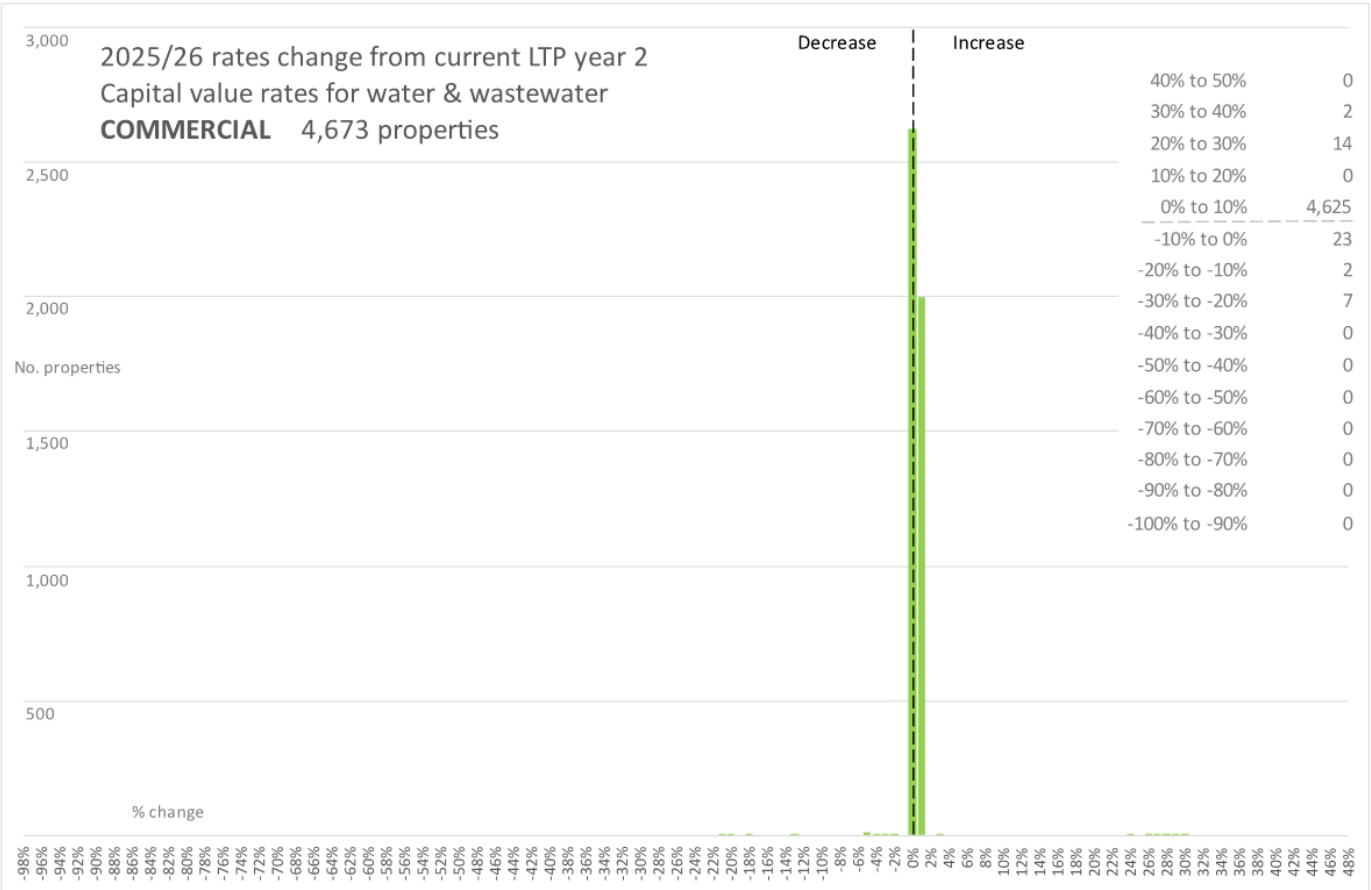
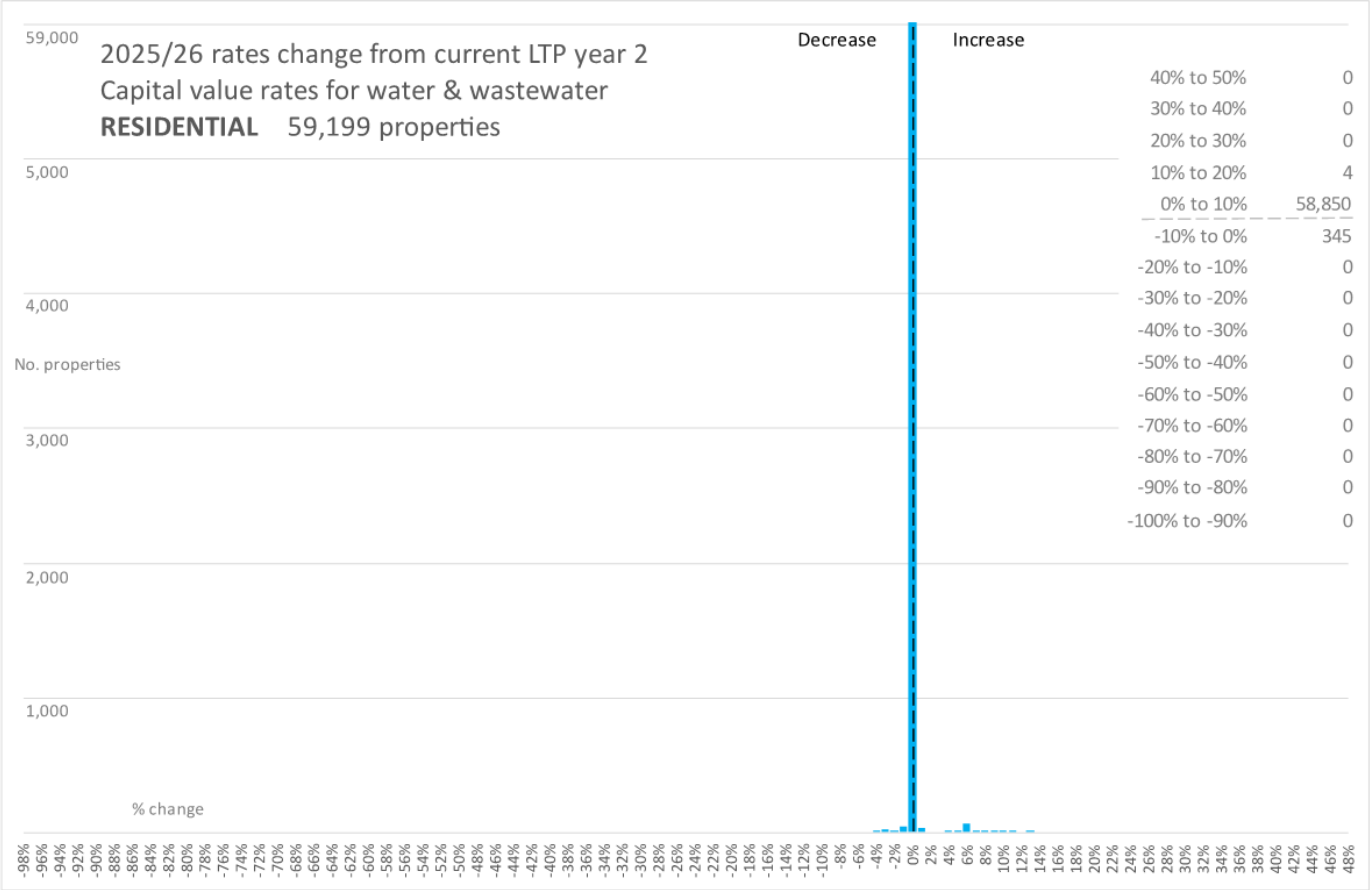


CAPITAL VALUE

WATER	Capital value rate applied to residential property where our water network is available. No change for Commercial.
WASTEWATER	Differentiated capital value rate applied where our wastewater network is available. Commercial differential = 3.55.
STORMWATER	Differentiated capital value rate applied to all rateable property. Commercial differential = 3.55.
GENERAL RATE	Adjusted to maintain total rates revenue by sector with a 15.5% increase. Commercial differential = 3.55.
UAGC	\$865 per SUIP. No change (increased by 15.5%).
GOVT. COMPLIANCE	Rate discontinued. Primarily funds waters.

				2024/25 rates	2025/26 rates	2025/26 rates	Change from 2024/25		Change from current Y2	
Description	Rate category	Capital Value	SUIPs	Actual	Current LTP Y2 15.5%	New LTP Y2 15.5%	\$	%	\$	%
RESIDENTIAL										
5th percentile	Residential	500,000	1	2,289	2,644	2,650	361	15.8%	6	0.2%
25th percentile	Residential	690,000	1	2,875	3,320	3,328	454	15.8%	8	0.2%
Median residential	Residential	830,000	1	3,306	3,818	3,828	522	15.8%	10	0.3%
75th percentile	Residential	1,075,000	1	4,061	4,690	4,703	642	15.8%	13	0.3%
95th percentile	Residential	1,475,000	1	5,293	6,113	6,131	838	15.8%	17	0.3%
Median vacant	Residential	530,000	1	2,382	2,751	2,757	375	15.8%	6	0.2%
Higher value	Residential	2,000,000	1	6,910	7,981	8,005	1,095	15.8%	24	0.3%
4 SUIPs	Residential	1,200,000	4	6,693	7,730	7,744	1,051	15.7%	14	0.2%
RURAL (wastewater unavailable, water by meter)										
Median residential	Other	830,000	1	2,641	3,050	2,819	178	6.7%	-232	-7.6%
Lifestyle	Other	1,800,000	1	4,852	5,604	5,102	249	5.1%	-503	-9.0%
Large rural block	Other	12,000,000	1	28,104	32,461	29,110	1,005	3.6%	-3,351	-10.3%
COMMERCIAL										
5th percentile	Commercial	500,000	1	5,334	6,160	6,189	855	16.0%	28	0.5%
25th percentile	Commercial	545,000	1	5,746	6,637	6,668	922	16.0%	31	0.5%
Median Commercial	Commercial	1,075,000	1	10,606	12,250	12,311	1,705	16.1%	61	0.5%
75th percentile	Commercial	2,230,000	1	21,196	24,482	24,609	3,412	16.1%	127	0.5%
95th percentile	Commercial	8,910,000	1	82,447	95,226	95,733	13,287	16.1%	507	0.5%
Same value as res median	Commercial	830,000	1	8,359	9,655	9,702	1,343	16.1%	47	0.5%
No water meter	Commercial	1,000,000	1	10,437	12,002	12,059	1,623	15.5%	57	0.5%
4 SUIPs	Commercial	2,850,000	2	27,630	31,913	32,075	4,445	16.1%	162	0.5%
10 SUIPs	Commercial	9,100,000	10	90,930	105,023	105,541	14,612	16.1%	518	0.5%
RETIREMENT VILLAGES										
Linda Jones	Residential	133,617,000	240	591,375	683,016	684,594	93,218	15.8%	1,578	0.2%
Forest Lake Gardens	Residential	53,500,000	154	280,156	323,566	324,197	44,041	15.7%	632	0.2%
LARGE COMMERCIAL										
The Base Te Awa	Commercial	391,200,000	182	3,723,313	4,300,410	4,322,692	599,379	16.1%	22,282	0.5%
Centre Place	BID Commercial	135,550,000	120	1,382,553	1,590,914	1,598,635	216,081	15.6%	7,721	0.5%
Chartwell	Commercial	136,000,000	121	1,337,642	1,544,965	1,552,711	215,069	16.1%	7,746	0.5%
Fonterra dairy factory	Commercial	108,600,000	1	996,525	1,150,987	1,157,172	160,647	16.1%	6,186	0.5%
K-Mart distribution centre	Commercial	87,150,000	2	800,595	924,687	929,651	129,056	16.1%	4,964	0.5%
All utilities (not waters)	Commercial	290,630,000	9	2,671,589	3,085,685	2,435,629	-235,960	-8.8%	-650,056	-21.1%
Ruakura Inland Port	Commercial/Other	516,470,000	32	3,530,074	4,077,181	4,045,970	515,896	14.6%	-31,211	-0.8%

CAPITAL VALUE



Council Report

Item 12

Committee: Council

Date: 31 October 2024

Author: Keryn Phillips

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance Manager

Report Name: Recommendations from Open Committee Meetings

Report Status	Open
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Purpose - Take

1. To seek the Council's approval of the recommendation from the 15 October 2024 Finance and Monitoring Committee ([Agenda and Minutes](#)).

Recommendation from the Finance and Monitoring Committee of 15 October 2024 Financial Performance & Strategy Report to 31 August 2024

That the Council:

- a) approves the capital movement as identified in the 15 October 2024 Capital Portfolio Monitoring Report;
- b) notes the capital movement includes the impact of reduced NZTA subsidy revenue in years 2024-25 to 2026-27, as detailed in the Infrastructure and Transport Committee on 26 September 2024;
- c) notes, in order for Council to not breach its Debt to Revenue limits in those years, has temporarily forecast a reduction in Council's Transport capital spend equivalent to the assumed NZTA subsidy revenue loss in years 2024-25 to 2026-27 (effectively retaining local share only), pending a review and further Council decisions on the revised Transport capital programme at the 31 October 2024 Council meeting;
- d) notes the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 49 to 51 of this staff report; and
- e) notes that there may be further adjustment in the preparation of the Annual Report.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report. .

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 12 September 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of the Elected Member Closed Briefing Notes 16-17 October 2024		
C3. Confirmation of the Council Public Excluded (CE Review Committee Matters) Minutes 4 July 2024		
C4. Recommendation from the CE Review Committee meeting 1 October 2024 (1)		
C5. Recommendation from the CE Review Committee meeting 1 October 2024 (2)		
C6. Recommendation from the CE Review Committee		

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:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to protect the privacy of natural persons, including that of deceased natural persons	Section 7 (2) (a)
Item C4.	to protect the privacy of natural persons, including that of deceased natural persons	Section 7 (2) (a)
Item C5.	to protect the privacy of natural persons, including that of deceased natural persons	Section 7 (2) (a)
Item C6.	to protect the privacy of natural persons, including that of deceased natural persons	Section 7 (2) (a)

