



AGENDA

Council Meeting

**I hereby give notice that a Meeting of the Kapiti Coast District Council
will be held on:**

Date: Thursday, 27 August 2020

Time: 9.30am

**Location: Council Chamber
Ground Floor, 175 Rimu Road
Paraparaumu**

**Wayne Maxwell
Chief Executive**

Kapiti Coast District Council

Notice is hereby given that a meeting of the Kapiti Coast District Council will be held in the Council Chamber, Ground Floor, 175 Rimu Road, Paraparaumu, on Thursday 27 August 2020, 9.30am.

Council Members

Mayor K Gurunathan	Chair
Deputy Mayor Janet Holborow	Deputy
Cr Angela Buswell	Member
Cr James Cootes	Member
Cr Jackie Elliott	Member
Cr Gwynn Compton	Member
Cr Jocelyn Prvanov	Member
Cr Martin Halliday	Member
Cr Sophie Handford	Member
Cr Robert McCann	Member
Cr Bernie Randall	Member

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1 WELCOME**2 COUNCIL BLESSING**

“As we deliberate on the issues before us, we trust that we will reflect positively on the communities we serve. Let us all seek to be effective and just, so that with courage, vision and energy, we provide positive leadership in a spirit of harmony and compassion.”

I a mātou e whiriwhiri ana i ngā take kei mua i ō mātou aroaro, e pono ana mātou ka kaha tonu ki te whakapau mahara huapai mō ngā hapori e mahi nei mātou. Me kaha hoki mātou katoa kia whaihua, kia tōtika tā mātou mahi, ā, mā te māia, te tiro whakamua me te hihiri ka taea te arahi i roto i te kotahitanga me te aroha.

3 APOLOGIES**4 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA**

Notification from Elected Members of:

4.1 – any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting, and

4.2 – any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA**6 MEMBERS' BUSINESS**

- (a) Public Speaking Time Responses
- (b) Leave of Absence
- (c) Matters of an Urgent Nature (advice to be provided to the Chair prior to the commencement of the meeting)

7 MAYOR'S REPORT

Nil

8 UPDATES

8.1 COVID-19 RECOVERY PLAN FOR KAPITI

9 REPORTS

9.1 REVIEW AND UPDATE OF THE WASTE LEVY ALLOCATION POLICY 2011

Author: Katharina Kennedy, Waste Minimisation Services Officer

Authoriser: Sean Mallon, Group Manager Infrastructure Services

PURPOSE OF REPORT

- 1 This report seeks approval of the updated Waste Levy Allocation Policy 2020. Updates are proposed to align the Policy with the Wellington Region Waste Management and Minimisation Plan, amend grant categories and criteria, and simplify the grants allocation process.

DELEGATION

- 2 The Council has the authority to make a decision under clause 1 of the Governance Structure and Delegations.

BACKGROUND

- 3 The Waste Minimisation Act 2008 (WMA) requires operators of waste disposal facilities to pay a levy currently set at \$10 per tonne of residual waste disposed of to landfill. This levy is set and administered by the Ministry for the Environment (MfE). Approximately half of this levy money is allocated by the MfE to local authorities and must be spent on implementing their waste management and minimisation plans. The other half is allocated through the national Waste Minimisation Fund.
- 4 The current Waste Levy Allocation Policy, approved by the Environment and Community Development Committee on 22 July 2010 and updated on 2 September 2011 originally set out how the Kāpiti Coast District Council (Council) would spend part of this waste levy funding.
- 5 Subsequently, in October 2011, the eight councils in the Wellington region adopted the first regional Waste Management and Minimisation Plan (WMMP) as per statutory requirement of the Waste Minimisation Act 2008. The WMMP is a collaborative plan encompassing the activities of eight territorial authorities and is an important tool for driving both waste management and minimisation initiatives and regional cooperation to achieve wider-reaching outcomes and improved efficiency. The WMMP is reviewed at least every six years, and approved after a full special consultation process. The current WMMP 2017-2023 was adopted by Council on 10 August 2017 and can be found here: [WMMP 2017-2023](#).
- 6 The WMMP includes a regional action plan, as well as action plans for each Council. In accordance with waste levy spending guidelines of the Ministry for the Environment (MfE), spending of waste levy funds is to be guided by the WMMP. As such, the Wellington Region WMMP including action lists has superseded the Waste Levy Allocation Policy in terms of determining how Council spends its share of waste levy funds. Implementation of the WMMP is overseen by a regional Joint Committee as set out in the Terms of Reference for the Joint Committee (See Appendix 3 to report IS-11-361).
- 7 While the WMMP sets out the broad goals and actions, the operational budget allocation and management is the responsibility of the Solid Waste Manager, and is approved by the Group Manager Infrastructure Services (the budget holder). This approach to budget allocation is in line with MfE's Waste Levy Spending: Guidelines for Territorial Authorities (published in 2013). The spending of the Waste Levy funds is reported to MfE annually. MfE also has the right to audit Council's spending of waste levy funds.
- 8 The WMMP 2017-2023 allows for Councils to make grants available under section 6.4 (Grants): *"Councils have the ability under the WMA (s47) to make grants and advances of money to any person, organisation or group for the purposes of promoting or achieving waste management and minimisation, as long as this is authorised by the WMMP. This*

section makes provision for each council to make such grants under s47 of the WMA (2008), where the activities to be funded align with and further the objectives of this WMMP. In making grants related to waste management and minimisation, each council will use its own existing grants policy framework.”

- 9 The provision of grants is also an action in the Kāpiti Coast District Council action plan within the WMMP: *“LM.1: Contestable Waste Reduction Grants: Waste levy funds are made available annually as grants for waste minimisation projects, as detailed in the relevant Council Policy. Funding is through contestable processes such as for Community Projects and Business & Innovation.”*
- 10 For this reason, a policy that specifies the process, categories and key criteria for the allocation of waste levy funded grants is still needed and relevant.

PROPOSED UPDATES TO THE WASTE LEVY ALLOCATION POLICY

- 11 The proposed updated Policy is attached as Appendix A. The 2011 Policy is also attached for reference and comparison (Appendix B).

Focus the policy on the allocation of grants only

- 12 As outlined in paragraphs 5 to 11 above, the WMMP guides the overall allocation of waste levy funding, but does not set out specific criteria or an allocation process for the allocation of waste levy funded grants. Therefore, it is proposed to re-focus the existing Waste Levy Allocation Policy (September 2011) specifically on the allocation of grants, and to rename it **“Waste Levy Grants Allocation Policy”**.
- 13 Consequently, sections referring to the allocation of waste levy funds to purposes other than grants (i.e. Categories 1 and 2 in the 2011 Policy) have been removed from the updated policy.

Changes to Objectives of the Policy

- 14 An additional objective has been added: *To support the implementation of the Wellington Region Waste Management and Minimisation Plan*. Reference to Council’s zero waste strategy and the Waste Minimisation Act in the old Policy is replaced by reference to the WMMP in the updated Policy.

Changes to the grants allocation process, including review cycles and responsibilities

- 15 The 2011 Policy has provisions for the Environment and Community Development Committee (no longer existent) to review and approve the framework and categories for allocation of funds, as well as the indicative allocation of funds, on a three-yearly basis as part of the Annual Plan / LTP process. The Environment and Community Development Committee is also responsible for approval of funding criteria under the 2011 Policy.
- 16 The new Policy proposes review of grant categories, criteria and priority funding areas following each statutory review of the WMMP, which is every six years, and approval by the relevant Council Committee.
- 17 The new Policy also states that
 - *The grants budget available per grant category each financial year is set by the Waste Levy budget holder in consideration of other activities and projects to be funded, as guided by the WMMP. When the available budget is limited, the Community Projects category will be prioritised. Each year, \$20,000 - \$30,000 will be made available under the Community Projects category, and \$0 - \$40,000 will be made available under the Seed Funding and Business Waste Reduction category. This means that funding under the Seed Funding and Business Waste Reduction category may not be made available every year.*

While the 2011 Policy does not state any specific annual budgets for grants, thus far the practice has been to allocate \$20k per year to the community grants category, and \$50k per

year to the business grants category. While the intention is still to make budgets available to both grant categories most years, this new provision in the policy is intended to allow using these budgets for other critical projects instead if needed, such as infrastructure investments to allow for better waste diversion in the district. When the budget for grants is limited, the Community Projects category will be prioritised (i.e. budget will be made available to the Community Grants category before the Business Grants category).

- 18 The final process change relates to the allocation process for the Seed Funding grants category. While this is not specifically detailed in the 2011 Policy, the practice for the allocation of grants under the Innovation: New Technologies and Seed Funding category has been for applicants to submit a brief Expression of Interest (EOI) first. Recommendations on EOIs to go forward to the next application stage were then presented to the Grants Allocation Committee at a November/December meeting. Successful applicants in this first stage were then invited to submit a full application. Recommendations on the full applications were then presented to the Grants Allocation Committee in March/April, where final funding decisions would be made.
- 19 To speed up the process for applicants and reduce the workload for officers and the Grants Allocation Committee, the new Policy proposes:
- *For Category 2A (Seed Funding Grants), grants allocation will be undertaken in a two-step process whereby applicants are required to submit a brief Expression of Interest (EOI) first. From the EOIs received, a panel of Council officers from the Sustainability and Resilience and Economic Development teams will select projects to proceed to the next application stage. Selected applicants will then be invited to submit a full application.*
 - *Final approval of funding under all grant categories will be undertaken by the Grants Allocation Committee (Waste Levy).*
- 20 This means the EOI selection process will be made at the officer level, and only the final recommendations based on the full applications from selected applicants are presented to the Grants Allocation Committee for approval. As a result, only one annual meeting of the Grants Allocation Committee (Waste Levy) would be required going forward.

Changes to grants categories and criteria – Community Projects category

- 21 It is proposed to retain the Community Projects category largely unchanged, with only a few minor amendments. Since 2010/11, 92 projects were funded under this category, the majority of which were focussed on organic waste diversion (e.g. composting, worm farming etc.). The grants are popular with the community and are usually heavily oversubscribed.
- 22 The following minor changes are proposed to the criteria of the Community Projects grants:
- The lists of *Primary criteria* and *Secondary criteria* in the old Fund Criteria and Application Guidelines document have been merged into one list of criteria.
 - Two of the *Secondary Criteria* were removed, namely:
 - *Young people are involved in the project;* - This criterion was removed as the goal of the grants is to reach all sectors of the community. There has been very good uptake of the grants by schools and ECEs from the outset, so it does not appear to be necessary to prioritise grants in this area.
 - *The project draws on skills and knowledge held within the community about waste minimisation and /or reducing the need for waste (e.g. knowledge of preserving rather than wasting food held by an older person;* - It was felt that this criterion is somewhat arbitrary and potentially difficult to interpret / translate into a project.
- 23 For more detail, the current and new Criteria and Guidelines documents for the Community Projects grants category are attached as appendices C and D respectively.

Changes to grants categories and criteria – New Technologies and Seed Funding category

- 24 The New Technologies and Seed Funding category has yielded mixed results. 16 projects were funded under this category since 2010/11. Out of those, nine (9) projects did not result in commercialisation or set up of an ongoing initiative for a variety of reasons. Most of these projects were feasibility studies or trials. Four (4) projects were deemed successful in terms of yielding on-going waste minimisation results, these were three (3) projects run by a local consultancy helping businesses to reduce their waste, as well as start-up funding for Silaca Glass Crushers, who operated for a number of years but ceased operations in 2018.
- 25 To achieve better outcomes in this grants category, it is proposed to shift the focus away from projects that are at the early stages of research and development, aim to develop new technologies, or aim to test high-level feasibility (and as such carry a higher degree of uncertainty regarding outcomes). Instead funding is to be directed towards start-up funding for initiatives using proven existing technologies that are essentially ready to begin operating, either as a commercial initiative or social enterprise, or at least at pilot or trial level. This directional change results in the following proposed changes to the New Technologies and Seed Funding grants category:
- Remove current subcategory *A: New Technology Proposals*;
 - Rename current subcategory *B: for Businesses using proven existing technologies and processes* into new **Category A: Seed Funding**. Under this category feasibility studies are no longer eligible for funding.
- 26 To achieve better alignment of grants outcomes with the goals of the WMMP and the recommendations of the Waste Minimisation Taskforce (as presented to Council in December 2019), it is further proposed to introduce priority funding areas for the Seed Funding grants category. The proposed priority funding areas/waste streams are:
- Organic Waste
 - Construction and Demolition Waste
 - Projects that fill a gap within current waste services in Kāpiti
- This would mean that projects addressing one of the listed priority areas would be more likely to receive funding than projects focussing on other waste streams (given they meet all other funding criteria equally well).
- 27 It is further proposed to introduce a new funding category called **Category B: Business Waste Reduction**. This grants category would be available to existing businesses seeking to reduce the waste resulting from their operations. Examples could include hospitality businesses looking to install a worm farm, or construction businesses seeking to develop systems to enable waste minimisation during construction and demolition projects. This grants category is intended as a matching fund, where businesses can apply for a maximum of 50% of total project costs.
- 28 The current *Waste Levy Fund for New Technologies and Seed Funding* grants category would be renamed **Waste Levy Fund for Seed Funding and Business Waste Reduction**. The current and proposed new Criteria and Guidelines documents are attached as Appendices E and F and list eligibility criteria in detail.

CONSIDERATIONS**Financial considerations**

- 29 As explained in paragraph 3, the Waste Levy Grants are funded from Council's Waste Levy income which is a ring-fenced budget that has no impact on rates-funded budgets.
- 30 In previous years, \$20,000 of Waste Levy funding were made available for Community projects, and \$50,000 for New Technologies and Seed Funding projects annually.
- 31 It is proposed that going forward, \$20,000 - \$30,000 will be made available to the Community Projects category annually. This category has been heavily oversubscribed in previous years

and adding \$10,000 to the annual budget would mean that more worthwhile projects can be funded.

- 32 For the Seed Funding and Business Waste Reduction category, it is proposed to have a flexible approach to budget allocation, where the amount to be made available in any given year is set by the budget holder at the beginning of the financial year and may vary from \$0 to \$40,000 (see paragraph 18 of this report). As a result, this grants category may not be advertised every year.
- 33 For the 2020/21 funding round it is proposed to allocate \$30,000 to the Community Projects category, and \$20,000 to the Seed Funding and Business Waste Reduction category.

Strategic and Policy considerations

- 34 The outcomes of the Community Projects grants are well aligned with WMMP actions E.2 (Assist educational institutions with waste minimisation projects) and E.4 (Support community projects and events). They also support the implementation of recommendations 3 (food waste diversion) and 4 (education and engagement) of the Waste Minimisation Taskforce, as presented to Council on 12 December 2019.
- 35 The outcomes of the Seed Funding and Business Waste Reduction grants are expected to contribute to WMMP actions E.7 (Work with local businesses to achieve waste minimisation) and LM.6 (Explore and actively encourage additional waste diversion initiatives). Through the setting of priority funding areas, they also support the implementation of recommendations 2 (diversion of construction and demolition waste) and 3 (food waste diversion) of the Waste Minimisation Taskforce, as presented to Council on 12 December 2019.

Tāngata whenua considerations

- 36 Tāngata whenua were consulted as part of the consultation process for the current WMMP. The Waste Minimisation Taskforce (taskforce) also included three iwi representatives appointed through Te Whakaminenga o Kāpiti. As outlined under Strategic considerations above, the updates to the Waste Levy Grants Allocation Policy proposed in this report are considered to be well aligned with the actions under the WMMP as well as the recommendations of the taskforce. There has been no additional tāngata whenua consultation specifically in relation to these proposed updates.

Legal considerations

- 37 There are no legal considerations.

SIGNIFICANCE AND ENGAGEMENT

Significance policy

- 38 This matter has a low level of significance under Council's Significance and Engagement Policy.

Consultation already undertaken

- 39 There has been no direct community consultation on the proposed changes to the policy as it is considered the changes are well aligned with both the WMMP and the recommendations of taskforce.

Engagement planning

- 40 An engagement plan is not needed to implement this decision.

Publicity

- 41 The availability of the grants will be advertised through the usual channels, i.e. Council website, social media, Council newsletters, local newspapers, and potentially radio. Grants







are planned to open on 1 September 2020 and advertising will commence immediately prior, pending Council approval of the changes proposed in this report.

- 42 Additional promotion of the new grants category for business waste reduction will also be undertaken, potentially via a media release and using appropriate networks through the Economic Development team.

RECOMMENDATIONS

- 43 That the Council approves the updated Waste Levy Grants Allocation Policy 2020 as detailed in Appendix A, and revokes the previous policy.
- 44 That the Council approves the updated Criteria and Guidelines documents for the Waste Levy Fund for Community Projects and Waste Levy Fund for Seed Funding and Business Waste Reduction as detailed in appendices C and E.

APPENDICES

1. Appendix A: Waste Levy Waste Levy Grants Allocation Policy updated 2020 [↓](#) 
2. Appendix B: Waste Levy Allocation Policy 2011 [↓](#) 
3. Appendix C: NEW Community Projects Criteria and Guidelines 2020-21 [↓](#) 
4. Appendix D: OLD Community Projects Criteria and Guidelines 2019-20 [↓](#) 
5. Appendix E: NEW Seed Funding and Business Waste Reduction Criteria and Guidelines 2020-21 [↓](#) 
6. Appendix F: OLD New Technologies and Seed Funding Criteris and Guidelines 2019-20 [↓](#) 

Waste Levy Grants Allocation Policy**27 August 2020****Objectives of the Policy**

To increase the range, scale and number of waste minimisation activities on the Kāpiti Coast through effective use of the waste levy fund.

To ensure optimal and transparent allocation of waste levy funding to waste minimisation projects.

To support the implementation of the Wellington Region Waste Management and Minimisation Plan.

This Policy complements the Wellington Region Waste Management and Minimisation Plan (WMMP). One of the actions of the Kāpiti Coast District Council action plan within the WMMP is the provision of contestable waste reduction grants. This Policy specifies the process, categories and key criteria for the allocation of waste levy funded grants.

Waste Levy Grants Allocation Process

- The grants budget available per grant category each financial year is set by the Waste Levy budget holder in consideration of other activities and projects to be funded, as guided by the WMMP. When the available budget is limited, the Community Projects category will be prioritised. Each year, \$20,000 - \$30,000 will be made available under the Community Projects category, and \$0 - \$40,000 will be made available under the Seed Funding and Business Waste Reduction category. This means that funding under the Seed Funding and Business Waste Reduction category may not be made available every year.
- Allocation of funding for the waste levy grants will be via an annual contestable process which calls for expressions of interest/applications to identify potential recipients for the fund.
- For Category 2A (Seed Funding Grants), grants allocation will be undertaken in a two-step process whereby applicants are required to submit a brief Expression of Interest (EOI) first. From the EOIs received, a panel of Council officers from the Sustainability and Resilience and Economic Development teams will select projects to proceed to the next application stage. Selected applicants will then be invited to submit a full application.
- Final approval of funding under all grant categories will be undertaken by the Grants Allocation Committee (Waste Levy).
- Grant categories, criteria and priority funding areas will be reviewed following each statutory review of the WMMP. The relevant Council Committee will approve any changes resulting from these reviews.



Grant Categories for Allocation of Waste Levy Grants

The categories for allocation of the waste levy grants are:

1. Community Projects

To support practical waste minimisation projects which encourage community participation and education and/or are of benefit to the community of Kāpiti and lead to long term waste minimisation action and behaviour change.

2. Seed Funding and Business Waste Reduction

The Seed Funding and Business Waste Reduction category has two sub-categories:

Category 2A: Seed Funding seeks to encourage the establishment of waste minimisation businesses or initiatives on the Kāpiti Coast and create opportunities for waste minimisation and economic development.

Category 2B: Business Waste Reduction seeks to support existing businesses to implement measures that will lead to long term and measurable minimisation of the waste resulting from the businesses' operations.

Key Criteria for Waste Levy Grants Projects

The key criteria to be met by projects under each funding category are outlined below.

Further application requirements, assessment considerations, and eligible and ineligible purposes are detailed in the Fund Criteria & Application Guidelines for each category.

Funding is only available for projects or portions of projects taking place within the boundaries of the Kāpiti Coast District.

Category 1: Community Projects

The Fund is open to community groups, businesses, Iwi/Māori organisations, educational institutions, neighbourhood groups of at least five households, and other community-based organisations.

The key criteria for assessment of applications to the Community Projects fund are:

- The project will lead to long term waste minimisation actions and behaviour change by participants;
- The project proposal shows how success will be measured in terms of waste reduction and skills learnt. Success must be quantifiable and reported back to Council;
- The breadth and scale of community involvement in the project;
- The likelihood of the project becoming self-sustaining.



Category 2: Seed Funding and Business Waste Reduction

The Fund is available to commercial entities and other organisations, including community-based or social enterprises.

Priority funding areas

All projects must aim to achieve measurable waste minimisation. This covers the reduction of waste at the source, and the reuse, recycling and recovery of materials for further use or processing. Furthermore, Council particularly encourages waste minimisation projects targeting the following waste streams and areas:

- Organic Waste
- Construction and Demolition Waste
- Projects that fill a gap within current waste services in Kāpiti

Key criteria for the assessment of (full) applications under this category are:

Category 2A – Seed Funding

Provision of a business case which includes:

- Evidence that access to necessary waste streams is secured;
- Assumptions around waste stream costs, projected revenue, current and projected operating costs and end-use markets;
- Provision for contingencies and structured response to rising waste resource costs and/or end-use market failure;
- Estimates of performance post Council or other subsidy (will the project become self-sustaining);
- Estimates of the scale of performance in terms of waste minimisation, and proposed methodology to measure this;
- Clear indication of benefit to the local and/or regional economy, to the wider Kāpiti community, and the environment;
- For pilot programmes and trials an outline of:
 - a programme and process for testing;
 - a programme for business development of the end product/results of the project/trial.

Category 2B – Business Waste Reduction

- The project will lead to long term and measurable waste minimisation;
- Applications can be made for up to 50% of total project costs;
- The project proposal shows how success will be measured in terms of waste reduction. Success must be quantifiable and reported back to the Council;
- The project proposal provides an estimate of cost savings resulting from the project, if any. Priority will be given to projects where expected savings are not sufficient to cover project costs.

This policy was approved by Council on 27 August 2020
Refer to Report CO20200827_1934_2249_1

Waste Levy Allocation Policy¹**2 September 2011****Objectives of the Policy**

To ensure optimal and transparent allocation of the national waste levy funding to waste minimisation projects.

To increase the range, scale and number of waste minimisation activities on the Kāpiti Coast through effective use of the waste levy fund.

This Policy supports the Council's zero-waste strategy for waste management. It gives effect to the requirements of the Waste Minimisation Act 2008 to allocate waste levy funding received from the Ministry for the Environment for waste minimisation projects.

Waste Levy Allocation Process

- the Environment and Community Development Committee will review and approve the broad framework or categories for allocation of the funds. This will be reviewed on a three-yearly basis as part of the LTP process.
- the Environment and Community Development Committee will approve the indicative allocation of funds with a three year timeframe and review this allocation annually as part of the formal considerations under the Annual Plan/LTP process.
- the Environment and Community Development Committee will approve the criteria for any contestable process used in the allocation of funding.
- Approval of funding under any contestable process will be undertaken by the Waste Levy Grant Allocation Sub Committee. The sub-committee consists of the Chair of the Committee, the Chair of the Corporate Business Committee, the Mayor, and two Community Board members.

Framework for Allocation of the Waste Levy

- The categories for high level allocation of the waste levy fund are:

1. Waste Flows: Data Collection

To improve the quality and usefulness of data about total waste volumes and waste streams, and movement of waste within, into and out of the District, as a key input into waste minimisation decisions.

2. Minimisation Incentives: Contracts

¹ This policy is included in the (draft) Wellington Regional Waste Management and Minimisation Plan 2011, in the Kāpiti Coast District Council action plan.

To achieve continual improvement to contract documentation to maximise incentives for waste minimisation by waste operators and service providers.

3. Community Education and Projects

To achieve a high level of community involvement in practical on-the-ground waste minimisation projects which encourage a network of community participation and long term action.

4. Innovation: New Technologies and Seed Funding

To encourage the establishment of waste minimisation businesses on the Kāpiti Coast and maximise opportunities for minimisation and economic development through innovative processes and technologies.

- allocation of funding for Categories 3 and 4 will be via an annual contestable process which calls for expressions of interest to identify potential recipients from the fund.

Category 3: Community Education and Projects Contestable Fund

- the criteria for assessment of applications to the Community Projects fund (Category 3) are:

Minimum requirement:

- the project will lead to long term waste minimisation actions by participants;
- the project has a minimum involvement of either 5 households linked to the project or involves businesses or organisations active around waste minimisation; and
- details are provided on the costs of the project and how the contribution sought from the levy fund will be used.

Other criteria:

- there is a level of involvement of young people in the project ;
- the project involves skills and knowledge within the community about waste minimisation and/or reducing the need for waste;
- the project proposal shows how success will be measured in terms of waste reduction and skills learnt.

Category 4: Innovation: New Technologies and Seed Funding Contestable Fund

- funding for projects under this process will be for up to three years and no more;
- any agreement to provide funds for more than one year will be treated as a contract for service rather than a grant and recipients will be required to provide a performance report;
- funding for new technology initiatives would be provided for technology feasibility and proof of technology (including economics) stages only;
- criteria for the assessment of applications under this contestable process will be:

A. For new technology proposals:

- a proposal that includes:
- description and/or proof of a unique Intellectual Property (IP) contribution;
- a programme and process for testing
- a programme for business development of the end product/results of the project/trial
- indication of other funding contributors.

B. For businesses using proven existing technologies and processes:

- a business case is provided which includes:
 - evidence that access to necessary waste streams is secured;
 - assumptions around waste stream costs, projected revenue, current and projected operating costs and end-use markets
 - *review and (independent) sign off on one or more assumptions can be required by Council*
 - provision for contingencies and structured response to rising waste resource costs and/or end-use market failure;
 - *review and (independent) sign off of this information can be required by Council.*
- estimates of performance post Council or other subsidy;
- estimates of the scale and performance of the project in terms of waste minimisation;

- clear indication of benefit to the local economy and/or regional economy.

This policy was approved by the Environment and Community Development Committee on 2 September 2011. Refer Report IS-11-312.

Waste Levy Fund for Community Projects

Fund Criteria & Application Guidelines

2020/21 funding round

Aim

The Waste Levy Fund for Community Projects seeks to support practical waste minimisation projects which encourage community participation and education and/or are of benefit to the community of Kāpiti and lead to long term waste minimisation action and behaviour change.

Who can apply?

The Fund is open to community groups, businesses, Iwi/Māori organisations, educational institutions, neighbourhood groups of at least five households, and other community-based organisations.

Funding is only available for projects, or portions of projects, that occur within the boundaries of the Kāpiti Coast District.

How much funding is available?

Applications for the 2020/21 fund pool of \$30,000 open on 1 September 2020 and close on 20 October 2020. There is no maximum or minimum amount per application. Each application will be assessed on its merits, on a case-by-case basis.

What information do I have to provide in my application?

To help us assess how well your project meets the aim of the Waste Levy Fund, you will be asked for the following information and supporting documents in the application form:

- How will the project lead to long term waste minimisation actions and behaviour change by participants;
- How will success be measured in terms of waste reduction and skills learned. Success must be quantifiable and reported back to the Council (Council staff are available to provide guidance and support on methodology for reporting – see end of form for contact details);
- The breadth and scale of community involvement in the project (please provide evidence, i.e. letters of support or similar where possible);
- How you will develop/market/promote your project;
- Evidence of previous project management experience;
- The likelihood of the project becoming self-sustaining;
- The proportion of project funding being sought and how any remaining proportion will be funded;
- Details of any other sources of funding/sponsorship, or applications made for such;
- Two quotes (if possible) for any equipment purchases (screenshots from websites are acceptable);
- If you are applying as a group of households, a copy of minutes of the meeting at which it was resolved that this application be made and listing the names, addresses and contact details of at least five participating households.

Eligible purposes

- New programmes, projects or events; and/or
- Improvements or expansions to existing programmes;
- Equipment which is necessary to achieve the outcomes of the programme*;
- Publicity or educational material directly related to the aims of the programme;
- Training needs of workers;
- Skill development of programme participants;
- Administration costs and project-related expenses (up to \$500);
- Wages which are directly related to the project.

* Each item of equipment will be evaluated on its individual merit to the project. Two quotes are required (if possible) for the purchase of equipment.

Ineligible purposes

- Applications that do not meet the purpose of the Waste Levy Policy and its Guidelines;
- Waste disposal, treatment or recycling costs;
- Ongoing financial support or running costs of activities (some recurring activities, such as waste minimisation at public events, may be funded for a maximum of two years but no more);
- Subscriptions and memberships;
- Debt servicing;
- Projects or programmes and related costs which have already occurred;
- Any costs involved in preparing the application; and
- Catering costs.

Financial details

If you are registered for GST **do not** include GST in your costs. Please attach **quotes** and any other supporting documentation to your application. Two quotes are required (if possible) for the purchase of equipment.

How do I apply for funding?

Electronic applications are preferred. Please fill in an application form, and send the form and your supporting information to the address given on the form by 20 October 2020. All applications will be acknowledged by email within 10 working days of receipt.

Applications will be checked by Council staff to ensure they have been completed correctly and sufficient detail has been provided. Where applications are considered incomplete or deficient, they will be returned to the applicant for further information or clarification. Where an application is referred back to the applicant for further clarification or information, the applicant will be given a set period to respond.

All applications will be reviewed by the Grants Allocation Committee, who will then decide how the Fund will be allocated. Successful applicants will be notified immediately after the (public) meeting of the Committee.

If you do not already have a bank account for your project, you will need to open a bank account for your group. Once the Council has received a deposit slip, the funds can be transferred to the account.

Action	Date
Applications open	1 September 2020
Applications close	20 October 2020
Acknowledgement of your application by email	3 November 2020
Committee decides on applications and allocates funds	February 2021
All applicants notified of outcome	February 2021

Progress reporting and notification of project completion

The applicant must notify the Waste Minimisation Officer/Advisor (WMO) that the project has started, and once the project has been completed. On project completion, a final report is to be provided.

Projects must be completed within twelve months of notification that funding will be granted. Where this is not feasible, permission to extend the funding duration must be sought from the WMO.

All successful applicants will be required to report back to the WMO on a regular basis detailing their progress in completing the project, particularly the completion of significant milestones.

The final report must include an estimate of the amount of waste minimisation as a result of the project; this may be obtained by conducting a follow-up waste audit or other means. The final report must also include receipts/invoices to document spending of the grant.

The Council reserves the right to visit any project or use it for promotional purposes where grant assistance has been given. In all cases the applicant will be notified of a visit.

The Council reserves the right to suspend or refuse further grant payments if, in the opinion of the Grants Allocation Committee (Waste Levy), the grantee wilfully or through neglect causes the project to fail. The decision of the Council shall be final and there shall be no rights of appeal or review, and no right to compensation or damages of any nature.

If the project fails or finishes early for any reason, then Kāpiti Coast District Council may require any equipment purchased with grant money to be transferred to it for reallocation to another project.

Council staff who can help

Waste Minimisation Officer/Advisor
04 296 4700
waste@kapiticoast.govt.nz



Waste Levy Fund for Community Projects

Fund Criteria & Application Guidelines

Aim

The Waste Levy Fund for Community Projects seeks to support practical on-the-ground waste minimisation projects which encourage community participation and education and/or are of benefit to the community of Kāpiti and lead to long term waste minimisation action.

Who can apply?

The Fund is open to community groups, businesses, Iwi/Māori organisations, educational institutions, neighbourhood groups of at least five households, and other community-based organisations.

Funding is only available for projects, or portions of projects, that occur within the boundaries of the Kāpiti Coast District.

How much funding is available?

Applications for the 2019/20 fund pool of \$20,000 open on 22 July 2019 and close on 20 September 2019. There is no set maximum or minimum amount per application. The Fund is contestable and each application will be assessed on its merits on a case-by-case basis.

What do I need to address in my application?

No application is expected to meet all the criteria, but all applications must address all the primary criteria listed. Secondary criteria will be used when the fund is oversubscribed.

Primary criteria

- The project will lead to long term waste minimisation actions by participants;
- If the applicant is not a business or organisation, the project must have the direct involvement of at least five households;
- Funding is only available for projects or portions of projects taking place within the boundaries of the Kāpiti Coast District; and
- The project proposal shows how success will be measured in terms of waste reduction and skills learnt. Success must be quantifiable and reported back to the Council (Council staff are available to provide guidance and support on methodology for reporting – see end of form for contact details.)

Secondary criteria & considerations

- Young people are involved in the project;
- The project draws on skills and knowledge held within the community about waste minimisation and /or reducing the need for waste (e.g. knowledge of preserving rather than wasting food held by an older person);
- The breadth and scale of community involvement in the project;
- Other sources of funding that may be available to a project;
- The proportion of project funding being sought and how any remaining proportion will be funded; and
- The likelihood of the project becoming self-sustaining.

What other information do I have to provide?

The application form also asks for the following information to be provided:

- Details of any other sources of funding/sponsorship, or applications made for such;
- Evidence of previous project management experience;
- A project plan to show how you will develop/market/promote your project;
- Evidence of community support;
- Three quotes (if possible) for any equipment purchases (screenshots from websites are acceptable);
- Likelihood of self-funding in the longer term (if the event is recurring);
- Demonstrated awareness of relevant Council bylaws and/or regulations;
- If you are applying as a project with householder involvement, a copy of minutes of the meeting at which it was resolved that this application be made and listing the names, addresses and contact details of at least five participating households.

Eligible purposes

- Equipment which is necessary to achieve the outcomes of the programme;*
- Publicity or educational material directly related to the aims of the programme;
- Improvements or expansions to existing programmes;
- Training needs of workers;
- Skill development of programme participants;
- Administration costs and project-related expenses (up to \$500);
- New programmes, projects or events; and/or
- Wages which are directly related to the project.

* Each item of equipment will be evaluated on its individual merit to the project. Three quotes are required (if possible) for the purchase of equipment.

Ineligible purposes

- Applications for purposes that do not directly relate to the scheme;
- Subscriptions and memberships;
- Debt servicing;
- Projects or programmes and related costs which have already occurred;
- Any costs involved in preparing the application; and
- Catering costs.

Financial details

If you are registered for GST **do not** include GST in your costs. Please attach **quotes** and any other supporting documentation to your application. Three quotes are required (if possible) for the purchase of equipment.

How do I apply for funding?

Electronic applications are preferred. Please fill in an application form and send the form and your supporting information to the address given on the form by 20 September 2019. All applications will be acknowledged by email within 10 working days of receipt.

Applications will be checked by Council staff to ensure they have been completed correctly and sufficient detail has been provided. Where applications are considered incomplete or deficient, they will be returned to the applicant for further information or clarification. Where an application is referred back to the applicant for further clarification or information, the applicant will be given a set period to respond.

All applications will be reviewed by the Grants Allocation Committee, who will then decide how the Fund will be allocated. Successful applicants will be notified immediately.

If you do not already have a bank account for your project, you will need to take a copy of minutes from the meeting at which you resolved to apply for funds to a bank and open a bank account for your group. Once the Council has received a deposit slip, the funds can be transferred to the account.

Action	Date
Applications open	22 July 2019
Applications close	20 September 2019
Committee decides on applications and allocates funds	December 2019
All applicants notified of outcome	December 2019

Progress reporting and notification of project completion

Projects must be completed within twelve months of notification that funding will be granted. Where this is not feasible, permission to extend the funding duration must be sought from the Waste Minimisation Officer (WMO).

All successful applicants will be required to report back to the WMO on a regular basis detailing their progress in completing the project, particularly the completion of significant milestones.

The applicant must notify the WMO once the project has been completed, and provide a final report. The final report must include an estimate of the amount of waste minimisation as a result of the project; this may be obtained by conducting a follow-up waste audit or other means. The final report must also include receipts/invoices to document spending of the grant.

The Council reserves the right to visit any project or use it for promotional purposes where grant assistance has been given. In all cases the applicant will be notified of a visit.

The Council reserves the right to suspend and to refuse further grant payments if, in the opinion of the Grants Allocation Subcommittee, the grantee wilfully or through neglect causes the project to fail. The decision of the Council shall be final and there shall be no rights of appeal or review and no right to compensation or damages of any nature.

Council staff who can help

Waste Minimisation and Services Officer
04 296 4765
waste@kapiticoast.govt.nz



Waste Levy Fund for Seed Funding and Business Waste Reduction

Fund Criteria & Application Guidelines

2020/21 funding round

Aim

The Waste Levy Fund for Seed Funding and Business Waste Reduction has two categories:

Category A: Seed Funding seeks to encourage the establishment of waste minimisation businesses or initiatives on the Kāpiti Coast and create opportunities for waste minimisation and economic development.

Category B: Business Waste Reduction seeks to support existing businesses to implement measures that will lead to long term and measurable minimisation of the waste resulting from the businesses' operations.

Who can apply?

The Fund is available to commercial entities and other organisations, including community-based or social enterprises.

Funding is only available for projects, or portions of projects, that occur within the boundaries of Kāpiti Coast District.

The Fund is contestable and each application will be assessed on its merits, on a case-by-case basis.

Priority funding areas

All projects must aim to achieve measurable waste minimisation. This covers the reduction of waste at source, and the reuse, recycling and recovery of materials for further use or processing. Furthermore, Council particularly encourages waste minimisation projects targeting the following waste streams and areas:

- Organic Waste
- Construction and Demolition Waste
- Projects that fill a gap within current waste services in Kāpiti

How much funding is available?

Expressions of Interest (EOIs) and applications for the 2020/2021 fund pool of \$20,000 are open from 1 September 2020 to 20 October 2020. Projects under Category B can only apply for up to 50% of the total project cost.



When will I know if my application is successful?

Category A (Seed Funding) projects will be selected in a two-stage process: In the first stage applicants will be required to submit a brief Expression of Interest (EOI). Selected applicants will then be invited to submit a full application. The timeline for the allocation of Category A grants is as follows:

Action	Date
EOI submission deadline	20 October 2020
EOIs to go forward to full application stage selected	10 November 2020
Full application submission deadline	22 December 2020
Project selection made by the Council	February 2021
Applicants notified of results	February 2021

Category B (Business Waste Reduction) projects only submit one application due on 20 October 2020.

The projects to be funded will then be selected and discussed by Council's Grants Allocation Committee. Successful applicants will be notified of the decision following the Committee meeting planned for February 2021.

What criteria does my application need to meet?

All applications must address all the criteria listed as relevant to the category applied for.

Category A: Seed Funding for waste minimisation businesses or initiatives criteria

Stage 1 - Expression of Interest (EOI)

At the EOI stage, you will need to provide a brief overview of your project including an estimate of required funding.

Your project overview needs to include information on:

- How your project will achieve waste minimisation;
- How your project will benefit our local and/or regional economy, the wider Kāpiti community and the environment; and
- How your project will become self-sustaining post Council or other subsidy.

Stage 2 – Full Application

If your EOI was successful, you will be asked to submit a full application including a detailed business case for your project.

You will need to provide the following information:

- Evidence that access to necessary waste streams is secured;
- Assumptions around waste stream costs, projected revenue, current and projected operating costs and end-use markets;
- Provision for contingencies and structured response to rising waste resource costs and/or

- end-use market failure;
- Estimates of performance post Council or other subsidy (will the project become self-sustaining);
- Estimates of the scale of waste minimisation and proposed methodology to measure this;
- Clear indication of benefit to the local and/or regional economy, the wider Kāpiti community and the environment;
- For pilot programmes and trials an outline of:
 - Programme and process for testing;
 - Programme for business development of the end product/results of the project/trial;
- Evidence of previous project management experience;
- A project plan to show how you will develop/market/manage your project;
- Demonstrated awareness of relevant local and regional regulations (that may require consent);
- The proportion of project funding being sought and how any remaining proportion will be funded;
- Details of any other sources of funding/sponsorship, or applications made for such;
- Proof of an entity, organisation or project bank account requiring multiple signatories.

Category B: Business waste reduction project criteria

- The project will lead to long term and measurable waste minimisation;
- Applications can be made for up to 50% of total project costs;
- The project proposal shows how success will be measured in terms of waste reduction; Success must be quantifiable and reported back to the Council (Council staff are available to provide guidance and support on methodology for reporting – see end of form for contact details);
- The project proposal provides an estimate of cost savings resulting from the project, if any. Priority will be given to projects where expected savings are not sufficient to cover project costs;
- A project plan to show how you will develop/market/manage your project (if applicable);
- The proportion of project funding being sought and how any remaining proportion will be funded;
- Details of any other sources of funding/sponsorship, or applications made for such;
- Proof of an entity, organisation or project bank account requiring multiple signatories.

Eligible projects and purposes

Eligible purposes include but are not limited to:

- Equipment which is necessary to achieve the outcomes of the project (please submit two quotes per item of equipment, where possible);
- Publicity or educational material directly related to the aims of the programme;
- New initiatives or improvements/expansions to existing programmes using proven existing technologies;
- Trials and pilot programmes using proven existing technologies;
- Training needs of workers;



- Skill development of project participants;
- Administration costs;
- Wages which are directly related to the project;
- Travel (The cost of travel will ONLY be funded if it can be demonstrated that it is essential for the project and is a reasonable cost. Each journey will be evaluated on its individual merit to the project).

Ineligible purposes

These will not be funded:

- Feasibility studies;
- Waste disposal, treatment or recycling costs;
- Ongoing financial support of existing activities or running costs;
- Duplications of other demonstration projects or pilot studies;
- Debt servicing;
- Retrospective projects / work already completed;
- Legal expenses;
- Any costs involved in preparing the application; and
- Catering costs.

Financial details

If you are registered for GST, please **do not** include GST in your costs. Please attach quotes and any other supporting documentation to your application. Two quotes are required for the purchase of equipment.

How do I apply for funding?

Please send your EOIs and applications, to be received by 20 October 2020:

Electronically to: waste@kapiticoast.govt.nz

By post to: Waste Levy Fund
Waste Minimisation Officer/Advisor
Kāpiti Coast District Council
Private Bag 60601
Paraparaumu 5254

Or deliver to: Kāpiti Coast District Council
175 Rimu Road
Paraparaumu

All EOIs and applications will be acknowledged by email within 5 working days of receipt.



Progress reporting and notification of project start and completion

Unless otherwise agreed, projects are expected to have started within three months of approval of funding and, for short-term projects, progress must be completed within 12 months of receipt of funding. For longer-term projects, progress towards agreed upon targets must be made within 12 months of receipt of funding.

All successful applicants will be required to report back to the Waste Minimisation Officer/Advisor on an agreed timeframe, detailing their progress in completing the project, particularly the completion of significant milestones.

The applicant must notify the Waste Minimisation Officer/Advisor once the project has been completed and accompany this notification with a final report on the project. Furthermore, for Seed Funding projects, the applicant is asked to notify the Waste Minimisation Officer/Advisor of any major developments within five years of project completion (such as major expansion or cessation of the initiative).

You will be asked to submit proof of purchase for any equipment or travel costs with your Final or Progress Report.

The Kāpiti Coast District Council reserves the right to visit any project or use it for promotional purposes where grant assistance has been given. In principle the applicant will be notified of a visit.

The Kāpiti Coast District Council reserves the right to suspend and to refuse further grant payments if, in its opinion, the grantee wilfully or through neglect causes the project to fail. The decision of the Council shall be final and there shall be no rights of appeal or review, and no right to compensation or damages of any nature.

If the project fails or finishes early for any reason, then Kāpiti Coast District Council may require any equipment purchased with grant money to be transferred to it for reallocation to another project.

Council staff who can help

- Waste Minimisation & Services Officer
- Waste Minimisation Advisor
- Waste Projects Manager

Phone 04 296 4700

Email waste@kapiticoast.govt.nz



Waste Levy Fund for New Technologies and Seed Funding

Fund Criteria & Application Guidelines

Aim

The Waste Levy Fund for New Technologies and Seed Funding seeks to encourage the establishment of waste minimisation businesses on the Kāpiti Coast and create opportunities for waste minimisation and economic development through innovative processes and technologies.

Who can apply?

The Fund is available to businesses, organisations or individuals.

Funding is only available for projects, or portions of projects, that occur within the boundaries of Kāpiti Coast District.

The fund

The fund pool is subdivided into two categories:

- Category A is for new technology proposals
- Category B is for businesses using proven existing technologies and processes

The Fund is contestable and each application will be assessed on its merits on a case-by-case basis.

How much funding is available and for how long?

Expressions of Interest (EOIs) for the 2019/2020 fund pool of \$50,000 are open from 22 July 2019 to 20 September 2019. Multi-year applications may be made up to a maximum of three years. Any agreement to provide funds for more than one year will be treated as a contract for service and recipients will be required to provide an annual report on progress against the contract performance indicators.

When will I know if my application is successful?

Projects will be selected from the EOIs during December 2019 and applicants will be invited to develop them into full applications. The closing date for full applications will be in February 2020 (the exact date will be announced after the EOI selection process in December). The projects to be funded will then be selected and discussed by the Grants Allocation Committee. Successful applicants will be notified of the decision following the Committee meeting planned for March/April 2020.

What criteria do I need to address in my application?

All applications must address all the criteria listed as relevant to the category applied for. Full details of how your project meets the criteria are not required in the EOI. However, a general description of the project which addresses these points should be included in the EOI.

Category A criteria for New Technologies proposals:

A proposal that includes:

- Description and/or proof of unique intellectual property (IP) contribution;
- Programme and process for testing;
- Programme for business development of the end product/results of the project/trial; and
- Indication of other funding contributors.

Category B criteria for Businesses using proven existing technologies and processes:**A business case is provided which includes:**

- Evidence that access to necessary waste streams is secured;
- Assumptions around waste stream costs, projected revenue, current and projected operating costs and end-use markets (*review and (independent) sign off on one or more assumptions can be required by the Council*);
- Provision for contingencies and structured response to rising waste resource costs and/or end-use market failure (*review and (independent) sign off of this information can be required by the Council*);
- Estimates of performance post Council or other subsidy;
- Estimates of the scale of performance in terms of waste minimisation; and
- Clear indication of benefit to the local economy and/or regional economy.

What other information do I have to provide?

At the application stage, you will be asked to provide the following information:

- Details of any other sources of funding/sponsorship, or applications made for such;
- Evidence of previous project management experience;
- Proof of a business, organisation or project bank account requiring multiple signatories.

Eligible purposes

Eligible purposes include but are not limited to:

- Equipment which is necessary to achieve the outcomes of the project (*if your project is selected for a full application, you will be asked for two quotes, if possible/applicable, for each item*)
- Publicity or educational material directly related to the aims of the programme
- Improvements or expansions to existing programmes
- Training needs of workers
- Skill development of project participants
- Administration costs
- Wages which are directly related to the project
- Travel *

** The cost of travel will ONLY be funded if it can be demonstrated that it is essential for the project and is a reasonable cost. Each journey will be evaluated on its individual merit to the project.*

Financial details

If you are registered for GST please **do not** include GST in your costs. Please attach quotes and any other supporting documentation to your application.

Two quotes are required for the purchase of equipment.

How do I apply for funding? The process:

Activity	Date
EOI submission deadline	20 Sept 2019
EOIs to go forward to full application stage selected	20 Sept – Dec 2019
EOI submitters notified of decisions	Dec 2019
Selected projects submit full applications	Dec 2019 – Feb 2020
Project selection made by the Council	March/April 2020
Applicants notified of results	March/April 2020

Please send your EOI, to be received by 12.00pm on 20 September 2019;

Electronically to: katharina.kennedy@kapiticoast.govt.nz

By post to: Waste Levy Fund
C/- Katharina Kennedy
Kāpiti Coast District Council
Private Bag 60601
Paraparaumu 5254

Or deliver to: Kāpiti Coast District Council
175 Rimu Road
Paraparaumu

All EOIs will be acknowledged by email within 10 working days of receipt.

A selection will be made from the EOI list for projects to be taken forward to the full application phase. It is intended that submitters of EOIs will be notified of the results of this process in December 2019.

Selected projects will make a full application for funding, using the application form provided in February 2020 (date tba).

Projects to be funded will be selected in March/April 2020 depending on a meeting of the Grants Allocation Committee and results of this selection process will be communicated to all applicants following the meeting.

Progress reporting and notification of project completion

All successful applicants will be required to report back to the Solid Waste Manager on an agreed timeframe, but at least once every four months, detailing their progress in completing the project, particularly the completion of significant milestones.

The applicant must notify the Solid Waste Manager once the project has been completed and accompany this notification with a final report on the project.

You will be asked to submit proof of purchase for any equipment or travel costs with your Final or Progress Report. Your contract for service (multi-year projects) may include a requirement to submit audited accounts each year.

The Kāpiti Coast District Council reserves the right to visit any project or use it for promotional purposes where grant assistance has been given. In principle the applicant will be notified of a visit.

The Kāpiti Coast District Council reserves the right to suspend and to refuse further grant payments if, in its opinion, the grantee wilfully or through neglect causes the project to fail. The decision of the Council shall be final and there shall be no rights of appeal or review and no right to compensation or damages of any nature.

Council staff who can help

- Waste Minimisation & Services Officer (first point of contact)
- Solid Waste Services Manager

Please phone 296 4700



9.2 SELECTING THE ELECTORAL SYSTEM FOR LOCAL BODY ELECTIONS

Author: Leyanne Belcher, Democracy Services Manager

Authoriser: Janice McDougall, Group Manager People and Partnerships

PURPOSE OF REPORT

- 1 This report provides the Council with the opportunity to change the electoral system used in the District local body elections from the Single Transferable Voting (STV) system to the First Past the Post (FPP) system.

DELEGATION

- 2 Council has the authority to consider this matter.

BACKGROUND

- 3 There are two electoral systems in use for local body elections in New Zealand – STV and FPP. The STV system has been an option for councils since the 2004 local body elections.
- 4 The Local Electoral Act 2001 provides local authorities and/or their communities with three options for choosing which system is used:
 - a local authority may resolve to change its electoral system; or
 - a local authority may resolve to hold a poll to determine which system should be used; or
 - electors may demand that a poll be held on the matter.
- 5 Council must make a decision by 12 September 2020. Council's decision must be publicly advertised by 19 September, to alert the community to its right to demand a poll to countermand any resolution.
- 6 Local body elections ask voters to choose representatives for their local council, district health board/s (DHBs) and regional council. Legislation requires DHB elections to be held using the STV system, but councils are free to choose which electoral system they want for the other elections. This has meant that for most councils, their ballot papers featured both systems, which arguably is potentially confusing for voters.

The two systems

- 7 Single Transferable Voting (STV) is a form of preferential voting. Electors have a single vote and rank candidates in the order they prefer. STV was used by 14% of local authorities in 2019 (11 of 78) including Kāpiti Coast District Council and all District Health Boards.
- 8 With First Past the Post (FPP) electors tick their preferred candidate(s) up to the number of vacancies. Candidates with the highest number of votes are elected. FPP was used by 86% of local authorities in 2019 (67 of 78).
- 9 FPP has continued to be used by a majority of councils. Only a relatively small number of councils have ever opted to use STV since it was first introduced in 2004 and over the triennia a number of 'STV councils' have moved back to using FPP.
- 10 The Kāpiti Coast District has used the STV system for every local body election since the option first became available in 2004. This has been the situation for a small number of other councils as well. Greater Wellington Regional Council (GWRC) changed to STV for the first time in 2013 and subsequently for the 2016 elections.

OPTIONS**Option 1**

- 11 That Council confirms the Single Transferable Voting (STV) system as the preferred electoral system for the next two triennial elections, and any associated election, and this decision be publicly notified by 19 September 2020 in accordance with statutory requirements including the public's right to demand a poll on this decision.

Option 2

- 12 That Council resolves to change the electoral system from Single Transferable Voting (STV) to the First Past the Post (FPP) system, and that this decision be publicly notified by 19 September 2020 in accordance with statutory requirements including the public's right to demand a poll on this decision.

Option 3

- 13 That the Council resolves to undertake a poll of electors on the electoral system to be used for the next two triennial elections, in accordance with the provisions in the Local Electoral Act 2001.

CONSIDERATIONS**Policy considerations**

- 14 There are no policy considerations.

Legal considerations

- 15 Timeframes and statutory provisions are outlined at Appendix 1. There are no additional legal considerations.

Financial considerations

- 16 The estimated cost of a stand-alone poll is \$85,000 plus GST. There is no current budget to cover a poll. Should a poll be required, budgets would need to be reviewed.

Tāngata whenua considerations

- 17 There are no tāngata whenua considerations.

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 18 This matter has a moderate degree of significance under Council policy.

Engagement planning

- 19 An engagement plan is not needed to implement this decision, as any ensuing action is prescribed by legislation.



Publicity

- 20 In accordance with the provisions of the Local Electoral Act 2001 Council's decision will be publicly notified by 19 September in order to give the community the opportunity to request a poll be held on the matter.

RECOMMENDATIONS

- 21 That Council confirms the Single Transferable Voting (STV) system as the preferred electoral system, and this decision be publicly notified by 19 September 2020 in accordance with statutory requirements including the public's right to demand a poll on this decision;
- or**
- 22 That Council resolves to change the electoral system from Single Transferable Voting (STV) to the First Past the Post (FPP) system for the next two triennial elections, and any associated election and that this decision be publicly notified by 19 September 2020 in accordance with statutory requirements including the public's right to demand a poll on this decision;
- or**
- 23 That the Council resolves to undertake a poll of electors on the electoral system to be used for the next two triennial elections, in accordance with the provisions in the Local Electoral Act 2001.

APPENDICES

1. Timeframes and Statutory Provisions [↓](#) 
2. How FPP and STV work as Electoral Systems [↓](#) 

APPENDIX 1 – TIMEFRAMES AND STATUTORY PROVISIONS

Timeframes for change of electoral system

By 12 September 2020	Local authority resolution on electoral system – optional (sections 27, 32 Local Electoral Act (LEA))
By 19 September 2020	Public notice on electoral system – mandatory (sections 28, 32 LEA)
By 21 February 2021	Last date to receive a demand for a poll on the electoral system for the 2022 elections (sec 30 LEA) Last date for local authority to resolve to hold poll on electoral system for the 2022 and 2025 elections (sec 31, LEA)
By Thursday 21 May 2021	Last date to conduct a poll on the electoral system for the 2022 elections (sec 33, LEA)

Extracts from Local Electoral Act 2001

Section 27 Local authority may resolve to change electoral systems

- (1) *Any local authority may, not later than 12 September in the year that is 2 years before the year in which the next triennial general election is to be held, resolve that the next 2 triennial general elections of the local authority and its community boards (if any), and any associated election, will be held using a specified electoral system other than that used for the previous triennial election.*
- (2) *A resolution under this section-*
 - (a) *Takes effect, subject to paragraph (b), for the next 2 triennial general elections of the local authority and its community boards (if any), and any associated election; and*
 - (b) *Continues in effect until either-*
 - (i) *A further resolution under this section takes effect; or*
 - (ii) *A poll of electors of the local authority held under section 33 takes effect.*

Section 28 Public notice of right to demand poll on electoral system

- (1) *Every local authority must, not later than 19 September in the year that is 2 years before the year in which the next triennial general election is to be held, give public notice of the right to demand, under section 29, a poll on the electoral system to be used for the elections of the local authority and its community boards (if any).*
- (2) *If the local authority has passed a resolution under section 27 that takes effect at the next triennial election, every notice under subsection (1) must include-*
 - (a) *Notice of that resolution; and*
 - (b) *A statement that a poll is required to countermand that resolution.*
- (2A) *Despite subsections (1) and (2), if, on or before the date referred to in subsection (1), the local authority has passed a resolution under section 31 and has specified a date for the holding of the poll that is on or before 21 May in the year before the next triennial general election, subsection (1) does not apply.*

Section 29 Electors may demand poll

- (1) A specified number of electors of a local authority may, at any time, demand that a poll be held on a proposal by those electors that a specified electoral system be used at the elections of the local authority and its community boards (if any).

specified number of electors, in relation to a local authority, means a number of electors equal to or greater than 5% of the number of electors enrolled as eligible to vote at the previous general election of the local authority.

Section 30 Requirements for valid demand

- (1) A demand must be made by notice in writing-
- Signed by a specified number of electors; and
 - Delivered to the principal office of the local authority.
- (2) An elector may sign a demand and be treated as one of the specified number of electors only if-
- The name of that elector appears-
 - In the case of a territorial authority, on the electoral roll of the territorial authority; and
 - In the case of any other local authority, on the electoral roll of any territorial authority or other local authority as the name of a person eligible to vote in an election of that local authority; or
 - In a case where the name of an elector does not appear on a roll in accordance with paragraph (a),-
 - The name of the elector is included on the most recently published electoral roll for any electoral district under the Electoral Act 1993 or is currently the subject of a direction by the Electoral Commission under section 115 of that Act (which relates to unpublished names); and
 - The name given by the elector who signed the demand is-
 - Confirmed by a Registrar of Electors as the address at which the elector is registered as a parliamentary elector; and
 - Within the district of the local authority; or
 - The elector has enrolled, or has been nominated, as a ratepayer elector and is qualified to vote as a ratepayer elector in elections of the local authority.
- (3) Every elector who signs a demand must state, against his or her signature,-
- The elector's name; and
 - The address for which the person is qualified as an elector of the local authority.
- (3A) if a valid demand is received after 28 February in the year before the next triennial general election, the poll required by the demand-
- Must be held after 21 May in that year; and
 - Has effect in accordance with section 34(2) (which provides that the poll has effect for the purposes of the next but one triennial general election of the local authority and the subsequent triennial general election.

Section 31 Local authority may resolve to hold poll

- (1) A local authority may, no later than 28 February in the year immediately before the year in which the next triennial general election is to be held, resolve that a poll be held on a proposal that a specified electoral system be used for the elections of the local authority and its community boards (if any).

(2) A resolution may, but need not, specify a date on which the poll is to be held.

APPENDIX 2 – HOW STV AND FPP ‘WORK’ AS ELECTORAL SYSTEMS

FPP

Under the FPP (First Past the Post) electoral system, the candidate with the most votes wins. This is a very simple method of electing candidates and is widely used throughout the world. It was used in New Zealand for Parliamentary elections up until the introduction of MMP (Mixed Member Proportional) in the 1996 general election. Although FPP is very simple, some people have argued that the results of an FPP election may not always reflect the wishes of the majority of voters. The following examples show how results of FPP elections may vary. Where one candidate has a clear majority of votes, it can be seen that the majority of people did support the winning candidate.

	Number of Votes	Percentage of Votes
Candidate One	140	70%
Candidate Two	20	10%
Candidate Three	20	10%
Candidate Four	20	10%
	Total Votes = 200	Total = 100%

In this example, the winning candidate received 70% of the total votes. However, the winning candidate might receive more votes than any other one candidate, but receive fewer votes than the other candidates put together.

	Number of Votes	Percentage of Votes
Candidate One	80	40%
Candidate Two	60	30%
Candidate Three	40	20%
Candidate Four	20	10%
	Total Votes = 200	Total = 100%

In this case, the winning candidate got 40 percent of the total votes; the other candidates received 60 percent of votes. It could be said that the election result did not reflect the wishes of the majority. Some people have also argued that even when the winning candidate gets the majority of the votes, many people's votes are "wasted".

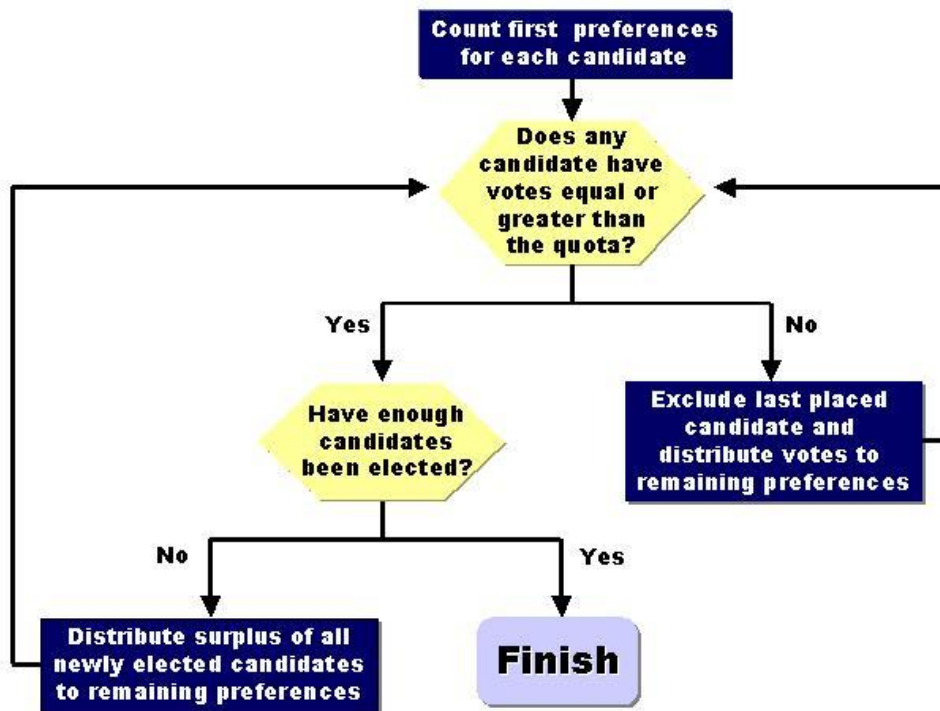
STV

STV stands for Single Transferable Vote, so-called because every voter has one vote, but that vote (made up of multiple preferences) can be transferred to other candidates.)

In its simplest form, STV means that voters are able to rank candidates in order of preference, rather than simply pick their most preferred candidate for each vacancy. Under an STV electoral system, voters rank candidates in their order of preference. A good example to consider is an election to select three councillors for a ward in a council election. Under STV, you would write '1' next to the name of your favourite candidate, '2' next to your second favourite candidate and so on. STV means that you have one vote, but can indicate

your preferences for all the candidates. Under FPP, you would place ticks next to the names of up to three candidates, which means you would have three votes. The number of vacancies and votes determines the quota a candidate must reach to be elected. The formula for deciding the quota is total number of valid votes, divided by the number of vacancies plus one. This counting process is illustrated in the diagram below.

HOW VOTES ARE COUNTED UNDER STV



(source: Department of Internal Affairs website www.dia.govt.nz)

9.3 RESPONDING TO THE INDEPENDENT ORGANISATIONAL REVIEW

Author: Jennifer Allan, Strategic Advisor

Authoriser: Wayne Maxwell, Chief Executive

PURPOSE OF REPORT

- 1 The purpose of this report is for the Council to formally respond to the Martin Jenkins Independent Organisational Review ("the Review") with a programme of work that responds to the Review recommendations.

DELEGATION

- 2 The Council has the authority to consider this matter.

BACKGROUND

- 3 In June 2020, the Council received the findings of the Independent Organisational Review completed by MartinJenkins. In July, the Council received a report that formally received the recommendations of the Review. This acknowledged that MartinJenkins has delivered a balanced, constructive and future-focussed report, which makes a point of acknowledging things that the Council does well, and especially it acknowledges that the Council has committed, hard-working staff who are doing their best for their community. The report also highlights some areas where there are opportunities for improvement.
- 4 The review contained 29 specific recommendations, grouped together under a number of themes. Many of the recommendations reinforce findings that the Council has already made, and in many cases work is already underway that responds to these findings. For other recommendations, new actions are planned or proposed.

DISCUSSION

- 5 This report provides an overview of the proposed programme of actions to respond to the Review's recommendations.

Context

- 6 In the time since the Review was first initiated, a number of significant changes have occurred in the operating context for the Council, including water reform announcements and the global COVID-19 pandemic. The pandemic has required a rapid response by Council to a unique situation and will continue to affect our district for some time. Council efforts have shifted from response to recovery planning, while also being prepared to respond should a second wave of infection occur.
- 7 The Council's top priorities for action from the Gallup Employee Engagement survey in 2019 were improving staff access to appropriate tools and resources, and increasing employees' sense of connection to the purpose of the organisation. The rapid response by our ICT team to delivering infrastructure to enable staff to work from home during the pandemic meant a leap forward in providing tools to support collaborative and remote working. Workshops with all staff on the organisation's purpose have been completed and a new purpose statement developed, so good progress has been made in response to Gallup findings. However, the interruption to business as usual caused by the COVID-19 pandemic has inhibited the ability to fully respond to other known opportunities for improvement. Combined with resource constraints and re-focusing of some priorities to keep our rates increase lower than planned has meant some of the improvement initiatives underway have needed to be delayed or extended.
- 8 Also within the timeframe of the Review, a new Council was elected with six new Elected Members. The Review acknowledges that it takes time for a new Council to get up to speed, supported by induction, training and on-the-job learning.

Council officers' response to review recommendations

- 9 In the six weeks since receiving the Review report, officers have consolidated existing, planned and proposed actions that respond to the Review's recommendations, and grouped these by Focus Area.
- 10 Due to the impact of COVID-19, it has been considered appropriate to recognise that a constrained response is required at this time. The proposed actions are accordingly focused on what can be achieved within limited resources. Wider responses will be considered as part of the Long Term Plan. Reporting of progress against actions will be contained within the quarterly activity reports.
- 11 Responding to the Review is an opportunity for Elected Members and management to work together for the best outcomes, while respecting the operational-governance split in our roles, which is an important underlying theme of the Review.

Focus Areas

- 12 Four Focus Areas have been developed for officers' priorities in responding to the Review recommendations. Focus Areas run across multiple Review themes and include a mix of actions the organisation is doing or has planned or proposed, as well as ongoing actions and some that require further consideration. Several of the actions require a business case through the Long Term Plan or Annual Plan to obtain resources to deliver new initiatives.

12.1 Focus Area 1: Strong and effective partnerships between Elected Members, Iwi and Management

- 12.1.1 There have been good examples of collaboration between these partners, but we have room to improve and build stronger relationships.
- 12.1.2 Elected members need to be able to rely on Council leadership for strategy and policy advice to inform governance decision-making – requiring a relationship based on trust, open communication and a willingness to work together to solve problems. A number of actions are proposed to improve information flows to support robust decision-making, and provide opportunities for improving the understanding each has of the others' roles and responsibilities.
- 12.1.3 Council's relationship with iwi needs work to understand the most effective and efficient ways to move this relationship forward. One of the reasons for this, as noted in the Review, is that there have been different understandings of what 'partnership' means, and work needs to be done to explore aspirations for the partnership going forward.

12.2 Focus Area 2: Building organisational capacity and capability

- 12.2.1 There will always be a tension between having sufficient resources and the issue of rates affordability. This Focus Area is about ensuring appropriate resourcing to match our work programme and enable us to meet the community's needs and expectations. This includes addressing some known areas where current resources are insufficient, as well as developing business cases to deliver new initiatives in response to this Review, and planning to ensure teams have sufficient resource to release staff for training.
- 12.2.2 This Focus Area is also about having the right tools and approaches to aid collaboration within the organisation.

12.3 Focus Area 3: Business planning to provide clarity on our priorities

- 12.3.1 As noted in the Review, there is potential to look at ways of strengthening communication of how the organisation's high-level strategy flows through to execution of that strategy. While an Operating Model may contribute to increased clarity in this area, we believe there are a number of other actions that would also contribute to making this clearer. We have proposed completing

initial scoping for an Operating Model alongside other actions such as business planning.

12.3.2 This Focus Area is also about using that increased clarity to ensure we are focused on executing our critical priorities, and avoiding distraction by supporting staff to say no to work requests that are not part our work programme.

12.4 *Focus Area 4: An increased focus on public participation/ democratic participation*

12.4.1 This Focus Area is based on the principle of aiming to always exceed the minimum requirements for consultation, so that our community understands what we do and why, and takes the opportunities available to be involved. Actions in this Area are about Council strengthening its communication to provide a more transparent, coordinated and consistent approach to keeping the community informed about what is happening at the Council and across the community, and opportunities to be involved.

13 The table below shows how these Focus Areas relate to the Review themes.

Focus Area	Review Themes	What success would look like
Strong and effective partnerships between Elected Members, Iwi and Management	<p>B: Ensure that the community understands why the Council is planning and doing what it does</p> <p>C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff</p> <p>D: Foster a constructive relationship between Councillors and Council management and staff</p> <p>E: Leverage the opportunities that the Community Boards present</p> <p>F: Strengthen the partnership relationship with mana whenua.</p>	For example: Shared ownership and responsibility for delivering on a shared vision for the district, making the most of our distinct roles and with respect for our unique perspectives.
Building organisational capacity and capability	<p>A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload</p> <p>B: Ensure that the community understands why the Council is planning and doing what it does</p> <p>F: Strengthen the partnership relationship with mana whenua</p> <p>G: Continue with fostering the values behind Council's Open for Business initiative to guide staff attitudes to service quality and customer focus, but change the name</p> <p>H: Adopt a more strategic approach to workforce planning within the organization (managers supported by Organisational Development)</p>	For example: Appropriate resourcing enables us to meet the community's needs and expectations.

	<p>I: Ensure that the organisation is resourced to support workforce planning and staff training and development</p> <p>J: Lift leaders' and managers' staff management skills where needed.</p>	
Business planning to provide clarity on our priorities	<p>A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload</p> <p>H: Adopt a more strategic approach to workforce planning within the organization (managers supported by Organisational Development).</p>	For example: Clarity in our business planning and prioritising enables us to execute our critical priorities.
An increased focus on public participation/ democratic participation	<p>B: Ensure that the community understands why the Council is planning and doing what it does</p> <p>E: Leverage the opportunities that the Community Boards present.</p>	For example: Our community understands what we do and why, and takes the opportunities available to be involved.

14 The detail of specific actions, grouped by Focus Area, is attached at Appendix One.

CONSIDERATIONS

Policy considerations

15 There are no policy considerations at this time, however once a detailed action plan has been agreed in response to the 29 recommendations, the implementation of the approved activities might create a need for new or amended policies.

Legal considerations

16 Legal advice has been sought wherever appropriate throughout the Review process. There are no further legal considerations at this time.

Financial considerations

17 The previous report of 30 July 2020 provided details of Organisational Review costs.

18 There is no opportunity to implement new initiatives in the current year if new funding is required. However, a number of actions are included within existing programmes.

19 Potential cost implications and associated funding options for actions proposed in this paper have not been prepared yet and will form part of the Long Term Plan process.

Tāngata whenua considerations

20 Council's three iwi partners were represented on the sub-committee that developed the terms of reference for the review by an ART Confederation representative. The Terms of Reference included exploration of matters relating to the partnership between the Council and iwi and, one of the key themes encompassing 4 of the 29 recommendations was on how the Council could strengthen the partnership relationship with mana whenua.

21 Implementation of a number of the actions proposed – especially those focused on Council relationships with iwi – will require significant iwi consultation and assistance from the Iwi Partnerships Team.

Strategic considerations

- 22 Actions proposed in this paper may contribute to improved results for council's ten-year outcomes 'Community satisfaction with Council services is maintained or improved' and 'Improved accessibility of Council services'. These will inform the development of the 2021-2041 Long Term Plan.

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 23 This matter has a low level of significance under the Council's Significance and Engagement Policy.

Consultation already undertaken

- 24 In preparing the Review report, MartinJenkins consulted with current and former Elected Members and staff, Community Board members, representatives from two of the three iwi in the District and representatives from external organisations, community groups and residents' organisations.
- 25 No further consultation has taken place.

Engagement planning

- 26 An engagement plan is not needed to implement this decision.

Publicity

- 27 There may be public interest in this report and Elected Members and the Chief Executive may wish to consider issuing a statement.

RECOMMENDATIONS

- 28 That the Council notes the programme of activities developed in response to the MartinJenkins Review recommendations, as set out in Appendix One;
- 29 That the Council notes that a number of the actions will be subject to new initiatives within the Long Term Plan or Annual Plan being approved;
- 30 That the Council notes that thereafter, officers will report back quarterly on progress in implementing the programme of activities.

APPENDICES

1. Appendix 1: Collated Programme of Actions  

APPENDIX 1: COLLATED PROGRAMME OF ACTIONS

Focus Area	Action #	Action Type	Action	Review Theme	Relates to Rec #	Related Recommendation
Strong and effective partnerships between Elected Members, Iwi and Management	1.1	Planned	Include for consideration in upcoming Representation Review the option of establishing a Māori Ward to assist in meeting our communities' needs and expectations.	B: Ensure that the community understands why the Council is planning and doing what it does through...	6	Continuing and strengthening the approach of front footing issues and proactive communications with the community on issues and plans to foster a constructive and more trusting relationship.
Strong and effective partnerships between Elected Members, Iwi and Management	1.2	Proposed	Scope opportunities to broaden elected member training programme to provide more opportunities for governance training development – including for iwi representatives – to inform an LTP business case. Includes potential to review induction, training and mentoring opportunities for Councillors via LGHub.	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	7	Providing governance training opportunities for new Councillors following their induction into the roles as Councillors. This might include membership of the Institute of Directors, providing access to the range of training and mentoring opportunities offered.
Strong and effective partnerships between Elected Members, Iwi and Management	1.3	Proposed	Increase opportunities for candidates to receive pre-election education around the role of Council/ Community Boards and good governance.	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	7	Providing governance training opportunities for new Councillors following their induction into the roles as Councillors. This might include membership of the Institute of Directors, providing access to the range of training and mentoring opportunities offered.

Strong and effective partnerships between Elected Members, Iwi and Management	1.4	Proposed	Investigate mentoring programmes and their benefits for Councillors, and consider adopting a mentoring scheme here.	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	8	Looking for mentoring opportunities for people new to governance roles to provide ongoing support for the roles.
Strong and effective partnerships between Elected Members, Iwi and Management	1.5	Proposed	Investigate the potential for a secondment programme for Council and iwi	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	8	Looking for mentoring opportunities for people new to governance roles to provide ongoing support for the roles.
Strong and effective partnerships between Elected Members, Iwi and Management	1.6	Proposed	Explore opportunities to strengthen staff induction around the role of Council/ Community Boards and good governance.	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	9	Ensuring that staff fully appreciate the importance of enabling Councillors to receive information in a timely manner to enable them to more fully contribute to discussions on the direction of the Council.
Strong and effective partnerships between Elected Members, Iwi and Management	1.7	Proposed	Consider options and guidance for bringing in external advisors to support Councillors with their portfolio responsibilities.	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	10	Bringing in external advisors, subject matter experts (in addition to Council staff) to advise Councillors on aspects of the area they are considering at the time. This would assist Councillors in the current Triennium with their portfolio responsibilities.

Strong and effective partnerships between Elected Members, Iwi and Management	1.8	Proposed	Initiate a review of how effective and efficient the use of portfolios is for Elected Members and officers, and consider changes that may be needed.	D: Foster a constructive relationship between Councillors and Council management and staff through ...	12	Exploring the needs of each role and ways to meet these for mutual benefit.
Strong and effective partnerships between Elected Members, Iwi and Management	1.9	Proposed	Review Community Boards' support requirements and develop a business case for technology and secretariat support for inclusion in next LTP.	E: Leverage the opportunities that the Community Boards present through ...	15	Reviewing the levels of technological and other support that Community Boards might need to enable them to receive and share information more readily and in a timely manner.
Strong and effective partnerships between Elected Members, Iwi and Management	1.10	Proposed	Investigate opportunities for proactive engagement with Community Boards. Reviewing the forward agenda for all Boards with a view to more proactive engagement on rationale for Council decisions will assist with this.	E: Leverage the opportunities that the Community Boards present through ...	16	Extending the current approach to briefing Community Boards on Council activity to more proactive engagement with community boards on the rationale for Council strategic and operational decisions.
Strong and effective partnerships between Elected Members, Iwi	1.11	Proposed	Initiate a conversation with iwi partners on aspirations for partnership and opportunities to strengthen this. Consider the potential for joint ventures on	F: Strengthen the partnership relationship with mana whenua through ...	18	Strengthening the 'one house' concept by taking this to levels below the Mayor, so that there is a perceived and actual working

and Management			specific initiatives e.g. housing, health, economic development.			together in partnership on planning and operational activity.
Strong and effective partnerships between Elected Members, Iwi and Management	1.12	Planned	Initiate a formal review of Te Whakaminenga o Kāpiti, with a 25 year view for what this looks like.	F: Strengthen the partnership relationship with mana whenua through ...	19	Engaging with iwi directly and earlier more often than at present on operational planning and activity while maintaining the role for Te Whakaminenga o Kāpiti as a useful forum for higher level, more strategic discussions between Council representatives and iwi.
Strong and effective partnerships between Elected Members, Iwi and Management	1.13	Proposed	Look for further opportunities for involvement of iwi in project governance and design. The Kapiti Gateway project was a recent example of this.	F: Strengthen the partnership relationship with mana whenua through ...	19	Engaging with iwi directly and earlier more often than at present on operational planning and activity while maintaining the role for Te Whakaminenga o Kāpiti as a useful forum for higher level, more strategic discussions between Council representatives and iwi.
Strong and effective partnerships between Elected Members, Iwi and Management	1.14	Proposed	Consider procurement processes and the potential to look at adding weighting or other ways of supporting local iwi.	F: Strengthen the partnership relationship with mana whenua through ...	19	Engaging with iwi directly and earlier more often than at present on operational planning and activity while maintaining the role for Te Whakaminenga o Kāpiti as a useful forum for higher level, more strategic discussions between Council representatives and iwi.

Strong and effective partnerships between Elected Members, Iwi and Management	1.15	Proposed	Work with iwi partners to develop an approach to more appropriately resource iwi to participate in the work of Council, to inform a business case for the LTP.	F: Strengthen the partnership relationship with mana whenua through ...	20	Allocating more funding to enable iwi to contribute as needed in terms of time and resources to working with Council management and staff through Te Whakaminenga o Kāpiti and in direct communications with the Council.
Strong and effective partnerships between Elected Members, Iwi and Management	1.16	Proposed	Scope capability development programme to build staff members' understanding of Te Ao Maori and the Council's legislative and partnership obligations to iwi/Maori, to inform an LTP business case.	F: Strengthen the partnership relationship with mana whenua through ...	21	Continuing to build and strengthen the Council's understanding of Te Ao Māori and the value that these perspectives bring to the relationship with iwi.
Strong and effective partnerships between Elected Members, Iwi and Management	1.17	Planned	Strengthen the programme of information sessions for Councillors, and continue to engage Councillors early on issues and upcoming decisions, including Tuesday briefings. There is potential to further explore the mix of meetings/ briefings/ workshops and getting the right mix to enable Councillors sufficient time.	C: Clarify and enable the respective roles between Councillors, Chief Executive, Council management and staff through ...	9, 14	<p>9. Ensuring that staff fully appreciate the importance of enabling Councillors to receive information in a timely manner to enable them to more fully contribute to discussions on the direction of the Council.</p> <p>14. Reviewing the current arrangements for all meetings on a Thursday, and considering timings that would allow Councillors and staff more time for considering issues.</p>

Building organisational capacity and capability	2.1	Proposed	Look at tools and approaches to aid collaboration within our organisation - enablers of organisational effectiveness. For example, team plans, cross-council workshops to work on the business (e.g. culture workshops), agile boards, and technology enablers such as Trello and Slack.	A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload through ...	1	Developing an agreed operating model for the Council organisation that can act as a bridge between the current high level strategy of the Long Term Plan and the execution of that strategy through the Annual Plan and operational activity.
Building organisational capacity and capability	2.2	Planned	Continue our business improvement work, including systems improvements and looking for opportunities for increased use of available data and evidence to support decision-making	A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload through ...	1	Developing an agreed operating model for the Council organisation that can act as a bridge between the current high level strategy of the Long Term Plan and the execution of that strategy through the Annual Plan and operational activity.
Building organisational capacity and capability	2.3	Planned	Increase strategy resource with a focus on recovery/ strategy and growth for our district.	A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload through ...	1	Developing an agreed operating model for the Council organisation that can act as a bridge between the current high level strategy of the Long Term Plan and the execution of that strategy through the Annual Plan and operational activity.

Building organisational capacity and capability	2.4	Planned	Strengthen staff tools and templates to lift the quality of information in reports to Council with guidance on, for example, strengthening presentation of the risks relating to decisions required; continuous improvement in explaining the rationale behind Council decisions - for and against; improving the peer review process so that there is more collaboration in writing/ reviewing reports at tier 3 before they get to SLT.	B: Ensure that the community understands why the Council is planning and doing what it does through...	3	Explaining the rationale behind its plans and decisions, including where appropriate the rationale for not progressing with particular suggestions from the community.
Building organisational capacity and capability	2.5	Planned	Continue to find opportunities to better reflect tikanga in the Council's every day practice.	F: Strengthen the partnership relationship with mana whenua through ...	21	Continuing to build and strengthen the Council's understanding of Te Ao Māori and the value that these perspectives bring to the relationship with iwi.
Building organisational capacity and capability	2.6	Proposed	Identify roles where understanding of Te Ao Maori and ability to work effectively with iwi is a core requirement and actively recruit for that capability when vacancies arise. For example, over time look to recruit Maori governance capability within the Democracy Services Team.	F: Strengthen the partnership relationship with mana whenua through ...	21	Continuing to build and strengthen the Council's understanding of Te Ao Māori and the value that these perspectives bring to the relationship with iwi.

Building organisational capacity and capability	2.7	Planned	Continue improving our webpages and being able to provide more services to our customers online. (Costs may be associated with setting up online services).	G: Continue with fostering the values behind Council's Open for Business initiative to guide staff attitudes to service quality and customer focus, but change the name ...	22	Continuing to foster the values of caring, dynamic and effective but change the umbrella name for this initiative from Open for Business.
Building organisational capacity and capability	2.8	Planned	Continue to undertake case study research to identify issues in service delivery, for example undertake an independent audit of resource and building consent applications to identify the reasons for delays and address any gaps or weaknesses. Enhance with meta-data analysis to identify causal factors.	G: Continue with fostering the values behind Council's Open for Business initiative to guide staff attitudes to service quality and customer focus, but change the name ...	22	Continuing to foster the values of caring, dynamic and effective but change the umbrella name for this initiative from Open for Business.
Building organisational capacity and capability	2.9	Proposed	Develop a programme to embed a customer-centric approach into our service delivery, for example customer-led design of customer-facing service sites and functions.	G: Continue with fostering the values behind Council's Open for Business initiative to guide staff attitudes to service quality and customer focus, but change the name ...	22	Continuing to foster the values of caring, dynamic and effective but change the umbrella name for this initiative from Open for Business.

Building organisational capacity and capability	2.10	Proposed	Initiate analysis of requirements to ensure the organisation is resourced to support workforce planning and staff training and development.	I: Ensure that the organisation is resourced to support workforce planning and staff training and development through ...	25	Providing additional resource to the Organisational Development Team to enable it to step beyond servicing the day-to-day needs of the Council, and adopt a more strategic approach to workforce planning. This could be a contract resource in the short term to free up people for planning.
Business planning to provide clarity on our priorities	3.1	Proposed	Complete initial scoping of an Operating Model to report back to Council on next steps in October. This would link to our people strategy and organising framework including our work on purpose and culture.	A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload through ...	1	Developing an agreed operating model for the Council organisation that can act as a bridge between the current high level strategy of the Long Term Plan and the execution of that strategy through the Annual Plan and operational activity.
Business planning to provide clarity on our priorities	3.2	Proposed	Develop Business Plans for activities that don't hold assets, to link back to LTP outcomes.	A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload through ...	1	Developing an agreed operating model for the Council organisation that can act as a bridge between the current high level strategy of the Long Term Plan and the execution of that strategy through the Annual Plan and operational activity.
Business planning to provide clarity on our priorities	3.3	Proposed	Consider how best to measure and track unplanned, reactive work requests to enable decision-making and prioritising of these.	A: Support Council managers and staff in their decision-making, setting of priorities and managing the workload through ...	1	Developing an agreed operating model for the Council organisation that can act as a bridge between the current high level strategy of the Long Term Plan and the execution of that strategy through the Annual Plan and operational activity.

Business planning to provide clarity on our priorities	3.4	Proposed	Commence workforce planning for 12 month and 24 month horizons.	H: Adopt a more strategic approach to workforce planning within the organization (managers supported by Organisational Development) through ...	24	Formally analysing, forecasting and planning workforce supply and demand for the Council to fulfill its mandate and strategic objectives. - This means assessing the rationale behind decisions to employ people in fixed term, casual contract and permanent positions, and ensuring that there is the right balance of talent within the organization. - It also means looking at talent development and career path planning for staff.
An increased focus on public participation/ democratic participation	4.1	Proposed	Initiate review of how we communicate changes to plans, bylaws, rules and policies. This could include investigating the resources required to expand submission responses to more submitters. Use findings to refresh the Communication and Engagement Strategy and underlying documents.	B: Ensure that the community understands why the Council is planning and doing what it does through...	3, 4, 5	3. Explaining the rationale behind its plans and decisions, including where appropriate the rationale for not progressing with particular suggestions from the community. 4. Ensuring that all submitters receive explanation as to why their submission was not included in final decisions and plans. 5. Presenting its operational plans up front to provide the opportunity for transparency in the community.
An increased focus on public participation/ democratic participation	4.2	Planned	Use the LTP as the flagship for investigating story-telling, video content, focus groups and other channels and approaches to make consultation less	B: Ensure that the community understands why the Council is planning and doing what it does through...	5	Presenting its operational plans up front to provide the opportunity for transparency in the community.

			complex and more engaging.			
An increased focus on public participation/ democratic participation	4.3	Planned	Build a three-year civic education programme phased around the electoral cycle.	B: Ensure that the community understands why the Council is planning and doing what it does through...	6	Continuing and strengthening the approach of front footing issues and proactive communications with the community on issues and plans to foster a constructive and more trusting relationship.
An increased focus on public participation/ democratic participation	4.4	Proposed	Investigate a process for dealing with complaints from the public, including policy, systems and provision of public advisory service.	B: Ensure that the community understands why the Council is planning and doing what it does through...	6	Continuing and strengthening the approach of front footing issues and proactive communications with the community on issues and plans to foster a constructive and more trusting relationship.
An increased focus on public participation/ democratic participation	4.5	Proposed	Consider opportunities for providing material to Elected Members to use with their networks and portfolios to communicate Council plans and activity to the community.	E: Leverage the opportunities that the Community Boards present through ...	17	While they are an advocacy group from the community to the Council, there is opportunity to see how the Community Boards can also be utilized more to communicate on Council plans and activity back to the community.

9.4 THREE WATERS REFORM PROGRAMME – MEMORANDUM OF UNDERSTANDING AND FUNDING PACKAGE

Author: Martyn Cole, Water & Wastewater Asset Manager

Authoriser: Sean Mallon, Group Manager Infrastructure Services

PURPOSE OF REPORT

- 1 This report asks Council to opt in to the first stage of the government's 3-Waters Reform Programme, by:
 - signing a Memorandum of Understanding (MoU) with the Crown, agreeing to participate in the initial stage of a central/local government 3-Waters service delivery reform programme (Appendix 1);
 - authorising the Chief Executive to enter into the Funding Agreement, to accept a grant from the Crown to spend on operating and/or capital expenditure relating to 3-Waters infrastructure and service delivery (Appendix 2); and
 - authorising the proposed use of the available grant funding on operational and /or capital 3 waters service expenditure in accordance with the Funding Agreement and Delivery Plan approved by Government.

DELEGATION

- 2 Council has the authority under the Governance Structure and Delegations 2019-2022 Triennium to consider this matter within its general role of local government under the Local Government Act 2002.

BACKGROUND**3-Waters Reform Programme**

- 3 The Government Inquiry into Havelock North Drinking Water – set up following the serious campylobacter outbreak in 2016 – identified that there are critical weaknesses with the drinking water system that need to be addressed. Since that time, the Department of Internal Affairs (DIA) has led the Government's response to bring about change in the delivery of 3-waters services to communities.
- 4 While acknowledging that there are significant issues to be addressed, local government as a whole does not concur with the central government belief that there is widespread systemic failure. Nevertheless, since the publication of the Havelock North Inquiry, local and central government have been working together to find solutions to the challenges facing delivery of three waters services to communities.
- 5 The Government is implementing a package of reforms to the 3-Waters regulatory system, which are designed to:
 - improve national-level leadership, oversight, and support relating to the 3-Waters regulatory system through the creation of Taumata Arowai, a new, dedicated Water Services Regulator.
 - significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation;
 - manage risks to drinking water safety and ensure sources of drinking water are protected;
 - improve the environmental performance and transparency of wastewater and stormwater networks

- 6 Legislation to create Taumata Arowai had its third reading on 22 July 2020 and was granted royal assent on 8 August 2020. This new Crown entity is currently being established, and will become responsible for drinking water regulation once a separate Water Services Bill is passed. This is expected to happen in mid-2021.
- 7 While addressing the regulatory issues, both central and local government acknowledge that there are other challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. These challenges include:
 - Underinvestment in 3-Waters infrastructure in parts of the country, and substantial infrastructure deficits. For example, it is estimated that between \$300 and \$570 million is required to upgrade networked drinking water treatment plants to meet drinking water standards; and up to \$4 billion is required to upgrade wastewater plants to meet new consent requirements. These deficits are likely to be underestimates, given the variable quality of asset management data.
 - Persistent funding and affordability challenges, particularly for communities with small rating bases, or high-growth areas that have reached their prudential borrowing limits.
 - Additional investment required to increase public confidence in the safety of drinking water, improve freshwater outcomes, and as a critical component of a collective response to climate change and increasing resilience of local communities.
- 8 The Government has indicated that its starting intention is public multi-regional models for water service delivery to realise the benefits of scale for communities and reflect neighbouring catchments and communities of interest. The Government's preference is that entities will be in the shared ownership of local authorities and that the design of the proposed new arrangements will be informed by discussion with the local government sector.
- 9 While there are a range of views regarding the proposed government reforms, it is acknowledged that a partnership approach between local and central government will best support the wider community interests, and ensure that any transition to new service delivery arrangements is well managed and as smooth as possible.
- 10 This has, in part, led to the formation of a joint Central/Local Government 3-Waters Steering Committee (Steering Committee) to provide oversight and guidance to support progress towards reform, and to assist in engaging with local government, iwi/Māori, and other water sector stakeholders on options and proposals.
- 11 COVID-19 has made the situation even more challenging. Prior to COVID-19, territorial authorities were planning on spending \$8.3 billion in capital over the next five years on water infrastructure. However, COVID-19 is likely to cause significant decreases in revenue in the short term and opportunities to raise revenue through rates, fees and charges will be limited.
- 12 The next stages of the Government's proposed reforms are discussed below.

DISCUSSION

Proposed 3-Waters Reform Programme Tranche One Investment Package

- 13 In July 2020, the Government announced a first tranche funding package of \$761 million to support reform of local government water services delivery arrangements and to provide immediate post-COVID-19 stimulus to local authorities, through a combination of:
 - reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term; and
 - stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance.
- 14 From the total funding of \$761m, an allocation of \$51 million will go to support Taumata Arowai, the new water regulator and to acknowledge the leadership of the Hawkes Bay who have taken a regional approach to their waters challenge, the Government has allocated \$50

million of stimulus funding. The total funding also provides \$30 million to help non-council rural water supplies to meet costs in the face of the new regulatory regime for drinking water.

- 15 The Government's reform programme proposal, including indicative timeline, is provided in Appendix 3. While this is subject to change as the reforms progress, and subject to future Government budget decisions, it provides an overview of the longer-term reform pathway and steps.
- 16 To access the Tranche One funding package, territorial authorities must:
- Agree to participate in the first phase of the three waters services reform programme by signing the Memorandum of Understanding (attached as Appendix 1) by 31 August 2020;
 - Enter into a Funding Agreement (attached as Appendix 2) by 30 September 2020, specifying what funding can be spent on and the conditions attached to the funding; and
 - Specify the projects that funding will be applied to in a Delivery Plan (template document attached as Appendix 4), to be submitted to Crown Infrastructure Partners by 30 September 2020 for approval prior to release of funding.
- 17 These key documents are discussed in more detail in the next section.

Memorandum of Understanding

- 18 An MoU has been developed by the Steering Committee, for each council to enter into with the Crown. This is a standardised document, which cannot be amended or modified by either party.
- 19 Signing the MoU commits councils to:
- engage in the first stage of the reform programme – including a willingness to accept the reform objectives and the core design features set out in the MoU;
 - the principles of working together with central government and the Steering Committee;
 - work with neighbouring councils to consider the creation of multi-regional entities;
 - share information and analysis on their 3-Waters assets and service delivery arrangement
- 20 Participation in this stage is undertaken in good faith, is a voluntary, non-binding commitment and councils can opt out of the reform process at the end of the term of the agreement. The MoU is effective from the date of agreement until 30 June 2021, unless terminated by agreement or by replacement with another document relating to the reform programme.
- 21 Entering into the MOU **does not** require councils to commit to future phases of the reform programme, to transfer their assets and / or liabilities, or establish new water entities.
- 22 The MoU needs to be signed and submitted by the end of August 2020. Councils that do not sign the MoU by the end of August 2020 will not receive a share of the stimulus funding. Councils will still be able to opt in to the reform programme at a later date, but will not have access to the initial funding package, retrospectively

Funding Agreement

- 23 The Funding Agreement guides the release and use of funding. It sets out:
- the funding amount allocated to councils;
 - funding conditions;
 - public accountability requirements, including the Public Finance Act;

- reporting milestones.
- 24 While there is some local flexibility around how the funding can be applied, the Government has indicated that this investment is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.
- 25 The Funding Agreement is one of the mechanisms for accessing the funding package. Like the MoU, it is a standardised document, for agreement between each council and the Crown. It cannot be amended. The Funding Agreement will be supplemented by a Delivery Plan, which is the document that sets out how the grant funding is to be applied by Council.
- 26 In order to qualify for the funding through the stimulus programme, councils need to submit the Funding Agreement by the end of September 2020.
- 27 Any further tranches of funding will be at the discretion of the Government and may depend on progress against reform objectives.

Delivery Plan and Works Programme

- 28 The Delivery Plan is a short-form template and is one of the mechanisms needed to access the stimulus funding. It sets out:
- a summary of the works to be funded, including location, estimated associated costs, and expected benefits/outcomes;
 - the number of people to be employed in these works;
 - an assessment of how the works support the reform objectives in the MoU;
 - reporting obligations.
- 29 The Delivery Plan must show that the funding allocation is to be applied to operating and / or capital expenditure relating to 3- waters infrastructure and service delivery, and which:
- supports economic recovery through job creation; and
 - maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.
- 30 The Delivery Plan will be supplied to Crown Infrastructure Partners (and other organisations as agreed between councils and the Crown), for review and approval. Crown Infrastructure Partners will monitor progress against the Delivery Plan, to ensure spending has been undertaken in accordance with public sector financial management requirements.

Allocation of the Tranche One Funding

- 31 The Government has determined a notional allocation framework for the funding based on a nationally consistent formula based generally on 75% population and 25% land area.
- 32 Initial funding will be made available to those councils that sign the MoU, and associated Funding Agreement, and provide a Delivery Plan.
- 33 This initial funding will be provided in two components: a direct allocation to individual councils, and a regional allocation. The participating councils in each region are required to agree an approach to distributing the regional allocation.
- 34 The Steering Committee has recommended a preferred approach to the allocation of regional funding, being the same formula that is used to determine the direct allocations to territorial authorities. Each regional group of councils has until 30 September to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region, noting that participation by two-thirds of territorial authorities within each region is required to access the regional allocation fund.
- 35 A joint letter from the Mayors of the participating local authorities to the Minister of Local Government and the Steering Committee should be used to communicate an agreement.

- 36 Based on the above methodologies, the indicative funding allocations for the Kāpiti Coast District Council are as follows:
- *direct allocation* - \$3.1m (excluding GST).
 - *regional allocation* - \$3.1m (excluding GST).
- 37 Local authorities in the Wellington Region, including the Kāpiti Coast District Council have discussed the regional allocation and, at the time of writing, the agreement reached was to adhere to the Steering Committee's preferred approach of using the same formula as for direct allocations.

Council's proposed use of the funding

- 38 The \$6.2m funding potentially available to the Council is proposed to be spent on the following projects.
- 39 Proposed funding allocation works programme

Operational Expenditure	
Stormwater modelling advancement including latest climate change projections	\$350,000
Drinking water systems and Asset Management process improvements /Water services deliver options consideration	\$650,000
Subtotal Operational Expenditure	\$1.0m
Capital Expenditure	
Water Safety and Resilience Programme works, including Waikanae, Otaki & Hautere Water Treatment plant renewals and upgrades.	\$5.2m
Subtotal Capital Expenditure	\$5.2m
Total Expenditure	\$6.2m

Analysis

- 40 The Government has openly stated its main intention of the proposed reforms – amalgamation of water service delivery into public multi-regional models. The Council doesn't believe that mandatory aggregation of water suppliers is necessary. It believes that many of the benefits that would accrue from, for example, creating a new regulator, introducing national standards and implementing co-investment between local and central government can be achieved without an aggregation of water suppliers.
- 41 Over the past decade or more Council has invested heavily in its water infrastructure. This has included: 2003 Sustainable Water Supply Strategy, 2005 emergency Waikanae bore field, 2009 water conservation strategy, 2009 water supply project study, 2012 land purchase for a future dam site for Waikanae (100year supply security), 2013 consenting of a 50 year Waikanae water supply scheme and construction of the first stage of river recharge project, 2014 implementation of water metering project; that has secured the infrastructure and a plan for water long term security of water for communities on the coast.
- 42 This approach was commended by the Auditor-General's report, Managing the supply of and demand for drinking water, that showed that the Kāpiti Coast District Council is setting a good example in their strategic, future-focused approach to supplying drinking water.
- 43 In 2018/19 Council also commenced the water safety and resilience programme of works that includes a \$15m investment in the upgrading and renewal of the Waikanae, Hautere and Otaki water treatment plants. This investment will further improve the delivery of safety drinking water to our communities and their seismic resilience.

- 44 Ongoing wastewater system renewals are being made to manage the ongoing reliability of wastewater management and treatment. Improvements in the knowledge about asset condition and performance are being made and this is informing long term plan investment.
- 45 The re-consenting of the Paraparaumu Wastewater treatment plant is underway and in combination with a wastewater management strategy will position Kāpiti for reliable long term wastewater services for future.
- 46 A \$258m programme of stormwater upgrades is in place in the Long Term Plan to address the flooding issues over the next 45 years. Around \$4.5m a year of improvements is being delivered under this programme over the next 5 years.
- 47 The works planned and funded in Councils current Long Term Plan provides for the future delivery of ongoing 3 waters services on the coast.
- 48 Officers propose that Council agrees to opt-in to the first stage of the Governments proposed reforms on the basis that:
- this will not commit the Council to any asset transfers in the future;
 - the grant funding being made available by the Government can be used to fund important 3-Waters infrastructural projects that will benefit the community;
 - it allows the council to participate in the process of designing solution(s);
 - any future decisions relating to a transfer of ownership of the Council's 3-Waters assets will be preceded by comprehensive community consultation.
- 49 Officers recommend that the Council should engage with the Government openly and in good faith to consider the full range of costs and benefits associated with the proposed 3-Waters reform programme.

CONSIDERATIONS

Policy considerations

- 50 The Council standing orders have explicit requirements for decisions relating to ownership, management, policy, funding and/or revenue of water assets and services. At this initial stage of the reform programme no decision about these matters is being sought so the requirements are not triggered.

Legal considerations

- 51 A legal opinion by Simpson Grierson, commissioned by SOLGM on behalf of the Steering Committee, advises that the MoU does not contain any explicit triggers for consultation under the Local Government Act 2002. A copy of the opinion is included in Appendix 5.

Financial considerations

- 52 If the Council signs up to this initial stage of the reform programme, it is likely to receive funding of \$6.2m. The application of this funding to further the Council's 3-Waters service delivery objectives has already been discussed earlier in the report.
- 53 The Funding made available under this Agreement comprises grant funding and does not comprise an equity investment or loan. The funding is additional existing long term plan funding and would not impact any existing programmes of work or have an impact on rates or borrowings.
- 54 It is only repayable in the specific circumstances set out in the funding Agreement. At any time DIA may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, or not applied to Eligible Costs by the End Date of 31 March 2022, together with interest on all such amounts calculated at 10% per annum from the date of the mispending to the date the money is repaid.

Tāngata whenua considerations

- 55 The management of Kāpiti Coast's water resources is of significance to local Iwi and while the MoU doesn't obligate Council to make any changes to the ownership or management of the three waters services, it is important that our treaty partners are involved in any reform process with Council.
- 56 The exact nature of the initial stage of the proposed reform process requires further clarification from Department of Internal Affairs. As further detail is understood the mechanisms to work with Iwi on this matter will be developed.

Strategic considerations

- 57 The proposed grant funding investment in 3 waters service delivery aligns directly with Councils immediate 3-year focus to improve infrastructure resilience and ten year outcomes in the 2018 Long Term Plan.
- 58 With \$700m of stimulus funding being offered nationally to be delivered by March 2022 rapid procurement and securing of resources will be important to be able to access and apply the funding. Two key risk areas to delivering the works programme proposed for the stimulus funding are procurement delays and consultant and contractor resourcing
- 59 A three waters procurement strategy completed 2018/19 identified, post Havelock North, the demand for consultants and contractors would be under pressure as many local authorities made commitments to additional investment in water supply infrastructure. As a result, Kāpiti Coast District Council established a consultancy panel and explored construction bundling options to make our works more attractive the construction industry.
- 60 The national stimulus funding package, the associated tight delivery timeframes and a national COVID 19 recovery response will further tension an already tight infrastructure market. Officers have already initiated early discussions with consultants on our panel and with local contractors to explore availability and secure resources to deliver our proposed works programme.

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 61 The signing of the MoU and accessing the first tranche of stimulus funding has been assessed against the Councils Significance and Engagement Policy. The water supplies, wastewater and stormwater systems are strategic assets and significant to Council and its communities.
- 62 Signing the MoU at this initial stage doesn't make decisions about these assets so this has a low level of significance under the Policy.
- 63 The specific commitments under the MoU to engage in the first stage of the reform programme are likely to be of particular interest to the community and are considered to have medium level of significance under the Policy.

Consultation and engagement

- 64 As stated previously, the MoU does not contain any explicit triggers for consultation under the Local Government Act 2002. A copy is included in Appendix D.
- 65 That being said, as noted in the assessment of significance, the community will have a lot of interest in this matter. If in the future, there is a proposal to transfer Council assets to another entity, this would obviously be a matter of interest to the community and a subject on which the Council would want, and be legally obliged, to consult with the community.
- 66 The DIA has signalled that at this time it would look to implement a consolidated consultation process to avoid the necessity for around 70 councils all having to individually consult on any proposals. Any such consultation would also need, if possible, to align with the council long

term plans in order to avoid unnecessary reworking of significant activities and their associated financial budgets.


Publicity


- 67 The commitment to engage in the first stage of the reform programme, through signing the MoU, is likely to be of particular interest to the community and while this doesn't trigger a decision about strategic assets it is nevertheless likely to draw particular attention from the community, to understand the process proposed.
- 68 Accordingly a communications plan will be developed (suggest speaking to Sue Owens) to ensure that the community is kept informed of the immediate and ongoing process.


RECOMMENDATIONS


That the Council:

- 69 Authorises the Mayor and Chief Executive, on behalf of the Council, to sign the MoU agreeing to participate in the Tranche-1 stage of the 3-Waters service delivery reform programme, (as per Appendix 1).
- 70 Authorises the Chief Executive to enter into the funding agreement to accept the Crown funding grant to spend on Operating and/or Capital expenditure in 3-Waters infrastructure services (as per Appendix 2).
- 71 Authorising the proposed use of the available grant funding on operational and /or capital 3 waters service expenditure in accordance with the Funding Agreement and Delivery Plan approved by Government.
- 72 Authorise the Mayor, on behalf of the Council, to sign a joint letter from the Mayors of the participating local authorities to the Minister of Local Government and the Steering Committee to reflect their agreement on the approach to allocating the regional funding.
- 73 Authorises the Chief Executive to approve expenditure up to the approved amount of grant funding and in accordance with the approved Delivery Plan.
- 74 Agrees to nominate the Chief Executive as the primary point of communication for the purposes of the MoU.
- 75 Notes that the MoU and Funding Agreement cannot be amended or modified by either party, and doing so would void those documents.

Appendices 1. Three Waters Reform - Memorandum of Understanding [↓](#) 

2. Three Waters Reform - Funding Agreement 04 August 2020 [↓](#) 

3. Three Waters Reform - Programme proposal [↓](#) 

4. Three Waters Reform - Stimulus Delivery Plan Template [↓](#) 

5. Simpson Grierson Advice to SOLGM on MOU [↓](#) 

MODEL

Memorandum of Understanding Three Waters Services Reform

Between the [Sovereign in right of New
Zealand acting by and through the Minister of
Local Government] and

[Territorial Authority]

Date

PURPOSE

This Memorandum of Understanding (Memorandum) sets out the principles and objectives that the Parties agree will underpin their ongoing relationship to support the improvement in three waters service delivery for communities with the aim of realising significant public health, environmental, economic, and other benefits over the medium to long term. It describes, in general terms, the key features of the proposed reform programme and the Government funding arrangements that will support investment in three waters infrastructure as part of the COVID 19 economic recovery.

BACKGROUND

Over the past three years central and local government have been considering solutions to challenges facing the regulation and delivery of three water services. This has seen the development of new legislation to create Taumata Arowai, the new Water Services Regulator, to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. There has been regulatory failure, underinvestment in three waters infrastructure in parts of the country, and persistent affordability challenges, and additional investment is required to increase public confidence in the safety of drinking water and to improve freshwater outcomes. Furthermore, investment in water service delivery infrastructure is a critical component of a collective response to climate change and increasing resilience of local communities.

The Parties to this Memorandum consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy. Additional funding will be subject to Government decision-making and reliant on the Parties demonstrating substantive progress against the reform objectives. The quantum, timing, conditions, and any other information relating to future funding will be advised at the appropriate time but will likely comprise additional tranches of funding and more specific agreement to key reform milestones.

The reform process and stimulus funding, proposed by Government, is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector, through a combination of:

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

There is a shared understanding that a partnership approach will best support the wider community and ensure that the transition to any eventual new arrangements is well managed and as smooth as possible. This requires undertaking the reform in a manner that enables local government to continue and, where possible, enhance delivery of its broad “wellbeing mandates” under the Local Government Act 2002, while recognising the potential impacts that changes to three waters service delivery may have on the role and functions of territorial authorities.

PRINCIPLES FOR WORKING TOGETHER

The Parties shall promote a relationship in their dealings with each other, and other Parties related to the three waters services reform, based on:

- mutual trust and respect; and
- openness, promptness, consistency and fairness in all dealings and communication including through adopting a no-surprises approach to any matters or dealings related to the reform programme; and
- non-adversarial dealings and constructive problem-solving approaches; and
- working co-operatively and helpfully to facilitate the other Parties perform their roles; and
- openly sharing information and analysis undertaken to date on the state of the system for delivering three waters services and the quality of the asset base.

This Memorandum is intended to be non-binding in so far as it does not give rise to legally enforceable obligations between the Parties.

REFORM OBJECTIVES AND CORE DESIGN FEATURES

By agreeing to this Memorandum, the Parties agree to work constructively together to support the objectives of the three waters service delivery reform programme.

The Parties agree that the following objectives will underpin the reform programme and inform the development of reform options/proposals:

- significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes);
- ensuring all New Zealanders have equitable access to affordable three waters services;
- improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand's infrastructure and environmental needs at a larger scale;
- increasing the resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards;
- moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils;
- improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers; and
- undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader "wellbeing mandates" as set out in the Local Government Act 2002.

In addition to these objectives, the Parties recognise that any consideration of changes to, or new models for, water service delivery arrangements must include the following fundamental requirements and safeguards:

- mechanisms that provide for continued public ownership of water service delivery infrastructure, and protect against privatisation; and
- mechanisms that provide for the exercise of ownership rights in water services entities that consider the interests and wellbeing of local communities, and which provide for local service delivery.

The Parties also recognise the reform programme will give rise to rights and interests under the Treaty of Waitangi and both Parties acknowledge the role of the Treaty partner. This includes maintaining Treaty settlement obligations and other statutory rights including under the Resource Management Act 1991 and the Local Government Act 2002. The outcome of discussions with iwi/Māori will inform design of appropriate mechanisms to reflect Treaty interests. This will include clarity of roles and responsibilities.

The Parties agree to work together to identify an approach to service delivery reform that incorporates the objectives and safeguards noted above, and considers the following design features as a minimum:

- water service delivery entities, that are:
 - of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term;
 - asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
 - structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards;
- delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so; and
- publicly owned entities, with a preference for collective council ownership;
- mechanisms for enabling communities to provide input in relation to the new entities.

The Parties acknowledge that work will also be undertaken to develop a regulatory framework, including mechanisms to protect the interests of consumers.

FUNDING ARRANGEMENTS

The Government has indicated its intention to provide funding to stimulate investment to enable improvements in water service delivery, support economic recovery and progress Three Waters Services Reform. The quantum of funding available for the Council (and each participating Council) will be notified by Government prior to signing this Memorandum.

Funding will be provided as soon as practicable following agreement to this Memorandum and the associated Funding Agreement and Delivery Plan. The Delivery Plan will need to show that the funding is to be applied to operating or capital expenditure on three waters service delivery (with the mix to be determined by the Council) that:

- supports economic recovery through job creation; and
- maintains, increases and/or accelerates investment in core water infrastructure renewals and maintenance.¹

The Delivery Plan will be based on a simple template and will include a summary of projects, relevant milestones, costs, location of physical works, number of people employed in works, reporting milestones and an assessment of how it supports the reform objectives set out in this Memorandum.

The Delivery Plan will be supplied to Crown Infrastructure Partners, and other organisations as agreed between the Parties, who will monitor progress of application of funding against the Delivery Plan to ensure spending has been undertaken consistent with public sector financial management requirements.

Agreement to this Memorandum and associated Funding Agreement and Delivery Plan are required prior to the release of Government funding. The Council will have the right to choose whether or not they wish to continue to participate in the reform programme beyond the term of the Memorandum.

FUTURE AGREEMENTS

The Parties may choose to enter other agreements that support the reform programme. These agreements will be expected to set out the terms on which the Council will partner with other councils to deliver on the reform objectives and core design features, and will include key reform milestones and detailed plans for transition to and establishment of new three waters service delivery entities.

PROGRAMME MANAGEMENT

The Government will establish a programme management office and the Council will be able to access funding support to participate in the reform process.

The Government will provide further guidance on the approach to programme support, central and regional support functions and activities and criteria for determining eligibility for funding support. This guidance will also include the specifics of any information required to progress the reform that may be related to asset quality, asset value, costs, and funding arrangements.

TERM

This Memorandum is effective from the date of agreement until 30 June 2021 unless terminated by agreement or by replacement with another agreement related to the reform programme.

¹ Maintains previously planned investment that may have otherwise deferred as a result of COVID-19.

INTERACTIONS, MONITORING, INFORMATION AND RECORDS

The Parties nominate the following representatives to act as the primary point of communication for the purposes of this Memorandum and any other purpose related to the reform programme.

Government's representative	Council
[As delegated]	[Chief Executive of the Council]

It is the responsibility of these representatives to:

- work collaboratively to support the reform objectives;
- keep both Parties fully informed;
- act as a first point of reference between Parties and as liaison persons for external contacts; and
- communicate between Parties on matters that arise that may be of interest to either party.

If the contact person changes in either organisation, the other party's contact person must be informed of the new contact person immediately and there should be an efficient transition to ensure the momentum of the reform process is not undermined.

CONFIDENTIALITY

Neither of the Parties is to disclose, directly or indirectly, any confidential information received from the other party to any third party without written consent from the other party, unless required by processes under the Official Information Act 1982 or the Local Government Official Information and Meetings Act 1987 (whichever applies), or under a Parliamentary process- such as following a Parliamentary question, in which case the relevant party is to inform the other party prior to disclosure. Protocols will be established to enable exchange information between Councils where that is consistent with progressing reform objectives.

DISPUTE RESOLUTION

Any dispute concerning the subject matter of this document is to be settled by full and frank discussion and negotiation between the Parties.

.....
SIGNED on behalf of the Crown

by [insert name - DELETE TEXT]

[Sovereign in right of New Zealand acting by
and through the Minister of Local
Government]:

.....
SIGNED by [insert name of the Mayor of the
Territorial Authority signing - DELETE TEXT] on
behalf of [Territorial Authority]

.....
SIGNED by [insert name of the Chief Executive
of the Territorial Authority signing - DELETE
TEXT] on behalf of [Territorial Authority]

.....
Witness signature

Witness name [insert name - DELETE TEXT]
Witness occupation [insert occupation -
DELETE TEXT]

Witness address [insert address - DELETE
TEXT]

.....
Witness signature

Witness name [insert name - DELETE TEXT]
Witness occupation [insert occupation
-DELETE TEXT]

Witness address [insert address - DELETE
TEXT]

Appendix D – Information on Joint 3-Waters Steering Committee

The Joint 3-Waters Steering Committee has been established to provide oversight and guidance to support progress towards reform, and to assist in engaging with local government, iwi/Māori and other water sector stakeholders on options and proposals.

The Steering Committee comprises independent chair Brian Hanna, local government mayors, chairs and chief executives, representatives of Local Government New Zealand (LGNZ) and the Society of Local Government Managers (SOLGM), and officials and advisors from the Department of Internal Affairs (DIA), Taumata Arowai, and the Treasury.

The Steering Committee will ensure that the perspectives, interests and expertise of both central and local government, and of communities throughout New Zealand are considered, while the challenges facing water services and infrastructure are addressed.

This will include periods of engagement, in the first instance with the local government sector. an overview is provided below.

The Steering Committee is supported by a secretariat made up of advisors and officials from LGNZ, SOLGM, DIA and the Treasury. This secretariat is hosted by DIA. The terms of reference for the Steering Committee is available on the DIA 3-Waters website.

Three Waters Reform Programme

A proposal to transform the delivery of three waters services

1. BACKGROUND

Over the past three years central and local government have been considering solutions to challenges facing the regulation and delivery of three waters services. This has seen the development of new legislation and the creation of Taumata Arowai, the new water services regulator.

Both central and local government acknowledge that there are broader challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. There has been regulatory failure, underinvestment in three waters infrastructure in parts of the country, and persistent affordability challenges.

Iwi/Māori also have a significant interest in te mana o te wai. Both central and local government acknowledge the importance of rights and interests under the Treaty of Waitangi and the role of the Treaty partners in progressing these issues.

Additional investment is required to increase public confidence in the safety of drinking water, and to improve environmental outcomes. The reform of three waters services will also support increased sustainability and resilience of communities to natural hazards and climate change.

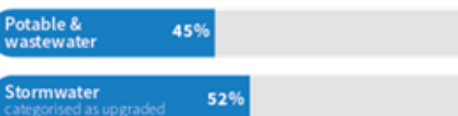
2. CHALLENGES

THE EXISTING INFRASTRUCTURE DEFICIT

Quantifying the precise infrastructure gap remains challenging. The Office of the Auditor General (OAG) has raised concerns about relevant and reliable information about assets remaining a challenge.

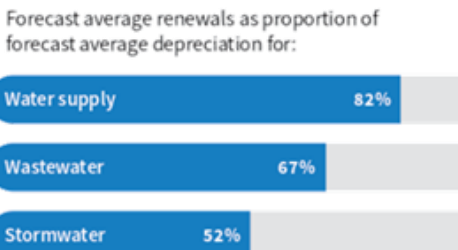
UNGRADED ASSETS

Across our water networks



RENEWAL GAPS

A more recent analysis highlights the extent of the reinvestment challenge and the "renewals gap".



While unquantified in New Zealand due to limited asset quality data, experience from places like Scotland that have undertaken significant water services reforms indicates the bulk of asset replacement value (potentially up to 80%) and the accumulated infrastructure deficit likely lies in renewal of pipes rather than treatment plants.

FURTHER RESEARCH COMMISSIONED BY DIA FOUND:

\$309-\$574 million

Estimated cost for upgrading networked drinking water treatment plants to meet drinking water standards, with an additional annual operating cost of \$11-\$21 million.

\$3-\$4 billion

Estimated cost for upgrading wastewater treatment systems that discharge to coastal and freshwater bodies to meet national minimum discharge standards, with an annualised operating cost of \$126-\$193 million.

3. OBJECTIVES

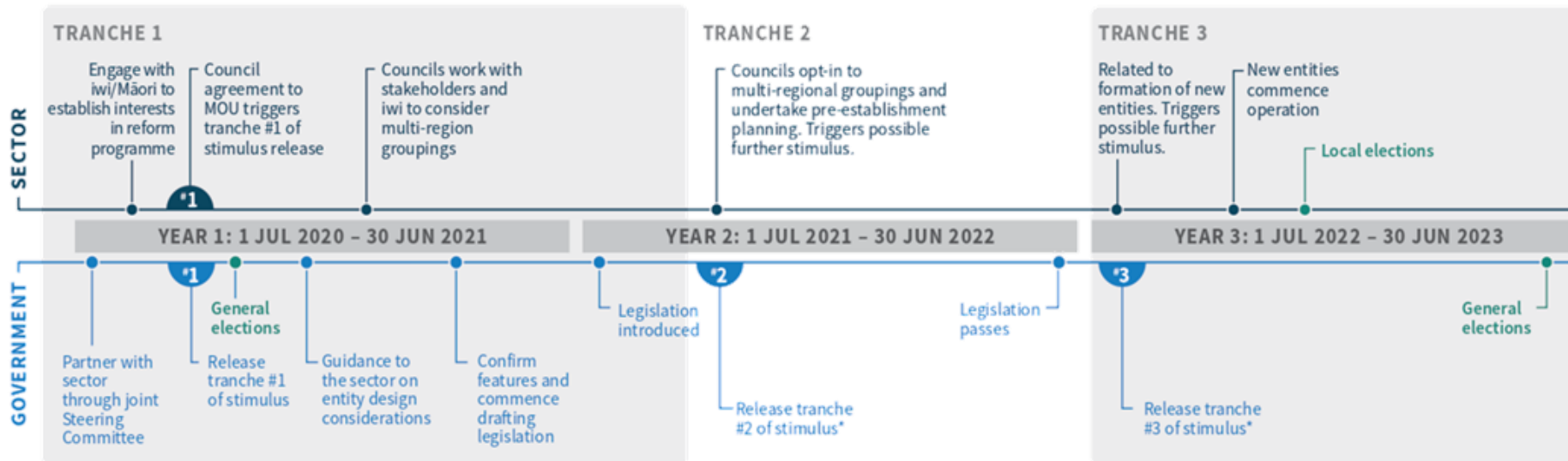
- A** Significantly improving safety and quality of drinking water services, and the environmental performance of wastewater and stormwater systems.
- B** Ensuring all New Zealanders have equitable access to affordable three waters services.
- C** Improving resource coordination and unlocking strategic opportunities to consider national infrastructure needs at a larger scale.
- D** Increasing resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards.
- E** Moving three waters services to a financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils.
- F** Improving transparency and accountability in cost and delivery of three waters services, including the ability to benchmark performance of service providers.

4. KEY FEATURES

Design features of the proposed reform programme should examine, as a minimum:

- A** Water service delivery entities that are:
 - of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium- to long-term;
 - asset-owning entities with balance sheet separation, to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
 - structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards.
- B** Delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so.
- C** Publicly owned entities, with a preference for collective council ownership.
- D** Mechanisms for enabling iwi/Māori and communities to provide input in relation to the new entities.

5. INDICATIVE REFORM PATHWAY



6. PROPOSED PROCESS

- An opt-in reform and funding programme to:**
 - Stimulate investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance.
 - Reform current water service delivery into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium- to long-term.
- Progressed in phases:**
 - Three phases of reform with three tranches of investment proposed (as set out above). The first phase of the programme includes a Memorandum of Understanding between central and local government to progress the reform in partnership. Reform will be guided by a joint Steering Committee at key stages.
- Memorandum of understanding:**
 - Non-binding MOU between each Council and Government.
 - Does not commit Councils to reforming water services or transferring assets.
 - Enables Councils to access funding for three waters through an associated Funding Agreement and Delivery Plan.

7. FUNDING AND IMPACT

Government funding		\$761 million
Jobs protected or created	(direct)	2,288 jobs
	(direct, indirect, induced)	7,230 jobs
GDP increase	(direct)	\$236 million
	(direct, indirect, induced)	\$800 million

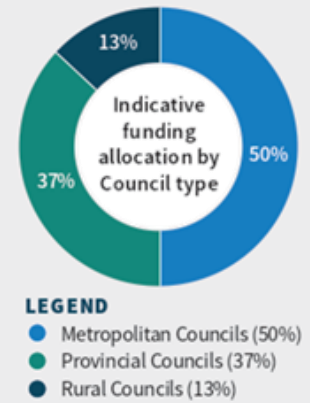
ALLOCATION OF FUNDING

First tranche funding provided as a grant to Councils who opt-in to participate in the reform process.

Allocation is based on a simple formula applied on a nationally consistent basis.

Future additional funding will be subject to Government decision-making and reliant on progress against the reform objectives.

INDICATIVE ALLOCATION SUBJECT TO CONFIRMATION



THREE WATERS STIMULUS GRANT DELIVERY PLAN

Instructions for completion: A single Delivery Plan is to be completed for the full Expenditure Programme. Territorial Authorities may elect to provide appendices providing further detail of specific elements of the proposed expenditure programme.

The draft Delivery Plan must be submitted by the Territorial Authority as soon as possible and in any event by no later than 30 September 2020 to threewaters@dia.govt.nz, with a copy to 3waters@crowinfrastructure.govt.nz. The Delivery Plan will be assessed by the Department of Internal Affairs and Crown Infrastructure Partners Limited, who may elect to provide feedback and require further detail, additions or alterations. A revised version of the Delivery Plan, incorporating all agreed changes, must be submitted for approval thereafter, with the final Delivery Plan to be in an approved form by 31 October 2020.

Where the Department of Internal Affairs requires additional reporting or other assurance based on a specific Delivery Plan, this will be included in section 17 below following the Department of Internal Affairs/Crown Infrastructure Partners Limited review. Section 17 will form part of the Delivery Plan. All figures in this Delivery Plan should be GST exclusive.

Capitalised terms in this Delivery Plan have the meaning given to them in the Funding Agreement, where applicable.

Territorial Authority information

1. Programme Title:	
2. Territorial Authority:	
3. Total Maximum Amount Payable (NZ\$M):	\$
4. Organisation Lead Contact:	
Name:	
Position:	
Email:	

Expenditure Programme overview

5. Please provide a brief description of the expenditure programme to be undertaken:

--

6. Location/address of the programme:
(if this is a series of investments, please identify each location where relevant)

7. What is the **total** estimated cost of the programme (NZ\$M)?

8. If the total estimated cost exceeds the Total Maximum Amount Payable, please specify the funding source(s) and amount(s):

Funding Source	Amount (NZ\$M)
	\$
	\$
Total	\$

9. Please provide a high-level breakdown of the expenditure programme including a cost schedule identifying estimated costs for each major component:

10. What is the expected number of people employed, and net jobs created through the expenditure programme? How has this been estimated?

Expenditure Programme commencement

11. Please describe the initial activity to be undertaken on expenditure programme commencement:

Expenditure Programme completion

12. Please outline below the high-level plan that will ensure the expenditure programme is completed by 31 March 2022 (these should largely mirror the milestones below):

Expenditure Programme funding status

13. Please indicate below the expenditure programme funding status:

Included in LTP	Y/N	Amounts NZ\$	Year
Included in Annual Plan 2020/21	Y/N	Amounts NZ\$	N/A

Not funded in any plan	Y/N	Amounts NZ\$	Year
Was funded but COVID-19 deferred	Y/N	Amounts NZ\$	Year
Is any Territorial Authority co-funding being contributed?	Y/N	Amounts NZ\$	Year

14. Please set out the key milestones of the expenditure programme to be undertaken, and for each milestone the planned completion date and budget:¹

	Expenditure Programme Milestone (including a description of how the milestone is identified)	Completion Date	Maximum Funding instalment amount (NZ\$) ²	Budgeted costs to complete the expenditure programme (NZ\$)	[DIA USE ONLY] Funding Conditions
1.	Commencement Date occurring under the Funding Agreement	31 October 2020 (or such date agreed otherwise in writing with DIA under the Funding Agreement)	NZ\$[INSERT HERE] [Note: this is to be 50% of the Total Maximum Amount Payable]	Nil	
2.	[Commencement of expenditure programme]	[date] [To be no later than 31 March 2021]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
3.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
4.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
5.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
6.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
7.	[Completion of expenditure programme]	[date] [To be no later than 31 March 2022]	NZ\$[INSERT HERE]) ³	NZ\$[INSERT HERE]	

¹ All figures should be GST exclusive.

² You may choose to determine each maximum Funding instalment amount for a milestone on the basis of seeking funds either for application towards costs incurred for that milestone, or for application towards costs to be incurred for the following milestone.

³ The final Payment Request needs to be submitted with the quarterly report for the period ending 31 December 2021.

	TOTAL		[Must be less or equal to Total Maximum Amount Payable]	[Must be equal to the total estimated cost of the expenditure programme]	
--	--------------	--	---	--	--

15. Briefly outline the final expected outcomes/objectives of the expenditure programme:

16. Briefly outline an assessment of how the expenditure programme supports the reform objectives set out in the Memorandum of Understanding relating to Three Waters Services Reform between you and the Sovereign in Right of New Zealand acting by and through the Minister of Local Government:

DIA USE ONLY

17. Additional requirements in respect of the Funding Agreement (such as specific reporting requirements):

The parties acknowledge and agree that this is the agreed Delivery Plan.

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:

Position:

Date:

SIGNED for and on behalf of

by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of that territorial authority:

Name:

Position:

Date:

Name:

Position:

Date:



Our advice

Prepared for SOLGM
Prepared by Jonathan Salter and Lizzy Wiessing
Date 31 July 2020

PRIVILEGED AND CONFIDENTIAL

Three waters services reform MOU - no explicit triggers for consultation before territorial authorities sign

- | | |
|-------------------|--|
| Background | <ol style="list-style-type: none">1. You have asked us to prepare advice to be circulated to territorial authorities with the draft memorandum of understanding for three water services reform (MOU).2. Our advice proceeds on the presumption that councils will enter into the MOU after their annual plan for 2020/21 has been adopted. |
| Question | <ol style="list-style-type: none">3. Do territorial authorities need to consult their community before entering into the MOU? |
| Answer | <ol style="list-style-type: none">4. Generally, no. There are no explicit triggers for consultation before entering into the MOU. The decision to enter into it is of course subject to the general requirements relating to decision-making in Part 6 of the Local Government Act 2002 (LGA 02). If councils consider they do not have a reasonable understanding of community views in relation to the commitments arising from the MOU then they could choose to consult their communities about the decision. We expect this will be the exception not the norm.5. Certain choices made subsequently as to what projects to advance or steps to take might trigger consultation requirements at that time. |

Our reasons

		Page
Summary	<ul style="list-style-type: none"> The obligations assumed on upon entry into the MOU do not trigger any explicit requirements to consult in the LGA 02. 2 The decision is subject to the general requirements relating to decision-making in Part 6 of the LGA 02, meaning local authorities may choose to consult. 3 Subsequent decisions relating to either the reform or projects/funding aspects may trigger consultation requirements at that time. 3-4 	
The obligations assumed upon entry into the MOU have no explicit consultation triggers	<ol style="list-style-type: none"> The key commitment in the MOU is to working constructively together to support the objectives of the the three waters service delivery reform programme (page 3). The MOU contains objectives that will underpin the reform programme and inform the development of reform options/proposals and core reform design features (pages 3 and 4). We refer to this as the reform commitment. It is fundamental to the reform commitment that there is acknowledgement by both parties to the MOU that there are challenges facing the delivery of water services and infrastructure and the communities that fund and rely on those services, that are in need of solutions. These challenges are set out in summary form in the Background section. This section also makes it clear that the reform process and stimulus funding proposed by government is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector through a combination of: <ul style="list-style-type: none"> Stimulation investment, to assist economic recovery through job creation and maintain investment in water infrastructure renewals and maintenance; and Reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term. The Background refers to a shared understanding that a partnership approach will best support the wider community and ensure that the transition to any eventual new arrangements is well managed and as smooth as possible. This partnership approach is set out more fully in the section "Principles for Working Together" as a relationship based on mutual trust and respect, openness, non-adversarial dealings and constructive problem-solving, co-operation and information sharing. As principles to underpin dealings between local authorities and the Crown, these are uncontroversial. 	

-
9. The reform objectives which "inform the development of reform options/proposals" are similarly self-evident with the possible exception of the objective of:

"Improving the co-ordination of resources, planning, and unlocking strategic opportunities to consider New Zealand's infrastructure and environmental needs at a larger scale."

10. This is offset to some extent by the objective of "undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader "wellbeing mandates" as set out in the Local Government Act 2002."
11. The parties to the MOU agree to consider minimum design features which include water service delivery entities of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term, structured as statutory entities.
12. Funding from central government to councils is available in three tranches. Tranche one funding will be provided following entry into the MOU and agreement to an associated funding agreement and delivery plan. The delivery plan will need to show that the funding is to be applied to opex or capex that supports economic recovery through job creation and maintains, increases or accelerates investment in core water infrastructure renewals and maintenance (page 5). The funding cannot be applied to projects already in a council's annual plan. We refer to this as the projects commitment.
13. The MOU is effective from the date of signing until 30 June 2021, unless terminated earlier or extended.
14. Neither the reform commitment nor projects commitments bind councils to specific three waters projects. Rather, councils are committing to participate in a reform process looking at changes to three waters delivery and identify possible projects that are eligible for funding. The obligations are exploratory/investigative in nature.
15. The MOU cannot, and does not, supplant the planning, accountability and associated consultation obligations of local authorities in the LGA 02. These continue to apply when there is a relevant trigger.
16. Decisions on three waters projects are the likely outcome of the reform process and funding provided, after participation in the process, after entry into the MOU. The consultation can be undertaken at that time.

The decision to enter the MOU is subject to the Part 6 LGA 02 decision-making obligations –

-
17. Whether or not to enter into the MOU will be at councils' discretion. As a decision, the decision will be subject to the general decision-making obligations in Part 6 of the LGA 02.
18. The Part 6 LGA 02 obligations include the section 78 obligation to consider the views and preferences of interested and affected
-

these do not strongly indicate that consultation is required

persons when making this decision, and determine whether consultation is needed or appropriate in order to identify those views and preferences.

19. This determination as to extent of compliance with section 78 will be a judgement for each council to make under section 79, and will depend in part on the particular council's significance and engagement policy (**SEP**), and its 2020/21 annual plan and current LTP.
20. The availability of Crown funding for core water infrastructure (at an amount disclosed before the MOU is entered into) is a unique opportunity to relieve local funding pressures that councils might reasonably expect their communities to support. The associated commitment to cooperate in a consideration of structural water reform is a subject on which councils may have limited understanding of community views. However, the exploratory/investigative nature of the reform commitment and the express provision in the MOU that it does not give rise to legally enforceable obligations, suggest the ready application of section 79(2) as a justification for not undertaking specific community engagement at this time.
21. Councils should check out of an abundance of caution that their SEP does not indicate a need to consult before entering the MOU. We expect it to be very unlikely that many policies will indicate consultation is required, including because of the nature of the obligations assumed upon entry into the MOU and that the decision is not irrevocable. Also potentially relevant is that the timeframes imposed by central government do not permit sufficient time to consult.
22. If councils enter into the MOU, they may want to consult subsequently on whether to continue their support of reform. LTP consultation in 2021 would be the obvious opportunity, and would provide timely information about whether to participate in tranche two.

Consultation triggers for decisions on three waters reform (post entry into the MOU)

23. Some specific LGA 02 consultation triggers that may be relevant to decisions on three waters reform (after participation in the reform process in the MOU) are:
 - 23.1 **Section 56** – councils must consult before becoming a shareholder in a council controlled organisation (**CCO**). If the reformed service delivery approach leads to councils being shareholders in new multi-regional providers (which seem likely to be CCOs), then section 56 may be triggered.
 - 23.2 **Section 97(1)(b)** – if the reformed delivery approach amounts to a "decision to transfer the ownership or control of a strategic asset to or from the local authority", then it would be necessary to amend the council's LTP to explicitly provide for this decision, which requires consultation under section 93E. Water network assets are almost always listed as a strategic asset in SEPs.

**Consultation
triggers for
decisions on
three waters
projects (post
entry into the
MOU)**

23.3 **Section 137(3)(a)** – councils must consult before entering into a “joint arrangement”, which is an arrangement between a council and another party “for the purpose of providing water services or any aspect of a water service”. This trigger may be remote, particularly if central government in providing funding is not also seeking to provide any aspect of a water service.¹

24. One specific consultation trigger that needs to be considered is section 97(1)(a) of the LGA 02. If the projects being funded would significantly alter levels of service for three waters activities, then it would be necessary to amend the council's LTP to explicitly provide for this decision, which requires consultation under section 93E.
25. It will depend on particular councils' LTPs, but this trigger can likely be avoided by councils selecting appropriate projects. (This was generally achieved by councils as they responded to the impacts of COVID-19 during the annual plan process for 2020/21).
26. Leaving aside section 97(1)(a), section 78 will still be relevant. It should be reasonably safe for councils to not consult to address section 78 where projects are brought forward from future work programmes and the combined effect of these projects is not a significant or material variation from the 2020/21 annual plan or LTP.
27. As to whether the combined effect of projects brought forward is a significant or material variation from the 2020/21 annual plan or LTP will depend on the degree to which the projects are already provided for in the annual plan or LTP and what, if any, financial impact there may be on the particular council. If projects are already provided for in the infrastructure strategy (in the LTP) and they can be entirely funded from central government (meaning no negative financial impact on the council), it seems very unlikely that there will be a significant or material variation from the annual plan or LTP of any consequence to the community. On this basis, consultation is unlikely to be indicated.
28. Strictly, the provision of central government funding could create a material change to revenue commitments (even if it is downward rather than upward) that reflect in a change to financial statements included in an annual plan, that, given the degree of change, could be expected to be consulted on before being adopted. Councils encountered similar issues in preparing their annual plans to respond to COVID-19 where different funding sources (for example borrowing or reserve funds) have had to be employed from what was anticipated. These decisions tended to be made without further consultation if the council assessed that it did not affect levels of service with reference to section 97 or was within the scope of rate change consulted on. In the current circumstances, we consider that the fact that the change is not detrimental lessens the risk of not consulting and (having occurred after the annual plan has been

¹ Section 17A requires periodic reviews of service delivery, but this section in itself does not contain a trigger for consultation.

adopted) makes it something that is duly reported on in the annual report and treated as an operating surplus.

29. We note that councils are not absolutely bound by their plans or policies (under sections 96 and 80), but this does not remove the need to assess whether consultation is appropriate when departing from them. Consistency with plans and policies is often a criterion for significance in SEPs. Where consultation does not occur, relevant statutory compliance will likely include disclosure in the annual report, and perhaps resolving in accordance with section 80 (where the departure from the annual plan is significant).

**Please call or
email to discuss
any aspect of this
advice**

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9.5 ORDER OF CANDIDATE NAMES ON VOTING PAPERS - WAIKANAE COMMUNITY BOARD BY-ELECTION

Author: Leyanne Belcher, Democracy Services Manager

Authoriser: Janice McDougall, Group Manager People and Partnerships

PURPOSE OF REPORT

- 1 This report seeks a decision from Council on the order in which candidate names are to be shown on the voting documents for the Waikanae Community Board By-Election November 2020.

DELEGATION

- 2 Council has the authority to consider this matter.

BACKGROUND

- 3 Prior to the Local Electoral Act 2001, candidates' names were required to be listed on the voting documents in alphabetical order of surname.
- 4 In accordance with clause 31(1) of the Local Electoral Regulations 2001 (**Appendix 1**) Council may make a decision about the order in which candidates' names appear on voting documents. If Council does not wish to make a decision on this matter, legislation provides for a default position of alphabetical order of surname.
- 5 The order of candidates' names option must be included in the notice published by the Electoral Officer as soon as practicable after the close of nominations on 11 September 2020.
- 6 The choices for order on the voting paper are:
- 7 Alphabetical order by surname – this option is self-explanatory.
- 8 Pseudo-random order – for this option candidates' names are placed in a container, mixed together and then drawn out. The candidates' names will then be placed on all voting documents in the order in which they were drawn. The draw must be witnessed by a Justice of the Peace.
- 9 Random order – for this option candidates' names for each election are shown in a different order on every voting paper, using software which permits the names of candidates to be printed in a different order on each voting document.

ISSUES AND OPTIONS

Issues

- 10 If there is no resolution, the candidates' names must be arranged in alphabetical order of surname.
- 11 The Council had traditionally used alphabetical order in the triennial local body elections. However, Council resolved that the names of the candidates for the Kāpiti Coast District Council elections on 12 October 2019 were to be arranged on the voting papers in Random order.
- 12 Technological developments for the printing of ballot papers has greatly improved for the production of random order voting papers, so there is no difference in the quality of printing of alphabetical or randomised voting papers.

CONSIDERATIONS**Policy considerations**

- 13 There are no policy considerations.

Legal considerations

- 14 There are no additional legal considerations.

Financial considerations

- 15 Should random order be chosen by Council the additional cost is approximately \$1000.

Tāngata whenua considerations

- 16 There are no tāngata whenua or Treaty of Waitangi considerations.

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 17 As this decision is legally mandated, and of a procedural nature it is deemed to have a low level of significance under Council policy.

Engagement planning

- 18 An engagement plan is not needed to implement this decision.

Publicity

- 19 If the decision is to depart from the Random order option, efforts will be made to alert voters to the fact that their voting papers will appear different.

RECOMMENDATIONS

- 1 That Council resolves that the names of the candidates for the Waikanae Community Board By-Election 7 on November 2020 are to be arranged on the voting papers in:
- a) Alphabetical order of surname, OR
 - b) Pseudo-random order, OR
 - c) Random order.

APPENDICES

Nil

10 CONFIRMATION OF MINUTES**10.1 CONFIRMATION OF MINUTES**


Author: Grayson Rowse, Democracy Services Advisor

Authoriser: Leyanne Belcher, Democracy Services Manager

RECOMMENDATIONS

That the minutes of the Council meeting on 30 July 2020 be accepted as a true and accurate record of the meeting.

APPENDICES

1. Minutes of Council meeting 30 July 2020 [↓](#) 

**MINUTES OF KAPITI COAST DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, GROUND FLOOR, 175 RIMU ROAD, PARAPARAUMU
ON THURSDAY, 30 JULY 2020 AT 9.30AM**

PRESENT: Mayor K Gurunathan, Deputy Mayor Janet Holborow, Cr Angela Buswell, Cr James Cootes, Cr Jackie Elliott, Cr Gwynn Compton, Cr Jocelyn Prvanov, Cr Martin Halliday, Cr Sophie Handford, Cr Robert McCann, Cr Bernie Randall

IN ATTENDANCE: Community Board Member Kathy Spiers
Community Board Member James Westbury
Community Board Member Chris Papps
Community Board Member Holly Ewens
Wayne Maxwell, Angela Bell, Sean Mallon, Janice McDougall, Mark de Haast
(via audio/visual link).

APOLOGIES: Nil

**LEAVE OF
ABSENCE:** Nil

1 WELCOME

2 COUNCIL BLESSING

The Mayor welcomed everyone to the meeting and Cr Buswell read the Council blessing.

3 APOLOGIES

APOLOGY

RESOLUTION 2020/25

Moved: Cr Angela Buswell

Seconder: Cr James Cootes

That the apology received from Crs Holborow and Handford for lateness be accepted

CARRIED

4 DECLARATIONS OF INTEREST RELATING TO ITEMS ON THE AGENDA

5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA

This item was moved after item 8.1 to allow for public speakers to speak at allotted times.

6 MEMBERS' BUSINESS

- (a) Public Speaking Time Responses
- (b) Leave of Absence

LEAVE OF ABSENCE**RESOLUTION 2020/26**

Moved: Mayor K Gurnathan

Seconder: Cr Angela Buswell

That a request from Cr Halliday for a leave of absence from 28/08/2020 to 02/09/202 be accepted and the leave of absence be granted

CARRIED

- (c) Matters of an Urgent Nature (advise to be provided to the Chair prior to the commencement of the meeting)

7 MAYOR'S REPORT**MOTION****RESOLUTION 2020/27**

Moved: Cr Gwynn Compton

Seconder: Cr Jackie Elliott

That the Mayor's report be received.

CARRIED

Appendices

- 1 Mayor's report 26 June 2020 to 30 July 2020

Deputy Mayor Janet Holborow returned to the meeting at 9:40 am.

Cr Hanford returned to the meeting at 9.40 am.

8 REPORTS**8.1 APPOINTMENT OF CHAIR OF DISTRICT LICENSING COMMITTEE (DLC)**

Leyanne Belcher presented report and responded to questions from members. An additional recommendation was suggested to allow a transition from the current Commissioner should a councillor be appointed as Chair

RESOLUTION 2020/28

Moved: Cr Gwynn Compton

Seconder: Cr Jackie Elliott

That the Council to confirms the appointment of Cr McCann as Chair of the District Licensing Committee

That the current commissioner has her term extended for 3 three months from the date of this resolution to allow for completion of cases currently in play and for handover to the incoming chair

CARRIED

5 PUBLIC SPEAKING TIME FOR ITEMS RELATING TO THE AGENDA

Item moved from ealier in the agenda

Bede Larecy spoke to item 8.4, and repsonded to questions from members

Linda Hill spoke to item 8.4, and responded to questions from members

Dr Joy Anderton for Rachel Barwell spoke to item 8.4, and responded to questions from members

Alison Lash spoke to item 8.4

Barabra Herford spoke to item 8.4

The meeting adjourned at 11.05 am and resumed at 11.15 am.

Cr Jackie Elliott left the meeting at 11:15 am.

Monique Leith spoke to item 8.4 via audio visuial link.

Appendices
1 Zoom Chat for Monique Leith

Cr Jackie Elliott returned to the meeting at 11:25 am

Trevor Daniell spoke to item 8.4

Jill Griggs spoke to 8.4

James Westbury spoke to item 8.4, and ansdered questions

8.4 KĀPITI COAST ECONOMIC DEVELOPMENT STRATEGY AND IMPLEMENTATION PLAN 2020-23

Darryn Grant and Leanna Hill presented the report, and answered questions from councillors. Cr Elliott foreshadowed a motion to have the report lie on the table.

MOTION

Moved: Cr Angela Buswell
 Seconder: Cr Jocelyn Prvanov

That the item of business being discussed should lie on the table and not be further discussed at this meeting

For: Crs Jackie Elliott, Jocelyn Prvanov and Bernie Randall

Against: Mayor K Gurunathan, Crs Janet Holborow, Angela Buswell, James Cootes, Gwynn Compton, Martin Halliday, Sophie Handford and Robert McCann

LOST 3/8.

Debate resumed on motion.

MOTION

Moved: Cr Angela Buswell
 Seconder: Deputy Mayor Janet Holborow

45. That the Council approves the final version of the Kāpiti Coast Economic Development Strategy and Implementation Plan 2020-2023 and authorises the Chief Executive to sign off the final strategy once final design is completed.

46. That the Council approves the appointment of Neil MacKay for a 12-month term as the Independent Chair of the Economic Development Kotahitanga Board, with a joint paper to be presented to the Strategy and Operations Committee covering the following:

46.1. Appointment process for Independent Board members and Iwi Representatives

46.2. Appointment of Elected Representative as ex-officio member of the Board

46.3. Terms of Reference for the Board

46.4. Performance Agreement between the Board and Council, including confirmation of support to be provided by Council to the Board

For: Mayor K Gurunathan, Cr Janet Holborow, Angela Buswell, James Cootes, Gwynn Compton, Martin Halliday, Sophie Handford and Robert McCann

Against: Crs Jackie Elliott, Jocelyn Prvanov and Bernie Randall

CARRIED 8/3

The meeting adjourned at 1:10 pm and resumed at 1.35pm

8.2 DRAFT SOLID WASTE MANAGEMENT AND MINIMISATION BYLAW 2020 - APPROVAL FOR PUBLIC CONSULTATION

Nienke Itjeshorst presented report and answered questions for members.

Debate was held on the topic.

RESOLUTION 2020/29

Moved: Cr Jackie Elliott
 Seconder: Cr Robert McCann

That the Council approves the draft Solid Waste Management and Minimisation Bylaw 2020 for public consultation in accordance with the Special Consultative Procedure as set out by the Local Government Act 2020.

CARRIED

8.3 REPORT ON THE INDEPENDENT ORGANISATIONAL REVIEW

Wayne Maxwell presented the report which was taken as read. The MartinJenkins Independent Organisational Review will be appended to the minutes. The Chief Executive answered questions from members.

Debate ensued.

RESOLUTION 2020/30

Moved: Cr James Cootes

Seconder: Cr Gwynn Compton

That the Council formally receives the MartinJenkins Independent Organisational Review and notes the contents of the report, including the 29 recommendations.

That the Council notes that officers are developing a response to the 29 recommendations and plan to report back to the Council at its next meeting on 27 August.

CARRIED

Appendices

- 1 MartinJenkins Independent Organisational Review

Item - 8.4 Kāpiti Coast Economic Development Strategy and Implementation Plan 2020-23 - has been moved to another part of the document.

9 CONFIRMATION OF MINUTES

9.1 CONFIRMATION OF MINUTES

RESOLUTION 2020/31

Moved: Cr Jackie Elliott

Seconder: Cr Sophie Handford

That the minutes of the Council meeting on 25 June 2020 be accepted as a true and accurate record of the meeting.

CARRIED

10 PUBLIC SPEAKING TIME

- Covering other items if required
- Public Speaking Time responses

11 CONFIRMATION OF PUBLIC EXCLUDED MINUTES

Nil

12 PUBLIC EXCLUDED REPORTS

Nil

The Council meeting closed at 2.08pm.

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CHAIRPERSON

11 PUBLIC SPEAKING TIME

- Covering other items if required
- Public Speaking Time responses

12 CONFIRMATION OF PUBLIC EXCLUDED MINUTES

Nil

13 PUBLIC EXCLUDED REPORTS

Nil