

Attachment 1: Memorandum of Understanding

Water Services Delivery Plan for the Wellington region

DRAFT

Regional approach to a water services plan

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Based on direction from Government and expected legislative changes, councils will be required to develop a water service delivery plan by around mid-2025.

The signatories to this Memorandum of Understanding (MoU) have committed to a process of working together to develop a water services plan including consideration of future delivery models.

This process is based on a collaborative and non-binding partnership approach between councils in the Wellington region to work through this process robustly and efficiently.

The future model and options to be considered will need to respond to agreed objectives and consider future approaches which are workable, affordable, sustainable and meets the needs of communities and the environment.

Outputs from this process

The key deliverable from this joint process is a joint water services plan, including for a future delivery models based on strategic option selection and high-level design. This process and outputs do not preclude any council from choosing to develop its own water services plan.

Critical success factors are that the water services delivery plan and any future model:

- Is supported by all councils and Iwi / Māori partners which are part of this process
- Is supported by the Government *and* enabled through legislative change
- Is based on a sustainable funding model
- Enables commitment from councils and Government to move to subsequent phases to deliver the plan – detailed design and implementation

This MoU outlines the expectations on signatories and the Terms of Reference (ToR) for the Advisory Oversight Group (AOG) for this process.

Changes to three waters

Change is coming to how water is regulated and managed by local authorities. The Government has repealed the Water Service Entities Act 2022 and has set out the process for legislative change to give effect to the Local Water Done Well policy through two further stages of legislative change which are expected to be passed by mid-2025.

Local Water Done Well policy is based on a clear premise that change is required and will happen. The policy is still under development, but indicatively will be based on the following requirements:

- **Councils to develop a water services plan:** Within a year, councils must develop a plan to transition to a new water service delivery model that can meet regulatory and investment requirements.
- **Increased regulation in relation**
 - Water quality regulation
 - Infrastructure investment regulation
- **Financial sustainability** – water services models must be financially sustainable, based on:
 - Revenue sufficiency
 - Ringfencing to fund investment
 - Funding for growth

Regional approach to a water services plan

In the context of this change, the signatories to this MoU have agreed to work with other councils in the region as this offers the opportunity to collectively engage in this legislative process to ensure a sustainable, workable future model is identified and can then be implemented. This may include a specific model for council or some form of joint model with other councils.

This approach will enable regional collaboration on a water services plan based on a collaborative and non-binding partnership between councils in the Wellington region to work through this process robustly and efficiently.

The process does not transfer any formal decision-making responsibilities or delegations from any council. Any future decisions on a water service plan, preferred models or commitments to future change would remain with each council.

Advisory Oversight Group

As part of this approach, councils have agreed to establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of elected members. Iwi / Māori partner representatives will also form part of this group, with the approach and membership to be confirmed working with Iwi / Māori partners during the establishment phase.

The AOG would be chaired by an independent chair with suitable expertise in local government, financial models and large scale utility operations.

The draft terms of reference for the AOG is appended to this MoU, see **Appendix X**. The AOG is not a formal joint committee and has no formal decision-making rights. Support would be provided by Chief Executives and a joint project team.

Formation of the AOG and signing of the MoU signals a commitment by councils and Iwi / Māori partners to work together through a collaborative and non-binding process.

Dated: Endorsed on behalf of signatory councils by members of the AOG on **DATE**.

SIGNATURES OF MEMBERS ON BEHALF OF ORGANISATIONS – **TO BE INSERTED**

COUNCIL

COUNCIL

APPENDIX 1: Terms of Reference for the Advisory Oversight Group

Water services plan process for Wellington regional councils

Councils in the Wellington region have committed to a process of working together to develop a water services plan including consideration of future delivery models. This process represents a collaborative partnership approach between councils in the Wellington region and Iwi / Māori partners. The value proposition of the process is to ensure that the region can collaboratively work through this process robustly and efficiently.

Outcomes and options

The water services plan and future models and options to be considered will need to respond to agreed objectives and consider future approaches that are workable, affordable, sustainable and meet the needs of communities and the environment.

The key deliverable from this joint process would be a joint water services plan for the region, including options for future delivery models based on strategic option selection and high-level design. This process and outputs do not preclude any council from choosing to develop its own water services plan.

Critical success factors are that the water services delivery plan and any future model:

- Is supported by all councils and Iwi / Māori partners which are part of this process
- Is supported by the Government *and* enabled through legislative change
- Is based on a sustainable funding model
- Enables commitment from councils and Government to move to subsequent phases to deliver the plan – detailed design and implementation

Advisory Oversight Group

As part of this approach, councils have agreed to establish a joint governance oversight group called the 'Advisory Oversight Group' (AOG) made up of elected members. Iwi / Māori partner representatives will also form part of this group, with the approach to be confirmed working with Iwi / Māori partners during the establishment phase.

Decision making and delegations

The AOG does not have any formal decision-making responsibilities or delegations. These remain with each council, including any future decisions on preferred models or commitments to future change.

The AOG is not a formal joint committee. Formation of the AOG forms part of the commitment by councils and Iwi / Māori partners to work together through a collaborative and non-binding process.

Where direction on the process or options being considered is required from the AOG, this will as far as possible be undertaken by consensus.

Key tasks and partnerships outcomes

The AOG will work in partnership to:

- Provide political oversight and alignment of this process to demonstrate visible and collaborative leadership
- Build trust and stronger organisational relationships
- Build better understanding of partners' perspectives and identify shared objectives and areas of alignment
- Operate at a strategic level owning key relationships for the future water model process and supporting the mitigation of any escalated risks
- Test and confirm the direction for the process including investment objectives, options analysis and required analysis in order to provide confidence and certainty to stakeholders and the community
- Provide advice and direction and to assist the responsible staff to manage and resolve issues and risks including alignment with wider strategic regional issues, the expectations of key partners, stakeholders and the community.
- Assist information sharing, efficient and effective working including opportunities to collaborate, and provide a stronger voice when advocating to others including a shared story for the people of the Wellington region and for investment

Advisory Oversight Group membership and structure

Membership

The Advisory Oversight Group shall consist of:

- An independent Chair (with an agreed Deputy Chair in the event that the Chair is unavailable)
- An elected representative from each of the partner councils
- Representative from Iwi / Māori partners – to be confirmed working with Iwi / Māori partners
- Any other person considered necessary by the AOG to ensure the effective functions of the group

Attendance at meetings would include council CEs.

Structure for AOG

- A quorum is the majority of members, or half the members where there is an even number of members. No business may be transacted at a meeting if a quorum is not present.
- Members are expected to attend all meetings, except in exceptional circumstances, as notified to and agreed by the Chair.
- In the event that the Chair is unavailable, the Deputy Chair shall chair the meeting.
- In the event that any member is unavailable for a meeting, any of the partners may nominate an alternate. **Or** There will be no alternate appointments.
- The AOG will be supported by a Secretariat and Project Team. The role and focus of this Secretariat is set out below.
- The AOG shall meet at least XXX, or as otherwise required. Meetings shall be hosted by one of the partners as agreed. Invites and coordination of meetings shall be managed by XXX.
- Wider invites to relevant partner organisations [such as DIA], shall be determined by the meeting Agenda.

- The meetings are not public but shall be transparent in terms of agenda and outcomes. Effort will be made to distribute any meeting papers at least 3 working days ahead of the meeting date. Recognising that the AOG does not hold any formal decision-making powers or delegations, papers shall be brief and avoid duplication with matters best dealt with through existing council decision making processes and delegations.
- Membership shall be reviewed and reconfirmed on an annual basis or if the project moves beyond confirmation of a plan for future water to the implementation of this model.

Senior managers group

The AOG will be supported by a Senior Managers group of the partners. This will consist of CEs or nominees from each partner organisation (CE or GM level).

This group will be chaired by a nominated Chair (with an agreed Deputy Chair in the event that the Chair is unavailable).

The role and focus of the Senior Managers Group is to ensure advice and support to the AOG is effective and efficient, including:

- Provide senior management oversight and alignment of this process to demonstrate visible and collaborative leadership
- Testing and confirm the direction for the process including objectives, options analysis and required analysis in order to provide confidence and certainty to stakeholders and the community
- Provide advice and direction and to assist the responsible staff to manage and resolve issues and risks including alignment with wider strategic regional issues, the expectations of key partners, stakeholders and the community.
- Support the identification, mitigation or management of key risks and issues
- Assist information sharing, efficient and effective working, and provide a stronger voice when advocating to others including a shared story for the people of the Wellington region and for investment
- Ensure that the project team is resourced and supported.

Project team and Secretariat – role, responsibilities and membership

Support for the AOG will be provided by the project team based on a small core team supported by resources from partners. Detail to be confirmed through the project scope, based on expectation of:

- Project Director reporting to the senior managers group. This role will lead the project and be responsible for coordination of the Agenda for AOG meetings (including actions) and programme design and delivery across the partners (nb. role description and tasks to be defined)
- 3-4 technical resources (size, resourcing model, procurement, where hosted TBC) providing expertise and workstream leadership for:
 - Secretariat support for AOG and Senior Managers group
 - Project management
 - Financial and options analysis
 - High level design of financial, funding, legal, governance etc elements for the preferred option
 - Evidence/options/reporting; change management

- Comms planning and deliver for partner and iwi engagement
- DIA relationship
- Operational requirements
- Nb. Other resources and functions to be confirmed by agreement of the scope and timeline e.g. financial analysis, options analysis, change management / HR requirements etc as detailed in the project plan.

Funding

Funding required for this process will include the independent Chair, Project lead, workstream leads, secretariat and programme resources.

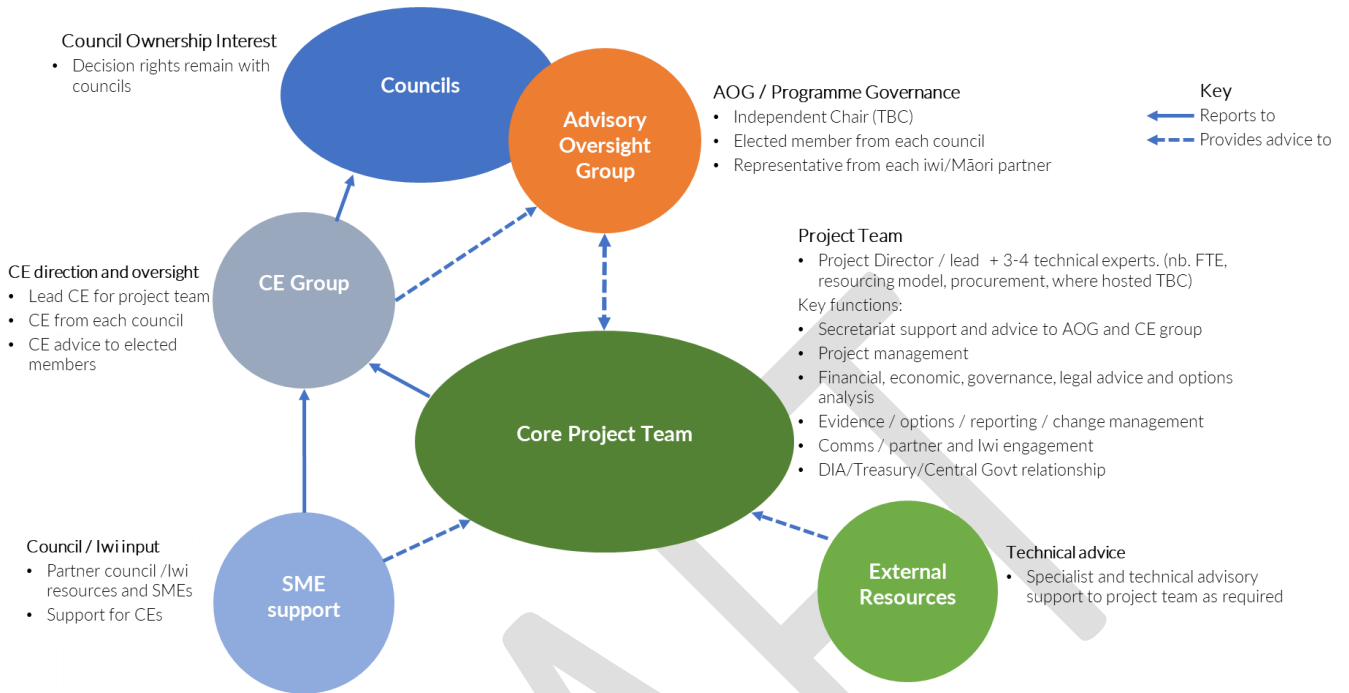
The partners will confirm a budget. A funding plan shall be developed with the costs split on an agreed basis. This budget and funding plan shall be reviewed and updated at least on an annual basis.

Communications and media protocols

The partners commit to working together to ensure a coordinated communications and engagement approach to ensure a no surprises basis. This includes utilisation of agreed key messages and communications plan along with any developed communications brand and website as required.

The partners will develop and agree a communications plan that sets out key messages, protocols and channels in more detail as required for each phase of the project. This shall be reviewed and updated at least on an annual basis.

Attachment 1: Structure of Advisory Oversight Group and supporting functions



Attachment 2: Charter / Project scope

Under development