

For Decision

FUTURE DEVELOPMENT STRATEGY SIGNOFF – JUNE 2023

Te take mō te pūrongo

Purpose

1. To advise the Wellington Regional Leadership Committee (the Committee) on the options for signing off the Future Development Strategy (FDS).

He tūtohu

Recommendations

That the Joint Committee:

- 1 **Notes** the four options outlined in this paper for signoff of the Future Development Strategy.
- 2 **Endorses** the progression of Option 1 as outlined in paragraphs 20-23 of this report which includes the Committee making decisions to commence the Future Development Strategy consultation and preparation process, approve the draft Future Development Strategy (statement of proposal) and commence special consultative procedure, to engage in consultation and set up a hearing panel to hear submissions on the Future Development Strategy, and approve the final Future Development Strategy (with reporting to the Councils at relevant steps).
- 3 **Notes** that no matter which option is selected, the next step is to update the Committee Agreement and Terms of reference in line with the decision made today and then seek approval from each of the ten councils on the Committee to the new Agreement.
- 4 **Notes** that no action can confidently be undertaken on preparing the draft Future Development for consultation and setting up a hearings panel until a decision is made by this Committee on the signoff process and approval of the revised Agreement is provided by all ten councils.

Te horopaki

Context

2. The current Committee Agreement and Terms of Reference include the approval of the Wellington Regional Growth Framework, as a spatial plan for the Region. At the time of developing the Agreement the Future Development Strategy was not contemplated as a tool and therefore, the Committee Agreement and Terms of Reference do not give the Committee the powers/functions relating to a Future Development Strategy.

3. The Future Development Strategy is an updated version of the Wellington Regional Growth Framework (WRGF). It is a statutory document, for “Tier 1 and 2” councils who are required to prepare a Future Development Strategy under the National Policy Statement – Urban Development in time to inform 2024 Long Term Plans (LTPs). This means we ideally need to complete and have signed off at least a draft Future Development Strategy by third quarter 2023 to enable councils to include any financial and other implications in the early drafts of their LTP.
4. In our Region, Wellington City, Porirua City, Kāpiti Coast District, Hutt City, Upper Hutt City and Greater Wellington Regional Council are Tier 1 Councils and Horowhenua, South Wairarapa, Carterton and Masterton district councils are Tier 3 Councils. These categories are assigned based on growth projections, where Tier 1 councils are considered “high growth”.
5. Tier 1 and 2 councils must have “regard” to the relevant FDS when preparing or changing Resource Management Act 1991 (RMA) planning documents. However it is recognised that from time to time activity such as a private District Plan changes may also occur.
6. The Committee was provided with Recommendation 2 above at its Committee meeting in September 2022 but no decision was made at that meeting. It was proposed to be raised at both the December 2022 and March 2023 Committee meetings.
7. However, making a decision on the signoff was put on hold and not taken forward at the December 2022 and March 2023 meetings as:
 - a The Committee requested in September 2022 that it be provided further information, regarding decision making on the Future Development Strategy (FDS) and any proposed amendments to the Agreement and Terms of Reference for the Committee.
 - b There were five new Mayors and many new councillors across the Region following the local body elections in October 2022 and it was felt that these people needed to be brought up to speed on what regional spatial planning is, what a Future Development Strategy is and options and implications for the Future Development Strategy signoff.
 - c Mana whenua had not had enough time (capacity related) to engage in the Future Development Strategy and signoff process as would be preferred.
8. To assist in 7b and 7c above the WRLC Secretariat and the previous WRLC Chair ran workshops as outlined below. The workshops covered - what is regional spatial planning, what is the FDS and the FDS signoff process
 - a A combined Wellington City Council/Porirua City Council workshop – 29 March 2023
 - b A combined Upper Hutt City Council/Hutt City Council workshop – 5 April 2023
 - c A combined Wairarapa councils workshop – 4 April 2023
 - d An iwi workshop – 11 April 2023
 - e A combined Horowhenua District Council/ Kāpiti Coast District Council workshop – 13 April 2023

- f Three separate workshops in the Wairarapa, one with each Council – 3 May 2023
- 9. The Future Development Strategy activity and process is well underway and is being developed under the guidance of a Core Team and Steering Group with representatives from all partners. Information on its progress has been reported to previous meetings and to this meeting as well as being discussed at a WRLC workshops.
- 10. This report outlines the options for approval of the Future Development Strategy, both draft and final and makes a recommendation on the way forward to provide guidance for engagement and a process for signoff and consultation with the community.
- 11. Reflecting the statutory context for the FDS (required under the National Policy Statement on Urban Development), Central Government would not participate in the hearings or formally signoff the FDS.

Te tātaritanga Analysis

What process do we need to follow to sign off the Future Development Strategy?

- 12. The National Policy Statement –Urban Development requires the Special Consultative Procedure to be used to make the Future Development Strategy.
- 13. This includes:
 - a Preparing a “Statement of Proposal” and “Summary” (if required) being the draft Future Development Strategy document (requiring engagement and certain matters to be taken into account pursuant to clause 3.14 and 3.15 of the NPS-UD)
 - b Adopting the Statement of Proposal (SCP) and Summary (the draft Future Development Strategy)
 - c Ensuring that the Statement of Proposal is publicly available (including advising for how long and how people can make submissions)
 - d Making the Summary of the information contained in the Statement of Proposal as widely available as is reasonably practicable as a basis for consultation
 - e Providing an opportunity for persons to present their views i.e. submissions and hearing(s)
 - f Approving the final Future Development Strategy, after hearing submissions.

The current situation

- 14. The WRLC Secretariat has received legal advice that states: *“It is beyond the scope of the WRLC powers to approve the Future Development Strategy, draft or final, on behalf of the member Councils at present. Those decisions on the Future Development Strategy currently must be made by each individual Council.”* (See **Attachment 1**)
- 15. This is because the current Agreement and Terms of Reference of the Committee identifies that the Committee is responsible for the Wellington Regional Growth Framework (WRGF) specifically, rather than a more general responsibility for regional spatial planning, which is and has always been the intent for the Committee.

16. As a comparison for instance the Agreement has the Committee responsible for “regional economic development” in a more general term, rather than stating a specific document.
17. Therefore for the Committee to be involved (either in total or in part) in the Future Development Strategy process and approval, an update needs to be made to the Agreement and Terms of Reference of the Committee.
18. As required by the Local Government Act 2002, any changes to the Agreement and Terms of Reference for the Committee, will then need to be agreed by all ten councils that are party to the Committee.

Options for the Future Development Strategy

19. Four options are provided below for how this could be undertaken, firstly in summary form in the table below and then with further explanation:

Options	Ability to meet statutory timeframes?	Iwi partners involved?	Additional costs (staff time or budget)?	FDS reflects a joined-up vision for our region?	Alignment with future Spatial Planning Act (SPA)	Rating (out of 10)
1. WRLC signoff draft FDS and final FDS and undertake hearings	Yes - project plan in place that reflects this option.	Iwi part of WRLC Central government part of WRLC	Budget allocated and on track	Yes, through WRLC	Yes, SPA is likely to require a joint committee with mana whenua	10/10
2. Set up a subcommittee or new committee of just Tier 1 councils and iwi	Maybe/ unlikely depending on time taken to set up new committee	Maybe dependent on being part of new committee	Slightly more legal costs to craft new agreement, but not significant	Mostly through new subcommittee representation	Somewhat i.e. does not include whole region	7/10
3. WRLC signoff the draft FDS and undertake hearings and each council signoff the final FDS	Delay likely if agreement can't be reached on final FDS (i.e. if 1 or more councils don't agree on content)	Not at final FDS stage unless allowed for in council standing orders	Iwi will need to attend multiple for final sign off meetings. Individual council officers to prepare and present reports for final FDS	Risk that agreement may not be reached on FDS. May in effect have 10 FDS documents.	No	5/10

Options	Ability to meet statutory timeframes?	Iwi partners involved?	Additional costs (staff time or budget)?	FDS reflects a joined-up vision for our region?	Alignment with future Spatial Planning Act (SPA)	Rating (out of 10)
4. Each council sign off the draft FDS, WRLC hold hearings and sign off the final FDS	Delays likely if agreement can't be reached on draft FDS (i.e. if 1 or more councils don't agree on content)	Worse than option 3 for iwi partners as key decisions will be made at the draft FDS stage	Slight increase in work for each council and dedicated staff will need to be available	Risk that agreement may not be reached on FDS. May in effect have 10 FDS documents.	Maybe	5/10

20. More detail on how each option would work are outlined below. Note that as changes are required to the Agreement and Terms of Reference for the Committee for all of the options below, this approval process is not included in the detail below.

21. **Option 1** would include:

- a One on one workshops with each council and iwi entity on the content of the Future Development Strategy for their overview and comment – before the draft goes to the Committee.
- b Engagement with certain parties and consideration of the matters as required by clauses 3.14 and 3.15 of the NPS-UD – before the draft goes to the Committee.
- c The Committee signing off the draft Future Development Strategy
- d The WRLC Secretariat and FDS Project lead managing the submissions hearings and report back process.
- e A hearings panel consisting of one representative from each local government and iwi entity on the Committee.
- f The Committee signing off the final Future Development Strategy

22. Timing - assuming all councils approve changes to the Committee Agreement and Terms of Reference by the end of August 2023 then the Future Development Strategy is likely to be finalised in early 2024 (i.e. Feb/March).

23. Overall comments for Option 1:

- a Regional spatial planning is a key function of the Committee as it was initially set up. If other options are selected, it raises a question about why have the Committee in the first place. It should be noted that Ministers are on the Committee for the regional spatial planning aspects only.

- b Officers understand the concerns of each council not being involved in the approval process and have included one on one workshops into the process to assist with this. Other options to assist with this are also possible.
 - c This option aligns strongly with the future direction given for the proposed Spatial Planning Act (SPA). The SPA will be replacing the RMA and will require regional level spatial strategies (called "RSS") to be developed through regional committees made up of central and local government and mana whenua. Undertaking the Future Development Strategy process jointly through the Committee will put this region in a good place to prepare future Regional Spatial Strategies which will be an update of the Future Development Strategy.
 - d The Committee generally works on a consensus model and it is expected that key decisions are made on this basis. So in effect if alignment cannot be achieved then decisions are brought back to the table for further discussion.
 - e From an efficiency perspective it would only require one resolution from each Council at the start of the process rather than needing to obtain multiple Council resolutions throughout the process.
24. Option 1 is the preferred option of and has been endorsed by the WRLC Secretariat, the Future Development Strategy Core Team and Steering Group, the WRLC Senior Staff Group and the WRLC CEO Group.
25. **Option 2** would include:
- a One on one workshops with each council and iwi entity on the subcommittee only on the content of the Future Development Strategy for their overview and comment – before the draft goes to the Committee
 - b The new Committee/subcommittee signing off the draft Future Development Strategy
 - c The new Committee Secretariat (TBC) and FDS Project lead managing the submissions hearings and report back process.
 - d A hearings panel consisting of one representative from each local government and iwi member on the new Committee/subcommittee.
 - e The new Committee/subcommittee signing off the final Future Development Strategy
26. Timing - assuming all councils approve the new Committee Agreement and Terms of Reference by the end of August 2023 then the Future Development Strategy is likely to be finalized in early 2024 (i.e. Feb/March).
27. Overall comment for Option 2: The Future Development Strategy covers and is expected to continue to cover the whole Wairarapa-Wellington-Horowhenua region as it includes the interests of not only local government but also iwi and central government. A new committee/subcommittee that does not include representatives from all partners in this wider geographical area would be suboptimal for those not included. I.e. other local government partners and iwi partners would be signing off a Future Development Strategy and making recommendations from hearings covering that area without any input from local members.

28. **Option 3** would include:

- a One on one workshops with each council and iwi entity on the Committee on the content of the Future Development Strategy for their overview and comment – before the draft goes to the Committee.
- b Engagement with certain parties and consideration of the matters as required by clauses 3.14 and 3.15 of the NPS-UD – before the draft goes to the Committee
- c The Committee signing off the draft Future Development Strategy.
- d The WRLC Secretariat and FDS Project lead managing the submissions hearings and report back process.
- e A hearings panel consisting of one representative from each local government and iwi member on the Committee.
- f Each council signing off the final Future Development Strategy. A draft final Future Development Strategy will be provided to each council. Each council would manage and resource its own sign off process.
- g This option creates practical challenges. A process will need to be developed for dealing with changes required to the final from each council signoff. Advice from DLA confirms *“First, there are limitations on what those who did not hear submissions can change (e.g. councillors on each council) – i.e., there is a natural justice issue (i.e., procedural fairness) if those who did not hear the submissions are then making changes to the FDS. However, theoretically, if one Council wanted to make changes then all Council's will need to agree to those changes, as it is a joint FDS. One Council cannot unilaterally make changes to a joint document. This means there could be two or more rounds of separate approvals where each Council approves the final FDS and then if any Council proposed a change all other Councils would need to approve the joint FDS with that change.”* This is likely to result in severe delays unless extra ordinary council meetings could be arranged and aligned.

29. Timing - assuming all councils approve changes to the Committee Agreement and Terms of Reference by the end of August 2023 then signoff of the draft Future Development Strategy and hearings can be completed in 2023. The timing for the signoff of the final Future Development Strategy is unclear depending on how many rounds of separate Council approval are needed.

30. Overall comment for Option 3: This option provides a number of practical and legal issues as outlined above and is likely to have an impact on the time to get a final Future Development Strategy signoff. This is one of the two most problematic option given the point made in 27g above regarding limitations on what those who did not hear submissions can change.

31. **Option 4** would include:

- a One on one workshops with each council and iwi entity on the Committee on the content of the Future Development Strategy for their overview and comment – these workshops are likely to be led by each council.

- b Each Council separately undertakes engagement with certain parties and consideration of the matters as required by clauses 3.14 and 3.15 of the NPS-UD
 - c Each council signing off the draft Future Development Strategy. A draft Future Development Strategy will be provided for each council. Each council would manage and resource its own process to signoff the draft.
 - d The WRLC Secretariat and FDS Project lead managing the submissions hearings and report back process.
 - e A hearings panel consisting of one representative from each local government and iwi member on the Committee.
 - f The Committee signing off the final Future Development Strategy.
 - g This option creates practical and legal challenges A process will need to be developed for dealing with changes required to the draft from each council signoff. Advice from DLA confirms. *However, theoretically, if one Council wanted to make changes then all Council's will need to agree to those changes, as it is a joint FDS. One Council cannot unilaterally make changes to a joint document. This means there could be two or more rounds of separate approvals where each Council approves the draft FDS and then if any Council proposed a change all other Councils would need to approve the joint FDS with that change.* This is likely to result in severe delays unless extra ordinary council meetings could be arranged and aligned.
 - h Legal advice also notes: *This option is not a workable option to create a joint FDS. It would essentially be the creation of 10 separate FDS' approved through an entirely separate process by each Council. Council A could not make a decision to change the part of an FDS that related to Council B's area (and where submissions on that part of the FDS were only heard by Council B) so this means each Council would be constrained to an FDS for their jurisdictions, which is not really in line with a collaborative approach. If the process in Option 6 is followed the outcome would be 10 separate FDSs and significant double up and confusion about what people could submit on and to whom.*
32. Timing - assuming all councils approve changes to the Committee Agreement and Terms of Reference by the end of August 2023 then signoff of the draft Future Development Strategy and hearings can be completed in 2023 – assuming the signoff of the draft is completed by each council individually in one round. If this does not occur then sign off of the draft is likely to be early 2024. The timing for the signoff of the final Future Development Strategy is unclear depending on how many rounds of approval are needed for the draft Future Development Strategy.
33. Overall comment for Option 4: This option provides a number of practical and legal issues as outlined above and is likely to have an impact on the time to get a final Future Development Strategy signoff. This is one of the two most problematic options given the point made in 30g and 30h above.

Ngā hua ahumoni

Financial implications

34. The costs of the Future Development Strategy have been budgeted at \$510,000 with these costs split between all council partners. This cost is known to council officers and has been agreed to.
35. By undertaking the process regionally, we will be able to stick to this budget and ensure that knowledge that is gained through this process stays in house.
36. If the process is decoupled from the Committee or a new joint committee (Options 3 and 4) then it will cost more in council staff time and budget managing changes to the draft or final Future Development Strategy.
37. There is the potential for legal costs if there is a breach of natural justice obligations in terms of having someone decide the Future Development Strategy who didn't hear the submissions.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

38. The decision making and hearing option recommended (Option 1) for the Future Development Strategy will enable iwi partners to the WRLC to participate in the Future Development Strategy decision making. This is the best option for iwi partners.
39. Option 2 could provide equal decision making and hearing participation as local government if it is agreed that iwi would be on a new Committee/subcommittee. If the new Committee/subcommittee was set up with just Tier 1 councils and no iwi members, this would be the worst option for iwi.
40. Options 3 and 4 are suboptimal for iwi members. It relies on:
 - a Council standing orders enabling iwi members to sit at the council table and vote on either the draft or final Future Development Strategy (depending on which option)
 - b Iwi partners having to go to multiple council meetings in their rohe to participate in the signoff.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

41. The Future Development Strategy includes objectives to create better climate change outcomes.

Ngā tikanga whakatau

Decision-making process

42. The matters requiring decision in this report were considered by officers against the decision-making requirements of the Local Government Act 2002.

Te hiranga Significance

43. Officers considered the significance (as defined in Part 6 of the Local Government Act 2002) of the matters for decision, taking into account Greater Wellington Regional Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that the matters are of low significance given their administrative nature.

Te whakatūtakitaki Engagement

44. Agreeing on the Future Development Strategy sign off process does not require external engagement. All matters have been discussed multiple times at Future Development Strategy Steering Group meetings, WRLC Senior Staff Group meetings, WRLC CEO Group meetings and the workshops outlined in paragraph 7 of this report.
45. Discussions at the WRLC Senior Staff meetings since September 2022 include:
- a That it was noted that the WRLC Agreement will need to be updated for all of options above.
 - b Timeframes will be impacted with the options involving multiple councils signing off. This may impact on the ability to feed into the Long Term Plan (LTP) process (noting the FDS needs to be prepared in time to inform 2024 LTPs).
 - c If each council wanted to sign off the draft Future Development Strategy this would make this more difficult for iwi partners to be involved in the sign off process. Could iwi partners run a separate process?
 - d That it was noted that the Regional Planning Committees under the Strategic Planning Bill would sign off the Regional Spatial Strategy without the need for each partner organisation to sign off the document.
46. Discussions at the WRLC CEO Group meetings since September 2022 include:
- a Noting and discussing items as outlined in 44 a-d above
 - b The WRLC CEO Group at their meeting of 9 September 2022 were unanimous in their view that Option 1 should be undertaken and this is reflected in the recommendation to the Committee above. This is also the view of the WRLC Senior Staff Group and the FDS Steering Group.
 - c The WRLC CEO Group at their meeting on 2 June 2023, remained unanimous in their view that Option 1 should be undertaken.

Ngā tūāoma e whai ake nei

Next steps

47. An updated WRLC Agreement and Terms of Reference will be prepared for approval at council meetings in August 2023. It will include changes required to provide for the draft and final Future Development Strategy and associated hearings as decided at this meeting and include a set of recommendations

Ngā āpitihanga

Attachment

Number	Title
1	Advice on decision making on FDS

Ngā kaiwaitohu

Signatory

Writer	Kim Kelly – Programme Director, Wellington Regional Leadership Committee Secretariat
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<p style="text-align: center;">He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee’s Terms of Reference state that meetings will be held every two months, or as necessary by the Committee Chairperson.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The activity outlined in this report contributes towards the work of the Committee.</p>
<p><i>Internal consultation</i></p> <p>Information and analysis in this report has been discussed at the WRLC Senior Staff Group meeting and the WRLC CEO Group meeting. Related views are incorporated into this paper.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>The Future Development Strategy is a statutory document all “Tier 1” councils must produce in time to inform 2024 Long Term Plans. Tier 1 councils are WCC, PCC, KCDC, HCC, UHCC. Failure to produce this document (including producing a draft, undertaking hearings and producing a final) in time results in non-compliance with the National Policy Statement – Urban Development.</p> <p>This is both a reputational risk and a lost opportunity to inform Council Long Terms Plans to ensure our growth is planned and creates well-functioning urban environments.</p>