



**PAPAIOEA**  
PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

# **COUNCIL**

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**9:00 AM, WEDNESDAY 4 SEPTEMBER 2024**

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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<b>Grant Smith (Mayor)</b>	
<b>Debi Marshall-Lobb (Deputy Mayor)</b>	
<b>Mark Arnott</b>	<b>Leonie Hapeta</b>
<b>Brent Barrett</b>	<b>Lorna Johnson</b>
<b>Rachel Bowen</b>	<b>Billy Meehan</b>
<b>Vaughan Dennison</b>	<b>Orphée Mickalad</b>
<b>Lew Findlay (QSM)</b>	<b>Karen Naylor</b>
<b>Roly Fitzgerald</b>	<b>William Wood</b>
<b>Patrick Handcock (ONZM)</b>	<b>Kaydee Zabelin</b>

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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## **COUNCIL MEETING**

4 September 2024

## **ORDER OF BUSINESS**

**1. Karakia Timatanga**

**2. Apologies**

**3. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**4. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**5. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other matters.

**6. Confirmation of Minutes**

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That the minutes of the ordinary Council meeting of 7 August 2024 Part I Public be confirmed as a true and correct record.

**REPORTS**

**7. Nature Calls - Programme Governance, Methodology and Communications Update**

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Memorandum, presented by Mike Monaghan, Manager - 3 Waters.

**8. Council Submission on the Local Government (Water Services Preliminary Arrangements) Bill**

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Memorandum, presented by Chris Dyhrberg, General Manager Infrastructure and Julie Keane, Transition Manager.

**9. International travel proposed for Mayor - November 2024**

Page 45

Memorandum, presented by Gabrielle Loga, Manager International Relations and Hannah White, Manager Governance.

**10. Infrastructure NZ Delegation to United Kingdom 2024**

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Memorandum, presented by Waid Crockett, Chief Executive.

**11. Elected Members' Meeting Attendance Statistics - 1 July 2023 to 30 June 2024**

Page 103

Memorandum, presented by Hannah White, Manager Governance.

**12. Council Work Schedule**

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## RECOMMENDATIONS FROM COMMITTEE MEETINGS

### 13. Presentation of the Part I Public Strategy & Finance Committee Recommendations from its 14 August 2024 Meeting

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### 14. Karakia Whakamutunga

### 15. Exclusion of Public

To be moved:

That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
16.	Confirmation of the minutes of the ordinary Council meeting of 7 August 2024 Part II Confidential	For the reasons set out in the Council of 7 August 2024, held in public present	
17.	Nature Calls - Property Opportunity - Due Diligence	NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings	s7(2)(i)
18.	Purchase of a Property on Waldegrave Street	THIRD PARTY COMMERCIAL Disclosing the information could harm a company's commercial position	s7(2)(b)(ii)
19.	Parking Contract Extension - Frog Parking	NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings	s7(2)(i)



This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

## **PALMERSTON NORTH CITY COUNCIL**

### **Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 07 August 2024, commencing at 9.02am.**

**Members Present:** The Mayor (Grant Smith) (in the Chair) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Apologies:** Councillor Leonie Hapeta.

Councillor Orphée Mickalad was not present when the meeting resumed at 11.15am. He entered the meeting at 11.20am during consideration of clause 133-24. He was present for the vote.

#### **Karakia Timatanga**

Councillor Marshall-Lobb opened the meeting with karakia.

#### **129-24 Apologies**

Moved Grant Smith, seconded Debi Marshall-Lobb.

#### **RESOLVED**

1. That Council receive apologies from Councillor Hapeta.

Clause 129-24 above was carried 15 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

#### **Declarations of Interest**

Councillor Debi Marshall-Lobb declared a conflict of interest in Item 10 Re-appointment of Trustees/Directors on Council Controlled Organisations (clause 134-24) and took no further part in discussion or debate.

Councillor Vaughan Dennison declared a conflict of interest in Item 18

Contract Award - Tamakuku Terrace Stage 2 Construction (clause 141-24) and took no further part in discussion or debate.

**130-24**

**Public Comment**

The following speakers spoke on Item 8: Actions required in response to Māori wards legislation change. They all spoke in favour of retaining the city's Te Puāo Māori ward.

- Richard Shaw
- Kevin Campbell
- Kim Penny, Chairperson of Te Pu Harakeke: Community Collective Manawatū
- Bishop Peter Cullinane
- Pania Marsh

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive the public comments.

Clause 129-24 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**131-24**

**Confirmation of Minutes – 26 June and 5 July 2024**

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That the minutes of the ordinary Council meeting of 26 June 2024 Part I Public be confirmed as a true and correct record.
2. That the minutes of the extraordinary Council meeting of 5 July 2024 Part I Public be confirmed as a true and correct record.

Clause 131-24 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Abstained:**

Councillor Rachel Bowen.

Councillor Debi Marshall-Lobb did not vote.



## REPORTS

132-24

### **Actions required in response to Māori wards legislation change**

Report, presented by Hannah White, Manager - Governance.

An amendment was put seeking additional information on not holding the binding referendum. The concern being that the legislation contradicts with elected members' obligation to act for the best interests of the Palmerston North community, as a compulsory poll will have a negative impact on the wellbeing of the community.

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council resolve to retain Te Pūao Māori Ward and that the Chief Executive provide further information to Council on potential implications of Council not proceeding with a binding referendum.

Clause 132-24 above was carried 15 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Karen Naylor, seconded Rachel Bowen.

An amendment: That Council resolve to retain Te Pūao Māori Ward **and that the Chief Executive provide further information to Council on potential implications of Council not proceeding with a binding referendum.**

Was carried 13 votes to 2, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Karen Naylor and Kaydee Zabelin.

#### **Against:**

Councillors Orphée Mickalad and William Wood.

The meeting adjourned at 10.51am.

The meeting resumed at 11.15 am.

Councillor Orphée Mickalad was not present when the meeting resumed.

133-24

### **Whakarongo Lagoon Landscaping - Budget Provision**

Report, presented by Aaron Phillips - Activities Manager, Parks.

The officer corrected the following error in the report:

In the Problem and Opportunities section and section 1.3 the year

should read '2024/2025 and 2025/2026'.

Councillor Orphée Mickalad entered the meeting at 11:20am.

Moved Grant Smith, seconded Debi Marshall-Lobb.

### **RESOLVED**

1. That Council agree to add a new programme titled 'Whakarongo Lagoon Landscaping Development' for the 2024/25 and 2025/26 financial years.
2. That Council agree a capital new budget for the Whakarongo Lagoon Landscaping Development programme of \$258,605.75 (excluding GST) for the 2024/25 year, to be funded by capital revenue from the developer.
3. That Council note that a new capital budget of \$258,605.75 for the 2025/26 year to be referred to the 2025/26 Annual Budget, to be funded by capital revenue from the developer.
4. That Council note it will receive \$63,000 in income in 2025/2026 to cover 3 years of maintenance of the landscaping for the 2025/26 to 2027/2028 period. This will be included in the appropriate Annual Budgets.
5. That Council note that the 2027/28 Long Term Plan will account for operational and renewal costs beyond 2028.

Clause 133-24 above was carried 14 votes to 1, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

#### **Against:**

Councillor Mark Arnott.

**134-24**

### **Re-appointment of Trustees/Directors on Council Controlled Organisations**

Memorandum, presented by Sarah Claridge, Governance Advisor.

Moved Grant Smith, seconded Vaughan Dennison.

### **RESOLVED**

1. That Council commence an appointment process inviting people to apply for:
  - two trustee positions on the Globe Theatre Trust Board.
  - two trustee positions on the Regent Theatre Trust Board.
  - two director positions on the Palmerston North Airport Limited (PNAL).

- two trustee positions on the Palmerston North Performing Arts Trust.

Clause 134-24 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Note:**

Councillor Debi Marshall-Lobb declared a conflict of interest, withdrew from the discussion and sat in the gallery.

**135-24**

**Progress on Collaboration Agreement with Central Football and Massey University - Artificial Football Turf**

Memorandum, presented by Aaron Phillips - Activities Manager Parks.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council note progress to advance the development of an artificial football field at Massey University.
2. That Council note that the Collaboration Agreement for the artificial football field at Massey University will be signed under delegation by the Chief Executive.

Clause 135-24 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**136-24**

**Civic and Cultural Precinct: 6 Month Update**

Memorandum, presented by David Murphy, General Manager Strategic Planning.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive the report titled Civic and Cultural Precinct: 6 Month Update, presented 7 August 2024.

Clause 136-24 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**137-24 Council Work Schedule**

Officers will circulate a proposed timeline of the Annual Budget 2025/26 process to Elected Members soon.

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

1. That Council receive its Work Schedule dated 7 August 2024.

Clause 137-24 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

## **RECOMMENDATIONS FROM COMMITTEE MEETINGS**

**138-24 Culture & Sport Committee Part I Public - 26 June 2024**

Councillor Bowen presented the recommendations below.

Moved Rachel Bowen, seconded Billy Meehan.

**RESOLVED**

1. That Council adopt the recommendations from the Culture & Sport Committee of 26 June 2024:

**Council endorsement of He rā ki tua - Horizons Region Spaces and Places Plan for Sport and Recreation 2023-2043 (clause 23-24)**

Memorandum, presented by Ann-Marie Mori, Policy Analyst, Kelly Shanks, Chief Executive - Sport Manawatū and Carl Johnstone, General Manager Partnerships - Sport Manawatū.

The **COMMITTEE RECOMMENDS**

1. That Council endorse the 'He rā ki tua - Horizons Region Spaces and Places Plan for Sport and Recreation 2023-2043' (Attachment 1) to inform and guide Council decisions on play, active recreation and sports facilities.
2. That Council note the Chief Executive will enter into a Memorandum of Understanding for implementing He rā ki tua - Horizons Region Spaces and Places Plan for Sport and Recreation 2023-2043.

**Remuneration for Council Controlled Organisation Board Members (clause 25-24)**

Memorandum, presented by Sarah Claridge, Democracy &

Governance Advisor.

The **COMMITTEE RECOMMENDS**

1. That the remuneration for Te Manawa be set out as one annual figure in the Appointment of Directors Policy (expenses and meeting fee combined), so as to read:
  - Te Manawa Chair: \$6,980
  - Te Manawa Board Member: \$2,980
2. That Council increase the remuneration of the Chairs of the Regent Theatre and Globe Theatre Trust Boards to \$1,200 for the 2024/25 year.
3. That Council agree an annual remuneration for Board Members of the Regent Theatre and Globe Theatre of \$1,020 for the 2024/25 year.
4. That Council note that the remuneration fees will be adjusted annually for inflation and reviewed by 2027, in accordance with the Appointment of Directors Policy, recently reviewed.

Clause 138-24 above was carried 14 votes to 0, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

**Abstained:**

Councillor Lorna Johnson.

## EXCLUSION OF PUBLIC

### 139-24 Recommendation to Exclude Public

Moved Grant Smith, seconded Debi Marshall-Lobb.

**RESOLVED**

That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this

			resolution
1.	Confirmation of the minutes of the ordinary Council meeting of 26 June 2024 Part II Confidential	For the reasons set out in the Council of 26 June 2024, held in public present.	
2.	Contract Award - Tamakuku Terrace Stage 2 Construction	NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings.	s7(2)(i)
3.	Contract Award - Electoral Services Contract	THIRD PARTY COMMERCIAL: Disclosing the information could harm a company's commercial position; and NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings.	s7(2)(b)(ii) and s7(2)(i)
4.	District Licensing Committee- Commissioner and List member appointments	PRIVACY: This information needs to be kept private to protect personal information that is confidential or sensitive. This includes people who are no longer alive.	s7(2)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Clause 139-24 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The public part of the meeting finished at 11.57am

Confirmed 4 September 2024

**Mayor**

## **MEMORANDUM**

**TO:** Council

**MEETING DATE:** 4 September 2024

**TITLE:** Nature Calls - Programme Governance, Methodology and Communications Update

**PRESENTED BY:** Mike Monaghan, Manager - 3 Waters

**APPROVED BY:** Chris Dyhrberg, General Manager Infrastructure

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### **RECOMMENDATIONS TO COUNCIL**

- 1. That Council note the proposed Best Practicable Option assessment methodology, as outlined in this memorandum.**
  - 2. That Council note the timeline of this methodology is subject to change due to announcements about national wastewater standards.**
  - 3. That Council note the proposed organisational and governance structure for the next stage of the Nature Calls project, as outlined in this memorandum.**
  - 4. That Council note the proposed communications approach for the next stage of the Nature Call project, as outlined in this memorandum.**
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### **1. ISSUE**

- 1.1** At its meeting on 10 June 2024, Palmerston North City Council resolved that the Nature Calls budget should not exceed \$480 million (excluding inflation) across the 2024-34 Long-Term Plan.
- 1.2** Council instructed the Chief Executive to pause the current consent application and revisit the Best Practicable Option (BPO) to assess existing and emerging options.
- 1.3** This memorandum endeavours to provide the Council with an update on the Nature Calls Programme, in particular the draft assessment methodology for revisiting the BPO, governance structure for the delivery of this, and communications approach for this next stage of the project.

### **2. BACKGROUND**

- 2.1** The selection of the BPO is required to meet the statutory requirements under the Resource Management Act 1991. The previous BPO selection process was extensive, developed over four years, and encompassed the creation of

a long-list, short-list, and a final option, which was endorsed by Council on 15 September 2021.

- 2.2 The draft Long-Term Plan (LTP) confirmed that the project would cost \$647 million and would require external funding from an infrastructure funding and financing (IFF) arrangement. During the LTP consultation and deliberations, concerns were raised regarding the project's affordability. Consequently, on 10 June 2024, Council resolved that the Nature Calls budget should not exceed \$480 million (excluding inflation) across the 2024-34 Long-Term Plan.
- 2.3 Council instructed the Chief Executive to pause the current consent application and revisit the BPO option to assess existing and emerging options.

**3. SUPPLEMENTARY INFORMATION (UPDATE FOLLOWING DRAFTING OF THIS MEMO)**

- 3.1 An important announcement was released by the Minister for Local Government, the Hon Simeon Brown in recent weeks. In a letter to Chief Executives and Mayors the Minister announced that the Government was proposing a single national standard that regional councils will implement through resource consents for wastewater discharges.
- 3.2 Officers consider that the announcement has the potential to impact the Nature Calls project and the review of the BPO in a substantial manner. The statement was vague and did not provide any information regarding what the single national standard for wastewater might include, nor did it provide detail on the timeline for introduction of the standards.
- 3.3 To gain further insight into what this change might mean for Nature Calls, officers arranged a meeting in Wellington with officials from Taumata Arowai (TA), the National Regulator for Water Services.
- 3.4 TA confirmed that they had been tasked to design a set of national standards for wastewater treatment. However, rather than one standard to encompass all wastewater discharges, they are working on a suite of standards tailored to the receiving environment. We understand that a likely timeframe for the development of the standards is August 2025.
- 3.5 As noted, the implications of a suite of national standards for wastewater discharge will almost certainly have implications on options and analysis of potential BPO solutions.
- 3.6 This report suggests a methodology and timeline for elected members' review; however, it is now expected that this development will lead to a superseded timeline to reflect the implications noted above.
- 3.7 It is proposed that the project continues with much of the work in the first six steps of the methodology on a no regrets basis, as much of the early technical work will be valuable to enable the process to proceed.



- 3.8 The final selection of options to take forward into a BPO process will however be impacted by the August 2025 timeframe for national standards release. The final technical assessment of options will now likely take place in September/October 2025 meaning a decision on a BPO will likely fall to the newly elected Council.
- 3.9 A report will be presented to the new Council as soon as is practically possible.

**4. BPO ASSESSMENT METHODOLOGY (REVISITED OPTION)**

- 4.1 Following the 10 June 2024 decision, the Project Team have been considering how the BPO selection could be reviewed. The first stage of this has been to develop a methodology for revisiting the BPO. The Project Team workshoped this methodology in July 2024.
- 4.2 The methodology will focus on revisiting the BPO options with the intention to move through the process in a timely and efficient manner to ensure work already completed is not redone, but key decisions are still re-examined.
- 4.3 The proposed process will maintain the original agreed BPO Project objectives:
  - Protects public health and minimises public health risks;
  - Minimises adverse environmental effects on air, land and water;
  - Is sustainable, enduring, and resilient;
  - Contributes to improving the health and mauri of the Manawatū River;
  - Takes an integrated approach to the management of the Manawatū River Catchment including understanding cumulative effects;
  - Enhances peoples use and enjoyment of the Manawatū River
  - Is affordable and cost effective;
  - Minimises whole of life carbon emissions and optimises resource recovery;
  - Is innovative while being evidence based;
  - Facilitates long term growth and economic development; and
  - Is developed with the active engagement of the community and key stakeholders.
- 4.4 The process will be conducted in seven steps before a final recommendation is presented to the Council. This approach aligns with the previous methodology, but is structured to re-evaluate existing assessments, avoid unnecessary rework, and accelerate what was previously a four-year process. The process steps are summarised below and detailed further in the process diagram attached to this paper **as Attachment 2**.

**Step 1: Long List Review**

- Revisit the long list for existing and new options.

**Step 2: Short List**

- Narrow down the long list to a more manageable set of options.

**Step 3: Process Optimisation**

- Optimise to ensure we are not repeating work that has already been conducted.

**Step 4: Technical Review of Options**

- Conduct a technical review of the shortlisted options.

**Step 5: Multi-Criteria Assessment Tool**

- Apply multi-criteria assessment tools to evaluate the options. This would include any public feedback.

**Step 6: BPO Assessment**

- Conduct a final assessment to determine the Best Practicable Option recommendations for Council decision.

**Step 7: Council Decision**

- Decide on the BPO option that will be delivered.

- 4.5 Key to this methodology is the integration of Iwi, Elected Members and stakeholders in this process, which is outlined below in the communications approach and will have progress milestones for updates and engagement planned into the methodology.
- 4.6 The option that is currently the subject of a consent application to Horizons Regional Council (highest level of treatment, 75% of the average dry weather flow (ADWF) discharged to land) is retained throughout this phase of assessment, for comparative purposes.
- 4.7 The final decision by Council for the revised BPO selection is projected to be presented to council for decision in mid to late 2025.
- 4.8 If the suggested seven step process is not endorsed, and an alternative methodology is required, the Nature Calls programme will be affected. The BPO timeline will be delayed and additional costs will be expended to develop the revised methodology.

**5. PROJECT GOVERNANCE STRUCTURE**

- 5.1 The Nature Calls Programme is entering a new stage of work, which includes not only consenting and selection of high-level options, which affect our communities, but also requires setup of funding and commercial based considerations.
- 5.2 The Programme has proposed an organisational governance structure to reflect this new stage of work. The proposed structure ensures a governance team that reports directly to Council, and is informed by the following areas to offer a combined perspective in their council recommendations:
  - Cultural & Iwi views
  - Community views
  - Project Delivery

- Project Assurance
- 5.3 Further engagement with Iwi is required to establish a more comprehensive plan on how mana whenua wish to be integrated into the structure.
  - 5.4 This structure is a traditional approach to programme organisation and governance that utilises delegated levels of authority to promote efficient delivery within agreed limitations at multiple levels. It allows for tactical management, required to focus on the day-to-day management of the project, as well as strategic management to ensure high level goals and stakeholder concerns are met. Council will confirm all key decisions and set the boundaries the programme can operate within.
  - 5.5 Although the organisational structure does not connect all the groups directly, this does not exclude these groups from collaboration on planned or as required basis. A more detailed approach to inter-group collaboration will be developed by the project delivery team.
  - 5.6 The draft proposed organisation structure is attached to this memorandum as **Attachment 1**.
  - 5.7 If an alternative governance structure is required to that proposed in this memorandum, the Nature Calls programme will continue to operate with the current arrangements until any newly proposed structure is endorsed by the Council. During this time, some inefficiencies that the proposed structure addresses may increase the risk of slippage to the programme timeframe for this stage of work.

## 6. COMMUNICATIONS APPROACH

- 6.1 Whilst our consent application was being processed, public communication needed to be led by Horizons Regional Council. However, we will now resume a thorough communications strategy for this project throughout this stage of work.
- 6.2 Our Nature Calls webpage remains the repository for all communication for our community, and stores all the historic information, consultation material and scientific information from the past 7 years. It continues to be the platform for providing updates.
- 6.3 Our Project Stakeholder Steering Group will also continue throughout this process. The Stakeholder Steering Group will have a direct input to the governance team to ensure a community viewpoint is integrated into key decision recommendations to Council. The group includes:
  - Rangitāne o Manawatū
  - Te Roopu Taiao Ngāti Whakatere
  - Te Tūmatakahuki
  - Manawatū Business Chamber
  - Federated Farmers

- Environment Network Manawatū
- Fish and Game
- Fonterra
- Te Whatu Ora
- Mayor (Chair)
- Elected Members (3)

6.4 If Council decides to look at significantly different treatment/discharge options, then appropriate levels of public consultation will be undertaken.

6.5 Public feedback will not occur until late 2025/26 once we know more about the treatment requirements and have a shortlist of options. Further detail on this will be provided in subsequent reports to Council.

## 7. CONCLUSION

7.1 Following the resolution of Council on 10 June 2024 to redevelop the BPO, the Nature Calls programme team has developed a seven-step methodology to agree on a new BPO.

7.2 The proposed methodology follows the same process as previously ran, but acknowledges the prior work completed, and reuses this where suitable, after appropriate reassessment.

7.3 The proposed methodology is estimated to be completed in Quarter 3/4 of 2025.

7.5 As the current focus of the project has changed, so has the needs of the programme organisation structure. The Nature Calls programme team have put forward a proposed structure in this paper, which returns to a more traditional programme delivery structure, but with channels for high levels of engagement and input from iwi and our community, as well as continued governance oversight by Council.

7.6 The proposed approach to programme communications was also renewed to align with the proposed structure and BPO methodology. This ensures an appropriate level of engagement where the options differ from those previous discussed and focuses on regular updates during this next stage of work.

## 8. NEXT STEPS

8.1 Officers will finalise the plans and continue working towards project timelines.



8.2 Work programmes already underway will continue and technical work packages will continue until completion

8.3 An updated methodology and any further implications from the development of national standards will be reported to the Sustainability Committee via the next Quarterly report.

**9. COMPLIANCE AND ADMINISTRATION**

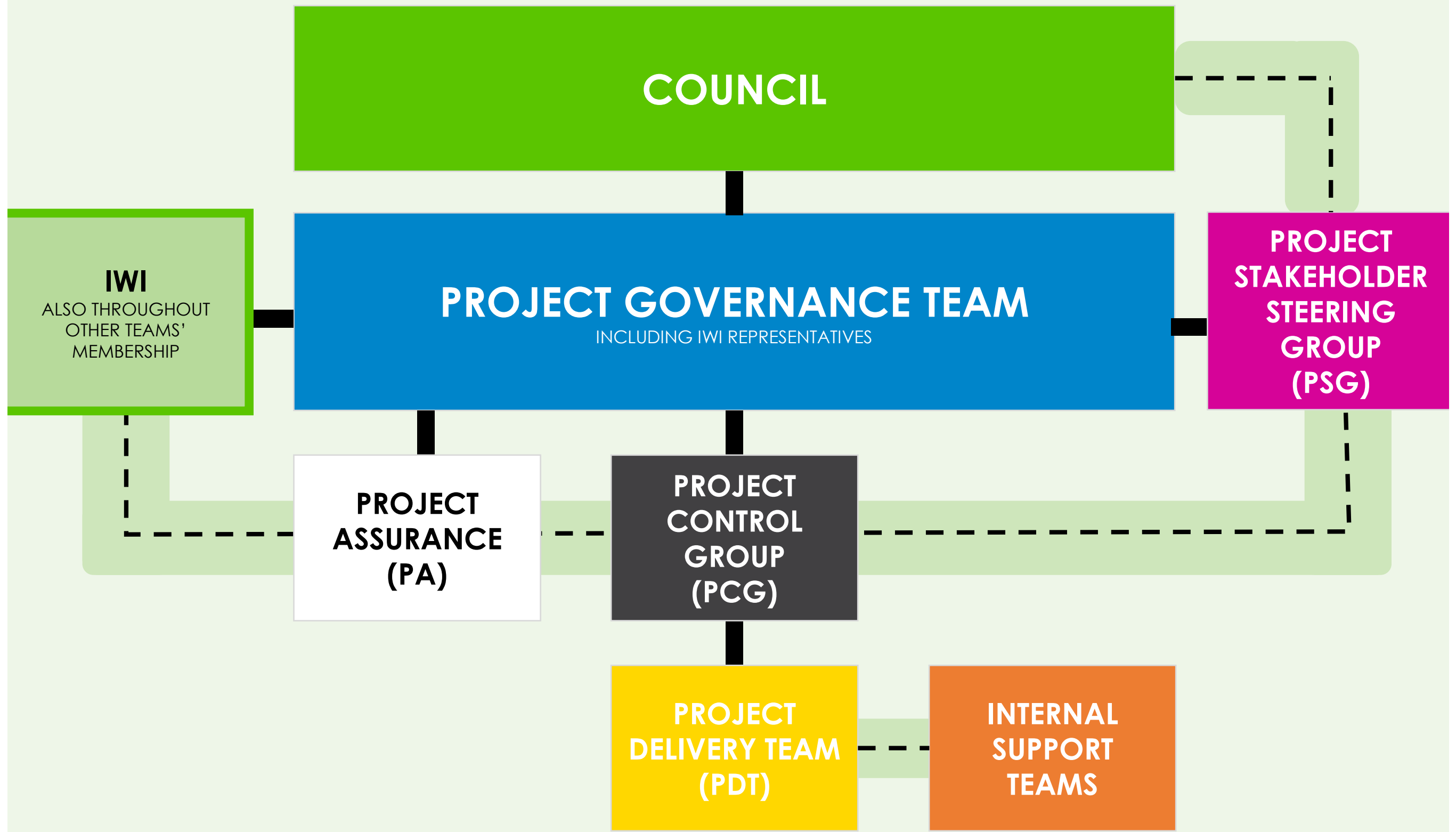
Does Council have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these objectives?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to: Whāinga 4: He tāone toitū, he tāone manawaroa Goal 4: A sustainable and resilient city	
The recommendations contribute to the achievement of objective in: 13. Mahere wai 13. Water Plan The objective is: to ensure safe and compliant disposal of the city's wastewater.	
Contribution to strategic direction and to social, economic, environmental and cultural wellbeing	To secure a wastewater consent for the discharge of treated wastewater. Ensuring social, economic, environmental and cultural impacts are clearly articulated and satisfied.

**ATTACHMENTS**

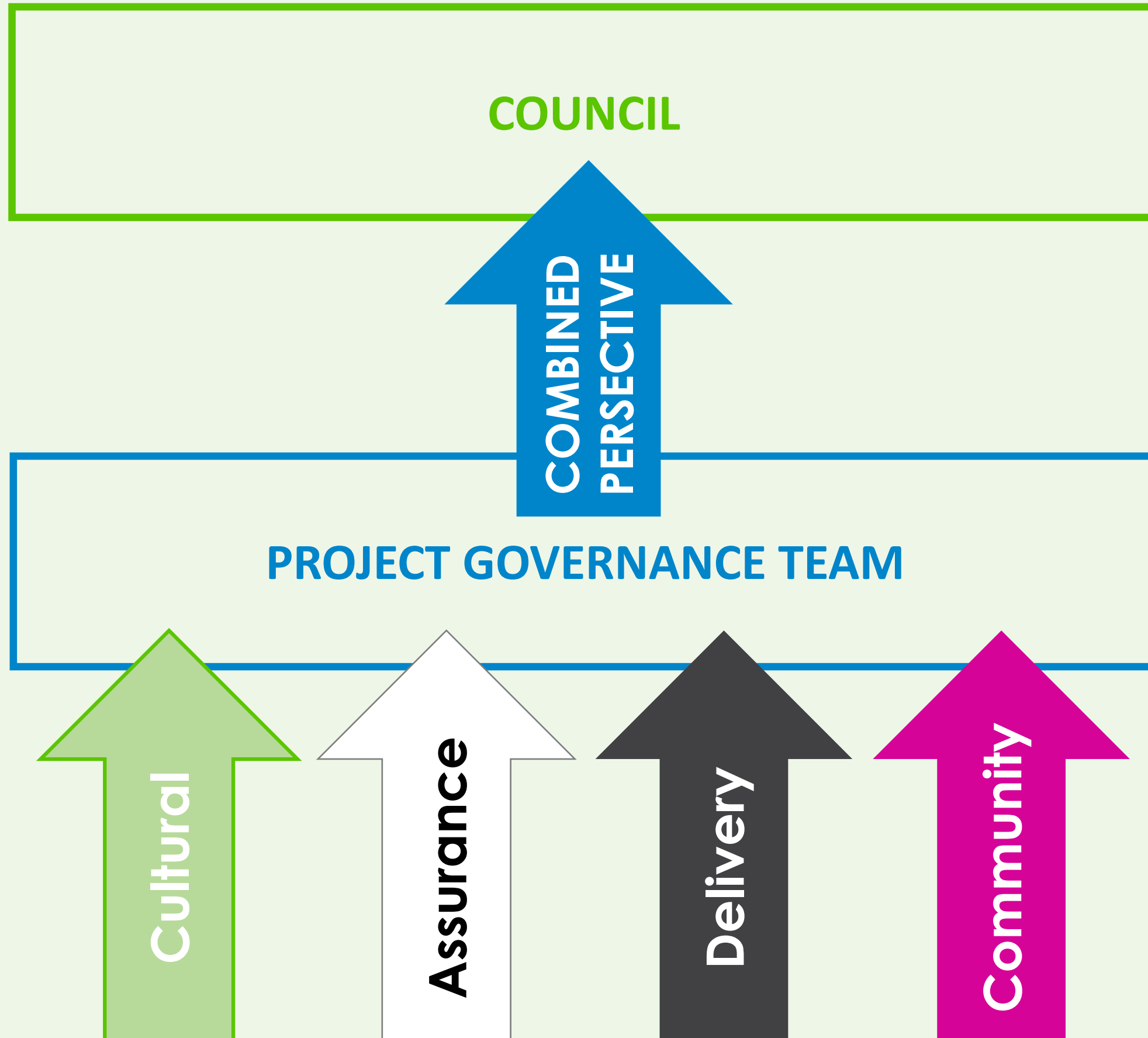
1. BPO Governance Structure [↓](#) 
2. BPO Methodology Flow Chart [↓](#) 



# NATURE CALLS PROPOSED ORGANISATION



# NATURE CALLS PROPOSED ORGANISATION





# NATURE CALLS PROPOSED ORGANISATION ROLES



## COUNCIL

### COMPOSITION

- Mayor (Chair)
- Elected Members

### ROLE

Final key decision makers. Higher-level management responsible for ensuring the project's strategic alignment with the broader organisational goals and providing the necessary resources and oversight.

### COMMUNICATION

Receive regular update reports from the project.

Ad-hoc meetings with the Project Governance Group and project execution team.

### TASKS

- Approve the project's overall objectives and issue authority to start execution.
- Approve overall project budget.
- Approve the project's stage approach and budget allocation.
- Approve requests from the Project Governance Group regarding execution strategy and high level solution acceptance.
- Monitor the project's alignment to community and iwi engagement targets.
- Provide high level risk oversight and resolution advice.

# NATURE CALLS PROPOSED ORGANISATION ROLES



## PROJECT GOVERNANCE GROUP

### COMPOSITION

- Chief Executive (Chair)
- GM Infrastructure
- Chief Financial Officer
- Iwi Representative/s
- Independent Advisor

### ROLE

The group responsible for operational oversight and ensuring that the project stays on track, within scope, and within budget, while meeting its objectives.

### COMMUNICATION

- Regular update reports to Council.
- Regular meetings with Project Control Group.
- Ad-hoc and planned meetings / communications with other groups.

### TASKS

- Provide updates and request approvals from Council
- Approve detailed project plans and budgets (within delegated limits from Council)
- Monitor project progress and performance
- Make key strategic decisions (within delegated limits from Council)
- Resolve major issues escalated from the Project Control Group
- Validate project deliverables and outcomes
- Monitor and assist the Project Control Group & Project Delivery Team with communications to other groups
- Actively work with Iwi, and Steering Group to ensure broader outcomes are achieved.

# NATURE CALLS PROPOSED ORGANISATION ROLES



## PROJECT CONTROL GROUP

### COMPOSITION

- Manager 3 Waters (Chair)
- 2 others

### ROLE

The group focused on day-to-day project management activities, ensuring that the project is being executed according to plan and addressing immediate risks and issues.

### COMMUNICATION

- Regular update reports to Project Governance Group.
- Regular meetings with Project Governance Group.
- Weekly meetings with Project Team.
- Ad-hoc comms as required.

### TASKS

- Monitor daily project activities
- Review progress reports from the Project Team
- Manage risks, issues, and change requests
- Facilitate communication between the Project Delivery Team and Project Governance Group
- Ensure adherence to project plans and schedules
- Monitor and assist the Project Team with communications to other groups

# NATURE CALLS PROPOSED ORGANISATION ROLES



## PROJECT DELIVERY TEAM

### COMPOSITION

- Programme Manager
- Project Managers
- Project Support
- Specialists
- Consultants

### ROLE

The team responsible for carrying out the project work according to the project plan, delivering the agreed-upon products and services.

### COMMUNICATION

- Weekly meetings with the Project Control Group
- Weekly team meetings
- Regular reporting to Project Control Group
- Ad-hoc communications as required.

### TASKS

- Execute tasks according to the project plan
- Report progress and escalate issues to the Project Control Group
- Deliver project outputs to defined quality standards
- Manage day-to-day risks and issues
- Maintain project documentation and records
- Develop project plans for approval

# NATURE CALLS PROPOSED ORGANISATION ROLES



## IWI

### COMPOSITION

Membership:

- Rangitāne o Manawatū
- Te Tūmatakahuki
- Ngāti Whakaterere

### ROLE

The Iwi group represents the interests and perspectives of the Māori community, ensuring the project respects cultural values, heritage, and aligns with the community's goals and aspirations.

### COMMUNICATION

- Regular updates from the project.
- Active involvement and consultation in the project execution and governance.
- Ad-hoc communication as required.

### TASKS

- Provide cultural guidance and oversight
- Ensure project activities respect and incorporate Māori values
- Facilitate community engagement and consultation
- Review and advise on potential impacts to land, culture, and community
- Promote sustainable and inclusive project outcomes
- Actively participate in reaching solutions with the Project Delivery Team

# NATURE CALLS PROPOSED ORGANISATION ROLES



## PROJECT STEERING GROUP

### COMPOSITION

Membership:

- As per current ToR

### ROLE

The Project Steering Group represents the interests and concerns of the local community, providing input and feedback to ensure the project considers community needs and promotes positive local outcomes.

### COMMUNICATION

- Bi-Monthly meeting with Project Governance Group.
- Ad-hoc engagement workshops as required.

### TASKS

- Provide community perspective and feedback
- Identify and communicate community concerns
- Facilitate community engagement and consultation
- Review and advise on potential social and environmental impacts
- Promote transparent and inclusive project communications

# NATURE CALLS PROPOSED ORGANISATION ROLES



## PROJECT ASSURANCE

### COMPOSITION

Membership:

- WWTP Expert/s
- Quantity Surveyor
- Construction Expert
- Procurement
- Finance
- Legal

### ROLE

The Project Assurance Team provides independent oversight and assurance that the project is being delivered according to the defined standards, plans, and policies. They provide technical independent review of the project.

### COMMUNICATION

- Engaged through the Project Governance Group as required.
- End of stage review reports to Project Governance Group.

### TASKS

- Provide independent advise and review of the project to the Project Governance Group.
- Provide independent technical advisory to the Project Governance Group on request.
- Ensure project adherence to governance standards
- Validate project performance and progress
- Review risk, issue management, and mitigation effectiveness
- Conduct audits and quality reviews
- Report assurance findings to the Project Governance Group and Council





Step / process summary	Indicative dates	Notes
<p><b>Preparation</b></p> <ul style="list-style-type: none"> <li>Draft project methodology and programme</li> <li>PNCC approval to proceed</li> </ul>	<p><b>(pending governance structure)</b></p> <p><b>19 Aug:</b> Draft methodology</p>	<p><i>Iwi engagement should be established here - PNCC</i></p>
<p><b>Step 1: Long list</b> Development of list &amp; Fatal flaw assessment</p> <ul style="list-style-type: none"> <li>Original BPO short list</li> <li>Variants* and new options</li> </ul> <p>Draft long list → To industry experts for advice</p> <p>Amendments to long list as required</p>	<p><b>13 Sep:</b> Draft list of options and variants created</p> <p><b>30 Sep:</b> Draft list for to Project Control Group</p>	<p><i>Need an independent check on the list, and advice on general thinking on options</i></p>
<p><b>Step 2: Short list</b> Confirmation of options to be considered</p> <p>More than 10 options?   Yes → Traffic Light Screening   No → Short list</p>	<p><b>Early October:</b> Advised to Project Control Group</p> <p><b>30 November:</b> Short list established</p>	<p><i>If the list of options is too long, then the shortlist process becomes unmanageable</i></p> <p><i>If required, traffic light assessment considers public health, environment, Māori cultural values, community, financial, technology, resilience, economic development</i></p>
<p><b>Step 3:</b> Process optimisation</p>	<p><b>30 November:</b> Proposed assessment process advised in Councillor Briefing</p>	<p><i>Optimising to ensure that we're not unnecessarily repeating work that has already been done</i></p>
<p><b>Step 4:</b> Technical work</p> <ul style="list-style-type: none"> <li>Work to ensure level playing field of options on technical level (updates as required)</li> </ul> <p>Further comparative assessments if needed</p>	<p><b>28 February:</b> Technical reports (as required, including updated comparative costs as indexes)</p>	<p><i>Some options will not have had same level of tech work that the original shortlist did</i></p>
<p><b>Step 5:</b> Multi-tool Assessment</p> <p>Public engagement on top 3-4 options</p>	<p><b>March/April:</b> Technical Team to assess. Report to Council in April</p> <p><b>May:</b> Public Feedback</p>	
<p><b>Step 6:</b> BPO Assessment</p> <ul style="list-style-type: none"> <li>BPO assessment of the options consulted on</li> </ul>	<p><b>Late June:</b> Councillor Workshops to review assessments</p>	
<p><b>Step 7:</b> Council Decision</p>	<p><b>Council Resolution</b> <b>August</b></p>	

Working Draft for Council paper

*\* Variants are minor changes to existing options and therefore may not need reassessment through the multi-tool process*



## **MEMORANDUM**

**TO:** Council

**MEETING DATE:** 4 September 2024

**TITLE:** Council Submission on the Local Government (Water Services Preliminary Arrangements) Bill

**PRESENTED BY:** Chris Dyhrberg, General Manager Infrastructure and Julie Keane, Transition Manager

**APPROVED BY:** Chris Dyhrberg, General Manager Infrastructure

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### **RECOMMENDATION TO COUNCIL**

**1. That Council note the submission on Local Government (Water Services Preliminary Arrangements) Bill (Attachment 1).**

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#### **1. ISSUE**

- 1.1 The purpose of this memorandum is to report to Council, for information, on Council's submission on the Local Government (Water Services Preliminary Arrangements) Bill (WSPA).
- 1.2 On 4 June, Parliament's Finance and Expenditure Committee called for submissions on the WSPA Bill.
- 1.3 Because the closing date for submissions was set by the Committee for 13 June 2024, Council officers were unable to report the submission to Council for prior approval.
- 1.4 The draft submission was circulated to Elected Members on 11 June 2024 with a requested response by 11.59pm on 12 June. There being no responses, the draft document was finalised and the Mayor approved the submission under delegation (2.9).

#### **2. BACKGROUND**

- 2.1 On 4 June 2024, the WSPA Bill was introduced to the House of Representatives. This Bill aims to establish preliminary arrangements for local government water services delivery. It is the second of three bills related to water services that the Government intends to pass.
- 2.2 At the time of writing this report, the WSPA Bill is at the Committee of the House stage (the last step before the final reading).

2.3 The WSPA Bill largely falls into three categories:

- First, the Bill requires Territorial Authorities (TA) to submit a Water Services Delivery Plan (WSDP). The plan is required to set out councils' current water services arrangements and strategy for delivering financial sustainable water services and meeting regulatory standards. The information on the current state of water services will lay the foundation for information disclosure as part of the future comprehensive economic regulation regime.
- Second, the Bill would create alternative consultation and decision-making requirements that a TA can choose to use when establishing, joining or amending a Water Services Council Controlled Organisation (WSCCO).
- Third, the Bill would also enable Auckland Council to implement its preferred model for water services delivery.

2.4 Council spoke to the submission at Parliament's Finance and Expenditure Committee hearing on 24 June 2024 date. Key points highlighted at the hearing were:

- The 12-month timeframe to develop a WSDP;
- The time period that the WSDP covered; and
- Lack of visibility of key pieces of legislation to assist with the planning process of any future WSCCO option.

**3. NEXT STEPS**

3.1 Monitor outcomes of the final reading of the Bill, likely to be known mid – late August 2024.

**4. COMPLIANCE AND ADMINISTRATION**

Does Council have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>Yes</b>
The recommendations contribute to Whāinga 4: He tāone toitū, he tāone manawaroa	

Goal 4: A sustainable and resilient city	
The recommendations contribute to the achievement of objectives in 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan The objective is: Advocate to Government and other decision-makers on issues and opportunities.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The purpose of Local Government (Water Services Preliminary Arrangements) Bill (WSPA) is to establish preliminary arrangements for the future delivery of water services.

**ATTACHMENTS**

1. Final Submission Local Government (Water Services Preliminary Arrangements) Bill [↓](#)

13/06/2024

**Committee Secretariat**

Finance and Expenditure  
Parliament Buildings  
Wellington 6140

Members of the Finance and Expenditure Select Committee

**Submission on Local Government (Water Services Preliminary Arrangements) Bill**

Palmerston North City Council (PNCC) welcomes the opportunity to submit on the Local Government (Water Services Preliminary Arrangements) Bill ('the Bill'). High level comment is also made on the Amendment Paper at the conclusion of this document.

Our feedback follows on from opinions and guidance issued by Local Government NZ (LGNZ), Taituarā and Water New Zealand (WNZ), all of which are appended to this document to signal that we also wish these to be considered as part of our Council feedback. The commentary below is to be taken in addition to the appended documents but explores specific elements in more detail where necessary.

Council have not considered nor will be making comment on Part Four of the Bill in relation to the provisions for Watercare Services Limited, however support the comments made by Taituarā.

Preparing a detailed response to the Bill within the timeframe provided has been challenging and until further legislation is introduced later in the year there are key elements of the Governments approach and implementation that remain unclear.

These include:

- an understanding of the long-term requirements for financial sustainability
- understanding the new classes of CCOs and service delivery models
- planning and accountability for water services
- clarity on economic regulation (recognising the foundational disclosure provisions within the Bill give some steer)
- alterations to Taumata Arowai, the LGA and NPS for Freshwater Management

## Water Service Delivery Plans (WSDP)

Clarification on the content required to be provided in a WSDP has been welcomed including awareness that a Council resolution to adopt the WSDP will be required. The preparation of a WSDP will be a challenging task, this will be especially relevant where collaborations between local authorities are being considered. We seek assistance from Government to provide a WSDP template and any additional guidance or support that is available to expediate this process for councils.

### Timeframes for development

Council believes the timeframe for developing a WSDP needs to be extended. We are fully supportive of the comments made by both Taituarā and LGNZ in this regard.

The councils of the Manawatu-Whanganui region are engaged in exploring the establishment of a regional approach to the delivery of water services that aligns with legislative requirements. We are working together to establish the suitability of an asset owning CCO for the region, and to define the next steps.

When considering a collaborative approach, it is essential to have all the required information available to make an informed decision. As highlighted by LGNZ, many elements of the policy framework will not be known until the end of the year which includes awareness of the new classes of Council-Controlled Water Organisations and service delivery models.

The development of a WSDP, whether developed individually or jointly, will take time particularly if working in collaboration with other councils and 12 months seems a short timeframe to agree a sustainable partnership arrangement.

Without having full visibility of the policy framework, particularly in relation to the long-term requirements for financial sustainability, how are councils able to consult on their WSDPs at the same time that the legislation to provide more detail on financial sustainability is progressing through the house?

Although Clause 17 allows for the Minister to grant an extension to the deadline, we endorse Taituarā's recommendation:

***"That clause 16(1) be amended to allow local authorities up to two years from the date on which the Act comes into force."***

### Period covered by WSDPs

Clause 13(1) indicates that the WSDPs will start from the 2024-25 financial year. This timing seems illogical on the basis that this financial year will be finished before the WSDP's are to be submitted, and if setting up a joint CCO it is likely to take between one – three years to set up from the point of approval of the WSDP.

As outlined in LGNZ and Taituarā's submissions we also share the concern and agree that the ten year outlook is too short of a period to make informed judgements about what is and isn't financially sustainable. Councils are required to prepare a 30 year infrastructure strategy to inform the Long Term Plan (LTP), and it makes sense from our point of view to align to this timeline as it provides a longer term view of Council priorities.

This approach is also aligned with our regional appraisal project. Our initial approach was to only consider Years one – ten of the LTP but further analysis identified that inclusion of Years 11 – 30 were required to provide a more thorough picture of the future state.

We endorse Taituarā's recommendations:

***“That clause 8(1)(iv) be amended to read “... future development strategy, district plan and long term plan”.***

***“That clause 13(1) be amended to require service delivery plans to cover a period of at least 30 consecutive financial years.”***

#### **Secretary may make rules in relation to WSDPs - Deadline**

Clause 14 (1-5) gives the Secretary wide ranging powers to make rules in relation to WSDP's. The Bill currently does not specify a deadline for the Secretary to make the rules, making development of a WSDP more challenging without them. If they are intended to be rules that refine WSDP requirements as the process evolves, then it should be made clear that that is the intent.

#### **Secretary accepts water services delivery plan - Timeframe**

Currently the Bill does not set out a timeline for the Secretary to review and accept a submitted WSDP only the timeline for TAs to submit their plan to the Secretary. We endorse the comments from both LGNZ and Taituarā that a timeframe should be set to provide greater certainty to TA's and their communities.

We endorse Taituarā's recommendation:

***“That clause 18 be amended to require the Secretary to advise the territorial authority or joint arrangement of a decision to accept a plan or to direct amendments within two months of receipt”.***

#### **Definition of 'financially sustainable' – Unintended Consequence**

Part (a) of the definition in Clause 5 requires that revenue applied to water services will be sufficient to ensure long-term investment. This is generally known as 'ring-fencing' and is intended to ensure that water revenues are not used for other purposes. There is, however, a perhaps unintended consequence in that borrowing by territorial authorities has regard for the revenue earned for all functions, some of which do not require long-term investment, i.e. debt.



**By way of example:** If Council x in its 2024-34 long-term plan, forecasts revenue for three waters in 2024/25 as \$11.7 million and the debt as \$42 million, i.e. 359% of revenue. This is higher than the limit set by the Local Government Fund Agency (LGFA) and much higher than the ratio for the full amount of Council's forecast debt.

If Council x decided not to join a formal regional collaboration, the test for financially sustainable would be meaningless. And if it did join such a collaboration, assuming Council x's debt position is similar to most other territorial authorities within the same regional collaboration, that joint entity would face an opening debt beyond the limits set by the LGFA.

**We recommend amending part (a) of the definition of 'financially sustainable' in Clause 5 to '...revenue earned for water services is applied solely to water services and that there is sufficient long-term investment', leaving part (b) unchanged, as that explains the test for sufficient long-term investment.**

### Ring-fencing – Improve definitions

Ring-fencing is a priority for the Government<sup>1</sup>. We draw the Committee's attention to the following aspects of Clause 11(1):

- (f) *financial projections for delivering water services over the period covered by the plan, including—*
  - (i) *the operating costs and revenue required to deliver water services; and*
  - (ii) *projected capital expenditure on water infrastructure; and*
  - (iii) *projected borrowing to deliver water services;*
- (k) *an explanation of how the revenue from, and delivery of, water services will be separated from the territorial authority's other functions and activities.*
- (m) *an explanation of what the authority proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028:*

We have commented earlier (section above) on ring-fencing, suggesting the definition of 'financially sustainable' is amended. The deadline stated in (m) is not foreshadowed in the Regulatory Impact Statement.

**We recommend that the Committee ask Internal Affairs for its understanding of the implications of ring-fencing of three waters revenue, expenditure and borrowing for all local councils. This may mean that (k) is reworded 'an explanation of how the revenue from water services is applied solely to the delivery of water services and not to any of the territorial authority's other functions and activities.'**

If the definition of 'financially sustainable' is not amended:

**we suggest that (m) is either amended to read, 'an explanation of what the authority proposes to do in a joint arrangement to ensure that the delivery of water services will be financially sustainable by 30 June 2028': or 'deleted'.**

<sup>1</sup> Cabinet Economic Policy Committee: Local Water Done Well Stage 2: Establishing the Framework and Transitional Arrangements, 20 March 2024 (released 31 May 2024), paragraph 29: 'Ring-fencing is a key feature, which will help to provide transparency to communities about the costs and financing of water services, support financial sustainability, and ensure sufficient revenue is being raised to cover costs. This includes the cost of maintaining and refurbishing existing infrastructure and the cost of investment required to meet regulatory requirements and provide for growth.'

### **Requiring specified foundation information disclosure to support economic regulation – Strengthen Intent**

We support, that economic regulation will apply to all water services ie no exclusions for stormwater and regardless of the model of service delivery. The economic regulator should in the first instance seek to re-use or re-purpose existing information collected by the other agencies.

We are concerned that the Bill does not specifically recognise the need for long-term sustainability of services. This is critical to counteracting the understandable, but undesirable, tendency to short-termism, and is critical to promoting long-term management of assets. Arguably, sustainability of service might be captured by the phrase 'long-term benefit of consumers'. This intent should be made clearer.

### **Iwi/Maori involvement**

The Manawatu-Wanganui region Councils intend ensuring that Iwi participate in the process to define the structure of any future operating model.

We observe that the legislation and the Government's announcement are reticent on Maori involvement in the LWDW programme. We suggest that the Government issue guidance and a minimum threshold on this in a way that honours the principles of Te Tiriti o Waitangi. This will make it more efficient for councils attempting to form a WSCCO to consult with treaty partners.

### **High level comments on the Amendment Paper**

#### **Te Mana o te Wai**

- We are disappointed with the Government's intent to remove the hierarchy of obligations of Te Mana o te Wai. At this point in the reform process, it is not clear what the intention is or what the practical effect will be. However given the potential impact of this removal, we ask the government to re-instate the hierarchy of obligations or a substantial equivalent that is informed/led by Iwi Maori.

#### **General**

- Without addressing or holistically understanding the water environment setting standards or during the consent process there is real risk there will be further aquatic environment degradation, with associated negative economic, community and cultural wellbeing impacts
- Across consenting authorities there is considerable variation in the supporting information required to demonstrate that natural and physical resources will be managed in a way that gives effect to Te Mana o te Wai, and subsequently the consent conditions imposed.
- The wastewater and stormwater performance standards and targets Taumata Arowai are developing under the WS Act will provide greater certainty and consistency of process and requirements across the country. We welcome this approach.

**Conclusion**

Palmerston North City Council thank the Committee for the opportunity to provide comment on the Local Government (Water Services Preliminary Arrangements) legislation.

We hope that this submission is helpful to the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Smith', written in a cursive style.

**Grant Smith**  
**Mayor**  
Palmerston North City



## **MEMORANDUM**

**TO:** Council

**MEETING DATE:** 4 September 2024

**TITLE:** International travel proposed for Mayor - November 2024

**PRESENTED BY:** Gabrielle Loga, Manager International Relations and Hannah White, Manager Governance

**APPROVED BY:** David Murphy, General Manager Strategic Planning  
Cameron McKay, General Manager Corporate Services

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### **RECOMMENDATIONS TO COUNCIL**

- 1. That Council approve the Mayor's travel to China from 16 November until 26 November 2024**
  - 2. That Council approve up to \$1,500 of incidental costs associated with the Mayor's travel to China from 16 November until 26 November 2024.**
- 

#### **1. ISSUE**

- 1.1 An opportunity exists for the Mayor to travel to China from 16 November until 26 November 2024 to attend International Friendship Cities Conferences. The cost of the international travel and accommodation will be met by Global Cities New Zealand and the Conference organisers.
- 1.2 Council approval is required for international travel of the Mayor and for related incidental expenses of up to \$1500.
- 1.3 The Mayor is also on planned leave from 21 October 2024 to 4 November 2024.

#### **2. BACKGROUND**

- 2.1 Palmerston North has been a long-standing member of Global Cities New Zealand (previously known as Sister Cities New Zealand). The Mayor is the current National President of Global Cities New Zealand.
- 2.2 It is proposed that the Mayor will be travelling in two capacities, the first will be representing New Zealand, as the President of Global Cities New Zealand, at the China International Friendship Cities Conference in Kunming. The second will be taking the opportunity, while in China, to represent the city as Mayor of Palmerston North. This will include the signing of a letter of intent to

explore collaborative opportunities with Fuzhou at the Fuzhou International Friendship Cities Festival.

- 2.3 There might also be the potential to support Massey University's partnership with Hebei University of Technology in Tianjin, which is yet to be confirmed.
- 2.4 The advice received from Global Cities New Zealand and our partners in China is that there will be no costs to Council as they will be covering international flights, domestic flights, accommodation and meals. It is however acknowledged that there is a potential for minor incidental costs associated with the trip which are estimated to be up to \$1500.
- 2.5 If approved, the Mayor would be absent for the Economic Growth Committee meeting of 20 November and the Citizenship Ceremony scheduled for 21 November.
- 2.6 The Mayor will attend the Zone 3 meeting on 14 and 15 November, before departing.
- 2.7 In addition, the Mayor will be taking personal leave from 21 October to 4 November. This leave of absence has been approved by the Deputy Mayor under delegation 2.5.2 of the Delegations Manual.

**3. NEXT STEPS**

- 3.1 If Council approves the Mayor to travel to China, arrangements will be confirmed with partners.
- 3.2 Following his return, the Mayor will report to Council on the outcomes of the visit.

**4. COMPLIANCE AND ADMINISTRATION**

Does Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these objectives?	<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	

<p>The recommendations contribute to the achievement of objective/objectives in:</p> <p>2. Mahere whakawhanake ohaoha</p> <p>2. Economic Development Plan</p> <p>The objective is: Support international education and promote Palmerston North's interests to global partners</p> <ul style="list-style-type: none"> <li>- Promote Palmerston North's interests to global city partners</li> <li>- Facilitate international economic and education partnerships with city institutions</li> <li>- Participate in international forums and events</li> </ul>	
<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>The visit would demonstrate Palmerston North's leadership of international collaboration and friendship, and explores opportunities with partner cities to enhance economic, educational, cultural and community cooperation.</p>

**ATTACHMENTS**

1. Invitation to Mayor G Smith - China International Friendship Cities Conference 2024 [↓](#) 
2. Letter of Intent - Fuzhou [↓](#) 
3. Fuzhou City Profile [↓](#) 

# Invitation

Beijing, July 30, 2024

Mayor Grant Smith  
President of Global Cities New Zealand  
Palmerston North

Distinguished Mayor Grant Smith,

In this beautiful season of summer, I would like to extend my sincere greetings to you.

Co-hosted by the Chinese People’s Association for Friendship with Foreign Countries(CPAFFC), China International Friendship Cities Association(CIFCA) and the People’s Government of Yunnan Province, and organized by Kunming Municipal People’s Government, the 2024 China International Friendship Cities Conference will take place in Kunming on November 17-20, 2024.

International friendship cities are an important vehicle for enhancing mutual understanding and friendly ties among people and promoting friendly exchanges and practical cooperation among local governments. To date, CPAFFC has successfully hosted six sessions of the China International Friendship Cities Conference, inviting local governments leaders and guests across all sectors worldwide to engage deeply on issues of common concern. These conferences have provided a vital platform for Chinese and foreign Friendship cities and local governments to share experiences, enhance friendship, and jointly pursue common development.

With the theme of “Common Prosperity, Shared Future”, the 2024 China



International Friendship Cities Conference will focus on topics such as urban technological innovation, green development, cultural inheritance and transportation connectivity. The conference features discussions and seminars as well as signing ceremony of friendship cities and project agreements, award ceremony of Chinese and foreign friendship cities, and city promotion activities. Participants can share their cooperation experiences and development achievements, jointly outlining a bright future of mutual benefit and win-win cooperation among friendship cities and local governments of China and abroad.

Located at the junction of China, South Asia and Southeast Asia, Yunnan Province boasts rich ethnic cultures and natural resources, making it one of the longest-standing regions in China open to the outside world. Kunming, the provincial capital, serves as China's gateway city to South Asia and Southeast Asia. With a history spanning over 2200 years, Kunming enjoys a perpetual spring-like climate and continuous blossoming. It is a renowned historical and cultural city in China, famously known as the "City of Eternal Spring" and the "City of Flowers" in China.

You have long been actively committed to enhancing friendship between New Zealand and China, and promoting exchanges and cooperation among our local governments. We sincerely invite you to attend the conference this year. You are welcome to bring a guest along with you. I look forward to seeing you in Kunming.

With warm regards,



President of CPAFFC&CIFCA  
The People's Republic of China



## Letter of Intent

Between



**Fuzhou Municipal People's Government of the People's Republic of China**

And

**Palmerston North City Council of New Zealand**

This Letter of Intent records the mutual intention between Fuzhou Municipal People's Government of the People's Republic of China and Palmerston North City Council of New Zealand (collectively referred to as "the Participants"), to explore a cooperative relationship for the purpose of enhancing mutual understanding and friendship between their peoples and facilitate opportunities and cooperation in the education sector.

- The Participants recognise that education cooperation is an important part of the Strategic Education Partnership between New Zealand and the People's Republic of China. The Participants, based on mutual understanding, equality and mutual benefit, will seek to establish a friendly cooperative relationship to facilitate educational exchanges, promote collaboration opportunities and encourage cooperation in the education sector.
- Regular contact shall be maintained between the Participants liaison offices, the Foreign Affairs Office of Fuzhou Municipal People's Government and the International Relations Division of Palmerston North City Council to identify opportunities and facilitate cooperation as well as consult one another on matters of mutual interest.
- The Participants intend to explore the possibility of entering a formal friendship city relationship agreement in due course, after due discussion and the necessary formalities in accordance with the related regulations of the respective countries. The Participants intend to cooperate and collaborate in the education sector but may consider other fields such as economy, trade, culture, sports and tourism by agreement.
- This Letter of Intent is written in English and Chinese. Both texts being equally authentic.
- This Letter of Intent is not intended to create binding legal obligations.

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**WU Xiande**  
**Mayor**  
 Fuzhou Municipal People's Government

Date:

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**Grant SMITH**  
**Mayor**  
 Palmerston North City Council

Date:

## 中华人民共和国福州市人民政府与新西兰 北帕默斯顿市政府发展合作关系意向书

中华人民共和国福州市人民政府与新西兰北帕默斯顿市政府（以下简称“双方”）就发展合作关系达成一致意向，以增进两国人民相互了解与友谊，加强教育领域的机遇与合作。

双方一致认为，教育合作是新西兰与中华人民共和国战略性教育伙伴关系的重要组成部分。双方将在相互理解、平等互利的基础上，发展友好合作关系，促进教育交流，增加合作机会，加强教育合作。

作为双方联络机构，福州市人民政府外事办公室与北帕默斯顿市政府国际关系局将保持定期联系，以寻求机会、促进合作，并就共同关切的事宜展开磋商。

双方将在根据各自国家的相关规定，进行充分讨论并办理必要手续后，探索适时签署正式友好城市关系协议的可能性。双方将在教育领域，并考虑在经济、贸易、文化、体育和旅游等领域拓展合作。

本意向书用中文与英文书写。两种文本具有同等效力。

本意向书不产生具有约束力的法律义务。

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吴贤德  
市长  
福州市人民政府  
日期:

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格兰特·斯密斯  
市长  
北帕默斯顿市政府  
日期:

## 有福之州 幸福之城

福州简称“榕”，是福建省省会，位于福建省东部、闽江下游，现辖6区1市6县，总面积1.2万平方公里，常住人口845万。中国国家主席习近平曾深情地说：“福州是有福之州，福州人是有福之人”。

福州历史悠久、文化底蕴深厚。建城已有2200多年历史，是国家历史文化名城，拥有昙石山、船政、三坊七巷、寿山石等4大文化名片。三坊七巷被评为十大“中国历史文化名街”之一，从这里走出了林则徐、沈葆楨、严复等一批历史名人。

福州经济繁荣、综合实力较强。全市地区生产总值，2022年达12308.23亿元，同比增长4.4%；已形成1个三千亿产业集群（纺织化纤）、1个两千亿产业集群（轻工食品）、3个一千亿产业集群（机械制造、电子信息、冶金建材），成为中国东南沿海产业集聚程度、配套能力较高的城市之一。

福州交通便利、区位优势明显。地处中国东南沿海，面对台湾，邻近港澳，与东南亚联系紧密。目前，已形成海陆空三位一体、多层次、多功能的交通网络体系。高速公路基本形成以福州为中心、覆盖全省的“四小时通达网”，长乐国际机场已开通国内外航线103条，与国内外75个城市通航。

福州近台侨多、开放程度较高。福州是中国大陆距离台湾最近的省会城市，黄岐半岛距马祖岛不到8000米，福州

籍台湾乡亲有 80 多万人。同时，福州也是著名侨乡，福州籍海外乡亲达 400 多万人，分布在世界 177 个国家和地区。

**福州山清水秀、生态环境良好。**福州是中国最“绿”的城市之一，森林覆盖率为 58.41%，位居全国省会城市第 2 位；福州也是中国空气质量最好的城市之一，空气质量在全国 168 个重点城市中排名第 5 位。

**福州政策叠加、发展机遇难得。**先后被国家赋予福州新区、海丝核心区、自贸试验区、生态文明试验区、自主创新示范区、海洋经济发展示范区等“多区叠加”的政策资源。近年来，陆续出台扶持民营经济措施 36 条等一系列惠企政策，形成了一套比较完整的扶持实体经济发展的政策体系。

## **Fuzhou: A City of Blessings and Happiness**

Fuzhou is also named Banyan City. Located in the eastern part of Fujian and downstream of the Min River, it is the capital of Fujian Province. With a total area of 12,000 square kilometers and a population of 8.45 million, Fuzhou now has 6 districts, 1 county-level city and 6 counties under its jurisdiction. Xi Jinping, President of the People's Republic of China, once affectionately said that Fuzhou is a blessed city and Fuzhou people are blessed people.

**Fuzhou has a long history and rich cultural heritage.** Fuzhou is a renowned historical and cultural city in China with a history of more than 2,200 years. It is a city of profound cultural foundation, as Tanshi Mountain Culture, Naval and Shipbuilding Culture, Three Lanes and Seven Alleys, and Shoushan Stone Culture are four distinctive name cards in this regard. It is worthy to mention that Three Lanes and Seven Alleys is listed as one of the top 10 China's Historical and Cultural Blocks and home to historic figures such as Lin Zexu, Shen Baozhen and Yan Fu.

**Fuzhou boasts a prosperous economy and competitive overall strength.** In 2022, the city's regional GDP reached 1230.823 billion yuan with an year-on-year growth rate of 4.4%. Equipped with 1 industrial cluster worth 300 billion (textile and chemical fiber industry), 1 industrial cluster worth 200 billion yuan (light and food industry), and 3 industrial clusters worth 100 billion yuan each (machine manufacturing, electronic information and metallurgy and building materials), Fuzhou has now become one of the southeast costal cities with high-level industrial agglomeration and well-developed infrastructure.

**Fuzhou enjoys convenient transportation and geographical advantages.** Located in the south-eastern part of China, Fuzhou stands on

the other side of Taiwan Strait and is adjacent to Hong Kong and Macao, having a close relationship with Southeast Asian countries. So far, Fuzhou has built a diverse and multifunctional traffic network covering sea, land and air transportation. The journey starting from Fuzhou to any other cities of Fujian Province will only take no more than 4 hours by expressway. The Changle International Airport now has 103 domestic and international air lines, connecting Fuzhou with 75 cities globally.

**Fuzhou is close to Taiwan and home to many overseas Chinese, embracing the outside world.** It is the provincial capital in Chinese Mainland that is nearest to Taiwan, with Huangqi Peninsula situated less than 8,000 meters away from Mazu Island. Moreover, there are more than 800 thousand people of Fuzhou origin living in Taiwan. At the same time, Fuzhou is a well-known ancestral home of overseas Chinese, as over 4 million overseas Chinese are from Fuzhou, living and working in 177 countries and regions worldwide.

**Fuzhou has beautiful scenery and pleasant ecological environment.** With a forest coverage rate of 58.41%, Fuzhou is one of the greenest cities in China, ranking the second in all Chinese provincial capital cities. It is also one of the cities with the best air quality, ranking the fifth among the 168 major cities.

**Fuzhou enjoys multiple preferential policies and excellent development opportunities.** The central government attaches great importance to the development of Fuzhou and has granted it preferential policies of development including Fuzhou New Area, Core Area of the Maritime Silk Road, Pilot Free Trade Zone, Pilot Zone for Ecological Conservation, Innovation Demonstration Zone, and Demonstration Zone of Marine Economy Development. In recent years, a sound policy system supporting the growth of real economy has been established, with a series of preferential policies for enterprises including 36 measures for private companies rolled out.





## **MEMORANDUM**

**TO:** Council

**MEETING DATE:** 4 September 2024

**TITLE:** Infrastructure NZ Delegation to United Kingdom 2024

**PRESENTED BY:** Waid Crockett, Chief Executive

**APPROVED BY:** Waid Crockett, Chief Executive Officer

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### **RECOMMENDATION TO COUNCIL:**

- 1. That Council receive the report titled 'Infrastructure NZ Delegation to United Kingdom 2024' presented to Council on 4 September 2024.**
- 

### **1. ISSUE**

- 1.1 This report presents the findings and highlights from the Infrastructure NZ (INZ) delegation (Place Based Solution: Learnings from the UK) to the United Kingdom (UK) in June 2024.
- 1.2 On 3 April 2024, Council approved the Chief Executive to be part of the INZ delegation to the UK.
- 1.3 The members of the delegation are outlined on page 4 of the delegation report in Attachment 1.

### **2. BACKGROUND**

- 2.1 The delegation was welcomed by the High Commissioner for New Zealand to the UK Phil Goff.
- 2.2 The delegation covered 3 cities in 5 days – London, Manchester & Cardiff (Wales), which included site tours of transport infrastructure in London, sporting facilities in Manchester (Manchester City Football) and wastewater and recycling facilities in Cardiff.
- 2.3 Each delegate was assigned to prepare a summary of one of the sessions. This was then collated into the preparation of the report that is provided in Attachment 1.
- 2.4 The focus of the delegation was to gain insights on devolution deals (City/Regional deals) and their many forms and insights on water regulation, funding and service provisions across England and Wales. Further details on

the purpose of the delegation is outlined on page 3 of the delegation report provided in Attachment 1.

- 2.5 One of the key findings from the delegation highlighted the need for high level commitment to a long-term vision and planning, with clear and strong political support.
- 2.6 The delegation also looked at 3 Waters infrastructure and spoke to regulators, providers and operators across the UK.
- 2.7 The report provided in Attachment 1 lists key findings, insights and (potential) recommendations for the New Zealand context.

### **3. KEY INSIGHTS**

- 3.1 This section covers potential considerations regarding the key insights and findings from the delegation and how they may/could apply to Palmerston North City Council.

#### **WATERS SERVICES**

- 3.2 The report (page 15) highlights that the UK and New Zealand (including our own council) share similar challenges in water services, such as looming water shortages (for growth), wastewater overflows, much needed investment and currently heightened public interest.
- 3.3 The UK water companies operate in a highly regulated environment of government policies and social, environmental and economic (Ofwat) regulators. These are sometimes not necessarily aligned.
- 3.4 The introduction of an economic water regulator (in New Zealand) will be essential to provide comfort to the public (customers) that any new entities are performing well and that they are protected, for instance from potentially significant price increases.
- 3.5 Getting the balance right between the differing regulators, government policy and our own goals and outcomes will be essential to New Zealand and Palmerston North achieving successful outcomes.
- 3.6 Water companies in the UK are addressing some significant (historic) issues such as wastewater overflows. There are no separate stormwater systems as such and generally stormwater is conveyed through the wastewater network.
- 3.7 Although our Council does not have the same stormwater infrastructure problem that are experienced in the UK regarding combined networks, it does heighten the need to ensure that managing stormwater issues remains top of mind. Councils are to retain the responsibility for stormwater under the Local Water Done Well (LWDW) programme, no matter where it is managed.
- 3.8 Dŵr Cymru Welsh Water is a private 'not-for-profit' business and has no shareholders and no dividends are paid. It is a model that could potentially

work in the New Zealand environment, however there is no desire here to privatise publicly owned assets, and there are protections in the legislation to avoid this.

- 3.9 It appears that the closest model to this under the proposed LWDW programme are the trust models, however these models are not afforded the ability to borrow to the same levels as Council Controlled Organisations (CCO) would be.
- 3.10 What is acknowledged in all of the models we viewed was that they were all operations of scale, ranging from 700,000 customers through to 16 million.

**REGIONAL / CITY DEALS**

- 3.11 Regional and City Deals in the UK are administered by the Department of Levelling Up, Housing and Communities, which has bipartisan support over many years.
- 3.12 The deals have localism at their heart and continue to evolve. They have buy-in and are driven by local government, reflecting local priorities. The deals do often come with large funds (perpetual in nature) that the authorities can borrow against and then invest back in their communities.
- 3.13 The Manchester City deal is considered to be the 'gold' standard for City deals in the UK. There are however a range of 'deals' across the UK, from Manchester through to other smaller 'Town deals' that tend to involve projects such as revitalisation works.
- 3.14 City and Regional deals in the UK have a focus of economic development and growth. This is also a feature of the recently released Strategic Framework for Regional Deals by the New Zealand Government.
- 3.15 The priority objectives in the NZ Strategic Framework include:
  - Building economic growth
  - Delivering connected and resilient infrastructure
  - Improving the supply of affordable and quality housing
- 3.16 Although the NZ Strategic Framework has what could be considered a narrow scope, it is consistent with what the City and Regional deals are delivering in the UK.
- 3.17 The key feature of all City and Regional deals in the UK is at a scale that is far greater than what New Zealand will ever achieve. This does not mean that it is not possible to be delivered in New Zealand or the Manawatū / Whanganui region, it just means that we will need to be focused on what can be achieved.

3.18 Other features of successful deals are the ones that involve key stakeholders, such as Iwi and the business sector and that there is a champion at the highest political level in both Local and Central Government.

**INFRASTRUCTURE**

3.19 The delegation included presentations and site visits across a number of other infrastructure areas, including public transport, road, energy, wastewater and food waste treatment facilities.

3.20 These presentations provided the opportunity to think about projects we are working on and how these are delivered, how public transport services are connected (although some of this is not within our scope) and how projects could be funded through private investment.

3.21 Forward planning and adaptive management strategies were also a key feature of some of the infrastructure presentations. These are things that we are working on in areas such as the Nature Calls project.

**4. NEXT STEPS**

4.1 As we move through the Local Waters Done Well (LWDW) programme, keeping an eye on the outcomes that we are trying to achieve will be important.

4.2 Pressing for, and providing submissions back on, the setting up of an economic regulator will be needed for the sector.

4.3 For LWDW, scale is important and having a long-term strategic view (30+ years) will be essential for intergenerational success. Providing options will be important for Council in any future decision making.

4.4 The Government has released the Strategic Framework for Regional deals recently. The arrangements and information gleaned from the delegation will be useful in preparing and thinking about what might go into any deal for Palmerston North.

4.5 We will start working towards developing what our deal might include and who else would be involved in achieving this outcome.

4.6 Some of the learnings from the infrastructure presentations will be shared internally and included where necessary.

**5. COMPLIANCE AND ADMINISTRATION**

Does Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>

Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
<p>The recommendations contribute to:</p> <p>Whāinga 1: He tāone auaha, he tāone tiputipu</p> <p>Goal 1: An innovative and growing city</p>	
<p>The recommendations contribute to the achievement of objectives in:</p> <p>2. Mahere whakawhanake ohaoha</p> <p>2. Economic Development Plan</p> <ul style="list-style-type: none"> <li>• Provide opportunities and infrastructure to accommodate business growth.</li> </ul>	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The delegation and report contribute to the outcome of an economy that embraces innovation and new ideas and uses resources sustainably.

**ATTACHMENTS**

1. INZ-UK Delegation Report [↓](#) 

*Infrastructure New Zealand*  
**2024 International Delegation**

Place Based  
Solutions:  
**Learnings  
from the UK**

**London, England**  
**Manchester, England**  
**Cardiff, Wales**

**June 2024**



**Infrastructure®**  
New Zealand







Central London's financial districts  
London, England



## Foreword

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Phil Goff, High Commissioner of New Zealand to the United Kingdom



**It was great to connect with the Infrastructure New Zealand delegation visiting London in June of this year.**

On a personal basis, it was good to renew associations with friends and colleagues I have worked with in public life in New Zealand.

The delegation represented a cross-section of people from the business world and local government with strong experience in infrastructure development, keen to learn what has worked well, and what hasn't, in building infrastructure in the United Kingdom.

The value of such delegations visiting here lies in what they can gain from the experience of a country which while much larger is similar to ours in terms of its system of government, laws and market economy.

Transport, water infrastructure, housing and stadiums, among the key areas examined by the delegation, are all issues the United Kingdom has had to confront.

The challenges New Zealand faces are mirrored by those central and local government in the United Kingdom are also having to deal with.

Solutions applied here provide the opportunity for us to avoid pitfalls others have experienced as well as to learn what has worked well.

One broader lesson is that the time it takes to plan and develop infrastructure is considerably longer than the term of elected office of local and central governments. Involvement of opposition parties by government on a bipartisan basis should be considered as a way to ensure the continuity that is needed to successfully develop long-term infrastructure.

Infrastructure development should be evidence-based and I hope that the Infrastructure New Zealand delegation has gained valuable insight from the projects that they visited in the United Kingdom which can in turn be applied to the challenges they are grappling with at home.



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## Delegation Purpose

**Aotearoa New Zealand must chart a new course with the way we plan, fund and build our infrastructure. Success will not come from a centrally driven strategy where Wellington alone decides the infrastructure priorities of regions and cities. We must build a revised system of shared responsibility for planning, funding and delivering infrastructure.**

There is growing consensus on the need to access new funding mechanisms – and to power up local and regional governments to enable them to create their own destiny by driving and building projects that better meet the economic and social needs of communities. For this to be achieved, local government must be a stable and mature funding and delivery partner for both central government and private partnerships.

We've relied too heavily on central government as the saviour to our challenges for too long – and they have proven they don't have the understanding or sophistication to truly power up in the way our cities and regions need.

Aotearoa New Zealand tends to be inward in our search for models and systems that will assist in improving the faster building of better infrastructure.

Over a number of years, Infrastructure New Zealand has led a series of international delegations focused on what other nations are doing to unlock the opportunities through better funding and delivery partnerships between the different levels of government – and the private sector.

On this trip, our focus was on learning lessons on devolution deals in their many forms, and the state of water regulation, funding and service provision across England and Wales.

We also heard from leaders focused on delivering major projects, organisations committed to local regeneration at place, and took on board lessons from the evolution of the UK's Public Private Partnership model.

We invite you to read our key findings here and continue to engage with the INZ team about how we take these recommendations forward for New Zealand.



London Skyline  
City of London, England

# Thank you to our 2024 UK Delegates and Hosts

## Thank you to our delegates who committed significant time and resources to accompanying our team to London, Manchester and Cardiff.

These insights and recommendations for the future of New Zealand's local and central government relationship, and water service provision are not only a reflection of the input from the speakers and sponsors, but the delegates themselves who brought the full weight of their experience to bear in discussions about lessons learnt from each session. The group has directly contributed to this overview of the trip and will be part of a community of delegation alumni committed to taking these recommendations forward in the months and years to come.

### Delegates:

**Darrin Apanui**, Rangitāne Tū Mai Rā Group CEO and Chair of the Wellington Regional Leadership Committee, Rangitāne Tū Mai Rā Group/Wellington Regional Leadership Committee

**Campbell Barry**, Mayor, Hutt City Council

**Vanessa Blakelock**, Partnership Director, Local Government Branch, Department of Internal Affairs

**Anna Bridgman**, Operations Lead, Water, Stantec

**Fiona Carrick**, Chief Executive, Te Waka – Waikato Regional Economic Development Ltd

**Waid Crockett**, Chief Executive, Palmerston North City Council

**Matt Greer**, Lead Political Adviser, British High Commission

**Marty Greenfell**, Chief Executive, Tauranga City Council

**Angela Harford**, Partner, Bell Gully

**Tonia Haskell**, Chief Executive, Wellington Water Limited

**Rupert Hodson**, Northern Regional Manager, Beca

**Campbell Jensen**, Head of Public Sector Advisory, RCP

**Christine Jones**, General Manager Strategy, Growth & Governance, Tauranga City Council

**Nick Leggett**, Chief Executive, Infrastructure New Zealand

**Ken Macdonald**, Sector Director – Water, Tonkin + Taylor

**Ceinwen McNeil**, Director, Central and Local Government, Aurecon

**Linda Meade**, Director, Kalimena

**Martina Moroney**, Advocacy and Strategy Lead, Infrastructure New Zealand

**Issy Pasley**, Events and Marketing Lead, Infrastructure New Zealand

**Bevan Peachey**, Partner, Russell McVeagh

**Daran Ponter**, Chair, Greater Wellington Regional Council

**David Simpson**, Executive General Manager – Regional Infrastructure, HEB Construction

**Sarah Sinclair**, Chair and Partner, MinterEllisonRuddWatts

**Mike Theelen**, Chief Executive, Queenstown Lakes District Council

**Nigel Tutt**, Chief Executive, Priority One Western Bay of Plenty Inc

**Megan Tyler**, Director Policy, Planning and Governance, Auckland Council

**Andrew Wang**, Deputy CEO, ICBC NZ

**Greg Wise**, Partner, Chapman Tripp

**Sean Wynne**, Deputy Chief Executive, Crown Infrastructure Partners Limited

Pre-Delegation Dinner	ICBC New Zealand	
Day One - London	RPS Group/TetraTech	
Day Two - London	HEB Construction	
Day Three - Manchester	GHD	
Day Four - Manchester	Arup	
Day Five - Cardiff	Stantec	



# Lessons from England and Wales for New Zealand

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## Key Findings

**The UK's commitment to devolution, water regulation, funding and service provision and major project delivery have in common a commitment to long-term vision and have been driven by bold political leadership at multiple levels.**

The UK's devolution deals offer up an example of how deep partnership, long-term investment horizons and improved capability for local government to be a real partner for central government can shift the dial on growth for regions. New Zealand must commit to rebalancing the local and central government relationship and to engaging deeply with iwi, civil society and the private sector to drive improved outcomes as it considers the future for regional deals.

England and Wales' experience with water regulation, funding and combined sewer overflows demonstrates the value of designing for the tensions inherent to regulation from the beginning. As New Zealand develops economic and environmental water quality regulation in the coming years, and as councils consider the future of their entity or shared services models, the insights we have gleaned from the discussions with water sector leaders will be invaluable. The Dŵr Cymru Welsh Water model provides a reference point for councils in New Zealand as they grapple with the next stage of water reform.

## Devolution Deals in the UK

**The UK has recognised that strong political leadership, long-term certainty, flexibility and devolution of activities to local government are key drivers of a region's success. Lagging productivity and regional disparities have driven a conversation about devolution which has led to 64% of the UK being part of a City, Region or Town deal.**

The form and function of agencies leading devolution have changed as governments have. Regional development agencies, initially a board-led business model, were replaced by regional governments, such as the Greater London Authority and Greater Manchester Combined Authority, which brought together multiple authorities. The current structures present a menu of devolution options – City, Region and Town Deals. These are long-term agreements between councils or a combined authority and central government which devolve responsibilities to local government, are accompanied by significant funding and are able to evolve and change over time. They have been used as a vehicle for regional coordination at the council level.

Successful deals have had additionality at their heart and brought local and central government alongside the private sector and civil society. The question should be: 'What will a regional deal bring to economic growth and progress, that wouldn't otherwise happen?' This must be defined by central and local government together, not merely local government and it must be at the core of the deal.

Across the UK, combined authorities and partnership arrangements have taken control of education budgets, evergreen investment funds and transport authority powers, among others. Growth functions have been taken seriously and the alignment for administrative borders for public service at place has been a focus of many deals. Local authorities have driven deal negotiations based on the principles of local consent and flexibility, with local priorities front and centre in deal negotiation.



Thirty-year funds have also been a key feature of deals' success. Alongside incentives for growth, regions are able to borrow against the funds to make strategic investments over time. A Single Settlement basis for deals is now being trialled, moving away from individual central government agency chief executives being accountable to Parliament for individual funding allocations. Activity-based capital funds are now moving to a single fund with further devolution of priorities and flexibility to transfer between focus areas. It is being trialled first in Greater Manchester and the West Midlands. Future deals will also include greater scrutiny protocols and stricter criteria, with five-yearly gateway reviews.

Alongside the funds, new funding and financing tools for local governments have played a central role. The retention of business rates has allowed regions to benefit directly from the growth that their investments support.

Whether a City, Region or Town Deal, having a functional economic area is critical, as is understanding what powers are needed to give effect to the deal. Post-industrial place-based regeneration is a key driver of the narratives that drove the unique rationale for many of the agreements. Regions partner with the private sector and civil society actors – including universities, to invest strategically and deliver at place.

This ability to catalyse the private sector to contribute to strategic infrastructure investment decision making also came through in discussions about the delivery of the Elizabeth Line. Market support was essential, with business support from London, private funding for stations, and a business rate supplement introduced by the mayor to fund the project. Businesses across London advocated for a business levy because they saw the value of the investment.

Behind the negotiation of the deals and their successful stewardship post-settlement, a key theme that came through in our time in the UK was the need for strong political and official level leadership. Directly elected mayors in regions with combined authority and other devolved governance models are key players and have the ability to advocate for their regions at the national level. Over time, greater resourcing for administering authorities and partnerships have attracted candidates with greater capability which has improved regions' ability to partner effectively with central government.

In future, we can expect diminishing returns for additional deals – areas with smaller populations and less opportunity for additional economic gain will not generate as much benefit as previous deals. Not every region needs a deal. The unique rationale for negotiation for each region should be data led.



## The Greater Manchester City Deal

**The Greater Manchester City Deal is widely considered the gold standard for UK devolution deals.**

Its success is built on a long history of working together across all 10 districts, and beyond. It was one of only a few city regions across England to take up the option under the Local Government Act 1985 to form the Association of Greater Manchester Authorities, with the leaders of the 10 constituent district councils meeting regularly to develop county-wide policies and services including water, transport, police, fire and civil defence. It is this history of collaboration and shared service delivery that laid the groundwork for establishment of the Greater Manchester Combined Authority (GMCA) in 2011, and the seven City Region Deals that have followed.

The Greater Manchester Deal includes an earn-back mechanism which allows the region to retain a portion of the additional tax revenues generated from economic growth and investment in the region.

The key benefits of the deal have included a resurgence in population growth, property investment and international interest. The scale of the combined authority and the strength of its mayor's reputation has attracted inward investment into the region.

The new Single Settlement funding model is an important next step for the region. It raises the status of the GMCA to that of a government department. The aim is for it to be the default mechanism for both capital and revenue, over a multi-year period. Accountability will be against a new Outcomes Framework. The next stage of the deal evolution will be game changing, including land value capture, integrated transport ticketing, data access, co-branding, a strategic view of the region's railways, harmonised enforcement powers, and the single settlement funding. It will also offer flexibility between capital expenditure and operational expenditure. Regular reviews of Local Transport Plans enable re-baselining and renegotiation of priorities and funding with central government.

## Cardiff Capital Region

**Our time in Cardiff presented us with another model for regional partnership in the Cardiff Capital Region (CCR).**

CCR is a collective of 10 local authorities in South East Wales, a structure that came about in response to region's City Deal. Since formation, the partnership has moved from a collective of councils into a legal governance model for the region. The region doesn't have an overarching combined authority model like we saw in Manchester. The CCR approach represents more of a regional partnership between local authorities who have come together to deliver on the key priority areas included in their City Deal.

They aim to improve prosperity across the 10 local authorities, which are economically disparate and have differing intervention needs. The partnership has a real focus on equity, community wellbeing and distribution of the economic uplift created by the City Deal. The approach to economic wellbeing is more inclusive, future-focused and multi-faceted than we observed in the English models.

The City Deal provided CCR with a substantial amount of funding, of around £1.2 billion. It has used this to fund investment towards key strategic goals and in opportunities to regenerate areas with significant uplift opportunity but it has also ring fenced a significant amount for large strategic investments, with the intention that this fund is evergreen.

The partnership is focused on wellbeing outcomes and an integrated approach to achieving net-zero emissions which informs its investment strategy. During our time in the UK, a focus on climate change and emissions reduction was clearly an integrated part of decision making at the highest levels.

The remit of CCR has recently expanded to include spatial planning and transport infrastructure, which would draw parallels to the devolution seen in other regions of the UK.

## Adapting Devolution Deals to the New Zealand Context

**The combined authority model of the Manchester City Deal, despite its success, is unlikely to work in the New Zealand context in the same way.**

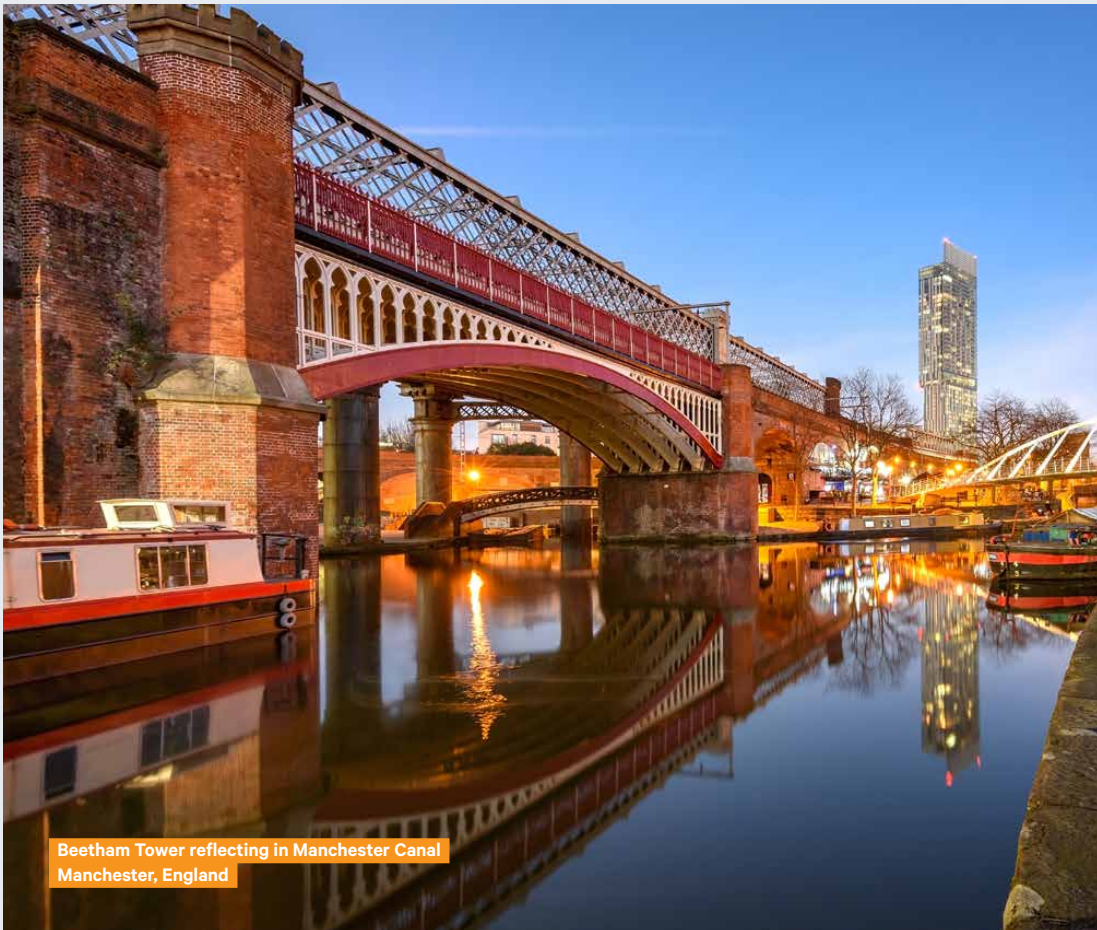
The UK's history of devolution and previous lack of directly elected mayors sets a different scene from where we're starting from in Aotearoa. Adapting the UK's devolution strategies to the local context will be important.

The ongoing discussions about reorganisation and shared services models, especially considering changes in water services present an opportunity to have a productive conversation about the right structure for each region. Presenting a cohesive plan to the government and being willing to look at themselves first is going to put councils in the best possible position for true devolution.

The UK has recognised the need to right-size devolution. Alongside city and regional deals, Town Deals have focused on funding for revitalisation plans for smaller areas. Towns bid for central government funding and crowd in private sector investment. A Town Deal Board includes representatives from across the public, private and voluntary sectors to develop locally led Town Investment Plans.

Value capture, congestion charging and road pricing are important tools that will play an important role alongside strategic investments in land to capitalise on infrastructure development, as part of city and regional deal development. Application of the earn-back mechanism included in the Manchester deal has faced difficulties.

Our discussion about the purpose of deals often focused on a job creation narrative, with a strong focus on asking what each region is really good at before shaping the narrative around the unique selling point for devolution to central government.



Beetham Tower reflecting in Manchester Canal  
Manchester, England



### Key insights and recommendations for New Zealand:

- **Focus on the principle of additionality** – The focus must always be on: ‘What will a regional deal bring to economic growth and progress that wouldn’t otherwise happen?’ This must be defined by central and local government together, not merely local government and it must be at the core of the deal.
- **Deals must traverse electoral cycles and enjoy bipartisan support** – The ability of a regional deal to live and progress beyond political cycles will be the initial primary test of their success. Deals must become a new way for government to deliver growth, better public services and improved economic and social outcomes for communities in every part of the nation.
- **A 30-year fund** is an important component of many city and regional deals. If central government funding is constrained in the current fiscal environment, consolidation of existing capital funds should be considered to provide greater certainty and less contestability between regions. A Single Settlement approach, which includes flexibility over the priorities within funds, and long-term accountability and reporting horizons can be extended over time to authorities that demonstrated capability.
- **Strong political leadership** at both central and local government, alongside a long-term vision for the region are key success factors in the UK. Deals should be negotiated with local priorities front and centre. Local government needs to come to the table with a clear idea of the opportunities for growth and a clear and data-driven rationale for how they will achieve this, but central government must meet them in the middle to define a vision for the area together.
- **The private sector and civil society** including institutions like universities should be at the decision-making table. In the New Zealand context, iwi should have a substantial role to play. Long-term investment horizons and a commitment to local, place-based delivery are a shared benefit of iwi involvement and the structure of successful devolution initiatives. Place-based regeneration works best when a cross-section of major players are at the table.
- **Structure is important, but it should follow function and New Zealand needs to be flexible in its approach.** Though well popularised, the combined authority model is not a one-size-fits-all option and may not suit the New Zealand context. The Cardiff Capital Region model presents a way for councils to come together to facilitate long-term strategic investment at a regional level.
- **Not every region needs a deal.** There are diminishing returns for some later deals. Areas with smaller populations and less opportunity for additional economic gain will not generate as much benefit as previous deals. The rationale for each agreement should be data led and additionality focused.
- **Private sector support is essential** for major project delivery as well as place-based regeneration.

## Water Regulation, Funding and Models for Water Services Provision in the UK

### Water Companies in England

**The United Kingdom's water company and regulatory settings have their genesis in Margaret Thatcher's 1989 privatisation of England's water supply.**

The English model developed to encompass 16 regional entities (11 drinking water and wastewater and 5 drinking water only) companies of varying size. Driven by increasingly stringent European Union regulation and historical underinvestment, privatisation was a response to a sizeable need for investment in the water and sewerage networks. Performance of the water companies has improved since the early 1990s.

The companies act largely as monopolies within their catchments, with competition limited to new appointments and variations, water supply licensing and business retail customers and new major infrastructure. They are either listed or privately owned. The water companies are on the front line of water quality issues for the UK public; while there may be numerous reasons for poor water quality, they bear the brunt of the feedback. One key issue is the legacy of Victorian era combined sewer and stormwater systems.

More widely, the UK water sector has seen mirrored issues across different regions, characterised by significant investment and heightened public interest. A massive investment programme underscores the importance placed on upgrading and maintaining water infrastructure. Despite these investments, there is a recognised lack of future skills in the sector. To address this, there is a push to engage individuals earlier in their careers, focusing on those with critical thinking abilities necessary for long-term water management projects. The focus for future investment are water supply and combined sewer overflows (CSOs) discharging contamination during storm events.

Privatisation is not the answer for New Zealand, but we have a big programme of investment in front of us and can learn significant lessons (about what to and what not to do) from the English and Welsh experiences.

### Wales

**Dŵr Cymru Welsh Water is a profit reinvestment focused company providing drinking water and wastewater services to around 1.4 million households and businesses throughout Wales and parts of western England bordering Wales.**

It is 'a single purpose company to provide better value services to Welsh Water's customers'. Legally, it is a 'Wholly Owned Mainly in Wales' company – meaning that Welsh law applies even to its operations in England. It is financed in private capital markets, through an asset-backed financing structure, with no government support. Most of its revenues come from the wastewater/sewerage part of the business. It provides an estimated £1 billion a year contribution to the Welsh economy.

Although it is a privatised company, Dŵr Cymru has no shareholders and pays no dividends – all profits are reinvested in the assets and operations of the company. The company takes a long-term view of investment and financing on the basis that intergenerational assets should be paid for across generations, through long-term borrowing. The biggest challenge in moving from a for-profit, shareholder model to the current not-for-profit model was a regulatory one. The Welsh Government played a key role in supporting the creation of DCWW.

Through careful fiscal management and creation of a 'virtuous circle' of profit reinvestment, the company has managed to invest in assets, improve services, keep customer bill increases to around inflation, reduce its level of indebtedness, and improve its credit rating thereby reducing the cost of borrowing.

The company is among the best performing of the privatised water companies in England and Wales.

## Regulation

**The UK's regulatory system is a patchwork of regulatory bodies and rules. Ofwat is the independent economic regulator of the water and sewerage sectors in England and Wales. Its main statutory duties are to protect consumers, enable efficient, well-run companies to carry out and finance their functions and ensure long-term resilience. It is funded by licence fees from the water companies with additional government funding to drive transformation in company performance and address long-term infrastructure delivery.**



The Department for Environment, Food, and Rural Affairs sets out the Strategic Policy Statement which the companies take into account when they develop their business plans. Ofwat's work then intersects with the Environment Agency's focus on water quality, and an unavoidable tension exists between customer expectations, economic regulation and environmental imperatives. On the one hand, environmental regulators are telling water companies to invest more to reduce overflows and protect the environment, on the other hand, they are constrained by Ofwat, which sets the prices they can charge customers.

Cross-boundary investment in assets that serve more than one regional company is also needed. With forward investment constrained by five-year asset management plan periods, and the sector facing public perception, workforce constraints and population growth challenges. One of the key benefits of Ofwat has been its ability to take a national view instead of a regional or company-based perspective in strategic planning.

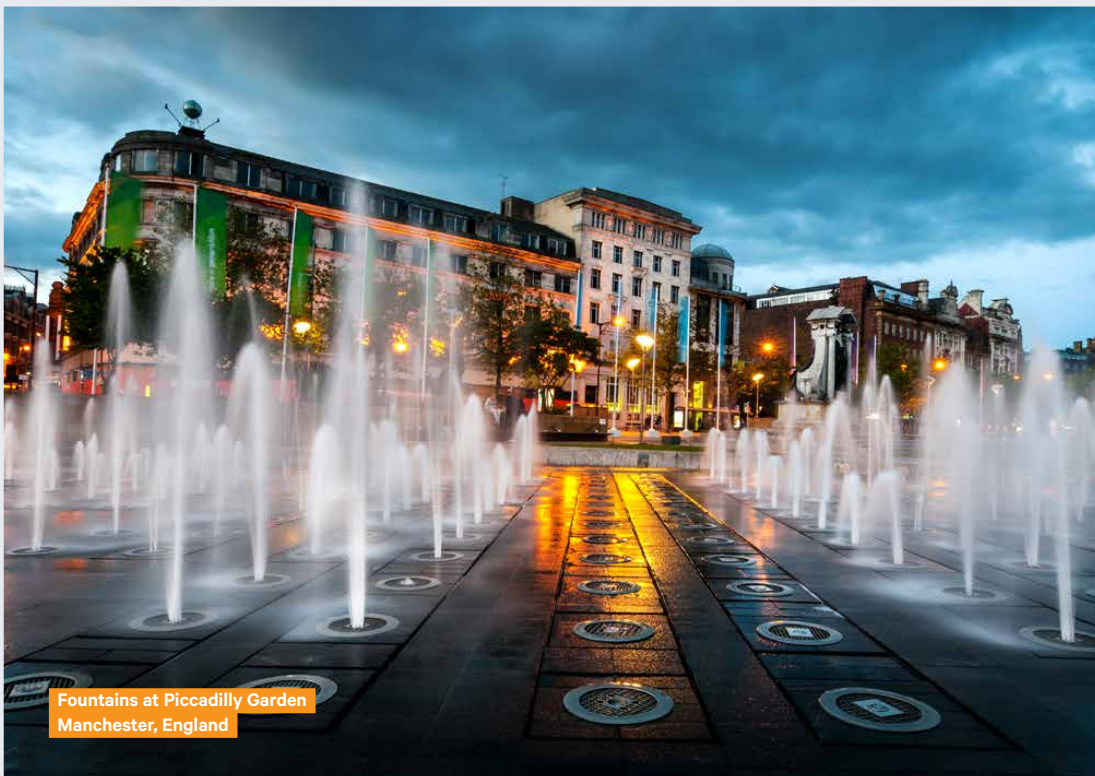
The regulator and the sector have tools to address their prominent issues. The regulator has moved away from output-oriented regulation to an outcome focus, and benchmarking companies against each other has also improved standards across the sector. Investment in digital technologies and quality data has also improved their ability to predict spills and to finding and prioritising effective solutions across the UK. English water companies have been able to better understand the size of spills and their receiving environments, and environmental degradation over time. Investment in data capability and tools has allowed many water companies to soften levels of investment required by better utilising existing assets and improving their ability to predict maintenance and spill mitigation needs. Common open data standards have enabled repeatability, and the ability to understand and compare performance and effectiveness of interventions over time. An Ofwat innovation fund has supported this data standard development work.

Digital technologies are not the only innovative approach being deployed to manage stormwater and wastewater challenges in the UK. Nature-based solutions are increasingly being adopted. This not only benefits water flow management but also provides advantages to local communities by enhancing biodiversity and recreational spaces.

### Key insights and recommendations for New Zealand:

As New Zealand establishes economic and drinking water regulatory bodies, there is much we can learn from the UK's experience.

- OfWat is able to take a national view, rather than a regional or company-based focus. Strategic long-term planning has been one of the key benefits of OfWat's role. It also benefits from being a specialised regulator. It is worth questioning in the New Zealand context whether a more general economic regulator is best placed to deal with the technical detail of water quality and consumer value outcomes.
- There will need to be clarity of roles between an economic regulator and Taumata Arowai for drinking water and the Ministry for the Environment and regional councils for environmental water quality. Designing the regulatory environment for conflicting outcomes at the outset will be the key to its success.
- OfWat has benefited from a move away from output to outcome-based regulation, and benchmarking companies against each other has improved standards across the industry. Outcome-based regulation must be met with adequate accountability and oversight.
- Investment in digital technologies and stewardship of open data standards has improved benchmarking, investment management and water quality assessment. Nature-based solutions have co-benefits and are increasingly being used.
- Dŵr Cymru Welsh Water provides a model for councils in New Zealand to consider as they grapple with the next phase of water reform.



Fountains at Piccadilly Garden  
Manchester, England



# Place Based Solutions

## Delegation Session Summaries

Below is a summary of each session across the five days of the delegation, with quotes from delegates about the key lessons and insights they took away from each discussion.

### Pre-Delegation Dinner

Hosted by ICBC 

Before delegates left for the UK, we were pleased to be generously hosted by ICBC New Zealand at Shed 5 in Wellington. Thank you to ICBC for hosting us.



### Day One 17 June – London

Hosted by 

#### Overview

Day one of the delegation highlighted the UK's experience with water service delivery, focusing on the regulatory system evolution and Ofwat's intent to view regulation nationally rather than regionally. The UK's privatisation of water services under Thatcher's economic reforms created a complex regulatory landscape.

#### Key Observation

Tension exists between customer expectations, economic regulation, and environmental imperatives and given this tension is unavoidable, there is a need to manage it in a healthy way. Water UK's presentation demonstrates the importance of a strong industry body to act as a unifying voice, convening a range of interests and viewpoints to work constructively with the regulators to overcome some of the 'messy' rules that are in place.

*Matt Greer, Lead Political Adviser, British High Commission*

Despite fundamental differences between the UK's privatised model and New Zealand's public ownership, common issues like investment needs, maintenance bills and talent shortages persist.

The cultural approach to water regulation differs significantly, with the UK viewing water as a resource, whereas New Zealand considers its cultural value and importance. The case for a specialised regulator in New Zealand would need careful framing, drawing lessons from the UK but tailored to local perspectives.

## **Ofwat – From the Regulator: Overview of Water Services Provision and Regulation in the UK**

**The UK and New Zealand share similar challenges in water services, such as looming water shortages, climate change impacts, wastewater overflows, high public interest, customer affordability and significant investment needs.**

Eleven of the water companies in England handle both drinking water and wastewater, while five focus solely on drinking water. Thames Water is the largest of these entities, generating an annual revenue of £2.2 billion and serving 16 million customers. In comparison, Portsmouth Water, which only provides drinking water, has an annual revenue of £40 million and serves approximately 700,000 customers.

Ofwat, the independent economic regulator for the water and sewerage sectors in England and Wales, has key statutory duties that include protecting consumers, enabling efficient and well-run companies to perform and finance their functions, and ensuring long-term resilience. Ofwat operates within the framework of published government policies, including specific social and environmental guidance.

The funding for Ofwat comes from licence fees paid by water companies, along with additional government funding aimed at driving performance transformation within companies and addressing long-term infrastructure delivery.

Their regulatory approach has shifted to an outcome-based model, outlining clear expectations of what constitutes good performance. There is an increased focus on payment by results with delivery being rewarded and returns reduced for non-performance.

RAPID, an initiative set up by Ofwat, the Environment Agency and the Drinking Water Inspectorate, aims to facilitate cross-regulatory collaboration on the development of strategic water supply infrastructure projects. RAPID seeks to establish an enduring regulatory framework for these projects, ensuring their long-term success and sustainability.

### **Key lessons for New Zealand from our session with the regulator include:**

- Understanding (and short circuiting) the evolution of the regulatory system – there is a strong move away from output-based to outcome-based regulation
- The value of a national view rather than a regional 'hyperfocus'
- There will need to be clarity of roles between an economic regulator and with Taumata Arowai for drinking water, and the Ministry for the Environment and regional councils for environmental water quality
- We need to ask whether we need a specialised regulator. If yes – how do we fund it, and how is this framed for the public?
- Tension between customer expectations, the economic regulator and the environmental agency – we will need to design for conflicting expectations at the outset with the objective of managing tension in a healthy way
- Community narrative/engagement is prioritised by the industry body and reduces the dependence on government to create policy
- How do we create incentives and disincentives for publicly held companies? Fines effectively result in less money available for investment. Ofwat considers the Welsh model (private not-for-profit) 'best of a bad bunch'
- We need to ensure our regulators think about the shared global talent constraints

*Tonia Haskell, Chief Executive, Wellington Water*

## **Water UK – From the Trade Association: Overview of Water Provision, Privatisation and Regulator Relationship in the UK**

**Water UK has represented the water industry since 1998 and met with the delegation to provide insights into the challenges facing the UK water sector.**

The UK water industry has a complicated structure and the different parts do not always align. The Department for Environment, Food & Rural Affairs sets out the Strategic Policy Statement. Then, the 11 water and wastewater companies, and five water-only companies, take it into account when they develop their business plans. The water companies are on the front line of water quality issues for the UK public; while there may be numerous reasons for poor water quality, they bear the brunt of the feedback. Their key focus areas for future investment are water supply and combined sewer overflows (CSOs) discharging contamination during storm events.

The industry is changing—we arrived before their election in July, delaying the water regulator’s publication of the draft determinations until later that month. It was expected that these would support a significant increase in investment, almost doubling the spend from Price Review 2019, predominantly to eliminate CSOs and address future water supply challenges. It is likely that there will also be further changes in policy after the election.

One recent success shared was the publication of the National Storm Overflows Hub, an online map combining regional maps of overflows across the UK. All overflows are now monitored and the data can be loaded onto the map within an hour of an overflow occurring, including an explanation of the cause. This initiative is part of water companies’ commitment to the public as they strive to change the narrative for the better.

One of the expected aims of the draft determinations is to remove the 150,000 annual sewage spills by 2030. The water companies have put forward a £10 billion proposal to fund these improvements, including nature-based solutions and modernising the networks.

Like New Zealand, the UK is facing a workforce capacity and capability challenge. It has an ageing workforce—almost 20% of engineers are set to retire by 2026.

### **Key Observation**

We heard that the water companies need certainty from the government. They need OfWat to approve their business plans for significant investment in the assets, supporting the schemes set out.

Companies also need the government to change policies to reduce the likelihood of future spills – for example, new developments’ automatic right to connect to the networks whether there is capacity or not. The water industry needs clarity over the pipeline of work and will know more following the publication of the draft determinations.

*Anna Bridgman, New Zealand Operations Leader – Water, Stantec*

**RPS / TetraTech: Pollution and Geographical Differences**

**RPS/TetraTech’s presentation focused on the value of data and common open standards in the water industry. Quality data assists in understanding the root causes of issues across the sector, supporting the development of evidence based solutions, predicting future events, and informing policy and regulation.**

Examples include using data to understand combined sewerage overflow impacts, forecast spills, prioritise opportunities, and trend analysis for proactive maintenance. Common open data standards facilitate industry efficiencies, collaboration, benchmarking, and consistency.

Common open data were also a focus of the presentation. Standards are documented, reusable agreements designed to help individuals and organisations publish, access, share, and use higher quality data. These standards are developed to agree on common models or a common language, ensuring consistent information sharing.

Some industry stakeholders expressed concern that open data standards might lead to a loss of control over data and commercial intellectual property. However, these standards should be viewed as tools that facilitate benchmarking, consistency, and efficient information sharing for multiple purposes.

**Key Observation**

Projects like ‘Stream,’ funded by Ofwat, aim to deliver open data infrastructure that will allow data users to search, understand and access open and shared data, and allow providers to publish data openly and share sensitive data securely. The vision is to unlock the potential of water data to benefit customers, society and the environment, and to use data to address key water sector challenges. Being able to collaborate around data is seen as a key ingredient to drive innovation and improve sector performance.

*Christine Jones, General Manager Strategy and Growth, Tauranga City Council*

By adopting common open data standards, collaboration across all parties, including competitors, is enhanced. These standards enable repeatability and provide the ability to understand and compare the performance and effectiveness of interventions over time.





### **RPS / TetraTech: Geographical Differences, Leakage and Thames Water**

**The UK's approach follows a 'monitor, analyse, predict, prevent' methodology, emphasising the importance of extracting data, removing noise, and translating it into useful information for decision making.**

Mandatory leakage targets were set in 1997, followed by best practice development for setting economic levels of leakage targets. Legislation passed in 2020 aims to reduce leakage by 50% by 2050, with targets set per population or per pipe kilometre. Sustainable methodologies include carbon, social and environmental practices, with performance commitments made by water companies and geographical comparisons published.

Adaptive plans provide visibility and accountability for long-term strategies, including short-medium term planning and long-term pathways. Plans should include developing Plan B scenarios and identifying review triggers years out. Acknowledging uncertainties and external factors requires numerous scenarios to resolve problems, and cost-benefit analyses on leakage management versus new infrastructure are essential.

#### **Key Observation**

Pressure management of water is an effective tool to reduce leakage. Managing the media, public relations and perception of low water pressure is also key to maintaining the support of the community.

Networks using GIS and hydraulic model analysis, supported by pressure release valves and logging points enable specific geographical management of pressure in the system.

*Marty Grenfell, Chief Executive, Tauranga City Council*



### **Site Visit: The Doppelmayr Dangleway**

The London cable car, also known as the Dangleway, and officially as the IFS Cloud Cable Car, is the cable car link across the River Thames in London. Delivered in time for the Olympics, the line was built by Doppelmayr and cost around £60 million.

The cable car is based on monocable detachable gondola technology, a system that uses a single cable for both propulsion and support and is also used on the Metrocable in Medellín, Colombia.

The line is considered an extension of the tube and is operated by Transport for London. Opened in 2012, the cable car has achieved a 99% reliability rating and can carry a maximum of 2500 passengers per hour in each direction. With 34 cabins on the line, the line can reach a maximum speed of 6 metres per second and has carried 17 million passengers since its opening.

#### **Key Observation**

The main takeaway from the session was the value of an event like the Olympics in galvanising delivery and aligning incentives across the supply chain to deliver on time.

*Martina Moroney, Advocacy and Strategy Lead, Infrastructure New Zealand*

### **Dinner with High Commissioner of New Zealand to the United Kingdom, the Honourable Phil Goff CNZM**

**We were privileged to be joined by the Honourable Phil Goff, High Commissioner of New Zealand to the United Kingdom, for dinner at the end of the first night of our programme. Thank you to the High Commissioner for joining us, and for kindly agreeing to provide the foreword for this report.**

## **Day Two 18 June – London**

Hosted by  HEB construction  
Heifer & Partners

### **Department for Levelling Up, Housing and Communities – Administering City and Regional Deals: A View from the Centre**

**Devolution has been discussed in the UK for many decades, with varying acceptance. The form and function of agencies leading devolution have changed as governments have. Regional development agencies, initially a board-led business model, were replaced by regional governments, such as the Greater London Authority and Greater Manchester, which brought together multiple authorities.**

Recent research links centralisation with a lack of regional productivity, suggesting that devolution is designed to concentrate public services where they are needed and grow productivity. Agendas and structures of the deals model are designed to endure and are built on footprints that communities identify with, such as travel-to-work areas. A mayoral combined authority, led by a single directly accountable leader (the mayor), serves as an advocate for the region at the central government level, accountable to both the authority and the public.

The deals model is based on local consent and flexibility and reflects local priorities. It requires local buy-in and is driven from local government. Deals are concentrated in the East of England and reflect a focus on the economic drivers of growth. They include areas like housing, planning and education. City and metro mayors have taken control of education budgets and transport authority powers, and have established growth hubs in many areas.

Thirty-year funds – against which authorities can borrow – have been key. This has allowed for investment in key infrastructure. Devolution also exists in the form of incentives for local authorities, including the retention of business rates.

### Key Observation

There is about 64% national coverage of deals. The later deals are more difficult and have complicated governance arrangements. Deals can change and mature over time and can be revisited.

A Single Settlement basis for deals is now being trialled, moving away from individual central government agency chief executives being accountable to Parliament for individual funding allocations. This is thought to be a game changer combined with a move to looking at central government outcomes. It is being trialled first in Greater Manchester and West Midlands. Future deals will also include greater scrutiny protocols and stricter criteria, with five-yearly gateway reviews.

*Vanessa Blakelock, Partnerships Director,  
Department of Internal Affairs*

Future issues highlighted include local government resourcing, rising service costs for activities like children's services and adult social care, and the potential need for local government reform to deliver services effectively and ensure capacity for deals. The regional government layer may need constitutional inclusion to complete the funding picture, requiring a high degree of consensus. Diminishing returns are expected as deals roll out in less populated areas with less expected additional economic gain. Central government agencies have different drivers, with some focusing on universal coverage and national issues, while others take place-based approaches considering value for money and local implementation.

### **CrossRail International and Transport for London – the Elizabeth Line and the CrossRail Project**

**The Elizabeth Line is a transformative infrastructure project that has significantly enhanced London's transportation network. With improved connectivity, reduced congestion and boosted economic growth, the project stands as a testament to effective planning, funding and execution – although it had its challenges.**

The conceptualisation of the Elizabeth Line dates back to 1989, aiming to connect existing railways and enhance transport links, including a crucial segment to Heathrow Airport. Despite the long-standing vision, the project faced numerous delays due to economic recessions and political changes. Initial efforts focused on safeguarding land and securing necessary building foundations, setting the stage for future development.

The Crossrail Act of 2008 granted the necessary powers for construction, environmental compliance, land acquisition and operational frameworks. Initially projected at £14.8 billion, the final cost reached £18.6 billion. The funding model combined local and central government contributions, with significant investment from taxpayers and a business rate supplement. Notably, the taxpayer contribution rose from £4.8 billion to £5.1 billion, and additional funding was secured from property development above stations.

A key financial strategy for the Elizabeth Line was the implementation of value capture mechanisms and development agreements related to station areas. Property development above stations contributed significantly to the project's funding.

Enabling works commenced in 2009. The tunnelling phase, a critical component, employed 12 tunnel boring machines, maintaining a remarkable safety record (with one unfortunate fatality). The transition to the operational phase faced challenges, particularly with signalling and commissioning new, complex hybrid trains.

### Key Observation

Extensive trials and rehearsals preceded the official opening of the Elizabeth Line. Overall performance has been strong, with around 700,000 passengers daily and a 90% performance rate. This meticulous approach to testing ensured a smooth transition to full operation, minimising disruptions and maximising reliability.

*Greg Wise, Partner, Chapman Tripp*

The project has produced wider benefits and has prioritised environmental considerations. Constructed wetlands were developed as a beneficial use of land, and the carbon payback period is estimated at between 9 and 13 years.

#### Lessons Learnt:

The Elizabeth Line project offers several key lessons for future infrastructure projects:

- 1. Maintain a Consistent, Coherent Vision:** A clear and unified vision guided the project from inception to completion, ensuring alignment and focus.
- 2. Focus on Safety and Reliability:** Prioritising safety resulted in a strong safety record, and reliability ensured public confidence and operational success.
- 3. Learn from Best Practices:** Leveraging lessons from similar projects globally helped implement effective strategies and avoid common pitfalls.
- 4. Assemble the Right Team:** The project benefited from a team with the right expertise, ensuring each phase was managed by professionals with relevant skills.
- 5. Engage Stakeholders:** Ensuring that all stakeholders had a vested interest in the project's success fostered collaboration and support throughout the project's life cycle.
- 6. Thorough Commissioning Processes:** Practising commissioning processes thoroughly before going live helped identify and address potential issues, ensuring a smooth transition to operation.
- 7. Operations-Led Integration:** Ensuring that operational considerations led the integration phase helped create a seamless and efficient service.

### Vinci Highways UK – Hounslow Highways Road Maintenance Partnership

**Hounslow Highways is a Local Roads PPP in the London Borough of Hounslow, which comprises a 25-year contract with Vinci Highways. The contract covers all assets within the road corridor, including pavements, vegetation, street lights, and drainage, with a £100 million investment in the first five years to bring assets up to an acceptable standard. The model relies heavily on good data and strong asset management to ensure appropriate maintenance levels and deliver optimal whole-of-life costs.**

The contract funding is provided in a City Deal-like arrangement, with £19.9 million per annum from Transport for London and the London Borough of Hounslow. This is paid to a Special Purpose Vehicle (SPV) consisting of Vinci Highways and 3i Infrastructure, which in turn has an operating contract with Ringway branded as 'Hounslow Highways' to deliver all aspects of the contract scope.

Benefits of this model include the ability to front-load investment in infrastructure upgrades, a single point of management for all road corridor issues, long-term certainty allowing for investment in capability, technology and innovation, and developing long-term relationships with the community for strong engagement and input. The model incentivises the Concessionaire to ensure optimal asset management and investment intervention for best whole-of-life maintenance and operation.





### Key Observation

People, politics, community needs, and a number of other factors change over such a long period, so a long term model and relationship is required which allows for:

- Full consideration of the complexity of the contract and the key performance factors which are important to monitor and report on (293 service standards in this case).
- The objectives of the project must align with the wider context within which they sit, which can be complex. A flexible model is needed, with well documented (and used) change processes
- Taking your time to ensure the right people and mechanisms are in place to enable success is key – this project took 3 years of interactive procurement to get finalised.

*David Simpson, Executive General Manager,  
HEB Construction*

Learnings from other PPPs highlighted signs of distress which should be watched out for. These included a lack of flexibility, draconian use of pay mechanisms, disagreement on lifecycle funds' use, aggressive payment withholding, misreporting, unclear reporting, overly financial mindsets without clear management, storing issues instead of timely resolution, lack of engagement on recovery plans, relationship breakdowns, and the mental health and motivation impact on individuals exposed to these issues.

## Day Three 19 June – Manchester

Hosted by 

### Overview

**Day three began in Manchester with insights from officials, academics and industry leaders, including the Greater Manchester Combined Authority, Transport for Greater Manchester, Manchester Metropolitan University, and leaders from GHD's infrastructure team. The blend of public, private and academic perspectives provided insights into both the long-term vision enabled by strong leadership and investment strategies used by Greater Manchester partners, as well as the granularity of deals made over the past 12 years.**

The Greater Manchester Authority, comprising 10 metropolitan boroughs and led by a directly elected mayor, has responsibilities for economic strategy, transport and law and order, among other areas. The region's collaborative history, economic development focus and investment attraction were highlighted. Prior to the first City Deal in 2012, there was a long history of collaboration and working together to support businesses and communities, and attract investment. This trust and capability building over an extended period is recognised as a strong foundation for the authority and deals. The response to queries about incentives for elected officials to work together was, 'We can't afford to have someone fail', underscoring that the region succeeds when every borough succeeds.

There is a strong focus on economic development and investment attraction, with Manchester serving as a major aviation hub and outbound investment activity. This is complemented by a focus on social investment, emphasising public transport connections, social housing and education.

Investment in infrastructure and place-making was evident in research presented by the Institute of Place Management, focusing on their Business Improvement District (BID) work. This project worked across approximately 150 local authorities, identifying 25 factors influencing long-term vitality and viability of communities. One key takeaway was that communities are often not ambitious enough, and the framework provides a tool for dialogue around what is possible.

### Key Observation

It was valuable to hear from a range of stakeholders, and the experiences of Greater Manchester over an extended period of time. There is a level of maturity in the political, executive and private sector that is to be envied. What was most evident was the leadership of not just the current Mayor of Manchester Andy Burnham, but also of past leaders including Sir Richard Leese and the oft quoted late Sir Howard Bernstein.

He talked about 'co-designing' policy and how cities could drive growth. He knew that most of the levers of power were in London and laying even a pinkie finger on them required talking the language of Whitehall. Cooperation was needed, 'rather than spending all our time throwing bombs at each other'.

A timely reminder. A willingness to collaborate, have a long-term vision and calculated risk taking provide a template for motivated regions of Aotearoa to consider what is possible with the current authorising environment."

### Key Observation

Manchester has worked hard, consistently and resolutely, for more than 30 years to design, refine and tweak a collaborative governance model that is founded in both alignment of incentives and strong, effective communication. Communication happens at levels:

- Institutional – reporting on policy outcomes, for example
- Official – between leaders, for example
- Informal – more behind the scenes to build relationships

More recently, since the roll-out of Combined Authorities across England, there have been opportunities for these CAs to come together from time to time, to compare notes and share successes. There is for example a "UK Mayors" group for mayoral CAs. Unfortunately, relationships with central government agencies remains patchy. Local priorities and central government priorities are not always aligned.

*Linda Meade, Director, Kalimena*

### Greater Manchester City Deal – Greater Manchester Combined Authority

**Despite positive changes seen in Manchester over the past 10 to 15 years, the city remains 35% less productive than London, highlighting that much work remains to be done. Closing this gap could generate an economic dividend exceeding £20 billion. Manchester's long history of collaboration across its 10 districts and beyond laid the groundwork for the Greater Manchester Combined Authority (GMCA) established in 2011 and the seven subsequent City Region Deals.**

Since 2017, the GMCA has had an elected mayor, Andy Burnham, who takes the lead role on transport and infrastructure, while his appointed deputy, Kate Green, focuses on police, fire and crime. Each leader and CEO in the 10 districts has a portfolio, with a leader from one council and a CEO from another jointly leading a portfolio.

The new Single Settlement funding model raises the status of the GMCA to that of a government department, aiming to be the default mechanism for capital and revenue over a multi-year period. Expected to be approved within the next two years, it will cover five pillars: Local Growth and Place, Housing and Regeneration, Adult Skills, Local Transport and Decarbonisation. Accountability will be against a new Outcomes Framework.

The day after our delegation came to a close, Sir Howard Bernstein passed away. He was a key figure and driver of the success of the deal and is in our thoughts. His legacy lives on in Manchester's growth and prosperity.

### **Transport for Greater Manchester - Transport Investment, Relationship with GMCA and Bee Network Development**

**Greater Manchester's transport strategies include the Places for Everyone spatial plan, the Greater Manchester Transport Strategy 2040, and various sub-plans like the bus strategy and Streets for All, alongside five-year delivery plans and 10 local implementation plans. Funding comes from the 10 local authorities that comprise Greater Manchester Combined Authority, central government, bus and Metrolink fare-box, and commercial opportunities.**

The proposed Single Settlement deal will bring all central government funds into one pot, offering flexibility between capital expenditure and operational expenditure. Regular reviews of Local Transport Plans enable re-baselining and renegotiation of priorities and funding with central government.

The Bee Network aims to integrate bus, light rail, active transport, and ultimately rail services into one system. Half of the bus services are currently franchised, with continuous expansion of the light rail network. Rail integration is more challenging due to multiple franchised services across the country, with the government considering nationalisation. The programme also includes developing protected cycleways and prioritising cycles at traffic signals.

The Trailblazer Deeper Devolution Deal is expected to be a game changer for Manchester, including land value capture, integrated ticketing, data access, co-branding, a strategic view of the region's railways, harmonised enforcement powers, and the single settlement funding.



#### **Key Observation**

We were there the general election was approaching in a few weeks, but there was no significant concern that discussions on devolution will be jeopardised under a new or the same government. This indicates a maturity in the devolution model at both political and official levels.

Similar to water services, there is ongoing discussion about the nationalisation of rail services following their privatisation in the 1990s. Issues under consideration include the complexity of ticketing, high service costs, inadequate plant and equipment, network pinch points, and the lack of electrification across the rail network.

There is a strong understanding of the importance of the transport network in enabling housing and community development. The 10 local authorities have plans for social housing and transport works to ensure an appropriate system is in place.

Currently, over 70% of transport revenue comes from farebox collections, which is unsustainable. Greater Manchester seeks government funding to reduce this percentage, lower prices, and increase services and patronage.

Additionally, Greater Manchester is funding the electric charging network, partly through government grants, and aims to include this funding in the single settlement deal.

*Megan Tyler, Director Policy, Planning and Governance, Auckland Council*

### **Simon Light – the UK Infrastructure Challenge**

**Simon suggested that the three most important themes are making infrastructure projects investible, achieving resilience and improving productivity. There are always trade-offs when making policy and investment decisions, with success depending on getting the balance right between competing objectives and demands.**

He spoke about the importance of policy stability to encourage investment and confidence. There is no shortage of money that the private sector can deploy but cities need to convince investors to invest locally. Success also requires a strategy for security and economic performance, not just a focus on housing. For Manchester, that means creating an alternative investment proposition to London or Birmingham. Cities need to take a more sophisticated approach than ‘build and they will come’. They need to demonstrate access to talent and the benefits of an overall strategy and policy settings.

It is essential to set a clear programme for infrastructure projects and to set a timetable that must be achieved. A good example is the new infrastructure for the London 2012 Olympics, which was delivered on time because there was no other option. Other projects like the A303 at Stonehenge and the lower Thames crossing in London have been badly delayed through the planning process.

#### **Key Observation**

Simon explained that it is important to frame up projects properly and have the right people in the room for decision making. For example, the HS2 extension was about connectivity and capacity not speed but decisions were made to increase speed at large extra cost.

*Bevan Peachey, Partner, Russell McVeagh*

He also said that it will be interesting to see what happens under a new government. For example, there might be a major role for GB Energy and the UK infrastructure bank, and a HS2 extension to Manchester may also be on the cards.

### **Institute of Place Management – Place-Making in Action**

**The Institute of Place Management (IoPM) plays a leading role in delivering the £8 million High Streets Task Force in England, developed by the Central Government’s Department of Levelling Up. Since 2019, the programme has aimed to build sustainable place-making skills, facilitate national data sharing, and enhance local authority capacity. The presentation provided a national and local Manchester perspective, pre- and post-COVID, on how places need active support to bounce back.**

The session highlighted the failure of policy to make change happen in places, including pursuing changes inconsistent with best practices in local development, a lack of task or achievement orientation among leaders, undervaluing relationship-building with businesses and community engagement, and insufficient resources allocated to bring about change.

Key lessons included considering how cities have changed since the 1980s and post-COVID, the planner’s role, and mechanisms influencing change. The vision and strategies for Manchester were discussed, with an emphasis on the ambition for the city and the importance of partnership at all levels.

#### **Key Observation**

The role and title of the Greater Manchester mayor has the ability to convene multiple stakeholders together to align driver integrated place-based outcomes supported by community and business leaders. This has been key and there are some important lessons for New Zealand here. Shared aspiration and partnership formed at all levels to help achieve outcomes.

*Rupert Hodson, Northern General Manager, Beca*



For New Zealand, the discussion raised questions about the prominence and focus on place-making in urban development and urban regeneration and the roles of central and local government. One question that came to mind was whether place-making has the right level of prominence and focus in these constrained times.

There are some good but perhaps limited examples of place-based regeneration in New Zealand – Wynyard Quarter and Hobsonville in Auckland are notable examples. We considered whether the Auckland Council Design Office was a model that could be repurposed for today's context. The session also highlighted the need for mature partnerships between the community, business, business associations, local councils, and political leadership to convene all stakeholders.

Other specific place-making lessons we took away include:

- Think about 'how to be a good ancestor' – adopt a legacy mindset – carry the baton
- Aim for transformative change
- Be people-centred
- Value process
- Look at social value metrics
- Responsibility and the development in partnership



## **GHD – A Just and Fair Infrastructure Transition**

**Steve Scott from GHD shared his experience and views on achieving a just and fair infrastructure transition, emphasising the scale of transition needed across all infrastructure sectors to achieve net zero. This transition is more challenging than other sustainability actions, and the need to do it fairly and justly is growing. GHD's Grangemouth Just Transition Plan for the Scottish Government exemplifies this approach.**

Steve interpreted just transition as an outcome and process, which embraces multi-disciplinary perspectives and is place-based to ensure that communities benefit. Just transition planning shall centre on co-creation and bringing everyone into a single transparent conversation, underpinned by technical authority and sustainability, but led by evidence insight, collaboration and co-design. He then employed Grangemouth Just Transition Plan for the Scottish Government as an example. GHD used the evidence-led approach to do an industrial cluster analysis, and offered an integrated solution cutting across technology, strategy, public policy, economics and community engagement.

The Grangemouth plan was focussed on transitioning to a more sustainable economy while ensuring fairness for everyone, including those in polluting industries. The plan targeted jobs, skills, economic opportunities, communities and place, people and equity, and environment, biodiversity and adaptation.

Guiding principles for successful delivery of a just transition included systems thinking, iterative co-design, equity and fairness for people, profit and planet. Scott concluded by advocating an applied innovation approach to cultivate an innovative mindset, focusing on community and customer-centric problem-solving, diverse collaboration, curiosity, data-driven decisions, bold and aspirational thinking, and experimenting and iterating.

### **SSE Energy Solutions**

**SSE, the largest renewable energy generator in the UK and Ireland, serves over 500,000 business customers across the UK. Its aim is to decarbonise Britain one business at a time, helping businesses grow on the road to net zero. SSE's core businesses include electricity networks, focusing on distributed generation, and renewable generation with assets nearly 4,000MW, including offshore and onshore wind and hydro.**

SSE aims to deliver a cheaper, cleaner, and more secure homegrown energy system by decarbonising generation and moving to wind, solar, and battery systems. It focuses on enabling electrification at a local level through distributed generation solutions and maximising cleaner, greener energy for customers, like SSE Airtricity's smart electricity plans and home energy upgrades. These ambitions resonate with New Zealand's focus on transitioning from thermal generation assets to a renewable asset base and ensuring stable energy supply.

Acceleration to net zero is improved through a whole-of-system approach. SSE has a big focus on digital platforms and analytics to support the better use of existing energy infrastructure assets – through smart infrastructure solutions, buildings and platforms. Learning to do more with what we have got is a consistent theme in New Zealand, including through use of digital twins and other digital opportunities.

Maximising renewable energy opportunities includes speeding up grid connections, optimising solar opportunities like floating solar plants on reservoirs, and adopting new digital propositions to adapt to market evolution. Regional collaboration, long-term investments, and public-private partnerships drive positive net zero and economic growth outcomes and impact local communities.

### **Key Observation**

Regional joined-up thinking, long term investments, and collaboration with both the private and public sector drives great outcomes from a net zero and economic growth perspective and also creates positive impacts at a local level:

- Greater Manchester is a great example of the benefits of cross public/private sector joined-up thinking and action. It was the first UK region to produce Local Area Energy plans (which span across the Greater Manchester region), involving collaboration and partnership between the Greater Manchester Combined Authority and many private sector participants, including SSE. This led to a £12 billion Strategic Outline Business Case, and then to a £65 billion investment programme, to deliver on a 2038 net zero target for Greater Manchester through investment in solar and storage, heat networks, public sector decarbonisation, retrofitting and EV charging infrastructure.
- SSE has a strategy to invest, own and operate its renewable energy assets for at least 25 years, creating significant certainty from an employment perspective. This is important given the current infrastructure and energy skills shortage - an issue shared with New Zealand. SSE has invested significant resources in many regional communities, including Greater Manchester, to upskill people for a low carbon economy (including through various community partnerships and creation of local jobs).
- PPPs are actively encouraged, including because of constraints on public sector balance sheets.

A just and fair energy transition is crucial for sustainable cities and communities. This is a theme echoed by the New Zealand Infrastructure Commission, including in its Infrastructure Strategy.

*Angela Harford, partner, Bell Gully*

## **GHD – Thinking Differently in the Water Sector**

**In this session Jessica Kahl provided an overview of the differences in operating environments between Australia/New Zealand and the UK.**

The presentation outlined that in highly regulated environments, selecting the right strategy, and in some instances identifying ‘what not to do’ is as important as prioritising what to do. There are often multiple solutions to the complex challenges the water sector presents.

Different types of strategic planning were explored, including:

- Predictive (traditional) type planning where you looked at the current issues and predicted what it might look like in the future
- Scenario Planning, which is more explorative where multiple options could present themselves and you identify a preferred option
- Scenario Planning (normative), which looks at options (many) first to create a singular desired outcome
- Adaptive Planning, where there could be multiple desired outcomes and a pathway is found to achieve this.

Water regulators in the UK now require companies to ensure that they have appropriate strategic planning (including adaptive management planning) in place and that there are actions, and investment, to deliver on these plans.

### **Key Observation**

Overall, Jessica provided some useful tools for us to think about and it was a good reminder on what approaches could be taken when addressing some of our infrastructure deficits. In particular, further thought on how to implement and the use of adaptive management planning is likely to be a key theme in the context of the New Zealand water sector.

*Waid Crockett, Chief Executive, Palmerston North City Council*



## Day Four 20 June – Manchester

Hosted by **ARUP**

### Overview

**Day four of the delegation focused on urban development, regional governance and sustainability, offering insights relevant to New Zealand. The day began with the University of Manchester’s transformative innovation district. Their team outlined plans to create a global innovation hub, integrating large research institutions with start-ups, commercial and research spaces, homes, shops, and public areas. This project aims to create over 10,000 jobs and revitalise historical buildings, highlighting the importance of visionary urban regeneration.**

Kevin Lavery then discussed the broader implications for infrastructure of regional deals, using Manchester’s journey since its first City Deal as an example. Lavery highlighted the success factors in Manchester’s model, including a combined authority, directly elected mayor, and significant authority devolution. For New Zealand, the importance of strong relationships between central and local government, iwi, and the private sector was underscored. He provided a reality check for us in how we would take these lessons forward for New Zealand.

### **Key Observation**

Kevin explained that regional deals must be preceded by in-depth conversations between the parties – a framework is useful to guide these conversations but must not be straitjacket. Other key insights included that regional deals require regions to be match-fit in governance/management, and that local government reform may be desirable as a precursor to joined-up regional development, but is not a necessary pre-requisite.

*Daran Ponter, Chair, Greater Wellington Regional Council*

Richard De Cani explored the UK’s devolution strategies, focusing on economic development, place-making, skills, innovation, and housing. He discussed how deals bring together funding and decision-making powers, enabling infrastructure delivery aligned with local economic strategies. These deals serve as mechanisms for demonstrating commitment to local economic growth and broader devolution.

The day concluded with a visit to Manchester Etihad Stadium, where Pete Bradshaw showcased the transformation of a brownfield site into a sports precinct. This project, driven by sustainability and community outcome integration, illustrates the potential for environmental restoration to enhance urban development.

### **ID Manchester – University of Manchester Innovation District**

**The University of Manchester’s transformation of the ID Manchester innovation district, in partnership with Bruntswood SciTech, exemplifies a successful partnership between a key anchor institution and a long-term development partner. Inspired by the life sciences hubs in London, Cambridge, and Oxford, and informed by global examples like Sydney, the project aims to create a world-class innovation platform in Manchester. This initiative aligns with Greater Manchester’s broader city policies and growth strategies, including recent city deals.**

The vision for ID Manchester is to be internationally recognised as a leading applied innovation district, fostering collaboration between business, education, and communities. The development will feature large research institutions and companies co-located with small start-ups and entrepreneurs, offering a mix of commercial and research spaces, homes, shops, and public areas. Key features include the creation of over 10,000 jobs, revitalisation of historical buildings, a new civic square, and sustainable, nature-led public spaces. The development aims to keep and leverage existing graduates and talent, integrate green and outdoor spaces, and rehabilitate the river within the campus.

### Key Observation

This innovation precinct brought a genuine place-making approach to deliver a cluster of collated activities including; large, leading-edge research institutions and companies co-located with small start-ups and entrepreneurs alongside a mix of commercial and research space (offices & laboratories). What was also notable was the inclusion of homes, (including affordable) shops and places to gather. The objectives included bringing different groups of people together to build connections, collaborate and stimulate innovation.

*Rupert Hodson, Regional General Manager, Beca*

The project's success hinges on a careful master plan that fosters connections and collaboration, supported by affordable housing and spaces for start-ups at peppercorn rents. The development model involves a single developer with a long-term hold plan, ensuring sustained investment and outcomes. Early stages have shown promising fundamentals, indicating a project worth watching and learning from.

Lessons for New Zealand include recognising the critical role that universities play as anchor institutions in cities and fostering meaningful partnerships between the public and private sectors, academia, and iwi. Considering city or regional deals as mechanisms to catalyse development, planning better integration of university campuses into cities, and fostering R&D partnerships are essential. These strategies could significantly enhance development outcomes, skills uplift, and long-term productivity and innovation in New Zealand.

### **Kevin Lavery, Chief Executive Lancashire and South Cumbria NHS Board: Seeing the Wood for the Trees – Adapting City Deals for New Zealand**

**Kevin Lavery's presentation was timely and provided valuable insights for the group. While previous presenters discussed the pros and cons in water and City/Town Deals from a UK perspective, Kevin grounded the discussion in a New Zealand context – injecting a dose of realism into the conversation.**

He emphasised the need to adapt UK strategies to fit the New Zealand context, highlighting the importance of infrastructure alongside broader urban development opportunities. While the Manchester City Deal is often romanticised, Kevin pointed out that the concept of a combined authority does not apply to a New Zealand context. Instead, he suggested considering locally led reorganisation and amalgamation, with a focus on collaborating with the government for true devolution of functions in some areas. Having amalgamation focused on one area would miss some of the broader opportunities, as was the case in Auckland.

Political consensus on infrastructure investment and the role of local politicians were highlighted as crucial factors by Kevin. The advantage of having a regional mayor/leader, as in Manchester and London, who coordinates with local councils, was highlighted as a powerful place-based voice with public backing, capable of advocating strongly to Westminster.

Kevin also discussed strategic investment in land to capitalise on infrastructure development, mentioning value capture as a useful tool for funding projects. He cautioned about the potential unpopularity of value capture, congestion charging and road pricing when implemented – urging consideration when executing in New Zealand.

### Key Observation

The ongoing discussions about reorganising in the metropolitan Wellington area present a strategic opportunity, especially in light of changes in water services. By presenting a cohesive plan to the government, and being willing to look at ourselves first, is going to put us in the best possible position for true devolution.

*Campbell Barry, Mayor of Lower Hutt*



### **Arup – Unlocking Growth: Applying Value for Money Frameworks to Complex Projects**

**Richard de Cani illustrated that devolution in the UK represents a significant shift towards localised governance, empowering regions and cities with greater control over their economic and social policies. This approach began with the London devolution model in 2001, initially focusing on transport and economic development, and has since expanded across the country. Devolution involves delegating powers to regional bodies and cities through combined authorities and elected mayors, recognising that a uniform national strategy may not effectively address the diverse needs and opportunities of different regions.**

Successful infrastructure development relies on integrating land use planning, decision-making powers, financial resources, and funding mechanisms. This holistic approach ensures local authorities can deliver meaningful economic development and infrastructure improvements tailored to their unique contexts. City and Region Deals play a pivotal role in this process by bringing together funding and decision-making authorities, delivering infrastructure in alignment with local economic strategies, and implementing long-term contracts across political cycles.



#### **Key Observation**

UK deals are implemented through diverse approaches that reflect varying degrees of involvement from the public and private sector. City and Region Deals often emphasise collaboration between the public sector, represented by local authorities and government bodies, and the private sector, comprising businesses, investors, and industry stakeholders. This collaboration harnesses private sector expertise, investment capital, and innovation alongside public sector resources and regulatory powers. The scale of these deals varies significantly, ranging from large-scale urban regeneration projects involving major infrastructure investments to smaller-scale initiatives focused on enhancing local business environments or revitalising town centres.

*Fiona Carrick, Chief Executive, Te Waka Waikato Economic Development*

The deals model prioritises decentralisation by empowering local authorities, enhancing autonomy, and fostering accountability at both city and regional levels. This approach enables cities to lead prioritisation processes for infrastructure initiatives, leveraging local knowledge of needs and opportunities. Ultimately, the common goal of devolution and deals is economic growth, translating into enhanced productivity, increased tax revenues, and expanded housing opportunities on a national scale. Cities seek funding for critical areas like transport, skills development, and education, making locally informed decisions that best suit their specific needs and aspirations. This model of urban governance signifies a shift towards more responsive and effective governance, where local empowerment drives prosperity and community resilience.

### Site Visit: Manchester Etihad Stadium Tour

**Manchester City Football Club is a premier league football club that has a strong commitment to sustainability, community engagement and regeneration of communities.**

#### Key Observation

The club was founded in 1894 as a community project to keep young men out of trouble and away from alcohol, and has maintained this ethos throughout its evolution. The current ownership and make-up of the club today places community engagement and empowerment at the very top of every agenda. The club's chief executive, Ferran Soriano Compte, emphasises authenticity, honesty and collaboration as the main drivers of the club's success, and applies these values to its global network of 13 football clubs, which follow Manchester as the model.

*Campbell Jensen, Head of Advisory, RCP*

The club also collaborates with the city council and other partners to promote regeneration and community improvement through sports, and played a key role in supporting the Commonwealth Games in 2002, which boosted the city's recovery after the 1996 IRA bomb. The legacy of the Commonwealth Games includes the construction of the Aquatic Centre and the Etihad Stadium on a closed coal mine site, designed by Arup. Originally built for athletics, the Etihad Stadium was later converted to a football venue and is now being expanded with a hotel and entertainment facilities.

The club's training facility, the City Football Academy, exemplifies its dedication to sustainability. It has 20 years of carbon reporting, aims to be one of the largest producers of renewable solar energy in world football, and targets carbon net zero by 2030. The facility, built on a remediated brownfield site, is self-sufficient for irrigation through stormwater capture and features hybrid grass pitches identical to the stadium pitch. The club also engages in sustainable practices such as working with a local farm to grow food and composting organic waste onsite.



## Day Five 21 June – Cardiff

Hosted by  Stantec

### An Overview of Water in the United Kingdom

**Water management and infrastructure are critical issues in the United Kingdom, shaping the landscape, supporting communities, and ensuring sustainability. The significance of water in the UK cannot be overstated; it is a fundamental resource that affects every aspect of life and industry.**

#### Key Observation

The UK water sector has seen mirrored issues across different regions, characterised by significant investment and heightened public interest. A massive investment programme of \$100 billion underscores the importance placed on upgrading and maintaining water infrastructure. Despite these investments, there is a recognised lack of future skills in the sector. To address this, there is a push to engage individuals earlier in their careers, focusing on those with critical thinking abilities necessary for long-term water management projects.

*Nick Leggett, Chief Executive, Infrastructure New Zealand*

Innovative approaches like nature-based solutions address stormwater and wastewater challenges. The Clifton Wetland project exemplifies this shift, replacing traditional wastewater treatment methods with nature-based solutions, benefiting water flow management and enhancing local biodiversity and recreational spaces.

Flood resilience initiatives, like those in Hull post-2007 flooding, have spurred significant investments to improve flood protection. Northern Ireland Water’s Major Project Framework illustrates the role of private finance initiatives introduced around 25 years ago, with examples like the PPP Sludge site integrating private funding in public water infrastructure projects.

Digital innovations are increasingly important, with a focus on reducing carbon footprints in new builds influenced by advances in digital technology. The promotion of a digital innovation fund, expected to double in the next five years, reflects this trend and promises further advancements in water management and infrastructure.

Regulatory and structural considerations are vital, with the Drinking Water Inspectorate overseeing water quality in England and Wales, emphasising consistency when reorganising a country’s water structure. The transition of Welsh Water to the stock market in the late 1990s, moving towards private equity, highlights the evolving landscape of water management in the UK.

The media’s scrutiny of water issues has intensified, bringing greater public awareness and accountability to the sector, ensuring transparency and responsiveness to public and regulatory expectations.





## **Dŵr Cymru Welsh Water – The Glas Cymru Model**

**Dŵr Cymru Welsh Water, the sixth largest water company in the UK, serves 3 million residents and businesses across Wales and parts of England. It operates as a ‘Wholly Owned Mainly in Wales’ company, financed through private capital markets without government support, contributing approximately £1 billion annually to the Welsh economy. Key infrastructure includes 27,000 km of water mains, 30,000 km of sewers, over 800 sewage treatment works, and 63 water treatment works, with an asset replacement value of £26 billion.**

Dŵr Cymru is a private ‘not-for-profit’ business – it has no shareholders and pays no dividends – although it does generate financial surpluses that are reinvested in its assets and services. This model means that bills can be lower than would otherwise be the case and that there is more funding available for investment in the company’s assets, thereby creating a ‘virtuous circle’:



### **Key Observation**

Prior to 2000, Dŵr Cymru was owned by Hyder. When Hyder experienced financial difficulties in 2000, a takeover battle ensued. Glas Cymru – established by existing Welsh Water executives – won that battle and became the new owner of and holding company for Welsh Water in 2001. The executives then spent several years working with the bond markets to secure long-term funding (of around £2 billion) for the company. Mike Davis articulated a critical perspective in this regard, which is that ‘this is a long-term business, therefore the best way to fund it is through long-term debt’. Funding costs account for around 25% of customers’ bills.

*Ken MacDonald, Sector Director – Water, Tonkin + Taylor*

Dŵr Cymru is heavily regulated by multiple bodies, including OfWat, Natural Resources Wales, the Environment Agency, the Drinking Water Inspectorate, the Consumer Council for Wales, the Welsh Government, Public Health Wales, and the Welsh Language Commissioner. Its board comprises seven independent non-executive directors with Welsh connections, driven by reputational rather than financial motives. Additionally, 67 independent ‘members’ from various backgrounds ensure the company’s operations align with customer and environmental interests.

The company’s long-term vision, “Welsh Water 2050”, aims to provide a world-class, resilient and sustainable water service. Performance benchmarking against other privatised water companies drives high standards. The Glas Cymru model has returned £570 million in value since 2001, supporting social tariffs, river water quality improvements, and maintaining strong credit ratings, facilitating lower borrowing costs. Focused on affordability, Welsh Water offers social tariffs and assistance programmes funded by a cross-subsidy approach, ensuring support for vulnerable customers. The company has shifted from heavy outsourcing to insourcing, enhancing internal capabilities while selectively outsourcing major capital works and services.

Dŵr Cymru’s performance is benchmarked against the other privatised water companies in England and Wales. This is instrumental in driving a high-performing business.

### **Cardiff Capital Region – A Partnership Model for City Deals**

**The Cardiff Capital Region model came about in response to City Deal policies. Since formation, the partnership has moved from a collective of councils into a legal governance model for the region.**

It aims to improve prosperity across the 10 local authorities included in the partnership, which are economically disparate and have differing intervention needs. Equity and societal impact came through strongly in the discussion, with actions targeted to give effect to The Welsh Well-being of Future Generations Act – requiring a focus on prosperity in the future alongside actions for the present.

The City Deal provided CCR with a substantial amount of funding, circa £1.2 billion. It has used this fund for investments towards the above goals, such as in premises and investment capital, but it has also ring-fenced a significant amount for large strategic investments, with the intention that this fund is evergreen.

In future it expects to expand the CCR's remit to include spatial planning and transport infrastructure, which would draw parallels to the devolution seen in other regions of the UK. It is using the structure created by the City Deal to improve governance and strategic direction of the region.

#### **Key Observation**

Two themes were notable in the discussion. Firstly, there appeared to be a real focus on equity, community wellbeing and distribution of the economic uplift created by the City Deal. The approach to economic wellbeing is more inclusive, future-focused and multi-faceted than we observed in the English models.

Secondly, they are prepared to make brave decisions. They have made large investments that will enable long-term shifts in the Cardiff economy and community. The desire to make such significant change carries risk. The leadership commitment to these projects is notable.

*Nigel Tutt, Chief Executive, Priority One*

Overall, this is an excellent example of a local government unity, strategic clarity and catalyst investments created by a City Deal. The deal and structure has created substantial jobs and investment and is evolving into a devolved and self-determinative model. Cardiff is in good hands.

### **Dŵr Cymru Welsh Water – Nature Based Solutions**

**Dŵr Cymru Welsh Water (DCWW)'s approach emphasised in its nature-based solutions presentation is grounded in the regulatory framework under which it operates, including the Well-being of Future Generations Act and the Flood and Water Management Act, which mandates sustainable development and drainage systems to manage surface water runoff and reduce flooding risks.**

Several case studies highlight DCWW's application of nature-based solutions. The Llanelli RainScape project manages surface water over 42 hectares, using data to guide future trends and skills development. This project's success has reinforced confidence in investing in nature-based solutions.

The Pontyfelin project addressed storm overflow requirements through a nature-based solution developed with European-tested approaches and regulatory collaboration. This project delivered significant environmental, social, and economic benefits, including approximately £10 million worth of additional benefits and a goal of net-zero carbon emissions over its lifetime.

In collaboration with the council, DCWW also created wetlands to enhance biodiversity and reduce phosphorus, requiring community support and communication. This project aimed to preserve natural habitats and promote overall environmental health.

### Key Observation

A number of mechanisms were offered to support collaborative work to develop frameworks, governance, tools and data. An interesting concept is optioneering which could be described as evaluating different options, considering their costs, performance, and compliance against targets. DCWW uses this technique to find green solutions first.

It includes:

- Prioritising and joining up opportunities. This involves assessing various factors such as environmental impact, cost-effectiveness, and alignment with the organisation's goals and objectives.
- Leveraging digital technology and conducting thorough investigations to identify and evaluate the highest impact green solutions.
- Using advanced data analytics, modelling, and simulation tools to assess the feasibility and potential outcomes of different options.
- Adopting a multiple capitals approach, which considers not only financial capital but also natural, social, and human capitals. And
- Producing handbooks and standardisation to create guidelines, frameworks, and processes to ensure consistency and efficiency in decision making across different projects.

By employing these strategies, DCWW aims to find and implement green solutions that are not only environmentally sustainable but are also economically viable and socially beneficial.

*Darrin Apanui, Group CEO, Rangitāne Tū Mai Rā*



Cardiff Bay Pier  
Cardiff, Wales



**Cardiff Wastewater Treatment Works and Food Waste Treatment Facility and Grangetown Project**

The delegation visited Welsh Water’s wastewater treatment, food waste treatment and sustainable drainage projects. The wastewater facility’s sludge treatment process involves collection, thickening, anaerobic digestion, dewatering, and beneficial use in agriculture, focusing on sustainable practices and compliance with safety and environmental standards.

The Food Waste Treatment facility processes weekly collected food waste from all local authorities in Wales, treating it through anaerobic digestion to produce biogas and fertiliser. The environmentally friendly process transforms waste into valuable products and generates renewable energy.

The Greener Grangetown project, a partnership between Cardiff Council and Welsh Water, uses sustainable drainage techniques to divert rainwater directly into the River Taff, enhancing biodiversity and reducing stormwater impact.

Our site visits provided valuable insights into the UK’s approaches to water service delivery, infrastructure development, regional governance, and sustainability, offering lessons and considerations for New Zealand’s context.

**Key Observation**

Our delegation was impressed with the scale and efficiency of the treatment facility and its apparent quality of the treated sludge and compliance with safety and environmental standards.

All local authorities in Wales collect food waste weekly and the Food Waste Treatment facility is where this waste is processed. Most of this waste is treated by anaerobic digestion which turns the waste into biogas and fertiliser.

The delegation also took note of the Welsh approach to promoting the separation of food waste from general waste and the environmentally friendly process for its transformation into a product of value and the generation of renewable energy.

*Sean Wynne, Deputy CEO – Infrastructure Funding and Financing, Crown Infrastructure Partners*





**Infrastructure New Zealand**

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## MEMORANDUM

**TO:** Council

**MEETING DATE:** 4 September 2024

**TITLE:** Elected Members' Meeting Attendance Statistics - 1 July 2023 to 30 June 2024

**PRESENTED BY:** Hannah White - Manager Governance

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

### RECOMMENDATION TO COUNCIL

1. That Council receive the memorandum titled 'Elected Members' Meeting Attendance Statistics - 1 July 2023 to 30 June 2024' dated 4 September 2024 for information.

#### 1. ISSUE

Elected Members' meeting attendance statistics are recorded and publicly reported on a six and twelve-monthly basis.

The period covered is from 1 July 2023 to 30 June 2024.

#### 2. BACKGROUND

Notes at the bottom of Attachment 1 explain the guidelines for recording statistics.

It should be noted that attendance is only recorded for meetings of which an elected member is a member of the committee.

#### 3. NEXT STEPS

Regular recording and reporting will continue. The next memorandum will cover the period July-December 2024.

#### 4. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>

Does this decision require consultation through the Special Consultative procedure?		<b>No</b>
Is there funding in the current Annual Plan for these objectives?		<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>Yes</b>
The recommendations contribute to: (Not Applicable)		
The recommendations contribute to the achievement of objective/objectives in: 14. Mahere mana urungi, kirirarautanga hihiri 14. Governance and Active Citizenship Plan		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	It is Council practice to record and report on elected member attendance for the purposes of transparency, at the request of Elected Members.	

**ATTACHMENTS**

1. Elected Members' meeting attendance statistics 1 July 2023 to 30 June 2024 [↓](#) 



**ELECTED MEMBERS' MEETING ATTENDANCE STATISTICS**

**FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2024**

Elected Member	Meetings That Could Be Attended As Member	Meetings Attended As Member
Mayor Grant Smith	72	69
Deputy Mayor Debi Marshall-Lobb	58	56
Mark Arnott	60	60
Brent Barrett	64	62
Rachel Bowen	54	52
Vaughan Dennison	63	53
Lew Findlay	53	48
Roly Fitzgerald	58	50
Patrick Handcock	58	58
Leonie Hapeta	65	56
Lorna Johnson	64	61
Billy Meehan	57	47
Orphée Mickalad	59	57
Karen Naylor	60	59
William Wood	64	62
Kaydee Zabelin	65	65

**Notes:**

1. "Meetings attended as Member" represents appointed committee member attendances at meetings of the Council, & Committees. Apologies advised as "absent on Council business" have been included in "meetings attended as a member".
2. To qualify for being in attendance at a meeting, an elected member must be present for at least 50% of the duration of the meeting. A meeting extending over two or more days counts as separate meetings.
3. No statistics were kept for members lateness, early departure.
4. From 15 to 17 May 2024, 13 Long-Term Plan Council meetings were held to hear submissions from the public; attendance at each meeting was recorded separately.



## COMMITTEE WORK SCHEDULE

TO: Council

MEETING DATE: 4 September 2024

TITLE: Council Work Schedule

### RECOMMENDATION TO COUNCIL

- That Council receive its Work Schedule dated 4 September 2024.

### COUNCIL WORK SCHEDULE 7 AUGUST 2024

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
1	2 Oct 2024	Appointment of Trustees on Council Controlled Organisations	GM Corporate Services		Terms of Reference
2	2 Oct 2024	Agree Council Meeting Calendar 2025	GM Corporate Services		Terms of Reference
3	30 Oct 2024	Adopt Annual Report 2023-24	GM Corporate Services		Terms of Reference
2	early 2025	Delivery Model options for Property - CCO/ Trust to include Summerhays Street.	GM Corporate Services		1 May 2024 Clause 66.1
3	6 Nov 2024	Annual Review of Delegations Manual	GM Corporate Services		6 Sept 2023 Clause 147-23
4	<del>2 Oct 2024</del> 6 Nov 2024	Food HQ Innovation Limited - Director's company progress report.	GM Infrastructure Services	Moved due to availability of officers and Chair Food HQ	6 Sept 2023 Clause 143-23
6	6 Nov 2024	Appointment of CEDA Directors	GM Corporate Services		6 March 2024 Clause 23 -24
7	6 Nov 2024	Performing Arts Trust Annual Report 2023-2024	GM Corporate Services		Terms of Reference

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
9	11 Dec 2024	Review of Fees and Charges 25/26	GM Corporate Services		Terms of Reference
10	11 Dec 2024	City Revaluation – impact on rates	GM Corporate Services		Terms of Reference
11	early 2025	Report back on Investment Options for PN Airport	GM Corporate Services		6 December 2023 Clause 197-23
12	Feb 2025	Civic and Cultural Precinct Master Plan Steering Group - 6-monthly update	GM Strategic Planning		Terms of Reference
13	Mid- March 2025	Draft Annual Budget 2025/26 for consultation	Chief Executive		Terms of Reference
14	March 2025	Exemption of Manawatū Whanganui Disaster Relief Fund from being a CCO	GM Corporate Services		Terms of Reference
15	March 2025	Remits from PNCC for consideration	GM Corporate Services		
16	30 April / 1 May 2025	Hearings of the Annual Budget 2025/26	Chief Executive		Terms of Reference
17	May 2025	Exemption of Palmerston North Performing Arts Trust	GM Corporate Services		Terms of Reference
18	Mid- May 2025	Deliberations of the Annual Budget 25/26	Chief Executive		Terms of Reference
19	June 2025	Remits received from other Territorial Authorities	GM Corporate Services		Terms of Reference
20	June 2025	2024 Residents Survey - Action Plan	GM Strategic Planning		Terms of Reference
21	June 2025	Adopt Annual Budget 2025-26	Chief Executive		Terms of Reference
22	June 2025	Set the Rates for 2025-26	GM Corporate Services		Terms of Reference
23	June 2025	Raise Borrowing during 2025-26	GM Corporate Services		Terms of Reference

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
24	TBC	Summerhays Reports - Partnership Models Expressions of Interest	Chief Infrastructure Manager	Lying on the Table	1 May 2024 Clause 66-24 and 74 -24
25	TBC	Effectiveness of Civics Education Initiatives - Annual progress report -	TBC		<a href="#">29 May 2024</a> <a href="#">Clause 95.29 - 24</a>

### Proactive Release of Confidential Decisions

Date of meeting	Report Title	Released	Withheld
18 December 2023	Legal Services Panel - Award of Tender to Preferred Suppliers	Resolution, division and redacted report	Attachment
14 February 2024	Purchase of 80 Waldegrave Street	Resolution, division and redacted report	N/A
3 April 2024	Trustee Appointment to Te Manawa Museums Trust Board	Resolution, division and report	Attachment
10 June 2024	Nature Calls- Lead Technical Consultant contract extension	Resolution, division and redacted report	N/A



## RECOMMENDATIONS FROM COMMITTEE

**TO:** Council

**MEETING DATE:** 4 September 2024

**TITLE:** Presentation of the Part I Public Strategy & Finance Committee Recommendations from its 14 August 2024 Meeting

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Set out below are the recommendations from the Strategy & Finance Committee meeting Part I Public held on 14 August 2024. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 2.18.1)

**35-24 Quarterly Performance and Financial Report - period ending 30 June 2024**

Memorandum, presented by Scott Mancer, Manager - Finance and John Aitken, Manager - Project Management Office.

The **COMMITTEE RECOMMENDS**

3. That Council approve the adjustments to carry forward values, including adjustments to Better off Funding, per the carry forward report (Attachment 6 to the 'Quarterly Performance and Financial Report – period ending 30 June 2024', presented to the Strategy & Finance Committee on 14 August 2024).
4. That Council amend section 5.4.1 of the Delegation Manual to read:
  - 5.4.1 (d) applies except for the Low Carbon fund, where
    - (e) the Chief Executive may allocate up to 100% of the Low Carbon Fund programme budget in any financial year, either alone or in total: to any Activity, whether Capital New or Capital Renewal.

**41-24 Reserve Declarations and Classifications**

Report, presented by Aaron Phillips, Activities Manager Parks.

The **COMMITTEE RECOMMENDS**

1. That Council propose to declare all land parcels contained in Appendix 1: *Reserves for Declaration and Classifications* and identified in Column 5, excluding Roxburgh Crescent Reserve under Section 14 of the Reserves Act 1977, to be reserves.

2. That Council propose to classify all reserves and land parcels identified in Column 5 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 14 of the Reserves Act 1977, excluding Roxburgh Crescent Reserve to be classified as per the classifications contained in Column 3.
3. That Council propose to classify all reserves and land parcels identified in Column 6 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 16 of the Reserves Act 1977, to be classified as per the classifications contained in Column 3.
4. That Council propose to re-classify the three land parcels of Pari Reserve identified in Column 7 of the table contained in Appendix 1: *Reserves for Declaration and Classifications*, under Section 24 of the Reserves Act 1977, from Recreation to Local Purpose: Stormwater.

**42-24**

**Whakarongo Land Swap - Consultation Submissions Summary**

Memorandum, presented by Bryce Hosking, Manager - Property and Resource Recovery and Perene Green, Property Officer.

The **COMMITTEE RECOMMENDS**

1. That Council proceed with the land swap with Summerset Villages (Kelvin Grove) Limited within the Whakarongo Growth Area as agreed by Council 1 May 2024, noting no submissions were received from consultation under the Reserve Act 1977.