



## KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI

### POLICY, FINANCE AND STRATEGY COMMITTEE

28 June 2022

Order Paper for the meeting to be held in the  
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,  
on:

**Tuesday 5 July 2022 commencing at 2.00pm**

The meeting will be livestreamed on Council's Facebook page.  
Members of the public wishing to speak to an item on the agenda are asked to contact  
[democraticserviceteam@huttcity.govt.nz](mailto:democraticserviceteam@huttcity.govt.nz)

#### Membership

Cr S Edwards (Chair)

Mayor C Barry

Cr J Briggs

Cr B Dyer

Deputy Mayor T Lewis

Cr A Mitchell

Cr L Sutton

Cr G Barratt

Cr K Brown (Deputy Chair)

Cr D Hislop

Cr C Milne

Cr N Shaw

For the dates and times of Council Meetings please visit [www.huttcity.govt.nz](http://www.huttcity.govt.nz)

#### Have your say

You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this by emailing [DemocraticServicesTeam@huttcity.govt.nz](mailto:DemocraticServicesTeam@huttcity.govt.nz) or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY

## **POLICY, FINANCE & STRATEGY COMMITTEE**

<b>Membership:</b>	<b>13</b>
<b>Meeting Cycle:</b>	<b>Meets on an eight weekly basis, as required or at the requisition of the Chair</b>
<b>Quorum:</b>	<b>Half of the members</b>
<b>Membership RMA Hearings:</b>	<b>An independent Commissioner plus a minimum of either 3 or 4 elected members (including the Chair) and alternates who have current certification under the Making Good Decisions Training, Assessment and Certification Programme for RMA Decision-Makers.</b>
<b>Reports to:</b>	<b>Council</b>

### **OVERVIEW:**

This Committee assists Council in setting the broad direction of the city, discharging statutory functions, and overseeing organisational performance.

The Committee is aligned with the Transformation & Resources, and Strategy & Engagement, Directorates.

Its areas of focus are:

- Long term/high level strategic focus
- Long Term Plan/ Annual Plan oversight
- District Plan oversight
- Housing/homelessness
- City growth/economic development
- Financial and non-financial performance reporting
- Oversight of Property Working Group
- Oversight of strategies and policies
- Bylaw development
- Oversight of CCOs/approval of SOIs

### **PURPOSE:**

To assist the Council in setting the broad vision and direction of the city in order to promote the social, economic, environmental and cultural wellbeing of the city's communities in the present and for the future. This involves determining specific outcomes that need to be met to deliver on the vision for the city, and overseeing the development of strategies, policies, bylaws and work programmes to achieve those goals. This committee is also responsible for monitoring the overall financial management and performance of the Council Group.

## **DELEGATIONS FOR THE COMMITTEE'S AREAS OF FOCUS:**

- All powers necessary to perform the Committee's responsibilities including the activities outlined below.
- Develop required strategies and policies. Recommend draft and final versions to Council for adoption where they have a city-wide or strategic focus.
- Implement, monitor and review strategies and policies.
- Oversee the implementation of major projects provided for in the LTP or Annual Plan.
- Oversee budgetary decisions provided for in the LTP or Annual Plan.
- Recommend to Council the approval of any financial decisions required outside of the annual budgeting process.
- Maintain an overview of work programmes carried out by the Council's Transformation & Resources, and Strategy & Engagement, Directorates.
- Conduct any consultation processes required on issues before the Committee.
- Approval and forwarding of submissions.
- Any other matters delegated to the Committee by Council in accordance with approved policies and bylaws.
- The committee has the powers to perform the responsibilities of another committee where it is necessary to make a decision prior to the next meeting of that other committee. When exercised, the report/minutes of the meeting require a resolution noting that the committee has performed the responsibilities of another committee and the reason/s.
- If a policy or project relates primarily to the responsibilities of the Policy, Finance & Strategy Committee, but aspects require additional decisions by the Communities Committee, Infrastructure & Regulatory Committee and/or Climate Change & Sustainability Committee, then the Policy, Finance & Strategy Committee has the powers to make associated decisions on behalf of those other committees. For the avoidance of doubt, this means that matters do not need to be taken to more than one of those committees for decisions.

### **District Plan Delegations:**

- Undertake a full review of the City of Lower Hutt District Plan, including oversight of the District Plan Review Subcommittee in establishing a District Plan work programme and monitoring its implementation.
- Consideration of matters related to the preparation and ongoing monitoring of the City of Lower Hutt District Plan.
- Preparation of required Changes and Variations to the City of Lower Hutt District Plan for Council approval to call for submissions.
- Make recommendations to Council on private District Plan Change requests for Council to accept, adopt or reject.
- The Chair of the Policy, Finance & Strategy Committee, in conjunction with the Chief Executive, is authorised to appoint a District Plan Hearings Subcommittee of suitably qualified persons to conduct hearings on behalf of the Committee.

### **Bylaw Delegations:**

- Develop and agree the Statement of Proposal for new or amended bylaws for consultation.

- Recommend to Council the approval of draft bylaws prior to consultation.
- The Chair of the Policy, Finance & Strategy Committee, in conjunction with the Chief Executive, is authorised to appoint a Subcommittee of suitably qualified persons to conduct hearings on draft bylaws on behalf of the Committee.
- Recommend to Council new or amended bylaws for adoption.

**Financial, Project and Performance Reporting Delegations:**

- Recommend to Council the budgetary parameters for preparation of the Council's Long Term Plans (LTP) and Annual Plans.
- Monitor progress towards achievement of budgets and objectives for the Council Group as set out in the LTP and Annual Plans, including associated matters around the scope, funding, prioritising and timing of projects.
- Monitoring and oversight of significant city-wide or strategic projects including operational contracts, agreements, grants and funding, except where these are the responsibility of another standing committee.
- Monitor progress towards achievement of the Council's outcomes as set out in its overarching strategies for the city and their associated plans.
- Oversee the activities of the Property Working Group in its implementation of the Purchase and Sale of Property for Advancing Strategic Projects Policy.
- Oversee the acquisition and disposal of property in accordance with the LTP.
- Monitor the integrity of reported performance information at the completion of Council's Annual Report process.
- Review and recommend to Council the adoption of the Annual Report.
- Recommend to Council the approval of annual Statements of Corporate Intent for Council Controlled Organisations and Council Controlled Trading Organisations and granting shareholder approval of major transactions.
- Monitor progress against the CCO and CCTO Statements of Intent and make recommendations to Council in the exercising of Council powers, as the shareholder, in relation to Council Controlled Organisations/Council Controlled Trading Organisations under sections 65 to 72 of the Local Government Act.
- Oversee compliance with Council's Treasury Risk Management Policy.
- Consider and determine requests for rates remissions.
- Consider and determine requests for loan guarantees from qualifying community organisations where the applications are within the approved guidelines and policy limits.

**NOTE:**

The Ministry for the Environment advocates that Councils offer specialist RMA training in areas of law which are difficult to grasp or where mistakes are commonly made. This is to complement the Good Decision Making RMA training that they run (which is an overview and basic summary of decision making, rather than an in-depth training in specific areas of the RMA). Therefore in order to facilitate this, the RMA training run for councillors that wish to be hearings commissioners is mandatory.

Reasons for the importance of the training:

1. Hearings commissioners are kept abreast of developments in the legislation.
2. Legal and technical errors that have been made previously are avoided (many of which have resulted in Environment Court action which is costly, time consuming and often creates unrealistic expectations for the community).
3. The reputation of Council as good and fair decision makers or judges (rather than legislators) is upheld.

**HUTT CITY COUNCIL**

**KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI  
POLICY, FINANCE AND STRATEGY COMMITTEE**

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt

on

Tuesday 5 July 2022 commencing at 2.00pm.

**ORDER PAPER**

**PUBLIC BUSINESS**

**1. OPENING FORMALITIES - KARAKIA TIMATANGA (22/998)**

Whakataka te hau ki te uru  
Whakataka te hau ki te  
tonga  
Kia mākinakina ki uta  
Kia mātaratara ki tai  
E hī ake ana te atakura  
He tio, he huka, he hau hū  
Tihei mauri ora.

*Cease the winds from the west  
Cease the winds from the south  
Let the breeze blow over the land  
Let the breeze blow over the ocean  
Let the red-tipped dawn come with a sharpened  
air.  
A touch of frost, a promise of a glorious day.*

**2. APOLOGIES**

Cr Milne

**3. PUBLIC COMMENT**

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

**4. CONFLICT OF INTEREST DECLARATIONS**

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

**5. RECOMMENDATIONS TO COUNCIL | TE KAUNIHERA O TE AWA  
KAIRANGI - 5 JULY 2022**

- a) Housing and Business Development Capacity Assessment and housing bottom lines (22/828)

Report No. PFSC2022/3/137 by the Policy Planner

9

**CHAIR'S RECOMMENDATION:**

“That the recommendations contained in the report be endorsed.”

- b) Recommendations from the District Plan Review Subcommittee on the Final Draft Intensification Planning Instrument

Report by the Senior Policy Planner (*To be separately circulated via a supplementary agenda*)

6. **RECOMMENDATIONS TO COUNCIL | TE KAUNIHERA O TE AWA KAIRANGI - 2 AUGUST 2022**

- a) Adoption of new Urban Plus Limited Constitution (22/1540)  
Report No. PFSC2022/3/136 by the Chief Executive, Urban Plus 15

**CHAIR'S RECOMMENDATION:**

"That the recommendations contained in the report be endorsed."

- b) Proposed Water Supply Bylaw 2022 (22/1492)  
Report No. PFSC2022/3/138 by the Senior Policy Advisor 83

**CHAIR'S RECOMMENDATION:**

"That the recommendations contained in the report be endorsed."

- c) Three Waters Reform: Better Off Funding Application (22/1541)  
Report No. PFSC2022/3/135 by the Strategic Advisor 103

**CHAIR'S RECOMMENDATION:**

"That the recommendations contained in the report be endorsed."

7. **INFORMATION ITEM**

**Policy, Finance and Strategy Committee Forward Programme 2022**  
(22/1551)

- Report No. PFSC2022/3/111 by the Democracy Advisor 133

**CHAIR'S RECOMMENDATION:**

"That the recommendation contained in the report be endorsed."

8. **QUESTIONS**

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

9. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA (22/999)

Unuhia!	<i>Release us from the supreme sacredness of our</i>
Unuhia!	<i>tasks</i>
Unuhia i te uru-tapu-nui	<i>To be clear and free</i>
Kia wātea, kia māmā	<i>in heart, body and soul in our continuing</i>
Te ngākau, te tinana, te	<i>journey</i>
wairua i te ara takatū	<i>Oh Rongo, raise these words up high</i>
Koia rā e Rongo	<i>so that we be cleansed and be free,</i>
whakairihia ake ki runga	<i>Yes indeed, we are free!</i>
Kia wātea, kia wātea!	<i>Good and peaceful</i>
Ae rā, kua wātea!	
Hau, pai mārire.	

Judy Randall  
DEMOCRACYADVISOR



## Policy, Finance and Strategy Committee

01 April 2022

File: (22/828)

---

Report no: PFSC2022/3/137

### **Housing and Business Development Capacity Assessment and housing bottom lines**

#### **Purpose of Report**

1. This report presents the results of the 2021 update of the housing section of the Housing and Business Development Capacity Assessment for information. The report also provides a method to implement the requirement of the National Policy Statement on Urban Development to insert housing bottom lines into the District Plan.

#### **Recommendations**

That the Committee recommends that Council:

- (1) notes the 2021 update to the Housing and Business Development Capacity Assessment, available from the link in paragraph 8 of the report; and
- (2) resolves to alter the District Plan to insert objectives implementing the housing bottom lines required by Policy 7 of the National Policy Statement on Urban Development, as set out in Appendix 1 attached to the report.

For the reason that the change to the District Plan is required to meet Council's obligations under s55 of the Resource Management Act 1991.

#### **Background**

2. The National Policy Statement on Urban Development ("NPS-UD") came into force on 20 August 2020.
3. The NPS-UD is a national policy statement issued by the Minister for the Environment using powers under the Resource Management Act 1991

("RMA"). A national policy statement can among other things require councils to undertake monitoring of environmental conditions and make alterations to their district plans.

4. The NPS-UD divides councils into tiers, based on the size of their urban areas and their growth pressures. As part of the large and growing wider urban area of Wellington, Hutt City Council is a tier 1 local authority, which carries the widest range of obligations under the NPS-UD.
5. Council must implement each of the directions of the NPS-UD. Other directions under the NPS-UD have included the removal of minimum car parking requirements, implemented on 29 September 2020, and intensification in residential and commercial areas, for which Council will need to notify a specific plan change, known as an Intensification Planning Instrument ("IPI"). The IPI is being presented to the Committee in a separate report.
6. The NPS-UD also requires tier 1 councils to undertake an assessment of housing and business development demand and capacity in the district ("HBA"). This assessment was carried out in conjunction with the Greater Wellington Regional Council and other Wellington-area territorial authorities.
7. The housing section of this assessment was due to be released in 2021 but was significantly delayed due to technical problems in the software used to model housing capacity from intensification.
8. This assessment is now complete and is available online on the Wellington Regional Leadership Committee website at <https://wrlc.org.nz/regional-housing-business-development-capacity-assessment-2022>.
9. The assessment finds that over the next 30 years, Council will need to provide for 24,773 dwellings to meet expected growth, including a 15-20% "competitiveness margin". However, there is only feasible and realisable development capacity for 16,847 new dwellings.
10. Policy 7 of the NPS-UD also requires councils to insert "housing bottom lines" into their district plans. The bottom line is a minimum number of dwellings that the Council must provide "feasible and realisable" capacity for in its district plan.
11. The bottom line must "clearly state the amount of development capacity that is sufficient to meet expected housing demand plus the appropriate competitiveness margin".
12. The bottom line is derived in accordance with specific criteria in the NPS-UD, and for Lower Hutt is 24,773 units over the 30 years from 2021 to 2051.
13. The bottom line must be inserted into the district plan "as soon as practicable" after the release of the HBA, and the change must be made without going through the standard plan change process of notification, submissions, hearings, etc., in Schedule 1 of the RMA.

14. In future, the HBA needs to be completed every three years, in time to inform each Long Term Plan, starting with the 2024 Long Term Plan. Work on the next HBA is already underway and expected to be complete in 2023.
15. After each such future HBA, the housing bottom lines in the district plan will need to be updated in the same fashion, that is, without going through the standard plan change process of Schedule 1 of the RMA.

### **Discussion**

16. Housing bottom lines, while part of the district plan, do not directly affect the rules that apply to developments, and do not commit Council to any specific action in response. They are intended to provide context to other objectives and policies, and to be worked into future reviews and assessments of the district plan.
17. Housing bottom lines may be considered by decision-makers in assessing resource consents, although the practical impact of this is likely to be low given the other more specific and enabling objectives and policies of the NPS-UD that decision-makers also need to consider.
18. Other policies of the NPS-UD require Council to make consequential changes to the district plan to give effect to the housing bottom lines, including to allow greater building heights and densities in much of the urban area, to increase the development capacity available from infill and redevelopment. This will be implemented through the IPI (presented as a separate report to the committee).
19. While the IPI is yet to go through its statutory process, it is anticipated that no further action beyond the minimum required by the IPI will be needed to meet the housing bottom lines during the lifetime of this HBA. This is due to the prescribed nature of the RMA in relation to the IPI, including requirements for district plans to permit 3 dwellings on a site, and to enable development of at least 6 storeys in and around key centres and transport hubs.

### **Options**

20. Council is required to insert housing bottom lines into the district plan as soon as possible. The only option is the procedural issue of the form that the bottom lines take.
21. Appendix 1 to the report sets out the recommended approach to inserting the bottom lines, which is consistent with the approach taken by other local authorities in the region. This approach is the insertion of a new objective into the "Area Wide Issues" section within Chapter 1 of the plan, along with a supporting issue statement and explanation.
22. There are no proposed policies or rules to directly implement this objective. Such policies and rules will need to be introduced through the IPI or another such plan change process.

### Climate Change Impact and Considerations

23. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

### Consultation

24. The Housing and Business Development Capacity Assessment has been made publicly available by Council and can form a useful resource for engagement on Council projects relating to housing development.
25. For the housing bottom lines, Council officers have worked together with officers of the Greater Wellington Regional Council and other territorial authorities in the region to present a consistent approach.
26. Given that there is no difference in substance or practical effect between the extremely limited options available to Council, it is not considered useful to conduct any further consultation or engagement.
27. The form and content of area-wide objectives and policies in the district plan in general will also be modified in the Intensification Planning Instrument (presented in a separate paper), which will provide a full public submissions and hearing process through which people can ask for changes to area-wide objectives, including changing the form of the housing bottom lines and their relation to the rest of the plan.

### Legal Considerations

28. Council must insert the housing bottom lines into its district plan as soon as practicable to meet the requirements of s55 of the Resource Management Act 1991 as they relate to Policy 7 and clauses 3.6 and 4.1 of the NPS-UD.

### Financial Considerations

29. The HBA has been funded from Council's existing budget. Implementation of the housing bottom lines in and of itself will have no financial impact. The financial impact of consequential changes arising from the housing bottom lines will be presented in the reports relating to the IPI.

### Appendices

No.	Title	Page
1↓	Inclusion of housing bottom lines in the City of Lower Hutt District Plan	13

**Author:** Stephen Davis  
Policy Planner

---

**Reviewed By:** Kate Pascall  
Policy Planning Manager

**Approved By:** Helen Oram  
Director Environment and Sustainability



## INCLUSION OF HOUSING BOTTOM LINES IN THE CITY OF LOWER HUTT DISTRICT PLAN

Council resolves to make the following changes to implement Policy 7 of the National Policy Statement on Urban Development, inserting housing bottom lines in the City of Lower Hutt District Plan.

### New Housing Bottom Line Objective

Insert a new section into Chapter 1 – Introduction and scope of the plan, within section 1.10 – Area Wide Issues, after 1.10.3 – Residential Activity:

#### “1.10.3A Housing Bottom Lines

##### Issue

Policy 7 of the National Policy Statement on Urban Development requires local authorities to set housing bottom lines in their district plans, which are sufficient to meet expected housing demand as determined periodically in the Housing and Business Development Capacity Assessment.

##### Objective

The district plan provides sufficient development capacity for at least the number of residential units necessary to meet expected housing demand, including the required competitiveness margin, as shown in the table below:

Short-medium term (2021-2031)	Long term (2031-2051)	Total
9,709 dwellings	15,064 dwellings	24,773 dwellings

### Explanation and Reasons

The National Policy Statement on Urban Development 2020 (NPS-UD) requires Tier 1 local authorities to set housing bottom lines over the short-medium (next 10 years) and long term (10 to 30 years). The Wellington Tier 1 urban environment is described in the Appendix of the NPS-UD and includes the entire urban area of the City of Lower Hutt.

Housing bottom lines must be set in both regional policy statements and district plans. Objective 23a of the Regional Policy Statement for the Wellington Region provides housing bottom lines for the region as a whole. The figures in this district plan are the proportion of those housing bottom lines that are attributable to the City of Lower Hutt.

The housing bottom lines refer to the development capacity that must be provided for by Hutt City Council within the given timeframes, rather than the amount of housing that is to be built in that time. Under other provisions of the NPS-UD, Tier 1 local authorities must provide at least sufficient development capacity to meet expected housing demand over the short, medium, and long term, including by ensuring housing development is plan-enabled and infrastructure-ready.”

---

ERROR! REFERENCE SOURCE NOT FOUND.

### Definitions

Insert the following definitions into Chapter 3 – Definitions, in their appropriate alphabetical order:

“**Competitiveness margin**: in relation to housing bottom lines, has the meaning defined in the National Policy Statement on Urban Development”

“**Long term**: in relation to housing bottom lines, has the meaning defined in the National Policy Statement on Urban Development”

“**Short-medium term**: in relation to housing bottom lines, has the meaning defined in the National Policy Statement on Urban Development”

16 June 2022

File: (22/1540)

---

Report no: PFSC2022/3/136

## Adoption of new Urban Plus Limited Constitution

### Purpose of Report

The purpose of this report is to seek Council approval for a new Constitution for Urban Plus Limited (UPL) attached as Appendix 3 to the report.

### Recommendations

That the Committee recommends that Council:

- (1) approves and adopts a new Constitution for Urban Plus Limited attached as Appendix 3 to the report; and
- (2) notes the recent refinements made to the proposed Constitution.

### Background

1. The company now known as Urban Plus Limited (UPL) was incorporated in 1996 as De Luien Developments Limited, and the original Constitution was titled accordingly. In May 2007, the company changed its name to Urban Plus Limited and it embarked on a wider range of property development and acquired Council's social housing portfolio.
2. In 2014, Council officers engaged Simpson Grierson Lawyers to draft a new constitution (titled Constitution of Urban Plus Limited), however this was never submitted to Council for formal adoption. See Appendix 1 attached to the report.
3. In 2017, Greenwood Roche Lawyers had reviewed the provisions of the original constitution in 2017 and considered that it was no longer fit for purpose in the context of the kind of work that UPL was carrying out. The original De Luien Developments Limited Constitution was re-named and amended by UPL staff to include wider indemnities for directors and employees regarding UPL's newly created subsidiary companies which

intended to undertake residential development projects for the parent company (UPL). Whilst approval appears to have been given to this document by the Finance and Performance Committee at its meeting in May 2017, full Council approval to these amendments does not appear to have been given, and the constitution was neither adopted by Council as the shareholder nor registered with the Companies Office.

### **Discussion**

4. A recent review of the Constitution was conducted. Directors preferred the Simpson Grierson version, as it was a more modern constitution, but sought some further refinements to the indemnity and insurance aspects which had been included in the constitution for UPL's subsidiary development company Fairfield Waters Limited (now UPL Developments Limited), in the interests of consistency and thoroughly covering all matters that UPL is now involved in.
5. Local law firm Thomas Dewer Sziranyi Letts (TDSL) was engaged to provide external legal advice and to make the subsequent amendments to the Simpson Grierson created document to better align with current business operations and IPL Board of Directors requests. The draft constitution has been updated accordingly. See Appendix 2 to the report to review the tracked changes. See Appendix 3 to the report for the clean, accepted changes version.
6. The UPL Board approved (in principle) the new, proposed Constitution at the 2 May 2022 Board Meeting, subject to formal adoption by the Shareholder.

### **Options**

7. There are two options open to Council: To either agree to accept the new UPL Constitution or not. Council could ask for more information before making this decision.

### **Climate Change Impact and Considerations**

8. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

### **Consultation**

9. The request to approve a new Constitution will not be publicly advertised or notified.

### **Legal Considerations**

10. The nature of UPL's operations have changed significantly from those of De Luien Developments Limited when the company was established more than 25 years ago. It is appropriate that a modern drafted constitution be adopted with appropriate protections for directors and staff in line with modern expectations.
11. The changes that have been made mirror those in the constitution of [now] UPL Developments Limited in terms of indemnity and insurance. UPL and its subsidiary should, as a matter of good practice, have consistent provisions in their constitutions that regard, as the directors and staff are in common between the two entities. Such insurance and indemnity is

permitted by the Companies Act, but provided it is specifically authorised in the constitution. That is presently absent from the old “de Luien” constitution.

12. It is important to note that the constitution includes provisions whereby UPL directors may consider the best interests of Council as shareholder ahead of the best interests of the company itself in making decisions. This is permitted by the Companies Act, provided it is specifically authorised in the constitution.
13. External legal advisors TDSL have confirmed they have considered section 162 of the Companies Act 1993 and other relevant legal aspects, and that the constitution as appended and approved by UPL’s Board is in order for adoption by Council.

### Financial Considerations

14. No financial implications are anticipated.

### Appendices

No.	Title	Page
1↓	Appendix 1: Constitution of Urban Plus Limited (Simpson Grierson 2014 version)	18
2↓	Appendix 2: Proposed new Urban Plus Limited Constitution - with tracked changes	37
3↓	Appendix 3: Proposed new Urban Plus Limited Constitution - all proposed changes accepted	60

**Author:** Daniel Moriarty  
Chief Executive, Urban Plus

---

**Approved By:** Bradley Cato  
Chief Legal Officer

## **Constitution of Urban Plus Limited**

Company Number 838960

## Table of contents

<b>1</b>	<b>Nature of Company</b> .....	<b>3</b>
<b>2</b>	<b>Rights attaching to Shares</b> .....	<b>3</b>
	Initial share capital .....	3
	Ordinary shares .....	3
<b>3</b>	<b>Other matters relating to Shares</b> .....	<b>3</b>
	Board may issue Shares.....	3
	Consolidation and subdivision of Shares .....	4
	Bonus issues.....	4
	Shares in lieu of dividends.....	4
	Share repurchases.....	4
<b>4</b>	<b>Pre-emptive rights</b> .....	<b>4</b>
	Issue of new Shares .....	4
	Transfer of Shares by the Company.....	4
<b>5</b>	<b>Alteration of Shareholder's rights</b> .....	<b>5</b>
	Special Resolution required.....	5
<b>6</b>	<b>Transfer of shares</b> .....	<b>5</b>
	Right to transfer .....	5
	Transferor to remain holder until registration .....	5
	Form of transfer .....	5
	Delivery to Company .....	5
	Registration of transfer .....	5
	Power of Board to refuse or delay registration .....	6
<b>7</b>	<b>Shareholder meetings</b> .....	<b>6</b>
	Annual meeting .....	6
	Resolution in lieu of meeting.....	6
<b>8</b>	<b>Appointment and removal of directors</b> .....	<b>7</b>
	Minimum number .....	7
	Appointment.....	7
	Skills of Directors .....	7
	Collective skills of Board.....	7
	Removal.....	8
	Vacation of office .....	8
	Appointment of Directors by the Board.....	8
	Alternate Directors .....	8
	Managing director .....	9
<b>9</b>	<b>Directors' meetings</b> .....	<b>10</b>
	Third Schedule to the Companies Act not to apply .....	10
	Notice of meeting .....	10
	Methods of holding meetings.....	11
	Quorum .....	11
	Chairperson .....	11
	Voting.....	11
461594_3		1

## Constitution of Urban Plus Limited

Minutes.....	12
Written resolution.....	12
Committees.....	12
Validity of actions.....	12
Other proceedings.....	12
<b>10 Powers of directors .....</b>	<b>12</b>
Role of Directors.....	12
Management of Company.....	12
Exercise of powers by Board.....	13
Delegation of powers.....	13
Appointment of attorney.....	13
Ratification by Shareholder.....	13
<b>11 Interested transactions .....</b>	<b>13</b>
Disclosure of interests.....	13
Interested Directors may vote.....	13
Shareholder's best interests.....	14
Use of Company information.....	14
Necessary information.....	14
Procedure for disclosure and use.....	14
<b>12 Directors' remuneration and other benefits .....</b>	<b>15</b>
Authorisation of payment or other benefit.....	15
Expenses.....	15
<b>13 Indemnity and insurance .....</b>	<b>15</b>
Indemnity for Directors.....	15
Indemnities and insurance.....	15
<b>14 Dividends .....</b>	<b>15</b>
Power to authorise.....	15
Deductions.....	15
Entitlement date.....	16
Unclaimed dividends.....	16
<b>15 Method of contracting .....</b>	<b>16</b>
Deeds.....	16
Written contracts.....	16
Other contracts.....	16
<b>16 Notices .....</b>	<b>16</b>
Method of service.....	16
<b>17 Definitions and Interpretation .....</b>	<b>17</b>
Definitions.....	17
Interpretation.....	17
Conflict between legislation and this constitution.....	18





























































































































**13 June 2022**

File: (22/1492)

---

**Report no: PFSC2022/3/138**

## **Proposed Water Supply Bylaw 2022**

### **Purpose of Report**

1. To report back to Council the results of the public consultation; and
2. Recommend to Council the adoption of the Proposed Water Supply Bylaw 2022.

### **Recommendations**

That the Committee recommends that Council:

- (1) receives and notes the report;
- (2) notes that no public submissions were received during the public consultation period;
- (3) determines that, in accordance with section 155 of the Local Government Act 2002, the proposed bylaw:
  - a) is the most appropriate form of the bylaw; and
  - b) does not give rise to any implications under the NZ Bill of Rights Act 1990; and
- (4) agrees to adopt the Water Supply Bylaw 2022, as attached as Appendix 2 to the report, effective from 1 September 2022.

### **Background**

3. On 24 May 2022, Council agreed to undertake a limited public consultation with respect to the proposed Water Supply Bylaw. A Special Consultative Procedure was not required as the updates included in the review fell into two categories – legislative and format.
4. The consultation period ran from 25 May 2022 to 10 June 2022. No submissions were received.

**Discussion**

5. From 1 July 2024 four new water service entities, established through the Three Waters Reform, are proposed to deliver drinking water, wastewater and stormwater services to people across Aotearoa.
6. From now until 1 July 2024, councils will continue to be responsible for the delivery of water services until 30 June 2024.
7. During this transition period, Water Supply Bylaws need to be kept up to date with relevant legislation and standards updates. The proposed Water Supply Bylaw reflects said updates that have taken effect since the previous review in 2010.
8. Receiving no public submissions during the public consultation process does not pose any sort of risk as the public has little to no influence on the types of changes made.

**Options**

9. The options, in light of the nature of the updates to the proposed Water Supply Bylaw and the lack of public submissions, are to:
  - a. Accept or reject the recommendation to adopt the proposed Water Supply Bylaw, or
  - b. Reject the recommendation to adopt the proposed Water Supply Bylaw with further direction given to officers.

**Climate Change Impact and Considerations**

10. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide and there is no climate change assessment required in this instance.

**Consultation**

11. Wellington Water Limited was consulted as the technical expert as part of the review process and has approved the content of the proposed Water Supply Bylaw 2022. The public had an opportunity to provide feedback on the proposed Water Supply Bylaw between 25 May 2022 and 10 June 2022.

**Legal Considerations**

12. All steps in the review of the Water Supply Bylaw followed the required processes prescribed by the Local Government Act 2002.

**Financial Considerations**

13. The review of this Water Supply Bylaw is being managed internally within existing baselines.
14. There is no expected impact on budgets with the proposed changes to the Water Supply Bylaw 2022.

## Appendices

No.	Title	Page
<a href="#">1</a>	Appendix 1: Statement of Proposal - Water Supply Bylaw 2022	86
<a href="#">2</a>	Appendix 2: Proposed Water Supply Bylaw 2022	92

**Author:** Angela Gordon  
Senior Policy Advisor

---

**Reviewed By:** Kiri Waldegrave  
Acting Head of Strategy and Planning

**Approved By:** Jarred Griffiths  
Director Strategy and Engagement



































**16 June 2022**

File: (22/1541)

---

**Report no: PFSC2022/3/135**

## **Three Waters Reform: Better Off Funding Application**

### **Purpose of Report**

1. This report seeks approval of a prioritised list of initiatives to be submitted to Te Tari Taiwhenua - Department of Internal Affairs as part of a Three Waters Reform Tranche 1 Funding Proposal.

### **Recommendations**

That the Committee recommends that Council:

- (1) notes that Council is eligible to apply for up to \$33.4M of funding from the Government's Better Off Fund as part of its Three Waters Reform programme;
- (2) notes that the funding is broadly targeted to support local wellbeing outcomes and can be operational or capital expenditure projects or activities;
- (3) notes that applications for the first tranche of funding of \$8.357M for Lower Hutt are now open, with a closing date of 30 September 2022;
- (4) agrees that Council apply for the first tranche of this funding;
- (5) notes that the Annual Plan 2022/23 does not include Three Waters Reform Better Off Funding due to the timing of the funding application process and uncertainties as to how the funds would be applied;
- (6) indicates the mix of projects and/or activities that Council wishes to prioritise to inform discussion with iwi partners prior to finalising Council's application; and
- (7) agrees that the Mayor, Deputy Mayor and Chairs of Standing Committees be delegated the authority to make decisions as required to finalise the funding application for Better Off Funding of \$8.357M.

## Background

2. This report covers the underlying background, criteria and process relating to Three Waters Reform Better Off funding packages and outlines project options for the use of the first tranche of funding, for which applications close on 30 September 2022.

### *Three Waters Reform Stimulus Funding*

3. In July 2020, the Government announced as part of the first funding package relating to Three Waters Reform, an opt-in non-binding approach. This tranche provided stimulus funding to support economic recovery post-COVID-19 and to address persistent systemic issues in the three waters sector.
4. A regional delivery plan was developed by Wellington Water Limited (WWL) to respond to the stimulus funding.
5. WWL selected and prioritised potential projects, focusing on improving network performance and reducing risk across the region while balancing the deliverability and capacity of suppliers to complete the works.
6. Council's share of the stimulus funding was \$10.7M, which was mostly allocated for operational activities over the 2020/21 and 2021/22 financial years, much of it spent on an increasing level of reactive maintenance associated with the ageing networks.
7. Additional levels of stimulus investment have also allowed WWL to plan for proactive management of the city's critical three water assets, which is considered to be a good asset management approach allowing for planned work to occur on these assets.

### *Three Waters Reform Better Off Funding Packages*

8. In July 2021, a second funding package of \$2.5B relating to the Three Waters Reform process was announced to support councils to transition to the new water entities and to invest in community wellbeing.
9. The terms of the funding and provisions relating to the funding are set out in the 'Heads of Agreement Partnering Commitment to support Three Waters Service Delivery Reform', which is attached as Appendix 1.
10. There are two components to this support package:
  - a. \$2B of funding to invest in the future of local government and community wellbeing, while also meeting priorities for government investment (the Better Off component).
    - i. \$500M of the \$2B Better Off funding package will be available from 1 July 2022. The remaining \$1.5B is available from 1 July 2024 and must be used by 30 June 2027.
  - b. \$500M to ensure that no local authority is financially worse off as a direct result of the reform (the no worse off component)

11. The funding is designed to support local wellbeing outcomes through meeting some or all of the following criteria:
  - a. supporting communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards.
  - b. delivery of infrastructure and/or services that:
    - i. enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available,
    - ii. support local place-making and improvements in community well-being.
12. To access the Better Off funding packages, as well as future funding packages, Council will need to sign up to the Three Waters Service Delivery reform process (Funding Agreement is attached as Appendix 1).
13. An omission was made by the Department of Internal Affairs (DIA) in the original Better Off funding package with the Greater Wellington Regional Council (GWRC) being left off the list of recipients, which effectively resulted in the original allocation being scaled back. Council's allocation is \$33,428,619 of which 25% (\$8,357,154) is available in this first application round.

#### *Tranche 1 Better Off Funding*

14. From 1 July 2022 Council can access the \$8.357M of Better Off funding which can be used for both operational and capital expenditure.
15. Only one funding proposal can be submitted that may include multiple projects or initiatives and can be submitted by the local authority any time up to 30 September 2022.
16. All costs associated with planned projects beyond the first three years of the current Long Term Plan (LTP) are eligible for Better Off funding in their entirety if they are accelerated.
17. By contrast, if the activity being accelerated, enhanced or scaled up is provided for within the first three years of the LTP, then only the incremental cost would be eligible for funding.
18. Councils are being asked to provide wellbeing assessments setting out the benefits and wellbeing outcomes for each initiative when submitting their proposal. DIA's preference is for wellbeing indicators to be specific and measurable.
19. Council must first engage with Mana Whenua before submitting its funding proposal.
20. DIA and Local Government New Zealand are continuing to develop the process for accessing the various components of the support package.

### Discussion

21. As the criteria for the use of the funding has been set at a high level and is generally permissive, there are a broad range of project or activity options which Council could consider.
22. These could be a mix of operational or capital projects.
23. Within the region there are councils who have applied for, or are considering applying for, operational three waters funding to meet increasing costs of managing an ageing network and emerging risks.
24. Stimulus funding enabled Council to bridge the gap between LTP funding and the true costs of managing the network during the 2021 and 2022 financial years. Council has an opportunity to use the Better Off funding available from DIA in July 2022 to enable this bridging to continue.
25. WWL advised Council as part of the Annual Plan 2022/23 process that a shortfall in operational expenditure, estimated to be \$3M per annum for maintenance and emerging risks, was a potential risk. Officers indicated at the time that this potential shortfall could be met from the Better Off fund (Refer Long Term Plan/ Annual Plan Subcommittee 16 December 2021, Draft Annual Plan 2022/23 – Financial aspects, LTPAP2021/5/290).
26. Projects or activities that sit within Council's Climate Action Plan would be eligible for consideration. For example, Living Well Locally is a collective impact approach that seeks to provide the environment and infrastructure for communities to lead healthy lives within a neighbourhood that meets most of their daily needs (an Aotearoa version of the international 20-minute city concept). This project originated from the community co-designed Climate Action Pathway Te Ara Whakamua o te Awa ki Tai with Wainuiomata being identified as the pilot location.
27. Council projects which enable housing development are also eligible for funding. In this regard Council could consider whether the fund could be used for the Three Waters/RiverLink Valley Floor Growth Project initiatives.

### Options

28. Council may decide not to apply for the first tranche of funding now and hold over all funding until the second application round opens in July 2024. The main risk with this approach is that a change in government next year could result in a change in Three Waters Reform policy impacting this funding.

### Climate Change Impact and Considerations

29. One of the main criteria for use of the fund is for the support of projects or initiatives which will build resilience to climate change.

### Consultation

30. Local authorities are expected to engage with iwi/Māori before submitting Tranche 1 proposals with DIA reviewing applications to understand the level of engagement currently undertaken by councils.

31. A discussion with our iwi partners will occur following an indication from this Committee on the mix of preferred projects and/or activities.
32. It is proposed that the decision on the funding application details be delegated to the Mayor, Deputy Mayor and Chairs of the Standing Committees following discussion with iwi partners to ensure application deadlines can be met.

### **Legal Considerations**

33. DIA acknowledges the importance of councils independently expressing their views on the reform programme. The Funding Agreement for the Better Off package does not prevent or prohibit councils from doing this. Publicly criticising or expressing opinions on reform cannot reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the DIA or the New Zealand Government and would not represent a breach of the funding agreement.

### **Financial Considerations**

34. A successful application to the Better Off Fund will result in a variation to the Annual Plan 2022/23, as neither this funding, nor any related expenditure, has been included in the budget for the next two years.

### **Appendices**

<b>No.</b>	<b>Title</b>	<b>Page</b>
<a href="#">1</a>	Funding Agreement	108

**Author:** Bruce Hodgins  
Strategic Advisor

---

**Reviewed By:** Jenny Livschitz  
Group Chief Financial Officer

**Approved By:** Jo Miller  
Chief Executive



















































**16 June 2022**

File: (22/1551)

---

**Report no: PFSC2022/3/111**

## **Policy, Finance and Strategy Committee Forward Programme 2022**

---

### **Recommendation**

That the Committee receives and notes the Forward Programme for 2022 attached as Appendix 1 to the report.

### **Purpose of Memorandum**

1. To provide the Committee with a Forward Programme of work planned for the Committee for 2022.

### **Background**

2. The Terms of Reference for the Committee requires the Committee to assist Council in setting the broad direction of the city, discharging statutory functions and overseeing organisational performance.
3. The Forward Programme for 2022 provides a planning tool for both members and officers to co-ordinate programmes of work for the year. The Forward Programme is attached as Appendix 1 to the report.

### **Forward Programme**

4. The Forward Programme is a working document and is subject to change on a regular basis.

**Appendices**

No.	Title	Page
1↓	Appendix 1: Forward programme 2022	135

**Author:** Judy Randall  
Democracy Advisor

---

**Reviewed By:** Kate Glanville  
Senior Democracy Advisor

**Approved By:** Kathryn Stannard  
Head of Democratic Services

