

# Hutt City Council

## Quarterly Performance Report

Quarter 1: 2024-25



# Contents

<b>Section 1:</b> Highlights and challenges .....	4
<b>Section 2:</b> Strategic focus areas .....	9
<b>Section 3:</b> Programme and project summary.....	16
<b>Section 4:</b> Non-financial key performance indicators .....	18
<b>Section 5:</b> Financial summary .....	34
<b>Section 6:</b> Treasury management summary .....	44



# Introduction

This report provides a summary of Hutt City Council's progress on the 10 Year Plan (LTP), Annual Plan, and the Chief Executive's strategic objectives for Quarter 1 of 2024-2025.

The report is designed to equip the Chief Executive, Corporate Leadership Team, and our employees with the information needed to align efforts across teams and groups. This ensures the delivery of Council's strategic outcomes while maintaining a strong focus on performance and accountability.



# 1

## Highlights & Challenges

### What's this section about?

This section summarises our performance, focusing on our achievements, key highlights, and challenges we're facing



# Highlights

## Bell Park blessing

A blessing was held on 8 August, to acknowledge the completion of works and the re-opening of Bell Park in Waiwhetū. The redevelopment includes planting, new connecting paths and a fitness circuit, as well as design features inspired by the cultural narrative for the park.

## Māori Wards reaffirmed

On 6 September, Council reaffirmed its decision to have a Māori Ward councillor in the 2025 elections. Consequently, Council will also have to hold a binding poll regarding Māori Wards at the 2025 election.

## Best Finance team award – 2024 New Zealand CFO Awards

The finance team has been awarded the Best Finance Team of the Year.

## City Summit event held

On 18 September, over 200 people attended the inaugural City Summit. Participants were asked to share their thoughts on what matters most to them, what they're grateful for in Lower Hutt, what we could do better and what we want to leave for future generations. Results from the City Summit will inform the development of the City Strategy in 2025.

## Planting of Harakeke at Hutt Park

An innovative collaboration between TRM Training and Council saw Harakeke plants that were destined for disposal replanted at Hutt Park and provided invaluable work experience for 30 local rangatahi.

# Highlights

## Mouri Tupu planting

So far 60,658 native plants have been planted in the Mouri Tupu planting for the future initiative – over halfway towards the target of 114,000. 2,000 native plants were picked up by residents at two community days at Avalon Park and Hikoikoi Reserve in August.

## Emergency Management

During Q1, preparations continued for Exercise Rū Whenua a Rohe on 7 November. Such an exercise helps ensure staff meet current compliance requirements. Fully compliant EOC staffing levels as at Q1:

- Advanced – 18
- Intermediate – 21
- Foundation – 17

A further 64 employees have completed Foundation, Intermediate or Advanced courses but have not yet met all compliance requirements.

## Website refresh

The Hutt City Library service launched its refreshed website. The recent library system upgrade made the existing website and search catalogue obsolete. Our new website is separate from the search catalogue, and has added functionality, improved accessibility, and improved the management of content. You can check out the new website at [hubs.huttcity.govt.nz](https://hubs.huttcity.govt.nz).

## Building consents

For Q1, 78% of building consents were granted in statutory timeframes (within 20 working days). This is a 38% improvement on the same period last year.

# Highlights

## Representation review

Following a strong response to consultation on Council's representation review recommendations, Council agreed to its final representation proposal. The decision will see a number of changes in Council arrangements for the 2025 elections, including the disestablishment of community boards and the introduction of a Māori Ward councillor

## CareerFest held

The Hutt Valley Chamber of Commerce held the annual CareersFest alongside the Women in Trades expo at the Lower Hutt Events Centre. 70+ employers and education providers connected with over 1,700 rangatahi from secondary schools across the Hutt Valley to discuss future jobs and training opportunities.

## Moerā Library Whakamoe Whare

The Moerā Neighbourhood Hub Project Team in collaboration with Taranaki Whānui ki Te Upoko o Te Ika held a Whakamoe Whare Ceremony on 7 July to lay the mana of the Moerā Library building to rest.

## Te Kawa Whakaruruhau published

Te Kawa Whakaruruhau is a document that provides everyone here at Te Kaunihera o Te Awa Kairangi ki Tai Council with insight and understanding of the kawa and tikanga that all Treaty partners and Council staff should embrace in their respective areas, within Te Awa Kairangi ki Tai Lower Hutt.

## Partnership with New Zealand Police

NZ Police helped us deliver three retail safety workshops for 100 business participants alongside our city safety team, South End Business Group, Queensgate and Jackson Street Programme. These will continue for FY24-25 across more areas of our city.

## Resource consents

94% of resource consents were processed on time in Q1 (100% achieved in September). This is compared to 76% in Q1 in 2023-2024.

# Challenges

## Broader policy settings

Updates have been provided to elected members on new policy settings and legislation. In Q1, Council responded successfully to amendments to Māori Ward provisions in the Local Electoral Act. Nonetheless, the broader legislative context remains in a state of flux, with Council scanning and monitoring for further change.

## Standard & Poor's credit rating

During Council's Annual Plan 2023-24 and the 10 Year Plan 2024-2034 (LTP) processes, the risks of a potential downgrade of our AA credit rating from S&P were highlighted. Standard & Poor's has lowered Hutt City Council's long term credit rating one notch from AA to AA- with the rating outlook maintained at a 'negative' outlook. The short term rating of A-1+ remains unchanged.

## Financial Pressures

Challenging economic conditions with inflationary pressures on cost of providing services and capital programme. High costs of borrowing, and external factors such as labour and contractor shortages.

## Water

A significant area of focus and investment. The uncertainty over the past 2 years with water reform has meant a lack of investment in much needed WWL systems and technology. The backlog of renewals in water and wastewater networks, including the Seaview WWTP, is resulting in increasing asset failures and non-compliance with consents.



# 2

## Strategic Focus Areas

### What's this section about?

This section provides a progress summary of Council's strategic focus areas



# Pou Tāhū

Building a stronger city and thriving community

## Delivery of year one of the LTP 2024–2034

### Climate action and environmental sustainability

- An initiative is underway at Council, which will see at least 80% of current contracts (value of \$1m or more per year) report emissions and reduction actions. This will be assessed as part of the work to compile Council's organisational footprint for 23–24, to be completed by the end of November.
- The climate team is working closely with our procurement team on upcoming, large procurements to ensure that all new contracts of \$1M value or more per year include specific emission reduction requirements and actions.
- The final Request for Proposal is scheduled to commence at the end of October for work to divert green and food waste from landfills. The Mechanical Biological Treatment trial with Waste Management New Zealand (WMNZ) is not going ahead due to consenting requirements. WMNZ will conduct the trial at one of its own sites.
- The Climate and Sustainability Committee was briefed on opportunities to reduce contamination in early September. More detailed work on selected actions is now underway.
- Conversations with Wellington Water Limited regarding trade waste are at an advanced stage. It was expected that consolidating the services would come at an increased cost.

### Emergency preparedness and public safety

- The Emergency Operations Centre was partially activated on 26 August in response to heavy rain causing surface flooding in Waiwhetū, Melling and Hutt Central and elevated levels for Hutt River and Waiwhetū Stream. There were no significant impacts following this event.
- The Joint Civil Defence Emergency Management Operation Agreement between councils in the greater Wellington region for delivering CDEM operational matters is being reviewed.
- CCTV enabling activities have been completed, including the formation of the CCTV Governance Group, completion of CCTV core system improvements, and upgrading of the CCTV Control Room. In addition, the majority of City Safety and Assets & Facilities CCTV cameras have been migrated to the new CCTV solution.

# Pou Tāhū

Building a stronger city and thriving community

## Delivery of year one of the LTP 2024–2034

### Strategic planning and city development

- Engagement with Mana Whenua on the citywide spatial plan continued during the quarter. Draft document for community engagement is well underway with District Plan Review Committee and Council approvals planned for November.
- On 18 September, the Mayor hosted the City Summit. The event was successful and kicked off engagement on priorities for the City Strategy. Further engagement is planned for Q2 and Q3.

### Fiscal sustainability and broader policy settings

- Council has a target of achieving at least \$600,000 in LTP OPEX savings per annum. Identification of savings opportunities continues, with expenditure reductions already made through the LTP process. Savings initiatives of note include:
  - Procurement reviews, with changes to new suppliers to get better value for money
  - Delaying work that is not priority and can be paused with no impact on services
  - Being innovative and trying new approaches with potentially significant benefits.
- Council responded successfully to amendments to Māori Ward provisions in the Local Electoral Act.
- Updates have been provided to elected members on new policy settings and legislation. Several submissions were made during the quarter, including:
  - A joint submission by Council with the Hutt Valley Chamber of Commerce, Te Rūnanganui o Te ĀTI Awa and Te Rūnanga o Toa Rangatira on Ministry of Education Vocational Education and Training System changes
  - Second Emissions Reduction Plan
  - Making it easier to build granny flats
  - Proposed Plan Change 50 to the Upper Hutt City District Plan – Rural Chapter Review
  - Setting of speed limits rule
  - Local Government (Water Services Preliminary Arrangements) Bill
  - Pito One name change.

# Pou Tāhū

Building a stronger city and thriving community

## Delivery of year one of the LTP 2024–2034

### Water reform

- Throughout the quarter, the Advisory Oversight Group met to progress a collective water services delivery plan in line with the Local Water Done Well. Briefings were held with elected members on 30 August and 1 October, as well as with the Minister of Local Government. The Local Government Funding Agency announcements about debt will have an impact on councils and new entities. Work is ongoing on financial modelling.

### Customer service and digital transformation

- Council has completed the initial phase of its Customer Relationship Management (CRM) project. The main tasks have been identified and a detailed plan for starting development has been drafted. The next phase starts on 7 October.
- The new Bookings solution is due to go live in Q2. Pre-go-live planning and user acceptance testing are currently underway.

# Pou Tokomanawa

Our environment and culture provide a positive employee experience that enables our people to thrive

## Focus on improving systems and processes

### Hybrid Cloud

- The Hybrid Cloud major migration was successfully completed in August 2024, with the majority of Council's network infrastructure now running from a secure private cloud hosted in an offsite datacentre. The project has enabled Council to step forward in growing our network resilience. The last stage of the project is currently being planned which will deliver a comprehensive disaster recovery solution.

### Staff recruitment, retention and engagement

- Planning has been undertaken for the next Waiora Pulse Survey, which will run in Q2 (from 11 November).
- Diversity survey has been developed for distribution in Q2.

### Health and safety

- Work has commenced to review current metrics reported on and consider what information would be useful for the Audit and Risk Subcommittee on a six month basis to ensure assurance.

# Pou Tuarongo

Doing the basics brilliantly

## Representation

### Representation review

- On 11 September, Council agreed on its final representation proposal, which was publicly notified the following day. The Appeals and Objections period runs through to 12 October.

# Pou Tuarongo

Doing the basics brilliantly

## Organisational innovation

### Artificial intelligence (AI)

- A trial relating to the use of AI at Council has concluded. An in-depth evaluation of the feedback gathered throughout the trial will now take place to understand which roles would benefit the most from an AI tool and insights into the timesaving benefits.

## Stakeholder engagement and business support

### Engagement with Government agencies

- Regular interactions with the Department of Internal Affairs. Meeting with the Minister of Tertiary Education and Skills at WelTec. Council also met with the Ministry of Social Development and the Social Development Minister at a stakeholder event in Lower Hutt. Work with Taumata Arowai on water standards. Regular catch-ups with Kainga Ora, Ministry of Housing and Urban Development, Health NZ Te Whatu ora. We have signed the deed with the Ministry for the Environment regarding funding for the roll-out costs for food and green organics, but this will not be drawn on until a final decisions have been made later in 2025.

### Business support

- New Zealand Police has helped Council deliver three retail safety workshops for 100 business participants, providing businesses with practical tools for safety, theft prevention and customer communication. This occurred alongside our city safety team, South End Business Group, Queensgate and Jackson Street Programme. These will continue for FY24-25 across more areas of the city.
- Lower Hutt businesses are participating in WellingtonNZ's Bid Ready programme to build capability and participate in procurement processes for pakihi Māori and Pasifika businesses.

## Improvements to contract management

### Contract management improvement plan

- Improvements to contract management are underway. Actions have been extracted from an external report and are being mapped into an improvement programme with owners and timeframes.

# Pou Tuarongo

Doing the basics brilliantly

## Regulatory compliance

### Compliance

- For Q1, 78% of building consents were granted in statutory timeframes, within 20 working days. This is a 38% improvement from the same period last FY.
- For Q1, Council achieved 94% of non-notified resource consents processed within 20 working days.
- Work is ongoing and on track to seek approval from Council to notify the Proposed District Plan.

# Pou Whenua

Our Mana Whenua partners, and their priorities are at the core of our policies and practices

## Excellent relationships with Mana Whenua

### Giving effect to Te Tiriti o Waitangi

- Mana Whenua have approved Council's adoption of Te Herenga Kairangi, with our Te Tira Māori work programme integrated into it, reflecting Mana Whenua aspirations. Mana Whenua have had opportunities to provide strategic and operational advice through the Kāhui Mana Whenua forum, on Council projects that contribute to city-wide developments, district plan reviews, identification of sites of significance, and the inclusion of Mana Whenua aspirations in the Spatial Plan.
- The implementation of priority areas in Te Herenga Kairangi has commenced. Efforts to consolidate completed projects and initiatives that contribute to the Te Herenga Kairangi action plan are now underway. These efforts will inform the inaugural report to the Communities, Culture and Partnerships Committee, scheduled for 13 November.
- Mana Whenua are engaged in discussions around new legislation and Government policies through the quarterly Mana Whenua hui. Te Rūnanganui o Te Āti Awa hosted the joint hui with Taranaki Whānui and Te Rūnanga o Toa Rangatira on 7 August. Hikoikoi Management Limited hosted the Wellington Tenth and Palmerston North Māori Reserve Trusts quarterly hui on 30 August.

# 3

## Projects & Programmes

### What's this section about?

This section provides an overview of the major programmes and projects currently delivering services, assets or improvements across the organisation and wider community





PROJECT/PROGRAMME	PROGRAMME/ PROJECT MANAGER	FINANCIALS		PROJECT HEALTH								Q1 SUMMARY	
		Total overall cost (CAPEX & OPEX)	ACTUAL SPEND (to date)	OVERALL	Scope	Schedule	Budget	Risk	Issues	Benefits	H&S		
<b>Te Wai Takamori Te Awa kairangi (Riverlink)</b> Business Owner: Jon Kingsbury	Orla Harkin	\$212.8m (Capex)	\$25.9m	R	G	A	A	A	A	A	A	A	Throughout Q1, Te Awa Kairangi remained focused on confirming a delivery plan, construction sequence and commercial arrangements. Significant development and refinement of the preferred programme was completed over the quarter to understand timeframes, dependencies and partnership risks.
<b>Infrastructure Acceleration Fund (IAF) Stormwater and Wastewater</b> Business Owner: Jon Kingsbury	Eddie Anand	\$174.3m (Capex)	\$3.0m	G	A	G	G	A	G	G	G	G	Stage 1 feasibility studies for stormwater and wastewater were successfully completed and received approval from the Council at the July 2024 meeting. IAF funding contribution from Kainga Ora for Stage 1 will be at the approval of Stage 2 Delivery Plan.
<b>Tupua Horo Nuku</b> Sponsor: Jon Kingsbury	Rona Lemalu	\$79.95m (Capex)	\$45.16m	G	G	A	A	A	G	G	G	G	As at 30 September, the project is 46% complete on cost to date, up 40% from June. Schedule, budget and risk indicators continue to report AMBER due to dependencies on the Te Ara Tupua project and the refreshed claims process with Crown Infrastructure Partners (CIP).
<b>Te Kōhao o te Ngira / Go Digital Programme</b> Business Owner: Lyndon Allott	Megan Connew-Simmons	\$17.73m (Opex)	\$9.67m	A	G	A	G	A	A	A	A	A	As at the end of Q1, the programme is indicating an overall health status of AMBER due to extra oversight required on projects to ensure go-live dates are met. All five of the active projects within the programme and currently in delivery are indicating on track with overall health statuses of GREEN.
<b>Whakatapu Ngaenga</b> Business Owner: Andrea Blackshaw	Andrew Quinn	<b>P&amp;F:</b> \$68m (Capex) <b>Comm:</b> \$9m (Capex)	<b>P&amp;F:</b> \$62.66 <b>Comm:</b> \$6.78m	A	A	A	G	A	G	G	G	G	The Pool and Fitness Centre project is still largely on track for completion in late 2024, as at the end of Q1. Weather events have pushed completion out slightly, but no time extension has been sought. Practical completion is expected to be achieved by 31 October with work underway to consider marketing plan, community test days and a date for the blessing and opening.
<b>Moera Neighbourhood Hub</b> Business Owner: Andrea Blackshaw	Joann Ransom	\$1.2m (Capex)	\$0.2m	G	G	A	G	G	G	G	G	G	As at the end of Q1, the overall health status of the project is reporting GREEN and on track. A preferred contractor has been selected to undertake the construction of the new Hub, and work has commenced. Moerā Library ceased operations in its existing building on 27 June and began operating from the Moerā Community Hall on 1 July.

RAG Status Key:

**G = On track** minimal or no significant risk

**A = Delayed/at risk** some challenges, actively monitor

**R = Off track** significant risk, escalation required

N/A: Update not provided

# 4

## Non-financial Key Performances Indicators

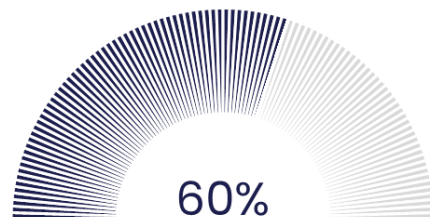
### What's this section about?

A summary of our performance over the quarter according to our Annual Plan key performance measures



# Hutt City Council

HCC Q1 result



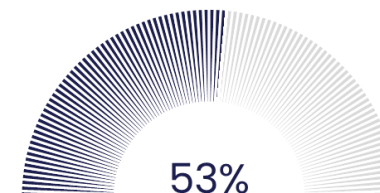
## Summary

- There are 77 indicators in the Annual Plan/LTP.
- 53 of these are reported on quarterly.
- 24 are reported on annually and will be included in Year End (YE) figures in the Q4 and Annual Reports.

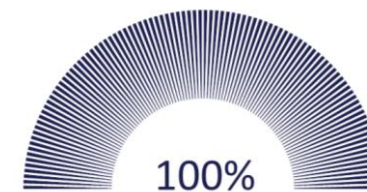
## How did we do?

- 66% of targets were met in Q1
- This compares to 57% for the same period in 2023/24.

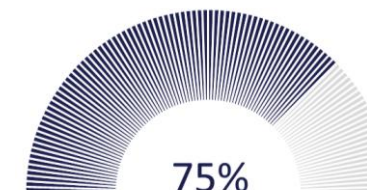
Environmental wellbeing  
Q1 result



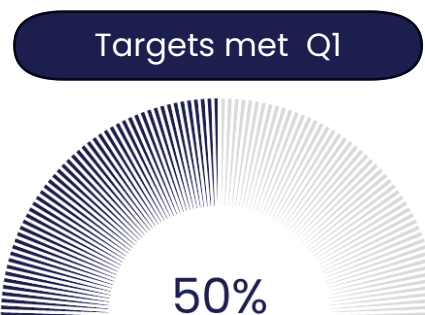
Economic wellbeing  
Q1 result



Social & cultural wellbeing  
Q1 result



# Water supply



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
WS1	The extent to which the water supply will comply with part 4 of the New Zealand drinking water standards and the drinking water quality assurance rules (bacteria and protozoal compliance criteria)	100%	100%	0%	✘	Waterloo Water Treatment Plant remains non-compliant with the relevant Bacterial treatment rules due to insufficient contact time with chlorine for approximately 800 households.
WS2	Number of complaints received about water clarity, taste, odour, pressure, flow and continuity of supply per 1,000 connections	≤20	≤5	6.6	✘	
WS3	Attendance for urgent callouts: from the time the local authority received notification to the time service personnel reach the site	≤90 mins	≤90 mins	52 mins	✔	
WS4	Resolution time of urgent callouts: from the time the local authority receives notification to the time service personnel confirm the resolution of the fault or interruption	≤8 hours	≤8 hours	3.2 hours	✔	

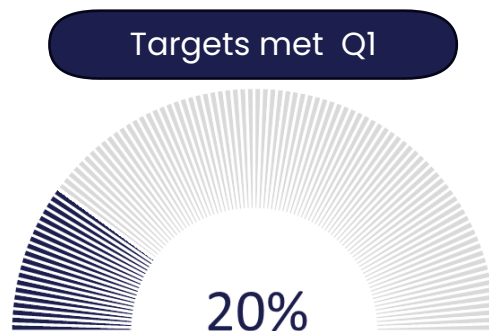
✔ Target met    ✘ Target not met

# Water supply

✓ Target met    ✗ Target not met

Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
WS5	Attendance for non-urgent callouts: from the time the local authority received notification to the time service personnel reach the site	≤72 hours	≤72 hours	90 hours	✗	Despite not meeting the target, we have seen improvement, bringing them down from over 190 hours in the previous quarter. This progress is the result of increased investments, and continuous advancements in job management, which have substantially reduced the backlog and improved our response times.
WS6	Resolution of non-urgent callouts: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption	≤20 working days	≤20 working days	7 working days	✓	
WS7	Average drinking water consumption per resident per day	≤385 litres	≤385 litres	411 litres	✗	Per capita consumption across metro-area councils has steadily decreased, driven by increased investments that have enabled us to quickly address leaks and substantially reduce the backlog to more manageable levels. We continue to advocate for investments in water loss initiatives and network renewals to achieve even more reductions.
WS8	Kilometres of renewals for 3 Waters infrastructure	Baseline year	Baseline year	3 km	✓	

# Wastewater

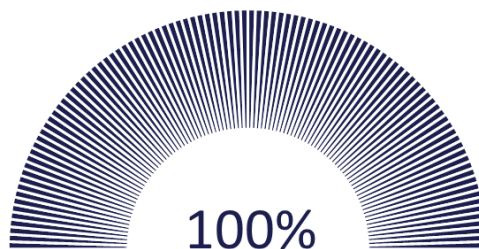


Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
W1	Dry weather wastewater overflows per 1,000 connections	≤20	≤5	0	✓	
W2	Number of complaints per 1,000 connections	≤30	≤7.5	8	✗	Commentary will be provided with final results
W3	Attendance time: from the time the territorial authority receives notification to the time service personnel reach the site	≤90 mins	≤90 mins	182 mins	✗	Commentary will be provided with final results
W4	Resolution time: from the time the territorial authorities receives a notification to the time service personnel confirm resolution of the blockage or other fault	≤8 hours	≤8 hours	24 hours	✗	Commentary will be provided with final results
W5	Compliance with resource consents measured by the number of abatement notices, infringement notices, enforcement orders, and convictions from wastewater system	0	0	1	✗	0 = no enforcement action HCC received an abatement notice requiring all parties to complete the upgrade to the biofilter systems at Seaview Wastewater Treatment Plant. WWL, Veolia and UHCC also received an abatement notice with the same requirements.

✓ Target met    ✗ Target not met

# Stormwater

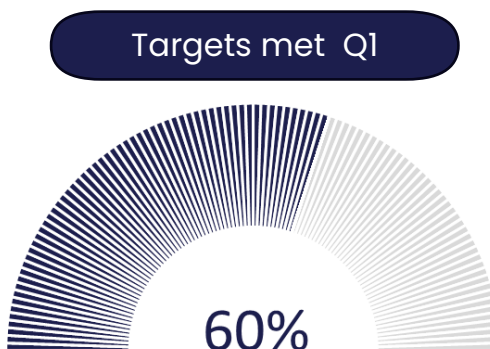
Targets met Q1



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
S1	Number of flooding events (where stormwater enters a habitable floor)	≤2	≤0.5	0	✓	
S2	Number of habitable floors affected by flooding events (per 1,000 connections)	≤0.24	≤0.06	0	✓	
S3	Number of complaints about stormwater system performance (per 1,000 connections)	≤20	≤5	3.9	✓	
S4	Median response time to attend a flooding event, measured from the time the territorial authority receives a notification to the time service personnel reach the site	≤8 hours	≤8 hours	0	✓	
S5	Compliance with resource consents for discharges from the stormwater system (number of abatement notices, infringement notices, enforcement orders, and convictions)	0 notices	0 notices	0	✓	

✓ Target met    ✗ Target not met

# Solid waste



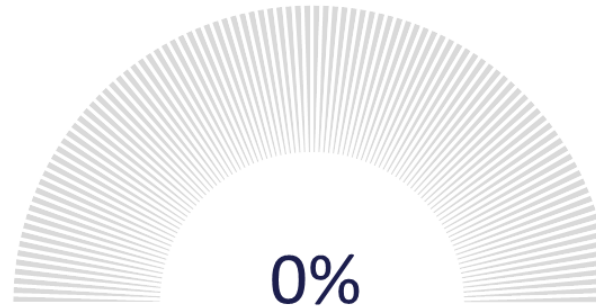
Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
SW1	Number of resource consent-related infringement notices received from Greater Wellington Regional Council	0 notices	0 notices	0 notices	✓	
SW2	Number of illegal dumping complaints	≤296	≤74	41	✓	
SW3	Tonnes of kerbside waste to landfill (tonnes per person)	≤22,543 / 114,000 = 0.20	5,636 / 114,000 = 0.05	5,585 / 114,000 = 0.05	✓	
SW4	Percentage of kerbside recycling that is contaminated and diverted to landfill	≤10%	≤10%	15%	✗	New ways of educating residents are being explored by the team
SW5	Tonnes of kerbside recycling collected	≥6,132	≥1,533	1,207	✗	

✓ Target met    ✗ Target not met



# Sustainability & resilience

Targets met Q1



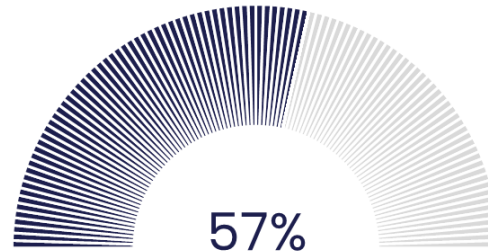
Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
SR1	Emissions from Council owned facilities (tCO2-e)	≤1,453	≤363	711.5	✘	
SR2	Emissions from Council owned fossil fuel vehicles (tCO2-e)	≤46.9	≤11.7	20.6	✘	

✓ Target met    ✘ Target not met



# Regulatory services

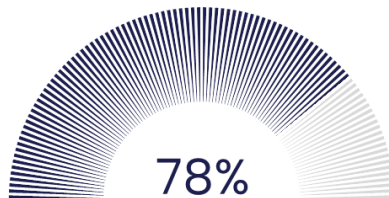
Targets met Q1



## Commentary

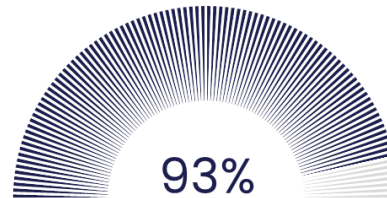
- 57% of Regulatory Services targets were met in Q1.
- While not meeting target, the percentage of all consents processed within timeframes has improved significantly.
- 20 animal management community education programmes were carried out in Q1.

**Building consents processed within timeframes (R1)**



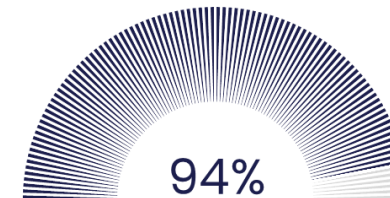
36% improvement on Q1 23-24. Resourcing issues are impacting timeframes. There are also several consents on hold from earlier in the year.

**Code of compliance certificates processed within timeframes (R2)**



31% improvement on Q1 23-24. Issues have been identified with the statutory clock in the system. The system is undergoing an upgrade.

**Non-notified resource consents processed within timeframes (R3)**



18% improvement on Q1 23-24. 100% were processed on time in September. No long term consents on hold.

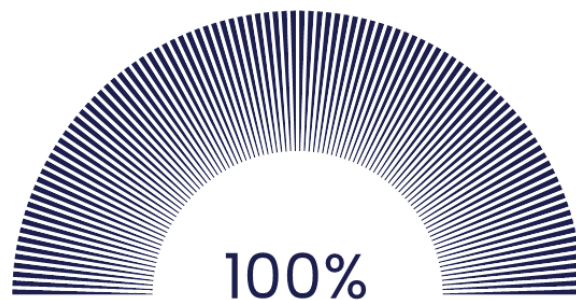
# Regulatory services

✓ Target met    ✗ Target not met

Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
R1	Percentage of building consents processed within statutory timeframe	100% within 20 days	100% within 20 days	78%	✗	Target not met due to resourcing issues. There are a number of consents on hold from earlier in the year when timeframes weren't met
R2	Code of compliance certificates issued within the statutory timeframe	100% within 20 days	100% within 20 days	93%	✗	Issues with the statutory clock have been identified in the system. The system is undergoing an upgrade, and staff will receive training
R3	Percentage of non-notified resource consents processed within statutory timeframes	100% within 20 days	100% within 20 days	94%	✗	Target not met. However, 100% of the consents were processed on time in September. Seeing consistent improvements with no long term consents on hold
R4	Existing food premises verified within time frames (one month of due date)	85% by due date	85% by due date	100%	✓	
R5	Sale and supply of liquor (high risk premises) inspected	95% checked	95% checked	105%	✓	
R6	Noise control (excessive noise) complaints (%) investigated within 45 minutes	≥85%	≥85%	94%	✓	
R7	Number of animal management community education programmes carried out yearly	≥20	≥5	20	✓	

# Transport

Targets met Q1

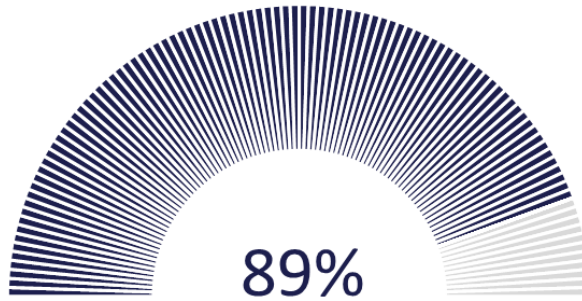


Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
T1	Kilometres of shared pathways and cycle lanes are added annually	Baseline year	Baseline year	0 km	✓	
T2	Kilometres of renewals for footpaths	Baseline year	Baseline year	0.7 km	✓	
T3	Audit of contracts – number of contracts audited	12 of 12	12 of 12	12 of 12	✓	
T4	Audit of contracts – percentage of audited contract specifications that met contractual obligations	≥90%	≥90%	90%	✓	
T5	The number of fatalities and serious injury crashes on the local road network	≤35	≤8.7	5	✓	

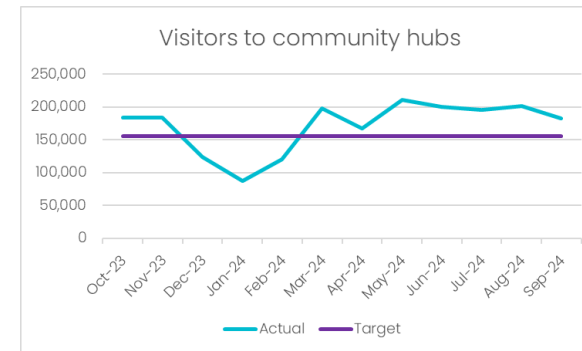
✓ Target met    ✗ Target not met

# Community partnering & support

Targets met Q1



Annual trends



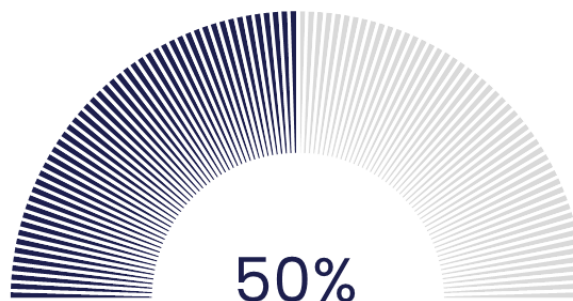
# Community partnering & support

Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
CP1	Number of Te Awa Kairangi Lower Hutt households assisted into more settled accommodation	≥50	≥12.5	17	✓	
CP2	Number of households provided with legal housing advice and advocacy	≥80	≥20	19	✗	
CP3	Number of households assisted by the homeless prevention programme	≥80	≥20	41	✓	
CP4	Number of neighbourhood hubs that met visitor number targets	9 of 9	9 of 9	9 of 9	✓	
CP5	Number of community wellbeing activities delivered by, or in partnership with, Council	≥3,000	≥750	2,059	✓	
CP6	Number of overall loans from hubs/libraries	≥790,000	≥197,500	262,242	✓	
CP7	Number of digital literacy programmes/activities delivered/enabled	≥100	≥25	89	✓	
CP8	Number of early years literacy programmes/activities delivered/enabled	≥800	≥200	436	✓	
CP9	Number of Neighbourhood Support member households	≥96	≥96	280	✓	

✓ Target met    
 ✗ Target not met

# Open spaces, parks and reserves

Targets met Q1



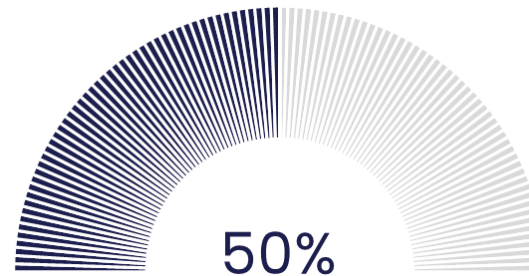
Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
PR1	Number of days Council owned/maintained artificial turf sports fields are closed (due to maintenance issues)	≤20 days	≤5 days	0 days	✓	
PR2	Number of days Council owned/maintained grass sports fields are closed (due to maintenance or drainage issues)	≤10 days	≤2.5 days	8 days	✗	Target not met due to ongoing drainage issue. We should see improvement by end of the year due to current drainage investment programme

✓ Target met    ✗ Target not met



# Connectivity, creativity, learning & recreation

Targets met Q1



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
C1	Number of pools that met visitor number targets	5 of 5	5 of 5	4 of 5	✗	Stokes Valley closed for two weeks for annual maintenance which wasn't reflected in the quarterly target
C2	Number of fitness suite members	≥1,400	≥1,400	1,974	✓	
C3	Number of museums that met visitor number targets	2 of 2	2 of 2	1 of 2	✗	The Dowse missed target. Several galleries were closed for four weeks while exhibitions were set up
C4	Number of arts and culture programmes delivered at museums	≥200	≥50	112	✓	Bookings for next quarter are tracking well

✓ Target met

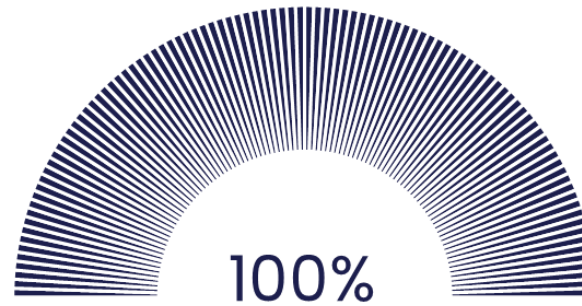
✗ Target not met





# Governance, strategy & partnerships

Targets met Q1



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
G1	Percentage of Council agendas made available to the public within statutory timeframes (four clear working days under Council's standing orders)	100%	100%	100%	✓	

✓ Target met    ✗ Target not met

# 5

## Financial Summary

### What's this section about?

This section summarises our financial performance, including net operating and capital results for the quarter



## Operating performance results

**The year-end forecast net operating result including rates is \$0.1M unfavourable against a revised budget of \$49.1M**

Key favourable variances are:

- \$0.2M in City development mainly due to additional revenue forecast for Riverbank market which has been extended beyond June 2024.

Key unfavourable variances are :

- \$0.3M in Regulatory services mainly based on changes to revenue forecast partially offset by reduction in resourcing and operational cost requirements.

Capital Contributions

- Capital contributions are forecast to be under budget by \$0.1M mainly due to subsidy related to delayed capital projects.

Depreciation:

- The asset revaluation process for 30 June 2024 has resulted in much higher three water asset values than assumed in the LTP. This has resulted in higher depreciation in 2024-25, with \$7.7M more depreciation compared to budget reflected in the September results. The full year impacts will be forecast in quarter 2 when the external audit of the revaluation is completed.

## Capital investment performance results

**Year to date capital spend is \$33.4M or 12.5% against a revised budget of \$267M for the year.**

- Most projects are forecast to be on budget by year end, noting that most of the capital expenditure is expected to occur during the summer months.

# Financial Performance Results overview

## Operating performance results

Category \$million	YTD Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Operating Revenue	23.5	24.6	(1.1)	4.5%	●	94.5	95.5	(1.0)	1.0%	●	95.3
Operating Expenditure	(81.2)	(81.2)	-			(327.3)	(328.2)	0.9	0.3%	●	(323.7)
<b>Net Operating Before Rates Income</b>	<b>(57.7)</b>	<b>(56.6)</b>	<b>(1.1)</b>	<b>1.9%</b>	●	<b>(232.8)</b>	<b>(232.7)</b>	<b>(0.1)</b>		●	<b>(228.4)</b>
Rates Income	183.6	183.6	-			183.6	183.6	-			183.6
<b>Net Operating</b>	<b>125.9</b>	<b>127.0</b>	<b>(1.1)</b>	<b>0.9%</b>	●	<b>(49.2)</b>	<b>(49.1)</b>	<b>(0.1)</b>	<b>0.2%</b>		<b>(44.8)</b>
Capital Contributions	8.5	15.2	(6.7)	44.1%	●	75.3	75.4	(0.1)	0.1%	●	79.2
<b>Net Surplus/(Deficit) Before Adjustments</b>	<b>134.4</b>	<b>142.2</b>	<b>(7.8)</b>	<b>5.5%</b>	●	<b>26.1</b>	<b>26.3</b>	<b>(0.2)</b>	<b>0.8%</b>	●	<b>34.4</b>
Other Non Operating Adjustments	(4.5)	0.4	(4.9)	1225.0%	●	1.5	1.5	-			1.5
<b>Net Surplus/(Deficit)</b>	<b>129.9</b>	<b>142.6</b>	<b>(12.7)</b>	<b>8.9%</b>	●	<b>27.6</b>	<b>27.8</b>	<b>(0.2)</b>	<b>0.7%</b>	●	<b>35.9</b>

### Key:

Favourable or minimal variance: ●

Moderate variance: ●

High unfavourable variance: ●

## Capital performance results

Note: Other operating adjustments include accounting (non-cash) gains/(losses) on the revaluation of financial instruments and disposal of assets

Capital \$millions	Year End Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
<b>Total</b>	<b>33.4</b>	<b>52.4</b>	<b>19.0</b>	<b>36.3%</b>		<b>266.8</b>	<b>267.2</b>	<b>0.4</b>	<b>0.1%</b>		<b>247.9</b>

# Operating performance results

## Net Operating Results By Activity (Excludes Rates, Capital contributions & Support Costs)

\$Million	Year End Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
<b>Environmental Wellbeing</b>											
Water Supply	(12.6)	(9.9)	(2.7)	27.3%	●	(39.5)	(39.5)	-			(40.0)
Wastewater	(10.5)	(8.8)	(1.7)	19.3%	●	(34.7)	(34.7)	-			(34.7)
Stormwater	(6.7)	(3.5)	(3.2)	91.4%	●	(13.0)	(13.0)	-			(13.0)
Solid Waste	-	0.2	(0.2)	100.0%	●	0.7	0.6	0.1	16.7%		0.6
Sustainability & Resilience	(0.4)	(0.5)	0.1	20.0%	●	(2.2)	(2.0)	(0.2)	10.0%	●	(2.0)
Regulatory Services	-	0.1	(0.1)	100.0%	●	(2.6)	(2.3)	(0.3)	13.0%	●	(2.3)
<b>Environmental Wellbeing Total</b>	<b>(30.2)</b>	<b>(22.4)</b>	<b>(7.8)</b>	<b>34.8%</b>		<b>(91.3)</b>	<b>(90.9)</b>	<b>(0.4)</b>	<b>0.4%</b>		<b>(91.4)</b>
<b>Economic Wellbeing</b>											
Transport	(5.5)	(8.1)	2.6	32.1%	●	(33.3)	(33.3)	-			(33.3)
City Development	(2.6)	(2.9)	0.3	10.3%	●	(15.3)	(15.5)	0.2	1.3%	●	(12.3)
<b>Economic Wellbeing Total</b>	<b>(8.1)</b>	<b>(11.0)</b>	<b>2.9</b>	<b>26.4%</b>		<b>(48.6)</b>	<b>(48.8)</b>	<b>0.2</b>	<b>0.4%</b>		<b>(45.6)</b>
<b>Social &amp; Cultural Wellbeing</b>											
Community Partnering & Support	(2.5)	(2.7)	0.2	7.4%	●	(10.8)	(10.8)	-			(9.8)
Open Spaces, Parks & Reserves	(3.9)	(5.4)	1.5	27.8%	●	(21.4)	(21.4)	-			(21.2)
Connectivity, Creativity, Learning & Recreation	(5.1)	(5.7)	0.6	10.5%	●	(23.7)	(23.7)	-			(23.7)
Governance Strategy & Partnerships	(0.8)	(0.9)	0.1	11.1%	●	(3.5)	(3.6)	0.1	2.8%		(3.6)
Corporate Services	(7.2)	(8.6)	1.4	16.3%	●	(33.5)	(33.5)	-			(33.1)
<b>Social &amp; Cultural Wellbeing Total</b>	<b>(19.5)</b>	<b>(23.3)</b>	<b>3.8</b>	<b>16.3%</b>	●	<b>(92.9)</b>	<b>(93.0)</b>	<b>0.1</b>	<b>0.1%</b>		<b>(91.4)</b>
<b>Whole of Council</b>	<b>(57.8)</b>	<b>(56.7)</b>	<b>(1.1)</b>	<b>1.9%</b>		<b>(232.8)</b>	<b>(232.7)</b>	<b>(0.1)</b>			<b>(228.4)</b>

## Operating performance results

### Net Operating Results By Activity (Excludes Rates, Capital contributions & Support Costs)

**The year-to-date net operating result including rates is \$1.1M (1.9%) unfavourable compared to revised budget.**

- The key drivers for the variances are:
- \$7.7M higher depreciation charges for Water Services based on revaluation of assets as at 30 June 2024. The full year forecast will be updated once the Annual report for 2024 and the revaluations are finalised. This is offset by \$2.3M lower charges in Transport and other activities.
- \$1M lower revenue than the revised budget largely in pools and landfill which is offset by lower operating costs
- \$1.3M higher operating subsidies in transport.
- \$0.8M lower costs related to delay in demolition of Point Howard Wharf.

**The year-end forecast results are largely aligned to budget with minor variances at this point.**

# Capital investment results

## Capital results by activity

Category \$million	Year End Actual	YTD Revised Budget	Variance	%	Annual Forecast	Annual Revised Budget	Variance	%	Annual Plan Budget
<b>Environmental Wellbeing</b>									
Water Supply	7.2	6.6	(0.6)	9.1%	26.2	26.2	-		22.6
Wastewater	6.1	13.1	7.0	53.4%	55.8	55.8	-		55.3
Stormwater	0.6	2.1	1.5	71.4%	20.1	20.1	-		18.8
Solid Waste	1.1	2.9	1.8	62.1%	11.7	11.7	-		11.1
Sustainability & Resilience	-	0.1	(0.1)	100.0%	0.3	0.3	-		0.3
<b>Environmental Wellbeing Total</b>	<b>15.0</b>	<b>24.8</b>	<b>9.8</b>	<b>39.5%</b>	<b>114.1</b>	<b>114.1</b>	<b>-</b>		<b>108.1</b>
<b>Economic Wellbeing</b>									
Transport	10.8	12.2	1.4	11.5%	71.1	71.5	0.4	0.6%	69.6
City Development	1.9	2.0	0.1	5.0%	34.1	34.1	-		32.0
<b>Economic Wellbeing Total</b>	<b>12.7</b>	<b>14.2</b>	<b>1.5</b>	<b>10.6%</b>	<b>105.2</b>	<b>105.6</b>	<b>0.4</b>	<b>0.4%</b>	<b>101.6</b>
<b>Social &amp; Cultural Wellbeing</b>									
Community Partnering & Support	-	0.4	0.4	100.0%	1.4	1.4	-		0.5
Open Spaces, Parks & Reserves	0.5	4.0	3.5	87.5%	16.1	16.1	-		15.0
Connectivity, Creativity, Learning & Recreation	4.7	7.7	3.0	39.0%	24.4	24.4	-		18.3
Corporate Services	0.5	1.4	0.9	64.3%	5.5	5.5	-		4.3
<b>Social &amp; Cultural Wellbeing Total</b>	<b>5.7</b>	<b>13.5</b>	<b>7.8</b>	<b>57.8%</b>	<b>47.4</b>	<b>47.4</b>	<b>-</b>		<b>38.1</b>
<b>Whole of Council</b>	<b>33.4</b>	<b>52.5</b>	<b>19.1</b>	<b>36.4%</b>	<b>266.7</b>	<b>267.1</b>	<b>0.4</b>	<b>0.1%</b>	<b>247.8</b>

# Capital investment results cont.

## Capital results by expenditure type

Capital expenditure is sorted into three categories to consider the renewal or replacement of assets, the improvements in service levels and to respond to the growth of the city.

Capital Type \$Million	Year End Actual	YTD Revised Budget	Variance	%	Annual Forecast	Annual Revised Budget	Variance	%	Annual Plan Budget
Replacements	15.0	21.0	6.0	28.6%	88.2	88.2	-		80.1
Improvements	17.9	25.4	7.5	29.5%	137.5	137.9	0.4	0.3%	128.3
Growth	0.5	6.0	5.5	91.7%	41.0	41.0	-		39.5
<b>Total</b>	<b>33.4</b>	<b>52.4</b>	<b>19.0</b>	<b>36.3%</b>	<b>266.7</b>	<b>267.1</b>	<b>0.4</b>	<b>0.1%</b>	<b>247.9</b>

## Year-end capital spend is forecast to be under budget by \$0.4M

### Underspend

Transport is forecast to be underspent by \$0.4M at year end, mainly in the Micromobility programme due to timing changes. The rest of the workplan is forecasting to be on budget and are expected to revise forecasts during the summer works window based on weather conditions.



## Capital investment results cont.

### Neutral

Three Waters is not forecasting any variance at this stage. Year to date the work programme is underspent by \$7.8M compared to budget. Wellington Water and City Delivery team for IAF projects are reviewing the 2024-25 and out year workplan and budgets and are expected to revise the forecasts following this review.

Solid Waste is forecast to be on budget at year end. Year to date is underspent by \$1.8M. Accelerated landfill requirements and the funding associated with this is being reviewed and the forecast changes will be reflected following this review being finalised.

City Development is forecasting to be on budget at year end. This is mainly Te Wai Takamori o Te Awa Kairangi, the changes to timing and phasing for this project are still being reviewed and will be updated following this review being finalised.

Open Spaces, Parks and Reserves is forecasting to be on budget. YTD underspend is \$3.5M and is largely due to timing delays for Point Howard Wharf demolition, Reserves development projects and Akatarawa Cemetery works.

Connectivity, Creativity, Learning and Recreation is forecasting to be on budget pending budget decisions. YTD underspend is \$3M and is largely due to timing delays for Pools projects which will be requesting a reallocation of budget across different pool projects and Petone Library renewal which will be requesting a deferral as the project timing is expected to be phased out to 2025-26.

## Annual Plan vs Revised Budget

The current Long Term Plan 2024–2034 (LTP) was approved by Council on 27 June 2024. The annual budgets included for 2024–25 were based on the best financial information and estimates available at the time of preparation of the LTP.

A revised budget for 2024–25 was created to reflect the budget updates required to improve the accuracy of budgets and the associated reporting of variances. The focus of performance monitoring is on financial results compared to the revised budget, as this is the most meaningful form a performance perspective.

The following table provides a summary view of the budget changes made to date and includes decisions made at Council meetings. These changes are now reflected in the revised budgets

\$million						Net Surplus 2024–25	Capital 2024–25				
<b>Annual Plan 2024–25</b>						<b>34.4</b>	<b>247.9</b>				
						<b>Surplus</b>					
2023–24 year end carryovers						(3.6)	22.1	Council meeting 26 August 2024			
Micromobility budget change - including subsidy removal						(4.4)	(2.8)	Council meeting 26 August 2024			
<b>Revised budget 2024–25 as at Q1 Reporting Date</b>						<b>26.4</b>	<b>267.2</b>				
						<b>Surplus</b>					

## Balanced operating budget

The current LTP includes a financial strategy that outlines important principles that provide the foundation for prudent sustainable financial management. This includes achieving a balanced operating budget and ensuring that everyday costs are paid for by everyday income. The LTP projected that a balanced budget would not be achieved until 2028-29.

The Hutt City Council balanced budget target is defined as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude from the definition of revenue Waka Kotahi's capital improvement subsidies, Infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku.

With the annual forecast variances compared to revised budgets as reported above, the year end balanced budget position for 2024-25 is reflected in the table below.

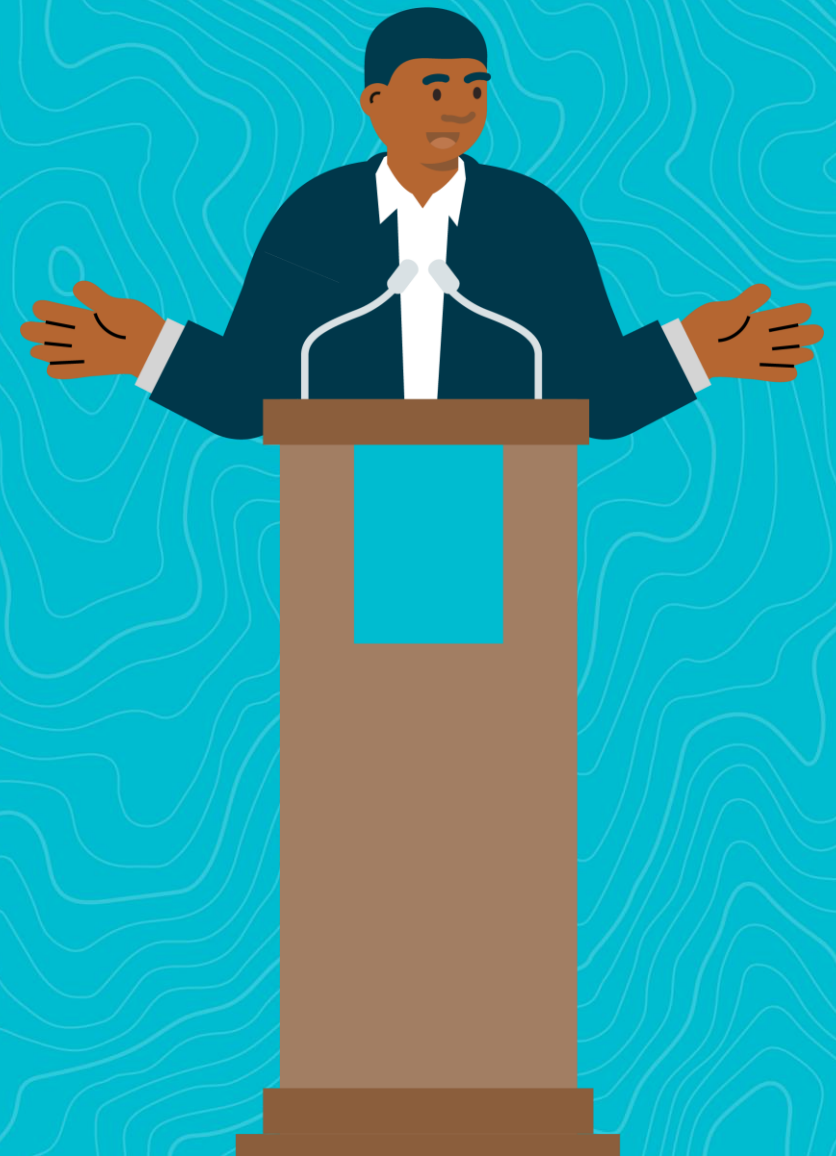
\$Million	Year End Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Net Operating	125.9	127.0	1.1	0.9%	●	(49.2)	(49.1)	(0.1)	0.2%	●	(44.8)
Plus Capital Renewals	-	1.2	1.2	100.0%	●	6.3	7.0	(0.7)	10.0%	●	7.0
<b>Total</b>	<b>125.9</b>	<b>128.2</b>	<b>2.3</b>	<b>1.8%</b>	<b>●</b>	<b>(42.9)</b>	<b>(42.1)</b>	<b>(0.8)</b>	<b>1.9%</b>	<b>●</b>	<b>(37.8)</b>

# 6

## Treasury Management Summary

### What's this section about?

This section provides an overview of how Hutt City Council is complying with Treasury Risk Management Policy limits and the performance of treasury activities against plans



# Treasury report

## Our focus

The focus of treasury management activity has been on:

- managing interest rate risk and minimising funding costs,
- monitoring cash flow and liquidity,
- managing debt requirements and the maturity profile.

## Highlights Q1

- An average cost of funds of 4.82% has been achieved this quarter, which is slightly below budget by 0.02%. This was a result of market conditions.
- Interest costs were in line with budget for the period.
- Interest earned on cash holdings was favourable to budget by \$0.35M due to higher cash holdings from pre-funding activities and higher market interest rates.

	Actual YTD	YTD Budget	Variance
Average cost of funds	4.82%	4.84%	0.02%
Interest expense – borrowings	(\$6.88M)	(\$6.86M)	(\$20k)
Interest earned	\$1.4M	\$1.05M	\$350K
Fair value loss on derivatives	(\$4.68M)	-	-

# Debt portfolio performance

- Net debt\* increased from \$434.8M (30 June 2024) to \$445.7M as at 30 September 2024, whilst gross debt increased from \$510.7M to \$591.7M<sup>81</sup> over the same period.
- Completed \$81M of debt issuance in the three months to 30 September 2024:
  - New debt of \$31M to fund Council's capital investment programme
  - \$10M of on-lending to Urban Plus Limited
  - \$40M of pre-funding for our upcoming debt maturities.
- Funds not immediately required were placed on term deposit (at higher rates than our borrowing costs).
- No debt matured during the three-month period to 30 September 2024.
- Both revolving credit facilities, LGFA (\$35M) and Westpac (\$25M), remained undrawn as at 30 September 2024.

## Interest Rate Swaps:

Council has a range of interest rate swap agreements in place to manage interest rate risk and to provide some certainty of future interest costs. Due to fluctuations in the interest rate market the overall mark-to-mark value of these agreements is constantly changing.

At 30 September 2024 a fair value loss of \$4.7M was recorded. This is an accounting adjustment required to be recorded and here are no cash flow implications.

\* Net debt is calculated from Gross Debt, **less** CCO investment, LGFA Borrower Notes, pre-funding Term Deposits and cash holdings.

# Policy compliance and risk controls

## Policy compliance

<u>Measures</u>	<u>Policy</u>	<u>Actual</u> <u>30 September 2024</u>	<u>Compliant</u>
Net external debt/total revenue	Maximum 250%	152.41%	Yes
Net interest on external debt/total revenue	Maximum 15%	2.60%	Yes
Net interest to annual rates income	Maximum 25%	2.97%	Yes
Liquidity ratio	Minimum 110%	118.94%	Yes

## Funding risk control limits

<u>Period</u>	<u>Minimum %</u>	<u>Maximum %</u>	<u>Actual gross debt</u> <u>Not including</u> <u>Revolving Credit</u> <u>Facility (\$60M)</u>	<u>Actual %</u> <u>30 June 2024</u>	<u>Compliant</u>
0 to 3 years	15%	60%	\$215.7M	36%	Yes
3 to 7 years	25%	85%	\$366.0M	62%	Yes
7 years plus	0%	60%	\$10.0M	2%	Yes
		<u>Total</u>	<u>\$591.7M</u>	<u>100%</u>	

# Funding maturity and interest rate risk

## Funding maturity profile

Month  
September 2024

Currency  
NZD

### Liquidity summary

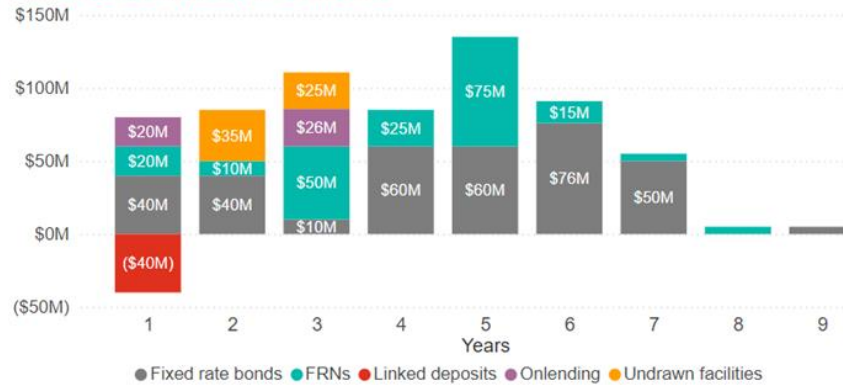
**118.94%**

Liquidity ratio (liquid deposits)

**110%**

Liquidity ratio policy

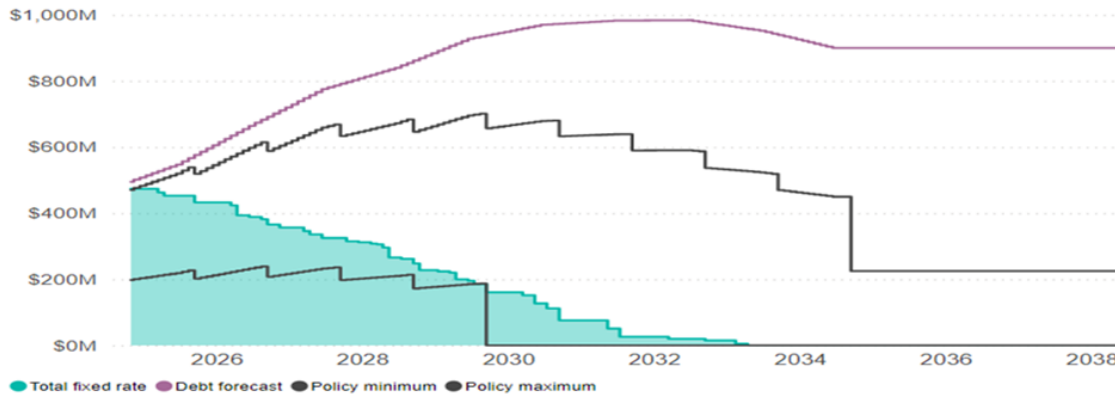
### Funding and liquidity risk timeline



## Interest rate risk control limits

Interest rate risk is managed through the risk control limits. The following graph shows the level of fixed rate cover in place within the minimum and maximum limits of the treasury risk management policy.

### Interest rate risk timeline



After overlaying interest rate swaps, the split between fixed and floating debt is as follows:

