

# Quarterly Performance Report

**Quarter 3**

1 January – 31 March 2023



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This quarterly performance report provides a summary of Hutt City Council's progress made against the Long Term Plan, Annual Plan and Chief Executive's KPIs/strategic focus areas for Quarter 3, 2022/23.

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Section one

# Quarterly community wellbeing update

This section provides an overview of our city with data on population, education, employment, health, and housing.

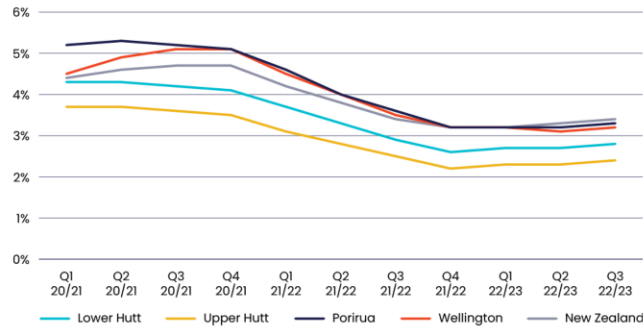
# Quarterly wellbeing update

## Te Awa Kairangi Lower Hutt

### Employment



#### Unemployment Rate

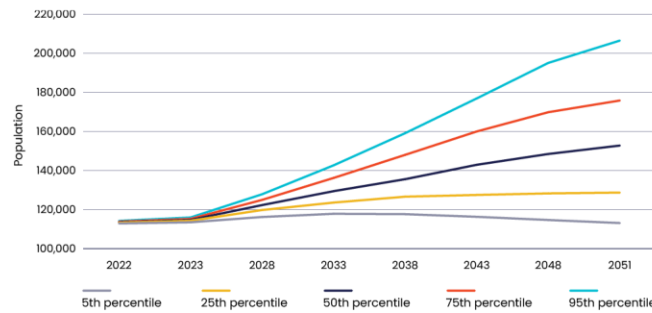


Source: Infometrics

### Population



#### Population Projection

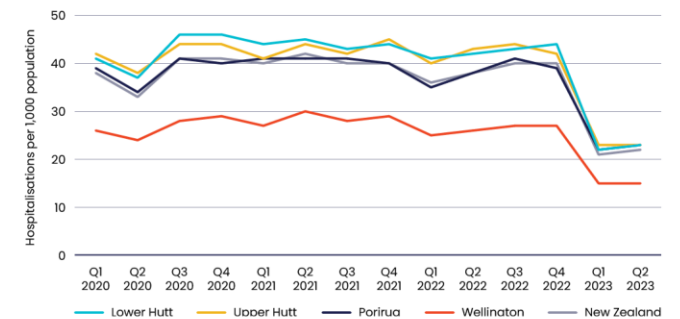


Source: Sense Partners  
 Percentile: the probability that the actual result is lower than the percentile. For example, the 75th percentile indicates an estimated 75% probability that the actual result will be lower, and a 25% probability that the actual result will be higher.

### Health

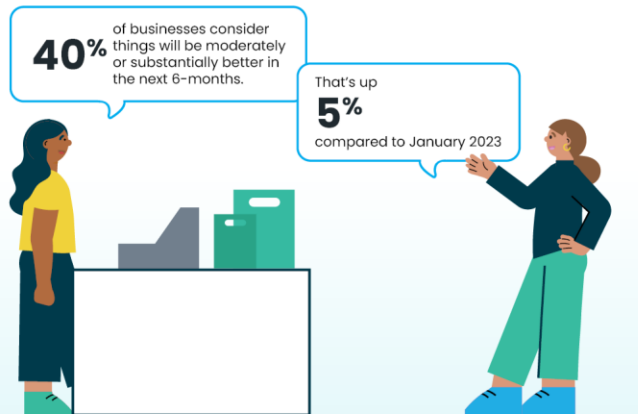


#### Hospital admissions



Source: Health NZ Capital Coast and Hutt Valley District, Hutt hospital

### Business confidence as at March 2023



Source: Hutt Valley Chamber of Commerce

### Ethnicity



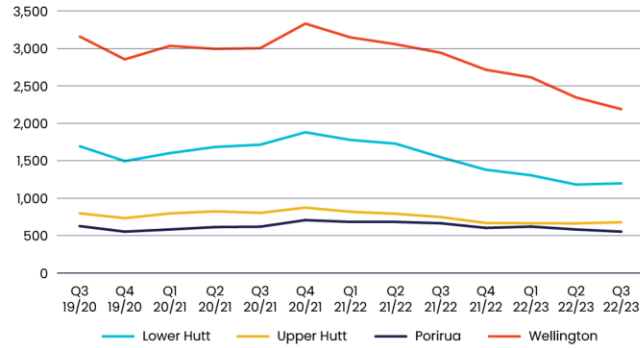
MELAA: Middle Eastern, Latin American, and African.  
 Total % is more than 100% as people can identify as more than one ethnicity.  
 Source: Stats NZ, Census 2018



# Housing

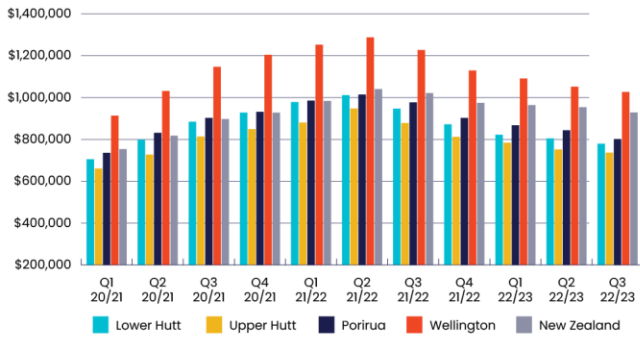


## House sales



Source: Infometrics

## House values



Source: Infometrics

## Wā Kāinga Tākiri Mai te Ata

January – March 2023

November 2019 – March 2023

Whānau/households who have been supported under the Homelessness Prevention Service

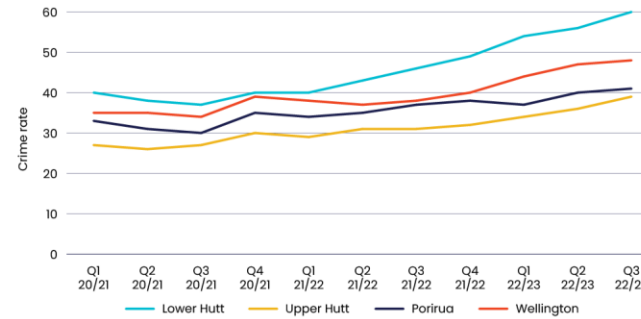
22

275\*

\*Total number of people supported since the service began.

# Other

## Crime rate



Crime rate = average victimisations per 10,000 population over the last 12 months  
Source: NZ Police via DOT Loves Data

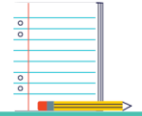
## Deprivation index

An area-based measure of socioeconomic deprivation based on nine Census variables



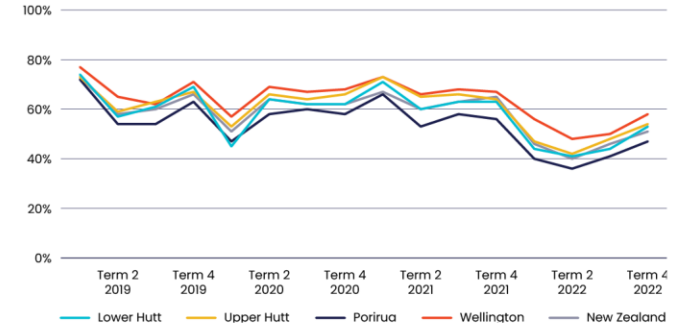
Source: DOT Loves Data as of March 2023

# Education



## Attendance rate

State primary and secondary schools  
Percentage of students attending 90% or more of the time



Source: Education Counts (Ministry of Education)



Section one

# Highlights and challenges

This section summarises our performance, with a focus on things we achieved, key highlights, and challenges we're facing.

# Highlights

## **Non-financial KPIs**

Water supply attendance and resolution time for callouts exceeded targets.

50% of our vehicle fleet is now electric, up from 48% in Quarter 2.

30 animal management community education programmes have been carried out this year to date, which is well above target of 12.75.

Visitor numbers to Petone Community Library and Petone Settlers Museum have continued to increase, with both facilities exceeding targets in all three quarters this year.

## **Flooding and Cyclone Gabrielle relief**

We provided a strong contribution to flooding and cyclone efforts across the motu.

In response to severe flooding in Auckland City and the Wairarapa District, and Cyclone Gabrielle, 14 Hutt City Council staff were deployed to the emergency management centre in Auckland City Council and the National Coordination Centre in Wellington. Over a six-week period this totalled 83 person days. The Hutt City Emergency Response Team (HCERT or NZ-RT18) were twice deployed to Tairāwhiti and Hawke's Bay for Cyclone Gabrielle response, totalling 82 person days.

As well as providing crucial support to affected regions, our staff also gained knowledge and experience, as well as mana for their efforts, and for Hutt City Council and our city.

## **Climate action and waste reduction**

Following the roll-out of our education campaign and implementation of the three strikes approach to reduce recycling contamination in 2022, contamination has been trending downward, reaching 12.8% in February 2023.

The lowest possible emission liability was achieved in the Silverstream landfill in February 2023.

## **Improving our customer service offering**

A customer management & ticketing support system for waste was implemented across council business units (Solid Waste and Contact Centre) and with our provider, Waste Management Ltd. This has seen vast improvements with a significant reduction in the time management of waste requests and calls.

# Highlights

## **Leadership Forums**

In February we ran our first Leadership Forum to kickstart a deliberate focus on leadership development with our staff. 75 leaders attended the interactive session where they provided input on leadership at council. The forum presented the current and future state of leadership, how as leaders we need to adapt and think differently about how we lead, and what skills are important for us to develop in this current climate.

## **Improvements to our resource consents statutory timeframes**

A strong focus on continuing to improve meeting our statutory timeframes for resource consents has seen positive results. There have been steady improvements across all areas, and we have achieved 100% compliance in several weeks throughout the quarter.

## **Building consent digitisation**

In March we launched the GoGet online building consents system. This aims to digitalise the building consents process from lodgement to inspections, making it easier for our customers to submit applications and for our staff to assess them.

## **Maungaraki School Library opens**

The new Maungaraki School Library, a community and council collaboration, opened in March. The opening day started with a celebration event attended by over 200 people including the Mayor. Throughout the day over 1600 people visited the library, with queues stretching out the door and many new members joining the library.



# Challenges

## Non-financial KPIs

Unmet targets include:

Water supply attendance time for non-urgent callouts missed target by 132 hours, however, this was an improvement on 158 hours in Quarter 2.

Average drinking water consumption missed target by 61 litres per resident per day, up from 46 litres in Quarter 2.

Community Resilience Plans – 69% of plans were more than 24 months old in Quarter 3, up from 42% in Quarter 2.

Consents – number of non-notified resource consents processed within statutory timeframes (61%) was impacted by an increase in consents received, however, this is an improvement of 17% on Quarter 2.

## Point Howard Slip

On 14 March 2023 a slip occurred at Point Howard as a result of a leaking water pipe and recent significant rainfall. The slip caused immediate loss of power, gas and water services to Point Howard residents and damaged Howard Road.

The slip impacted approximately 165 households who were without water for approximately 48 hours. The road is now open in one lane for small to medium size cars.

A joint review was carried out by Wellington Water and Hutt City Council to understand the cause and impacts of the slip. A report of the review was released on 5 April and work is underway to address the recommendations to improve expected levels of service.

## Economic climate and financial pressures

Economic conditions continue to cause impacts across a wide range of projects and services including inflation, cost pressures and supply chain issues. The draft Annual Plan 2023-24 is being prepared in this context, with careful consideration being given to these factors. Difficult decisions are being made to prioritise and rephrase work programmes, as well as consider funding solutions. The community is being consulted on the draft Annual Plan in April 2023.

## Tupua Horo Nuku

We're currently working with Crown Infrastructure Partners (CIP) and Waka Kotahi on additional funding opportunities to assist with the increased cost of this project. CIP and Waka Kotahi Delegations Committee will consider these options in May 2023.

Section two

# Strategic focus areas

This section provides a progress summary on council's strategic focus areas.

# POU TĀHŪ

Our Long-Term Plan is delivered, enabling our city and communities to thrive.

Strategic focus area	Quarter 3 update (1 January – 31 March 2023)
<b>Our delivery of key LTP 2021 to 2031 initiatives</b>	<p><b>Annual Plan</b></p> <ul style="list-style-type: none"><li>• The Draft Annual Plan 2023–24 was approved by Council on 28 March 2023, and the public consultation process started from 31 March 2023.</li><li>• Council is proposing to increase rates revenue by 9.9% (after growth). This means a \$5.02 increase per week (\$261 per year) for an average residential property.</li><li>• Investment in water infrastructure makes up about half of the increase with the remaining going towards roads and footpaths, parks, community facilities, rubbish, recycling.</li><li>• Financial performance results for the year end 30 June 2023 are forecasting an overall favourable net operating result for the year; whilst capital investment forecasts show some under delivery in the capital works programme largely due to delays caused by the weather and resource availability etc.</li></ul> <p><b>Treasury Risk Management Policy</b></p> <ul style="list-style-type: none"><li>• The Treasury Risk Management Policy was reviewed and presented to the Audit and Risk Subcommittee on 23 February for endorsement, and was then approved by Council on 28 March.</li></ul> <p><b>Climate action and waste reduction</b></p> <ul style="list-style-type: none"><li>• Following the roll-out of our education campaign and implementation of the three strikes approach to reduce recycling contamination in 2022, contamination has been trending downward, reaching 12.8% in February 2023.</li><li>• The lowest possible emission liability was achieved in the Silverstream landfill in February 2023.</li><li>• Work has continued with Porirua and Wellington City Councils on the development of the management of residential and commercial food waste business case.</li><li>• The 12-month review of council's kerbside service will be reported to the Council Leadership Team (CLT) on 11 April, and to the Climate &amp; Sustainability Committee on 6 May 2023.</li></ul>

# POU TĀHŪ

Our Long Term Plan is delivered, enabling our city and communities to thrive.

<b>Strategic focus area</b>	<b>Quarter 3 update (1 January – 31 March 2023)</b>
<b>Our collaboration on key regional priorities</b>	<p><b>Emergency management</b></p> <ul style="list-style-type: none"><li>• In response to severe flooding in Auckland City and the Wairarapa District, and Cyclone Gabrielle, 14 Hutt City Council staff were deployed to the emergency management centre in Auckland City Council and the National Coordination Centre in Wellington. Over a six week period this totalled 83 person days.</li><li>• The Hutt City Emergency Response Team (HCERT or NZ-RT18) were twice deployed to Tairāwhiti and Hawke's Bay, for Cyclone Gabrielle response, totalling 82 person days.</li><li>• The Emergency Operations Centre was successfully activated 14-15 March 2023 following a slip in Point Howard that resulted in a significant disruption to water services affecting approximately 165 households.</li><li>• Two 'Māori integration in emergency management' hui were held with regional councils, WREMO and Mana Whenua to discuss expanded Civil Defence Emergency Management governance roles in the Wellington Region. The role and responsibility of a Māori liaison to Emergency Operations Centres was also a focus of the hui.</li><li>• An update on emergency management is being planned for the Communities Culture and Partnerships Committee in May 2023.</li></ul> <p><b>Partnership with housing providers/Kāinga Ora</b></p> <ul style="list-style-type: none"><li>• After the successful delivery of the 19 homes on Molesworth Street Taita, as a part of the Takai Here Partnership between Council, Urban Plus Limited (UPL), Kahungunu Whānau Services and Te Runanga o Te Atiawa, other sites and projects are currently being explored in Wainuiomata, Stokes Valley and Waiwhetu. These will be a mixture of Community Housing Providers (CHP) and affordable housing for ownership.</li><li>• Relationships with Kainga Ora are developing positively. The Urban Development Team is working alongside Kainga Ora and the Wellington Regional Leadership forum for development opportunities within the Hutt City centre.</li></ul> <p><b>Resource Management Reform</b></p> <ul style="list-style-type: none"><li>• In November 2022 the government released new bills for legislation that would repeal and replace the Resource Management Act (RMA).</li><li>• We've since reviewed the bills and provided advice to elected members and Mana Whenua on the proposed legislation and the potential impacts.</li><li>• We made a submission on the proposed legislation to Parliament's Environment Committee and are awaiting the outcome.</li></ul>

# POU TUARONGO & WHENUA

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

Strategic focus area	Quarter 3 update (1 January – 31 March 2023)
<b>Our relationship with Mana Whenua</b>	<p><b>Hui with Mana Whenua</b></p> <ul style="list-style-type: none"><li>• Four hui were held with Mana Whenua throughout Quarter 3, attended by the Mayor, Deputy Mayor, Chief Executive, and senior staff. The hui provides a useful forum for council and Mana Whenua at the governance level.</li><li>• Mana Whenua continue to be across district planning, including the parallel processes of Plan Change 56 and the full District Plan review. A summary of submission points made by Mana Whenua on Plan Change 56 alongside officer responses was provided to Mana Whenua to support their preparations for the upcoming Plan Change 56 hearing.</li></ul> <p><b>Kāhui Mana Whenua</b></p> <ul style="list-style-type: none"><li>• Kāhui Mana Whenua (the Kāhui) agreements were signed with Hikoikoi Management on 9 February and Te Rūnanganui o Āti Awa on 15 February.</li><li>• The first hui is set for next quarter and the Kāhui will continue to meet every three weeks thereafter.</li><li>• Two representatives from the Kāhui will also sit as Mana Whenua members on the District Plan Review Committee.</li></ul> <p><b>Legislation Reviews</b></p> <ul style="list-style-type: none"><li>• The Pou Whakamahere Kaupapa Here and Kaitātari Tumuaiki Māori provided input into council's legislative review submissions concerning the reforms on Resource Management, Three Waters and Future for Local Government. This enabled the perspectives of Mana Whenua and Māori to be communicated to central government.</li></ul> <p><b>The Pou Hoahoa Māori</b></p> <ul style="list-style-type: none"><li>• The Pou Hoahoa Māori has been working within the Streets for People project to establish wayfinding paths in Wainuiomata. Mana Whenua kōrero has been drawn on to strengthen the connection of whakapapa to people, place, and the environment.</li></ul>

# POU TUARONGO & WHENUA

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

Strategic focus area	Quarter 3 update (1 January – 31 March 2023)
<b>Our relationships with stakeholders</b>	<p>There is significant and ongoing collaboration regionally and nationally on water, local government and RMA reform. Close working relationships continue with Taituarā to advocate for local government including for system changes and improvements. Strategic relationships continue to deepen with MHUD, MSD, MBIE, and CIP, and we're staying in close contact with health and tertiary education entities as reform is rolled out in these sectors.</p> <p><b>Regional Workforce Development Plan</b></p> <ul style="list-style-type: none"><li>• In March we attended the Wellington Regional Economic Development Plan Steering Group to champion the work, initiatives and economic opportunities in Lower Hutt.</li><li>• This plan outlines the work and initiatives that the region will undertake to influence the regions economic future and enables the region to work together on an economic vision providing a united voice to central government.</li><li>• A forum was established between the economic development staff of councils across the region. The purpose of the forum is to share best practice, align and collaborate on initiatives. The Regional Workforce Development Plan was the first topic to be discussed by the forum.</li></ul> <p><b>Science, Technology, Engineering and Mathematics (STEM) business engagement</b></p> <ul style="list-style-type: none"><li>• We've made new connections at Callaghan Innovation, and made several STEM business visits to inform an initial proposal for a collaborative sector awareness campaign. The campaign is aimed at delivering value for workforce attraction and development.</li><li>• Council sponsored the Science and Technology category award at the 2022 Wellingtonian of the Year awards held in March. Lower Hutt local Rod Badcock from Paihau – Robinson Research Institute in Petone took out the award, raising the profile of the STEM sector for the region.</li></ul> <p><b>MSD Jobs and Skills Hub</b></p> <ul style="list-style-type: none"><li>• We're working with MSD and the Chamber of Commerce to connect the hub to seek out workforce needs from the commercial sector across the major infrastructure projects in our region.</li></ul> <p><b>Supporting Local Talent</b></p> <ul style="list-style-type: none"><li>• We're supporting the Innovative Young Minds Trust who are developing an 'anytime' course for their programme this year that will multiply the engagement with young people across Hutt Valley and Aotearoa. The course is an on-demand version of the Trust's annual residential and online programmes that can be accessed whenever, wherever, by anyone interested in STEM.</li></ul>

# POU TUARONGO & WHENUA

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

Strategic focus area	Quarter 3 update (1 January – 31 March 2023)
<b>Our customer and regulatory services</b>	<p><b>Building consent digitisation</b></p> <ul style="list-style-type: none"><li>• In March we launched the GoGet online building consents system. This was the highest priority action that came out of the Strategic Review Action Plan.</li><li>• GoGet aims to digitalise the building consents process from lodgement to inspections, making it easier for our customers to submit applications and for our staff to assess them.</li></ul> <p><b>Customer Advisory Group</b></p> <ul style="list-style-type: none"><li>• The Customer Advisory Group brings together stakeholders from across the building sector in Lower Hutt to share information, gain feedback and work together on solutions to improve outcomes across the building industry.</li><li>• The group met in March and highlighted the continual need for collaboration of council teams for pre-application meetings. Customers can now book these meetings through our council website.</li></ul> <p><b>Connecting with our customers</b></p> <ul style="list-style-type: none"><li>• In March we released Kaihanga, a joint newsletter by our Building Consent/Resource Consent and Engineering teams. This provides updates and useful information to customers.</li></ul> <p><b>Statutory timeframes</b></p> <ul style="list-style-type: none"><li>• A strong focus on improving statutory timeframes through the Consenting Improvements Board has seen positive results.</li><li>• There have been steady improvements across all areas with many individual weeks achieving 100% compliance.</li><li>• We're paying particular attention on legacy consents to make sure they are closed out as soon as practical.</li></ul> <p><b>Food verification</b></p> <ul style="list-style-type: none"><li>• We brought in additional technical expertise to focus on the food verification backlog, and we're now back on track with a small number of completed verifications being reviewed. This work is expected to be completed by the end of April.</li><li>• 100% compliance was achieved for March.</li></ul>

# POU TUARONGO & WHENUA

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

Strategic focus area	Quarter 3 update (1 January – 31 March 2023)
<p><b>Our Improvements in Council Customer Services</b></p>	<p><b>Centralised Customer Excellence Services (Phase 1)</b></p> <ul style="list-style-type: none"> <li>Phase 1 was completed on time in December 2022.</li> <li>Our external partner, Merkle Aotearoa, worked with staff to deliver a detailed report and recommendations. This work provides the basis for the next phase of Te Kohao (Go Digital) programme, which is mainly customer service-related investments.</li> <li>We've analysed the recommended actions and roadmap from Phase 1. This was reported on to CLT in April for agreement on priorities for investment and next steps.</li> </ul> <p><b>Centralised Customer Excellence Services (Phase 2)</b></p> <ul style="list-style-type: none"> <li>The next steps for Phase 2 will include the assessment of CRM services and the inter-dependencies with other Te Kōhao projects at a systemic level. This will ensure our key systems are working together to achieve the programme's overall objectives and contribute to council goals.</li> <li>We anticipate starting procurement for a CRM solution by the end of 2023.</li> </ul> <p><b>Improving our customer service offering</b></p> <ul style="list-style-type: none"> <li>Our Google Analytics platform was upgraded in Quarter 3 and is providing us with more comprehensive reporting across council's web presence and will support a roadmap for continuous improvement.</li> <li>A customer management &amp; ticketing support system for waste was implemented across council business units (Solid Waste and Contact Centre) and in Waste Management Ltd.</li> </ul>
<p><b>Our culture and leadership</b></p>	<p><b>Employee Engagement</b></p> <ul style="list-style-type: none"> <li>Turnover has continued to decrease significantly this quarter, following a consistent downward trend over the last 12 months. Attrition now sits at its lowest level since August 2021.</li> <li>The next full Waiora Engagement Survey will be run in April/May 2023.</li> </ul> <p><b>Improving capability</b></p> <ul style="list-style-type: none"> <li>The Te Ao Māori Capability Programme (TAM) was delivered to a further two cohorts through Quarter 3. The delivery of TAM this quarter was supported by the Pou Arataki Māori - Hapori and Kaiarahi Māori – Healthy Families Hutt Valley. We're pausing TAM for Quarter 4 to undertake an evaluation of the programme.</li> <li>While no specific kaupapa Māori workshops were delivered this quarter, Te Tira Māori used this time to restructure how key events and organisational capability workshops would be managed in future. Cycles of workshops will now occur each quarter that cater to te reo Māori, Te Tiriti o Waitangi, tikanga and te pae rangatira.</li> <li>We're holding hui with marae across the city with a focus on aspirations for the future. Three hui were completed this quarter, with the remaining four to be held throughout Quarter 4.</li> </ul>



# POU TOKOMANAWA

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

Strategic focus area	Quarter 3 update (1 January – 31 March 2023)
<p><b>Our culture and leadership continued...</b></p>	<p><b>Promoting Hutt City Council as an employer</b></p> <ul style="list-style-type: none"> <li>• A more targeted approach to advertise our vacancies this quarter has included a broader range of job boards being used, including LinkedIn, SEEK premium adverts, JobsForMums, Maori Pacific Jobs and SportsNZ.</li> <li>• During this period there have been 58 permanent, fixed term and casual job offers.</li> <li>• We've planned to participate in the Chamber of Commerce Career and Pathways Events for students at local secondary schools.</li> </ul> <p><b>Leadership Forums</b></p> <ul style="list-style-type: none"> <li>• In February we ran our first Leadership Forum to kickstart a deliberate focus on leadership development.</li> <li>• 75 leaders attended the interactive session where they provided input on leadership at council in terms of key challenges, what's good and what could be better.</li> <li>• The forum presented the current and future state of leadership, how as leaders we need to adapt and think differently about how we lead, and what skills are important for us to develop in this current climate.</li> <li>• As part of our leadership programme, over 60 leaders attended the first webinar with external Leadership Development Specialist Suzi McAlpine.</li> <li>• Work to develop our leadership capability framework will commence within the coming weeks.</li> </ul>
<p><b>Our systems and processes</b></p>	<p><b>Business Process Optimisation (BPO)</b></p> <ul style="list-style-type: none"> <li>• The second draft of the BPO prioritisation matrix is now complete and was presented to Information Service managers.</li> <li>• BPO reporting shows Resource Consent Improvement continues to be a priority area along with Food Processes Improvement. Other improvement areas include Animal Services, Libraries, Parks and Reserves, and Urban Development.</li> <li>• Final prioritisation of areas will be completed in Quarter 4.</li> </ul> <p><b>Te Kōhao (Go Digital programme)</b></p> <p><b>HRIS and payroll projects</b></p> <ul style="list-style-type: none"> <li>• The HRIS / Payroll project continues to be on hold due to the delay of a software release that contains a feature that's required for Hutt City Council and to ensure Holidays Act compliance.</li> <li>• Updates continue to be reported to the Audit and Risk Subcommittee.</li> </ul> <p><b>Finance system refresh project</b></p> <ul style="list-style-type: none"> <li>• The contracts management functionality of this project was implemented in Quarter 3.</li> </ul>

Section three

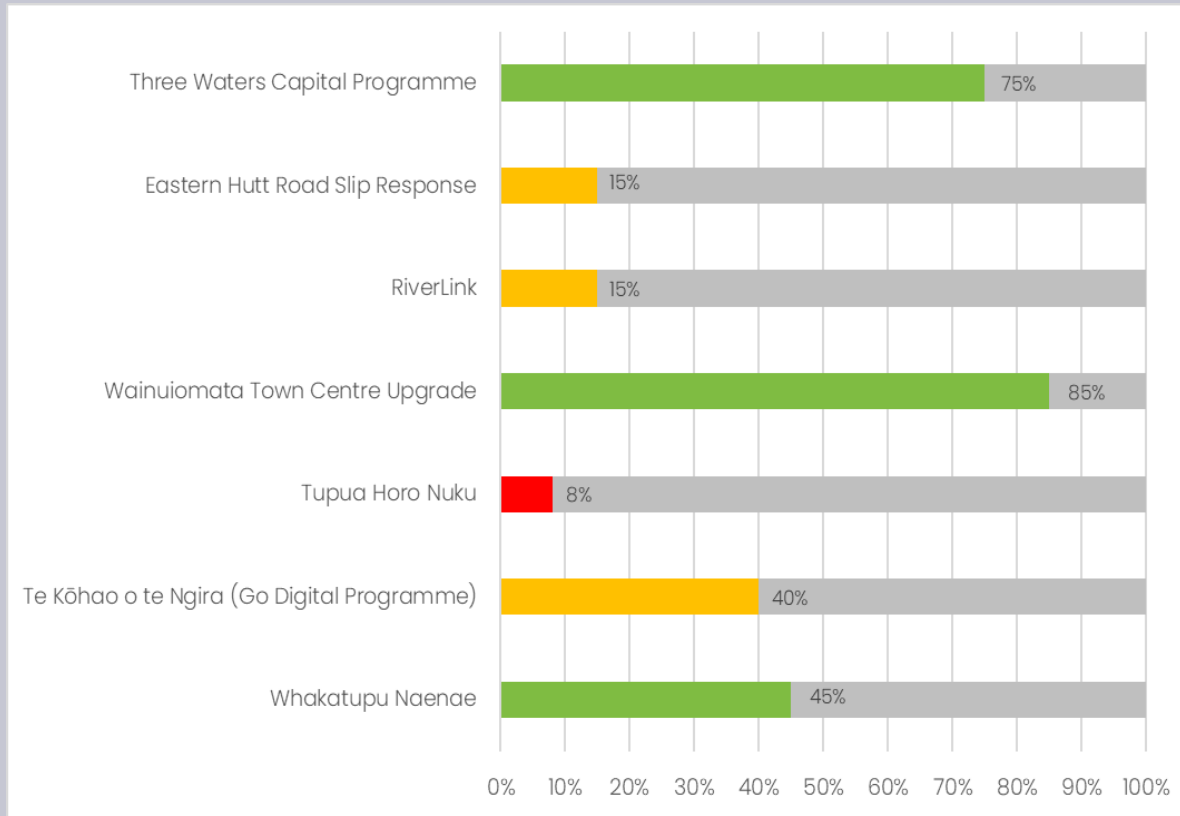
# Programme and project summary

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

# Major Projects in Hutt City

As at 31 March 2023

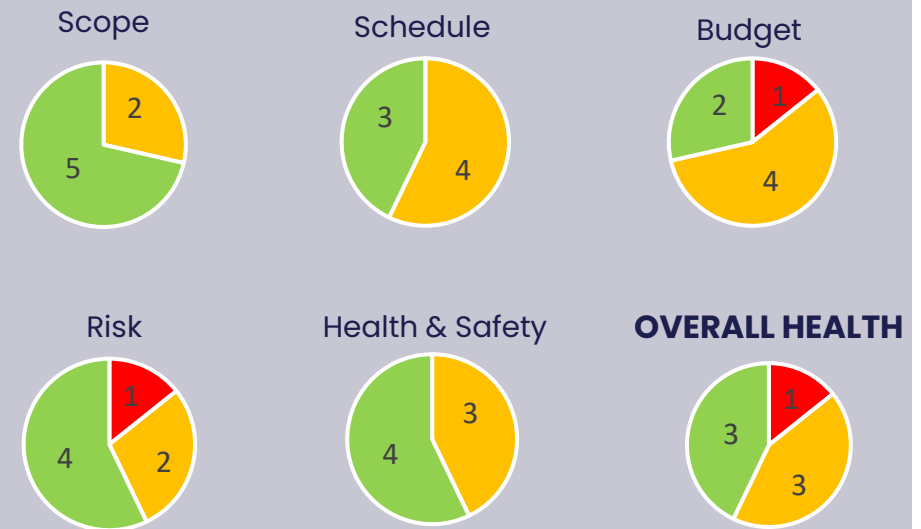
## Overall Project Health and % complete



## Overall Portfolio Health



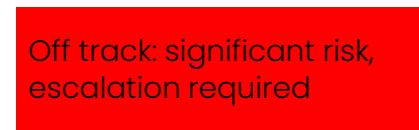
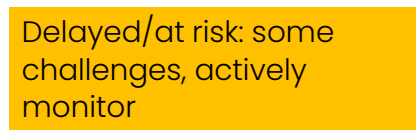
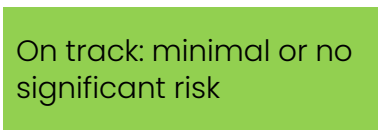
### Project RAG indicators



The overall portfolio health is reporting AMBER this period for the 7 major projects being delivered across council. We have one project reporting RED (Tupua Horo Nuku) as a result of the increasing costs to deliver the project. A detailed summary for each project is provided on pages 17-20.

### Project RAG Status Key:

R = Red  
A = Amber  
G = Green



PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 31 March 2023		
Project title	Strategic alignment	Upcoming Milestones over the next 12-18 months:		Indicator	RAG	Progress update
<b>Three Waters Capital Programme</b>	Environmental wellbeing	<ul style="list-style-type: none"> <li>Barber Grove main collecting sewer complete</li> </ul>	Jun 2023	Scope	➡	<p>At the end of Quarter 3, the capital programme is ahead of target with nine projects in construction.</p> <p>While the programme will exceed the original budget this financial year, Council has indicated its support to accelerate the capital programme further. This is to help address historic deferral of the capital renewal programme, managing the programme and budget flexibly over the first three years of the LTP.</p> <p>The year end forecast for Barber Grove could potentially exceed budget by up to \$4.0m due to cost escalations, poor ground conditions and delays due to COVID-19. However this will not impact the overall three year programme budget, which remains on target.</p>
				Schedule	➡	
				Budget	➡	
				Risk	➡	
				Health & Safety	➡	
				<b>Overall Confidence</b>	➡	
<b>Eastern Hutt Road Slip Response</b>	Environmental wellbeing	<ul style="list-style-type: none"> <li>Engineers estimates and contract documentation</li> <li>Procurement of contractors</li> <li>Physical works commencement</li> <li>Physical works completion</li> </ul>	Apr 2023	Scope	➡	<p>The scope for this project remains focused on remediating three slip sites:</p> <ul style="list-style-type: none"> <li>Eastern Hutt Road – road corridor</li> <li>46 Holborn Drive</li> <li>58/60 Holborn Drive</li> </ul> <p>The overall health of the project is improving with demolition of 46 Holborn Dr complete and designs nearing submission for building consent. However, managing community expectations has been challenging. Physical works scope is being defined following completion of detailed design.</p> <p>Council has secured \$7.75m from the government's Better Off Fund and an engineering estimate will be developed as part of the detailed design phase.</p>
				Schedule	➡	
				Budget	➡	
			Apr/May 2023	Risk	➡	
				Health & Safety	➡	
			May 23	<b>Overall Confidence</b>	➡	
			Q1 2024			

**Project RAG Status Key:**

R = Red  
A = Amber  
G = Green

On track: minimal or no significant risk

Delayed/at risk: some challenges, actively monitor

Off track: significant risk, escalation required

↑ Improvement  
➡ No Change  
↓ Decline

PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 31 March 2023		
Project title	Strategic alignment	Upcoming Milestones over the next 12–18 months:		Indicator	RAG	Progress update
<b>RiverLink</b>	Economic wellbeing	<ul style="list-style-type: none"> <li>Advanced works construction start</li> </ul>	Mid 2023	Scope	→	The RFP closed in December 2022 and selection of the preferred proponent was made on 27 March 2023. We're working through negotiations with them ahead of a public announcement in mid-April.
			Oct 2023	Schedule	↓	
		Budget		→	Securing the right Alliance team that can cover the full breadth of the scope of the project is a key concern, and we're confident that the preferred team has achieved this.	
		Risk		→		
		Late 2023	Health & Safety	→		
		2024	<ul style="list-style-type: none"> <li>Completion of IPAA phase (scope and price setting)</li> <li>Construction start on site (Alliance contract)</li> <li>Newly relocated Melling station &amp; pedestrian cycle bridge complete</li> </ul>	<b>Overall Confidence</b>	→	The Final 2021 LTP and subsequent annual plan revisions set the expenditure at \$129.7M and revenue of \$44.3M. This results in a total net budget (total budget minus revenue) of \$89.4M.
				The project team continues to monitor the risk around cost escalations as a result of global material shortages, high inflation rates and challenges with recruitment.		
<b>Wainuiomata Town Centre Upgrade</b>	Economic wellbeing	<ul style="list-style-type: none"> <li>Plaza area completed</li> </ul>	Apr 2023	Scope	→	The overall health of this project is now green and the project is nearing contractual completion on 12 May 2023. Minor tidy up works and installation of long lead items will be required after this date.
				Schedule	→	
				Budget	→	
				Risk	↑	The project is working with the contractor to open up areas of Stage 4 as soon as possible following completion, without impacting the contractor defects liability clause. The key issues that may impact project delivery timeframes include any unforeseen delays relating to the delivery of key items (decking timber, basketball court furniture, tables, and seats for example) as well as an increase in wet weather.
				Health & Safety	→	
				<b>Overall Confidence</b>	↑	

PROGRAMME AND PROJECT INFORMATION			QUARTERLY UPDATE – as at 31 March 2023			
Project title	Strategic alignment	Upcoming Milestones over the next 12-18 months:	Indicator	RAG	Progress update	
<b>Tupua Horo Nuku (Eastern Bays Shared Path)</b>	Economic wellbeing	<ul style="list-style-type: none"> <li>Construction complete – Ma Koromiko/Windy Point</li> <li>Construction complete – Sunshine Bay</li> </ul>	Jun 2023	Scope	➡	The total anticipated cost to deliver all 6 Bays is \$79.95m. This includes Alliance target outturn costs (TOC), HCC managed costs and risk contingency.
			Dec 2023	Schedule	➡	
				Budget	➡	
				Risk	➡	
				Health & Safety	➡	Budget and risk indicators continue to report RED due to the increased cost to deliver the overall project. We're working with Crown Infrastructure Partners (CIP) and Waka Kotahi on additional funding considerations and approval decisions will be made in May 2023.
			<b>Overall Confidence</b>	➡	A presentation will given to the Eastbourne Community Board on the progress of the project on 18 April and meeting with the Little Penguin Group on 27 April to discuss proposed plans for bird protection areas.	
<b>Te Kōhao o te Ngira (Go Digital Programme)</b>	Economic wellbeing	<ul style="list-style-type: none"> <li>Confirmation of Customer Service Programme</li> <li>Payment Gateways – Phase 1</li> </ul>	Apr 2023	Scope	➡	Overall confidence in the programme remains at AMBER as we continue to understand the programme's workload and improve its processes, structure and assurance. It also recognises that the Customer Service Excellence project (Phase 1) will have an impact on the future work for the programme.
			TBC	Schedule	➡	
				Budget	➡	
				Risk	➡	
				Health & Safety	⬇	
			<b>Overall Confidence</b>	➡		

PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 31 March 2023		
Project title	Strategic alignment	Upcoming Milestones over the next 12-18 months:		Indicator	RAG	Progress update
<b>Whakatapu Ngaengae</b>	Economic wellbeing	<b>Naenae Pool</b>		Scope	➔	<p><b>Naenae Pool and Fitness Centre:</b> Work on the Naenae Pool and Fitness centre has progressed rapidly. Erection of the structural frame to the main pool hall is in progress having received the roof beams at the end of March 2023. Resource consent has been granted and four of the six building consent packages have been approved.</p> <p>Work continues to resolve technical queries for Stage 5 – (Building Envelope) and Stage 6 (Fit-Out). Off-site fabrication is progressing in line with the construction schedule. Some enhancements to the agreed pool features have been made, for example an additional hydro slide and a second bulkhead for the main pool funded through contingency funding.</p> <p>The Pool building and Fitness Centre is forecast to be complete mid-2024.</p> <p><b>Te Ngaengae Community Centre</b> Good progress continues to be made on improvements to the Naenae Town Centre.</p> <p>The refurbishment of the Naenae Post Office and conversion to a Community Centre is underway and the Main Contractor Duncan Commercial started in February with the seismic strengthening.</p> <p>This work is progressing well and fit-out is scheduled to be complete by early 2024. The building is due to open early April 2024, in line with the community's expectations.</p> <p>Both projects are tracking to approved budget.</p>
		• Foundations and structure	Sep 2023	Schedule	➔	
		• Internal works	Mar 2024	Budget	➔	
		• Fit out and commissioning	Jul 2024	Risk	➔	
		• Practical completion	Jul 2024	Health & Safety	➔	
		• Pool operational	Jul-Dec 2024	<b>Overall Confidence</b>	➔	
		<b>Community Centre</b>				
• Demolition, seismic strengthening	Jun 2023					
• Building services & internal finished	Jun 2023					
• Practical completion	Dec 2023					
• Open community centre	Apr 2024					

Section four

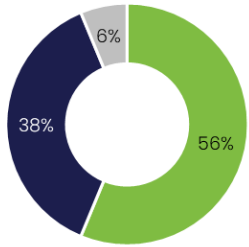
# **Non-financial key performance indicators**

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



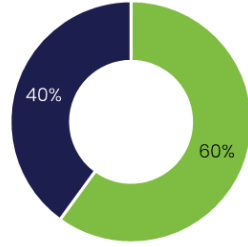
# Overview

Environmental wellbeing  
Targets met vs not met  
Q3 22/23



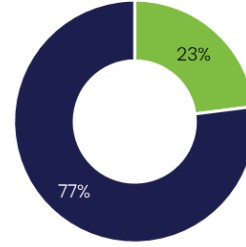
■ Targets met ■ Targets not met ■ Data unavailable

Economic wellbeing  
Targets met vs not met  
Q3 22/23



■ Targets met ■ Targets not met

Social & cultural wellbeing  
Targets met vs not met  
Q3 22/23



■ Targets met ■ Targets not met

## Environmental wellbeing

- 32 Annual Plan KPIs
- 18 targets met | 12 targets not met | 2 data unavailable

## Economic wellbeing

- 5 Annual Plan KPIs
- 3 targets met | 2 targets not met

## Social & cultural wellbeing

- 13 Annual Plan KPIs
- 3 targets met | 10 targets not met

## Legend for the tables

### Target columns

≥	Target is greater than or equal to the number specified
≤	Target is less than or equal to the number specified

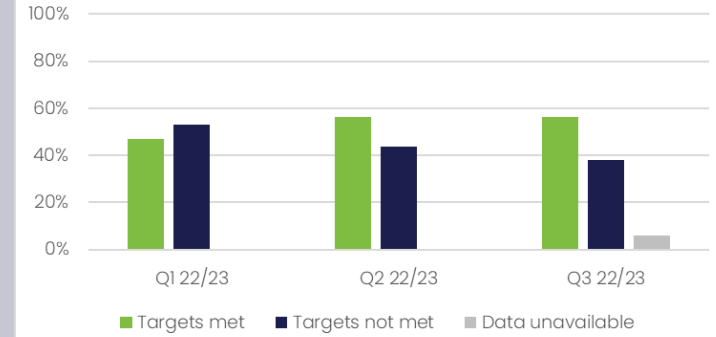
### Actual and variance columns

45%	Numbers in blue indicate the target was met or exceeded (i.e. overachieved)
45%	Numbers in red indicate the target was not met

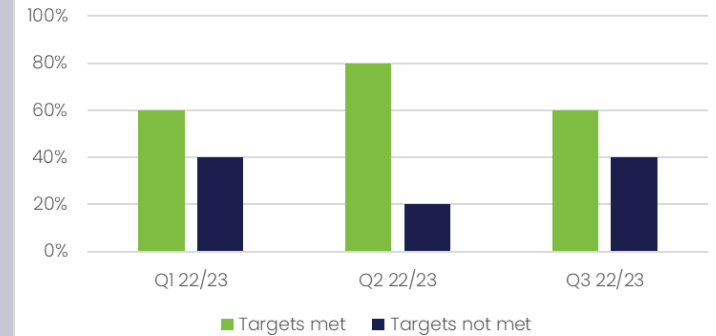
Note: There are 86 indicators in the Annual Plan/LTP, 50 of these are included in this report. The remaining 36 are reported on annually/bi-annually and will be included in the Q4 report.

## Trends

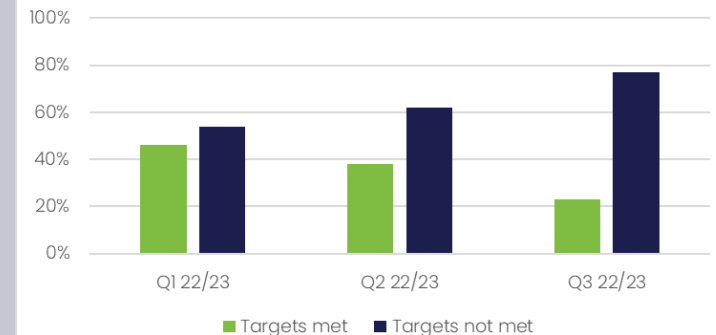
Environmental wellbeing  
Targets met vs not met



Economic wellbeing  
Targets met vs not met

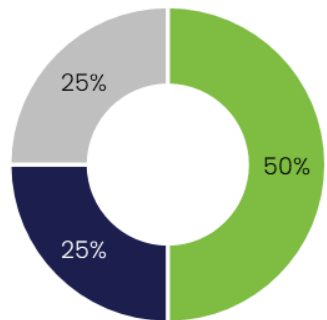


Social & cultural wellbeing  
Targets met vs not met



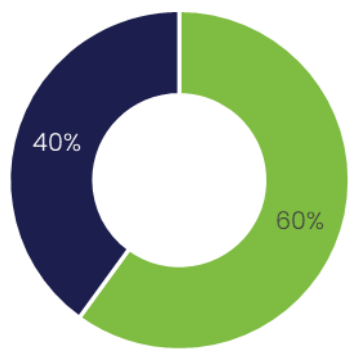
# Three waters

Water Supply  
Targets met vs not met  
Q3 22/23



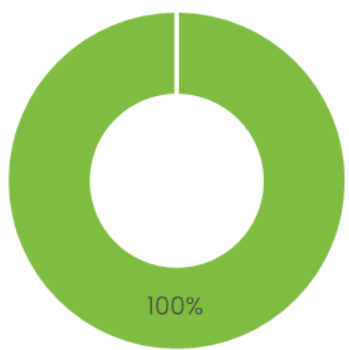
■ Targets met ■ Targets not met ■ Data unavailable

Wastewater  
Targets met vs not met  
Q3 22/23



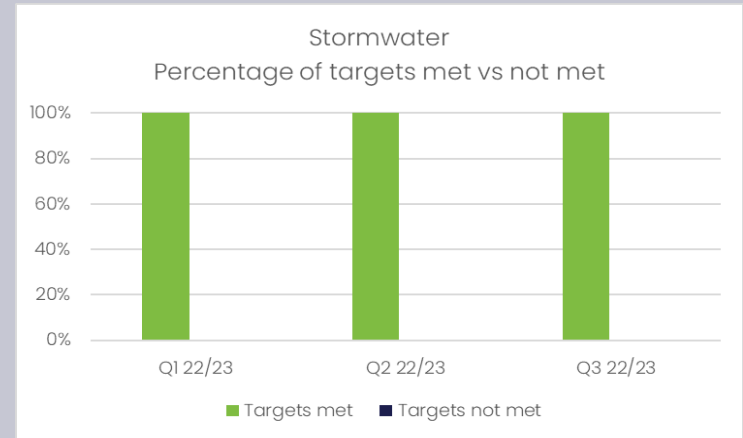
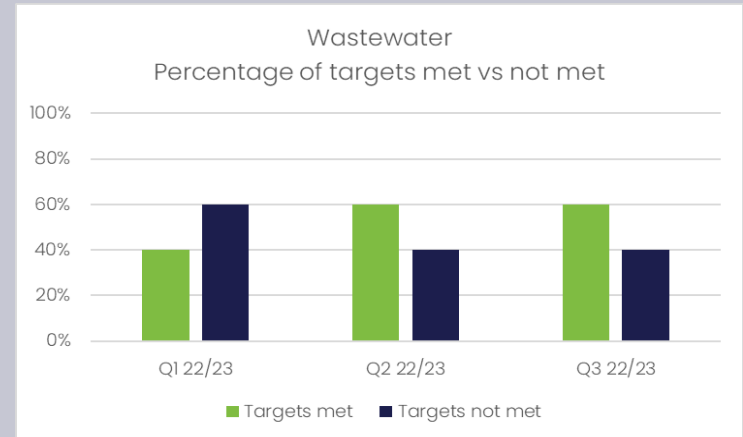
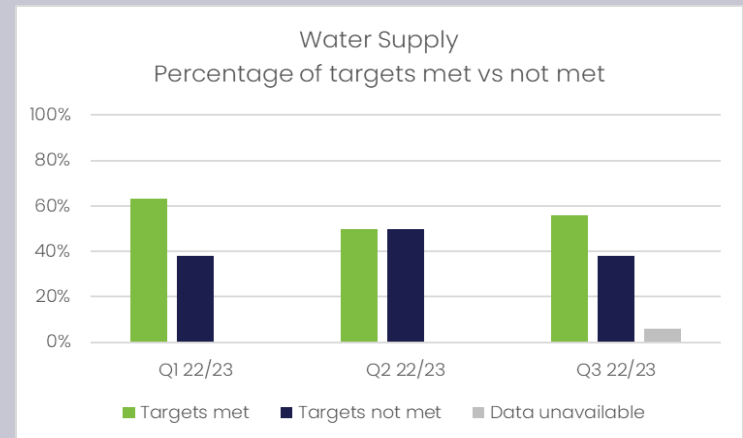
■ Targets met ■ Targets not met

Stormwater  
Targets met vs not met  
Q3 22/23



■ Targets met ■ Targets not met

## Trends



# Water supply

Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Targ et	22/23 Target	Commentary
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Not available	100%	Not available	Not available	100%	100%	This data will be available at the end of Q4. WWL are having some audit issues and have provided assurance that the water quality from Q1 & Q2 was unaffected.
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Not available	100%	Not available	Not available	100%	100%	This data will be available at the end of Q4. WWL are having some audit issues and have provided assurance that the water quality from Q1 & Q2 was unaffected.
Number of complaints for drinking water per 1000 connections	24.3	2.1	≤5	-2.9	4.4	≤15	≤20	
Attendance for urgent callouts: from the time the local authority receives notification to the time that service personnel reach the site	66 mins	34 mins	≤90 mins	-26 mins	34 mins	≤90 mins	≤90 mins	
Resolution of urgent callouts: from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	3 hrs	1.4 hrs	≤8 hrs	-2.6 hrs	1.4 hrs	≤8 hrs	≤8 hrs	

# Water supply

Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Attendance for non-urgent callouts: from the time the local authority receives notification to the time that service personnel reach the site	92.4 hrs	168.4 hrs	≤72 hrs	132.4 hrs	168.4 hrs	≤72 hrs	≤72 hrs	WWL continues to prioritise and fix leaks in accordance with the strategy endorsed by the Water Committee. The number of leaks continues to exceed our resources. Previous years have shown that the backlog increases during the summer peak months and should begin to plateau or fall during wetter months.
Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	3 working days	10.3 working days	≤20 working days	4.7 working days	10.3 working days	≤20 working days	≤20 working days	
Average drinking water consumption (litres per resident per day)	381 litres	446 litres	≤385 litres	61 litres	439 litres	≤385 litres	≤385 litres	A wet summer saw demand decrease year-on-year. Analysis of night flows, climate corrected demand and wastewater flows indicate that the rise is driven by growing leaks. Per capita demand continues to rise across the Wellington metropolitan region, particularly within the Hutt Valley. Leak detection work has found that losses are occurring both on the distribution network and on private properties.

# Wastewater

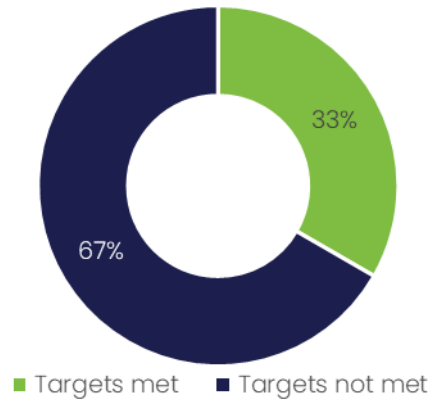
Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Dry weather wastewater overflows per 1000 connections	3.6	0.3	≤5	4.7	1.3	≤15	≤20	
Number of complaints per 1000 connections	20.6	1.1	≤7.5	-6.4	5.5	≤22.5	≤30	
Sewerage system attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	196 mins	236 mins	≤90 mins	176 mins	236 mins	≤90 mins	≤90 mins	Increasing work volume and resource constraints. Wellington Water are managing this by prioritising risks and resources.
Sewerage system resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	20.3 hrs	20 hrs	≤8 hrs	14 hrs	20 hrs	≤8 hrs	≤8 hrs	Increasing work volume and resource constraints. Wellington Water are managing this by prioritising risks and resources.
Compliance with resource consents for discharges from wastewater system	3	0	0	0	2	0	0	(0 = no enforcement action)

# Stormwater

Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Number of flooding events (where stormwater enters a habitable floor)	2	0	≤0.5	-0.5	0	≤1.5	≤2	
Number of habitable floors affected by flooding events (per 1000 connections)	0.27	0	≤0.06	-0.06	0	≤0.18	≤0.24	
Number of complaints about stormwater system performance (per 1000 connections)	14.3	0.6	≤5	-4.4	2.8	≤15	≤20	
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (hours)	71 hrs	0 mins	≤8 hrs	-60 mins	0 mins	≤8 hrs	≤8 hrs	
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions)	0	0	0	0	0	0	0	(0 = no enforcement action)

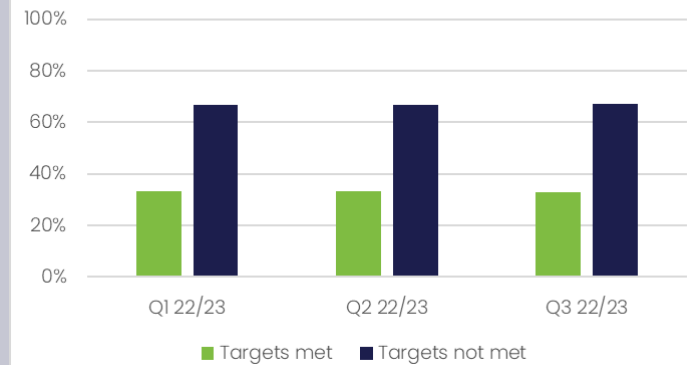
# Solid waste

Solid waste  
Targets met vs not met  
Q3 22/23



## Trends

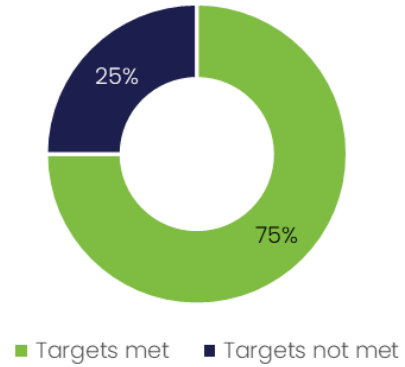
Solid waste  
Percentage of targets met vs not met



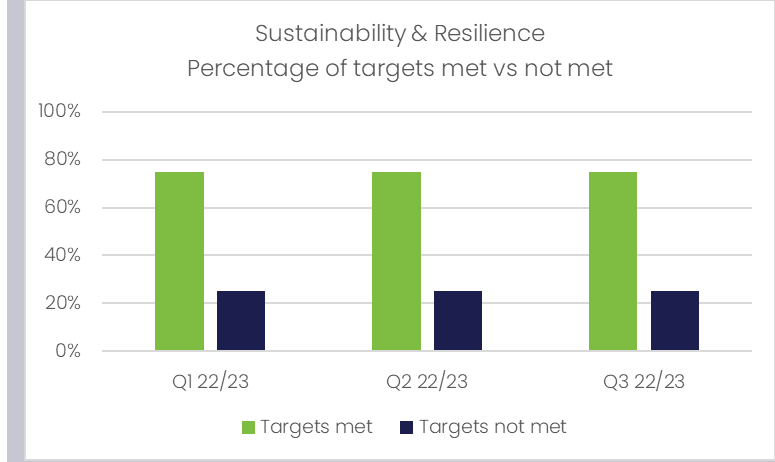
Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Tonnes of waste to landfill (tonnes per person)	19,735 / 113,559 = 0.17	5,717 / 113,559 = 0.05	≤4,933 / 113,559 = 0.04	784 / 113,559 = 0.006	16,240 / 113,559 = 0.14	14,779 / 113,559 = 0.13	≤19,735 / 113,559 = 0.17	With contamination up, there is more going to landfill from the recycle plant. There are new multi-units dwellings and sub-divisions that now have residents, so there is an increase in collection is to be expected.
Percentage of kerbside recycling that is contaminated and diverted to landfill	18%	15%	≤10%	5%	17%	≤10%	≤10%	There were high levels of contamination in some areas that are being addressed with a letter drop. Last month we saw a reduction in the contamination and we are aiming, with education of residents, to trend down again.
Tonnes of kerbside recycling collected	5,778	1,591	≥1,473	118	4,494	≥4,419	≥5,893	

# Sustainability and resilience

Sustainability & resilience  
Targets met vs not met  
Q3 22/23



## Trends

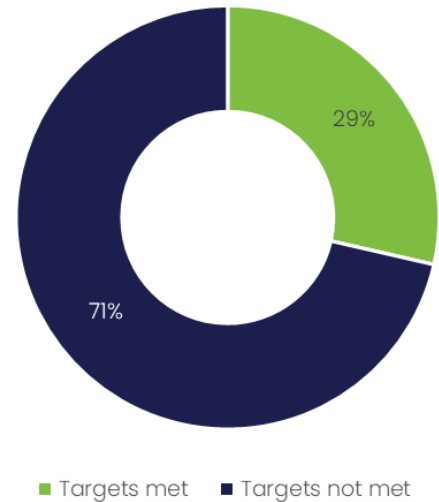


Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Percentage of Community Resilience Plans that are more than 24 months old	60%	69%	0% (none)	-69%	57%	0% (none)	0% (none)	Work was impacted by staff availability and competing priorities. Cooperation from the community is required and can be a challenge to coordinate.
Emissions from council owned facilities (tCO2-e)	3,190	573	≤573.25	-0.25	1,719	≤1,719.75	≤2,293	
Percentage of council owned vehicle fleet that is electric	42%	50%	≥45%	5%	50%	≥45%	≥45%	In Q3, 33 of 66 vehicles were electric (either fully electric, or plug-in hybrid - but excluding conventional hybrids).
Emissions from council owned fossil fuel vehicles (tCO2-e)	110	21	≤23.55	-2.55	64	≤70.65	≤94.2	



# Regulatory services

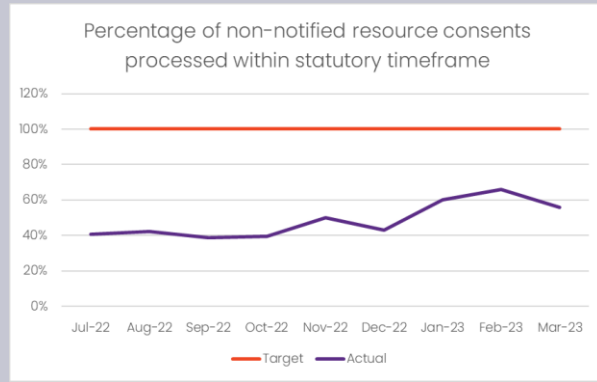
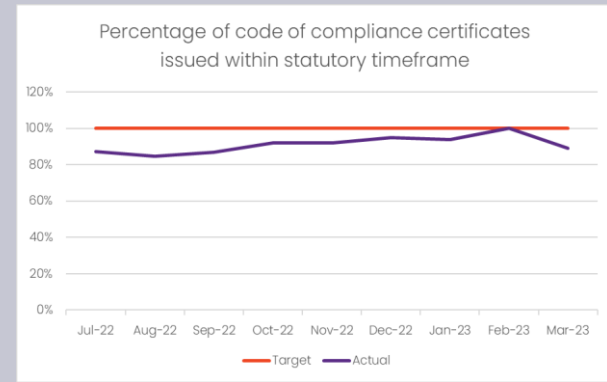
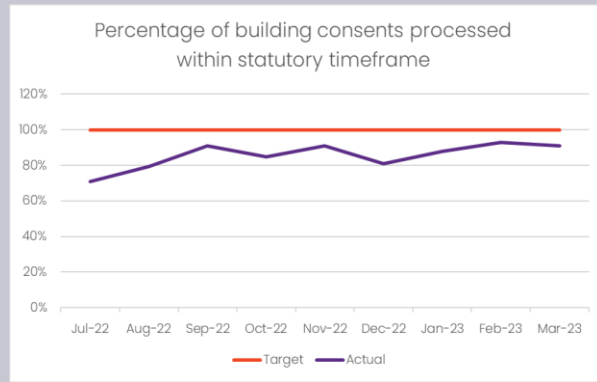
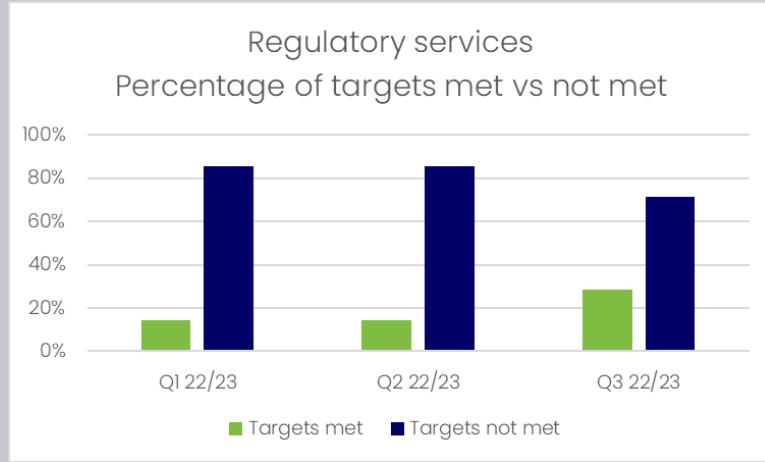
Regulatory services  
Targets met vs not met  
Q3 22/23



Percentage of regulatory services processed within statutory timeframes  
Q3 22/23



## Trends



### Building consents

- Results impacted by increase in applications, staff leave and recruitment, and installation of GoGet

### Code of compliance certificates

- Four applications in January and eight in February/March exceeded timeframes

### Non-notified resource consents

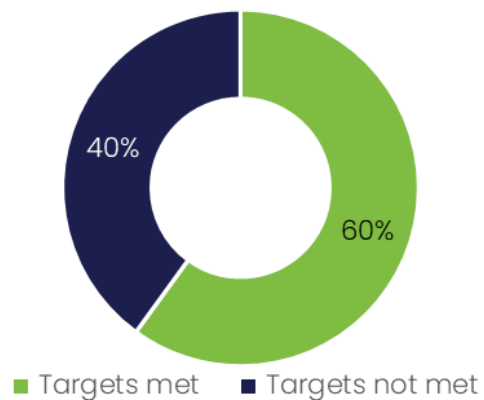
- Target missed due to an increase in residential and multi unit development consents together with increase in resource consents compared to last year

# Regulatory services

Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Percentage of building consents processed within statutory timeframe	65%	91%	100% within 20 days	-9%	85%	100% within 20 days	100% within 20 days	External contractors processing consents were unable to meet KPIs. There was an increase in applications leading up to Christmas and staff on leave. GoGet went live on 6 March, slowing productivity while staff learned the system. Recruiting for four positions in the team.
Code of compliance certificates issued within the statutory timeframe	88%	95%	100% within 20 days	-5%	92%	100% within 20 days	100% within 20 days	Four applications in January and eight in February/March exceeded the 20 day KPI.
Percentage of non-notified resource consents processed within statutory timeframes	28%	61%	100% within 20 days	-39%	49%	100% within 20 days	100% within 20 days	Target missed due to workload pressure from the increase in residential and multi unit development consents, together with the large increase in resource consents received compared to last financial year.
Existing food premises verified within time frames	7%	86%	95% by due date	-9%	52%	95% by due date	95% by due date	Competing work commitments in January and operator delay/operator not having internet in February and March.
Sale and supply of liquor (high risk premises) inspected	99%	211%	95% checked	116%	101%	95% checked	95% checked	
Noise control complaints (%) investigated within 45 minutes	94%	67%	≥85%	-18%	74%	≥85%	≥85%	Contractor was unable to provide an explanation. They advised they are increasing capacity which should remedy this in future.
Number of animal management community education programmes carried out	17	7	≥4.25	2.75	30	≥12.75	≥17	

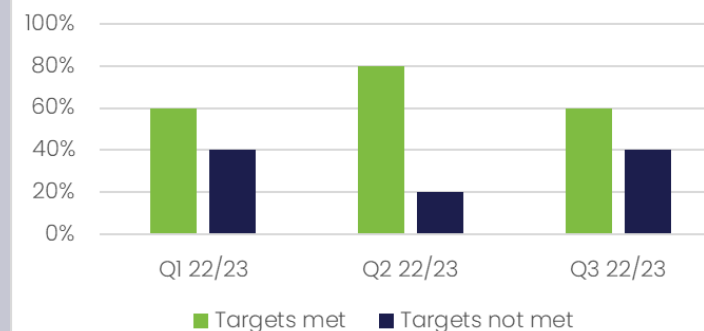
# Transport

Transport  
Targets met vs not met  
Q3 22/23



## Trends

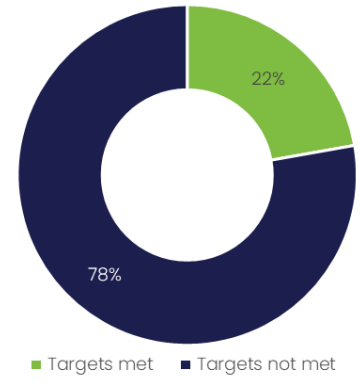
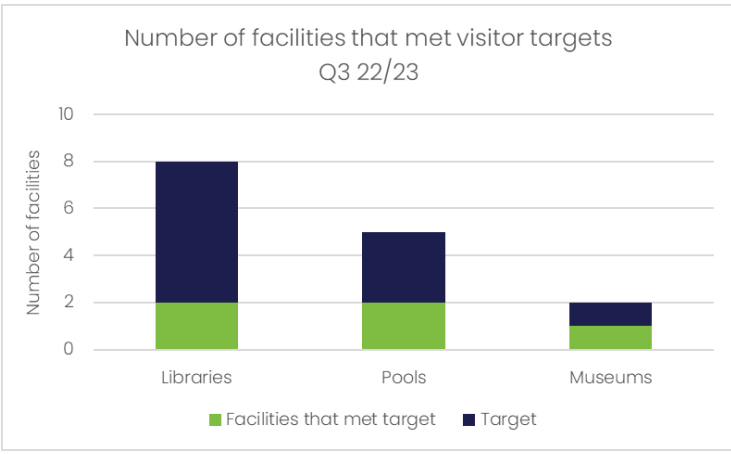
Transport  
Percentage of targets met vs not met



Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
The number of fatalities and serious injury crashes on the local road network	25	5	≤6.18	-1.18	19	≤18.56	≤25	
Audit of contracts – physical work (number of contracts audited this quarter)	90%	3	≥7	-4	5	≥7	≥7	Streetlighting, street maintenance, road marking, signs contracts did not receive monthly performance checks due to new staff and workload.
Audit of contracts – percentage of contracts meeting contractual obligations	90%	43%	≥90%	-47%	79%	≥90%	≥90%	3 of 7 contracts checked due to someone leaving and the position being managed by a contractor. Performance checks have been a lower priority than teaching BAU.
Total length of cycleways	Not available	21.3 km	21.3 km	0 km	21.3 km	21.3 km	21.3 km	
Total length of shared paths	Not available	71.4 km	71.4 km	0 km	71.4 km	71.4 km	71.4 km	

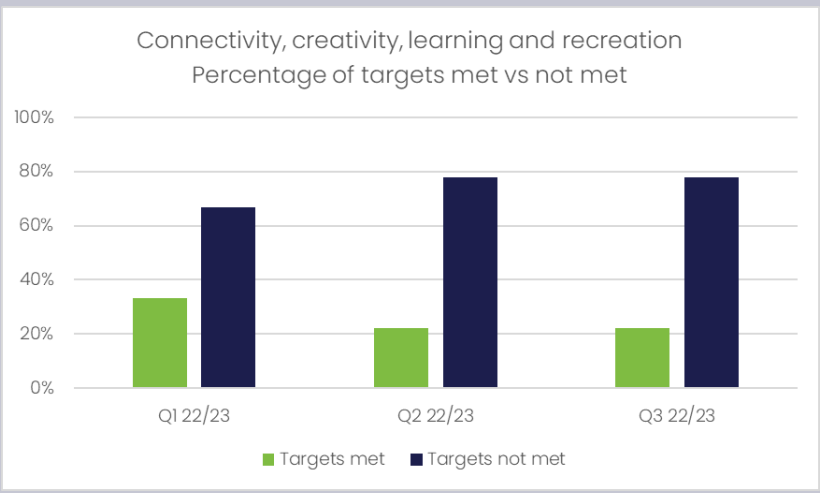
# Connectivity, creativity, learning and recreation

Connectivity, creativity, learning and recreation  
Targets met vs not met  
Q3 22/23

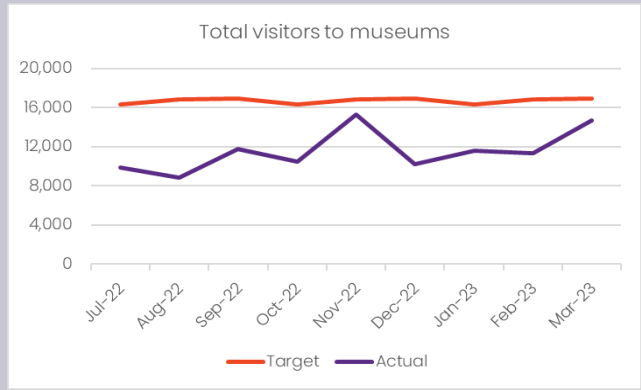
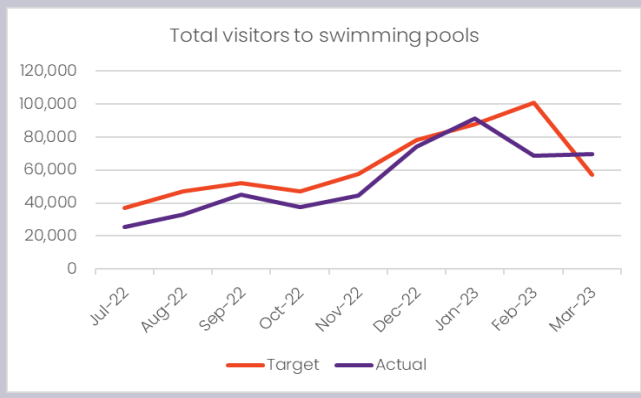
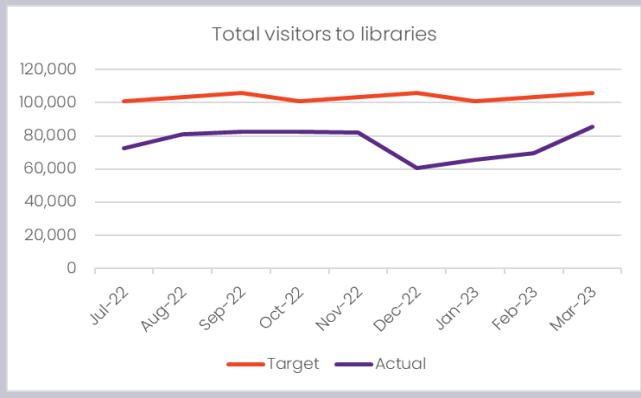


Note: chart above does not include contributory measures (\*)

## Trends



Note: chart above does not include contributory measures (\*)



# Connectivity, creativity, learning and recreation

Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Number of libraries that met visitor number targets	1 of 7	2 of 8	8 of 8	-6 of 8	1 of 8	8 of 8	8 of 8	Visitor numbers are slowly trending up post Covid-19 restrictions.
Number of physical loans from libraries	712,932	144,506	≥197,500	-52,994	433,381	≥592,500	≤790,000	Customers staying away due to the 'Covid-19 effect'. A sales drive and post Covid-19 reset are needed.
Number of physical loans from libraries via the home delivery service	4,390	1,085	≥1,253	-168	3,738	≥3,759	≤5,012	Target not met by small margin. Set up at the new library site in Maungaraki ran into issues which are being resolved.
Number of electronic loans from libraries	115,321	29,770	≥25,848	3,922	91,073	≥77,544	≥103,392	
Number of people using the wifi at libraries and community hubs	233,944	56,827	≥73,350	-16,523	181,933	≥220,050	≥293,400	Monthly numbers starting to return to normal. Cumulative target not met due to low numbers earlier in the year.
Use of council computers at libraries and community hubs	52,412	16,450	≥18,750	-2,300	46,005	≥56,250	75,000	Usage is increasing as the new computer access system is settled in.
Number of pools that met visitor number targets	0 of 5	2 of 5	5 of 5	-3 of 5	1 of 5	5 of 5	5 of 5	Target not met due to the time taken to return to pre-Covid-19 numbers. Poor weather in February and March also had an impact.
Number of fitness suite members	1,232	1,646	≥1,400	246	1,528	≥1,400	≥1,400	
Number of museums that met visitor number targets	0 of 2	1 of 2	2 of 2	-1 of 2	1 of 2	2 of 2	2 of 2	Visitation down due to Dowse gallery closures (7 of 9) for over 5 weeks and lack of venue offerings.

# Connectivity, creativity, learning and recreation

\* Items are contributory measures to the Annual Plan KPIs, included to provide CLT with visibility of location based results

Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
* Total number of visitors to libraries	666,408	220,476	≥310,000	-89,524	681,241	≥930,000	≥1,240,000	All but two sites closed over New Year which impacted visitor numbers. Met 73% of target in Q2 and 71% in Q3.
* Number of visitors to Eastbourne Community Library	52,388	15,347	≥16,962	-1,615	46,236	≥50,886	≥67,849	Visitor numbers are slowly trending up post Covid-19 restrictions. Met 87% of target in Q2 and 86% in Q3.
* Number of visitors to Wainuiomata Community Library	138,771	44,706	≥51,000	-6,294	126,987	≥153,000	≥204,000	Visitor numbers are slowly trending up post Covid-19 restrictions. Met 77% of target in Q2 and 86% in Q3.
* Number of visitors to Moera Community Library	18,771	8,100	≥8,913	-813	21,296	≥26,739	≥35,650	Visitor numbers are slowly trending up post Covid-19 restrictions. Met 71% of target in Q2 and 90% in Q3.
* Number of visitors to Petone Community Library	111,440	35,059	≥32,263	2,796	107,244	≥96,789	≥129,050	
* Number of visitors to Taita Community Library	83,339	25,262	≥65,788	-40,526	90,059	≥197,364	≥263,150	Visitor numbers are slowly trending up post Covid-19 restrictions. Met 48% of target in Q2 and 38% in Q3.
* Number of visitors to Naenae Community Library	69,795	23,816	≥32,263	-8,447	52,496	≥96,789	≥129,050	Visitor numbers are slowly trending up post Covid-19 restrictions. Met 43% of target in Q2 and 74% in Q3.
* Number of visitors to War Memorial Library	191,904	68,186	≥83,863	-15,677	236,923	≥251,589	≥335,450	Visitor numbers are slowly trending up post Covid-19 restrictions. Met 99% of target in Q2 and 81% in Q3.
* Number of visitors to Maungaraki Library	N/A	1,775	N/A	N/A	1,775	N/A	N/A	Data is for the last week of March 2023, when the library opened. Targets have not been set yet.

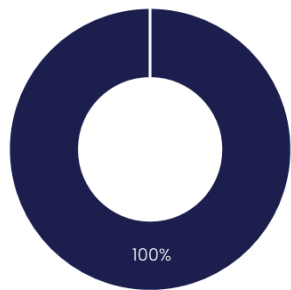
# Connectivity, creativity, learning and recreation

\* Items are contributory measures to the Annual Plan KPIs, included to provide CLT with visibility of location based results

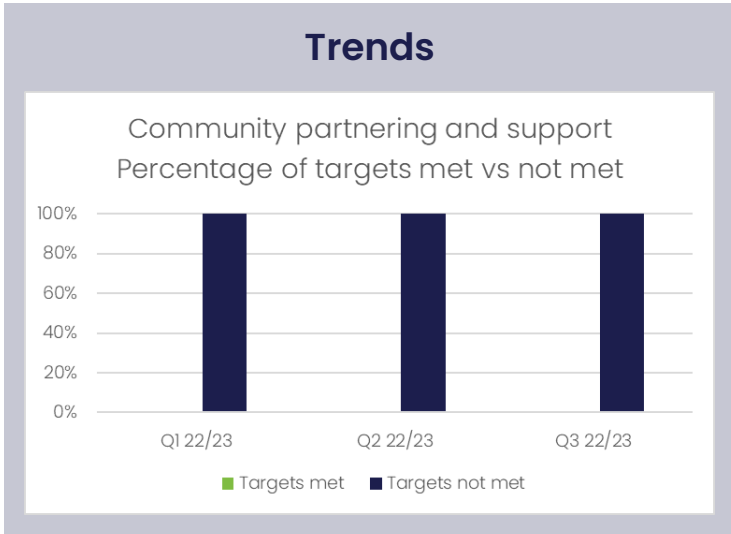
Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
* Total number of visitors to council swimming pools	490,857	229,860	≥246,000	-16,140	490,011	≥564,500	≥702,500	Summer pools were quieter than expected due to the weather, but all pools have improved on the same time last year.
* Number of visits to Stokes Valley Pool	66,794	28,623	≥29,000	-377	72,672	≥72,500	≥90,500	
* Number of visits to Huia Pool	348,611	129,121	≥135,000	-5,879	317,163	≥380,000	≥500,000	10,000 more visitors in February than at the same time last year. Cumulative numbers missing target due to Covid-19 impacts at the start of the year.
* Number of visits to Eastbourne Summer Pool	13,360	12,391	≥13,120	-729	17,344	≥17,920	≥17,920	Rain on weekends in February impacted visitor numbers. Pool was open for 5 days in March before closing.
* Number of visits to McKenzie Summer Pool	21,083	24,658	≥22,960	1,698	33,106	≥31,360	≥31,360	
* Number of visits to Wainuiomata Summer Pool	41,009	35,067	≥45,920	-10,853	49,726	≥62,720	≥62,720	Rain in February and March impacted visitor numbers, however, there were 2,000 more visitors compared to February 2022. Pool closed in the second week of March.
* Total number of visitors to Council museums	125,180	37,653	≥50,000	-12,347	104,025	≥150,000	≥200,000	January and February numbers down due to Covid-19 impacts. Dowse closed for 8 days in January to replace front deck. March numbers down due to Dowse closures and lack of venue offerings.
* Number of visitors to the Dowse Museum	116,605	34,270	≥47,500	-13,230	94,204	≥142,500	≥190,000	January and February visitations down due to Covid-19. 7 of 9 galleries closed in March for Collections Project/Exhibition. Largest function centre is being used by Collections team and unavailable for hire.
* Number of visitors to the Petone Settlers Museum	8,575	3,383	≥2,500	883	9,821	≥7,500	≥10,000	

# Community partnering and support

Community partnering and support  
Targets met vs not met  
Q3 22/23



■ Targets met ■ Targets not met



Note: charts do not include contributory measures (\*)

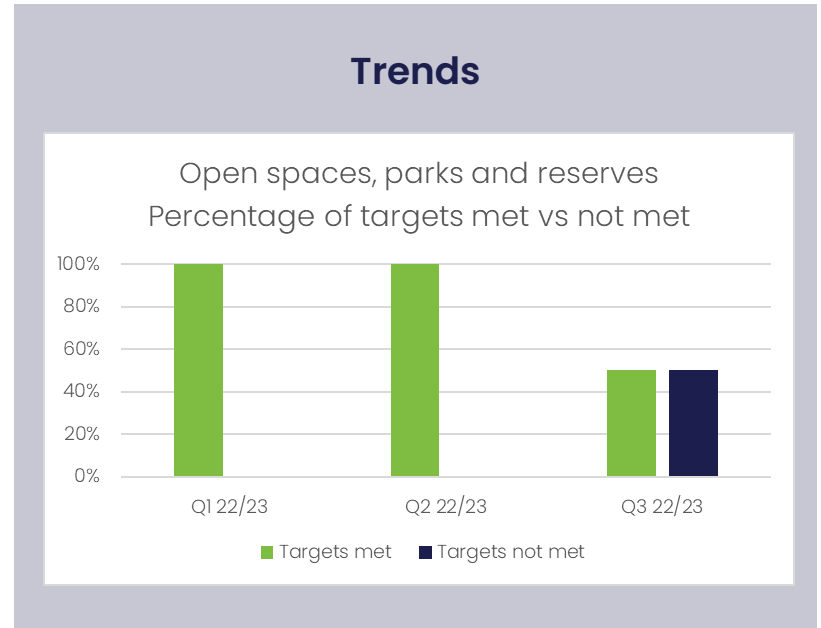
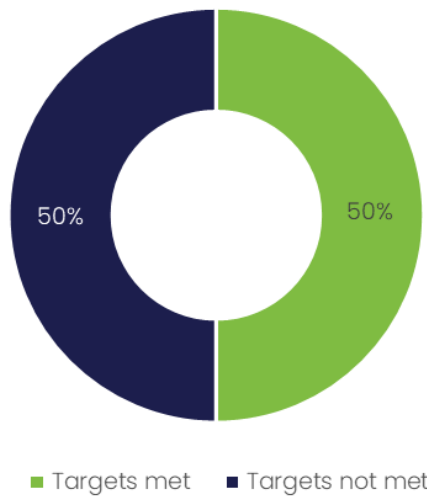
Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Number of hubs that met visitor number targets	0 of 3	0 of 3	3 of 3	-3 of 3	0 of 3	3 of 3	3 of 3	Hubs closed over New Year and many groups do not meet in January. Wainuiomata hub target unattainable which impacts results.
* Total number of visitors to community hubs	753,772	203,292	≥325,000	-121,708	665,172	≥975,000	≥1,300,000	Hubs closed over New Year and many groups do not meet in January. Wainuiomata hub target unattainable which impacts results
* Number of visits to Walter Nash (excluding Library)	466,762	155,282	≥187,500	-32,218	504,675	≥562,500	≥750,000	Visitor numbers slowly trending up post Covid-19 restrictions.
* Number of visits to Wainuiomata Community Hub (excluding Library)	174,140	12,339	≥75,000	-62,661	47,730	≥225,000	≥300,000	Visitor numbers slowly trending up post Covid-19 restrictions. Target unattainable.
* Number of visits to Korounui Stokes Valley Community Hub (including Library)	112,870	35,671	≥62,500	-26,829	112,767	≥187,500	≥250,000	Visitor numbers slowly trending up post Covid-19 restrictions.

\* Items are contributory measures to the Annual Plan KPIs, included to provide CLT with visibility of location based results



# Open spaces, parks and reserves

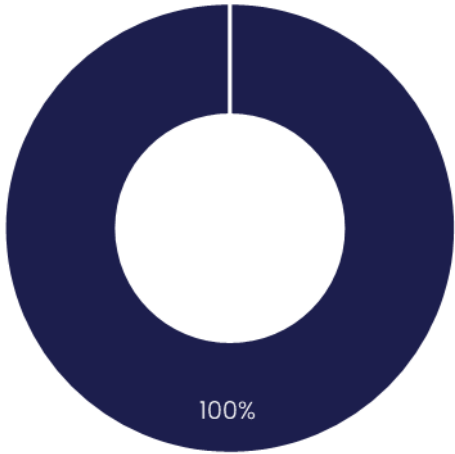
Open spaces, parks and reserves  
Targets met vs not met - Q3 22/23



Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Number of days council grass sport fields are closed (due to maintenance or drainage issues)	15 days	3 days	≤5 days	-2 days	6 days	≤15 days	≤20 days	
Number of days council owned/maintained artificial turf sports fields are closed (due to maintenance or drainage issues)	0 days	3 days	≤2.5 days	0.5 days	3 days	≤7.5 days	≤10 days	Sports fields were closed on 14 <sup>th</sup> - 16 <sup>th</sup> February due to the cyclone Gabrielle. Hutt Rec artificial was also closed

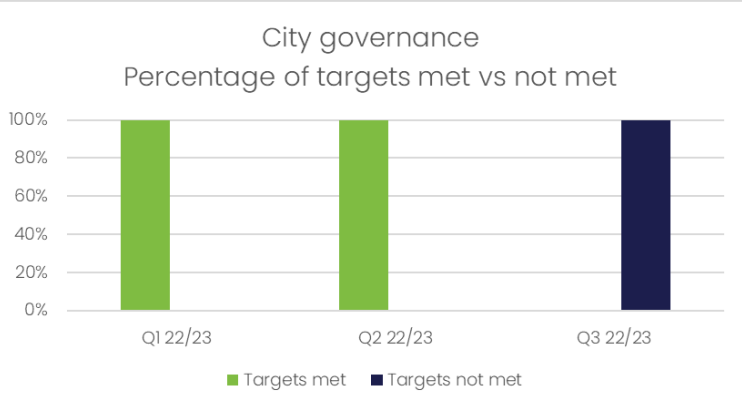
# City governance

City governance  
Targets met vs not met  
Q3 22/23



■ Targets met ■ Targets not met

## Trends



Indicator	21/22 Year End Actual	Q3 22/23 Actual	Q3 22/23 Target	Variance on target for Q3	YTD Actual	YTD Target	22/23 Target	Commentary
Meeting and committee agendas made available to the public within statutory time frames	100%	97%	100%	-3%	99%	100%	100%	Three agendas were published approximately 30 minutes after the deadline of 5pm due to content arriving late and technical issues experienced from the merging of Infocouncil and SharePoint.

Section five

# Financial summary

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

# Financial performance

## Operating performance results

The year-end forecast net operating result including rates is \$8.4M (21.7%) favourable compared to revised budget.

Key favourable variances are:

\$2.8M in Solid Waste mainly due to additional revenue

\$4.4M in City Development mainly due rephasing (Development Stimulus project and RiverLink)

\$2.2M in Corporate Services mainly due to Go Digital Programme rephasing

\$2.6M reduction in depreciation.

Key unfavourable variances are :

\$3.1M in Regulatory Services due to increased costs and lower forecast revenue.

## Capital investment performance results

Year to date capital spend is \$95.4M. This is 57% of the full year forecast of \$168.1M (compared to a revised budget of \$198.3M).

Key variances are summarised below and are largely due to project delivery delays for a range of reasons:

\$21.4M – Transport mainly Tupua Horo Nuku, Cross Valley Connections, Cycling Micromobility Programme and Area Wide Pavement Treatment

\$2.7M – Silverstream Landfill transfer station and Asbestos Cell,

\$1.6M – Urban Growth Strategy Improvements (Wise Street development),

\$1.4M – Petone Library renewal,

\$1.6M – Parks Building renewals,

\$5.1M – Naenae Pool rebuild.

## Detail financial performance results to 31 March 2023

\$Million	YTD Actual	YTD Budget	Variance	%		Year-end Forecast	Revised Budget	Variance	%		Annual Plan Budget
Operating Revenue	57.0	49.7	7.3	14.7%	●	73.2	66.2	7.0	10.6%	●	62.6
Operating Expenditure	(175.3)	(183.5)	8.2	4.5%	●	(243.7)	(244.5)	0.8	0.3%	●	(237.5)
<b>Net Operating Before Rates Income</b>	<b>(118.3)</b>	<b>(133.8)</b>	<b>15.5</b>	<b>11.6%</b>	●	<b>(170.5)</b>	<b>(178.3)</b>	<b>7.8</b>	<b>4.4%</b>	●	<b>(174.9)</b>
Rates Income	140.3	139.6	0.7	0.5%	●	140.2	139.6	0.6	0.4%	●	139.6
<b>Net Operating</b>	<b>22.0</b>	<b>5.8</b>	<b>16.2</b>	<b>279.3%</b>	●	<b>(30.3)</b>	<b>(38.7)</b>	<b>8.4</b>	<b>21.7%</b>	●	<b>(35.3)</b>
Capital Contributions	17.9	35.8	(17.9)		●	30.2	47.5	(17.3)		●	51.2
<b>Net Surplus/(Deficit)</b>	<b>39.9</b>	<b>41.6</b>	<b>(1.7)</b>			<b>(0.1)</b>	<b>8.8</b>	<b>(8.9)</b>			<b>15.9</b>
Other Adjustments*	2.1	-	2.1			-	-	-			-
<b>Net Surplus/(Deficit) After Gains/(Losses)</b>	<b>42.0</b>	<b>41.6</b>	<b>0.4</b>			<b>(0.1)</b>	<b>8.8</b>	<b>(8.9)</b>			<b>15.9</b>

Key: ● Favourable or minimal variance  
 ● Moderate variance  
 ● High variance

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

# Net operating results

Net operating results by activity  
(excludes rates income, internal rates, support costs and capital contributions)

\$Million	YTD Actual	YTD Budget	Variance	%		Year-end Forecast	Revised Budget	Variance	%		Annual Plan Budget
<b>Environmental Wellbeing</b>											
Water Supply	(15.5)	(15.4)	(0.1)	(0.6%)	●	(21.0)	(20.6)	(0.4)	(1.9%)	●	(20.6)
Wastewater	(15.5)	(17.5)	2.0	11.4%	●	(21.9)	(23.2)	1.3	5.6%	●	(23.2)
Stormwater	(7.1)	(6.9)	(0.2)	(2.9%)	●	(9.2)	(9.1)	(0.1)	(1.1%)	●	(9.1)
Solid Waste	2.0	(1.1)	3.1	281.8%	●	1.3	(1.5)	2.8	186.7%	●	(1.5)
Sustainability & Resilience	(1.4)	(1.0)	(0.4)	(40.0%)	●	(1.8)	(1.4)	(0.4)	(28.6%)	●	(1.4)
Regulatory Services	(2.4)	(1.1)	(1.3)	(118.2%)	●	(4.4)	(1.3)	(3.1)	(238%)	●	(0.9)
<b>Environmental Wellbeing</b>	<b>(39.9)</b>	<b>(43.0)</b>	<b>3.1</b>	<b>7.2%</b>	<b>●</b>	<b>(57.0)</b>	<b>(57.1)</b>	<b>0.1</b>	<b>0.2%</b>	<b>●</b>	<b>(56.6)</b>
<b>Economic Wellbeing</b>											
Transport	(18.8)	(20.7)	1.9	9.2%	●	(27.3)	(27.6)	0.3	1.1%	●	(24.8)
City Development	(6.9)	(12.8)	5.9	46.1%	●	(12.7)	(17.1)	4.4	25.7%	●	(16.6)
<b>Economic Wellbeing</b>	<b>(25.7)</b>	<b>(33.5)</b>	<b>7.8</b>	<b>23.3%</b>	<b>●</b>	<b>(40.0)</b>	<b>(44.7)</b>	<b>4.7</b>	<b>10.5%</b>	<b>●</b>	<b>(41.4)</b>

Key:

- Favourable or minimal variance
- Moderate variance
- High variance

# Net operating results continued

Net operating results by activity  
(excludes rates income, internal rates, support costs and capital contributions)

\$Million	YTD Actual	YTD Budget	Variance	%		Year-end Forecast	Revised Budget	Variance	%		Annual Plan Budget
<b>Social &amp; Cultural Wellbeing</b>											
Community Partnering & Support	(5.8)	(6.9)	1.1	15.9%	●	(8.5)	(9.1)	0.6	6.6%	●	(8.6)
Open Spaces, Parks & Reserves	(11.2)	(12.7)	1.5	11.8%	●	(16.5)	(17.0)	0.5	2.9%	●	(17.5)
Connectivity, Creativity, Learning & Recreation	(12.7)	(13.0)	0.3	2.3%	●	(17.6)	(17.4)	(0.2)	(1.1%)	●	(17.4)
Governance Strategy & Partnerships	(2.4)	(2.5)	0.1	4.0%	●	(3.4)	(3.3)	(0.1)	(3.0%)	●	(3.3)
Corporate Services	(20.4)	(22.2)	1.8	8.1%	●	(27.7)	(29.9)	2.2	7.4%	●	(30.2)
<b>Social &amp; Cultural Wellbeing</b>	<b>(52.5)</b>	<b>(57.3)</b>	<b>4.8</b>	<b>8.4%</b>	<b>●</b>	<b>(73.7)</b>	<b>(76.7)</b>	<b>3.0</b>	<b>3.9%</b>	<b>●</b>	<b>(76.9)</b>
<b>Totals</b>	<b>(118.3)</b>	<b>(133.8)</b>	<b>15.5</b>	<b>11.6%</b>	<b>●</b>	<b>(170.5)</b>	<b>(178.3)</b>	<b>7.8</b>	<b>4.4%</b>	<b>●</b>	<b>(174.9)</b>

Key:

- Favourable or minimal variance
- Moderate variance
- High variance

# Net operating results

(before rates income and capital contributions)

**Year-end actual compared to revised budget is favourable by \$7.8M (4.4%)**

## Key variance explanations:

### Favourable

- Three Waters is forecast to be \$0.8M favourable to budget at year end, mainly due to a forecast reduction in depreciation costs of \$0.9M, higher subsidies and user charges of \$0.3M, offset by higher costs of \$0.5M due to increased leak detection and increased cost of contractors providing leak repair service as a result of the ageing infrastructure.
- Solid Waste is forecast to be \$2.8M favourable to budget at year end, mainly due to additional revenue from increased commercial volumes expected at Silverstream Landfill \$6.5M offset by an increase in related processing costs \$2.3M and an increase in the waste levy charge \$1.4M.
- Transport is forecast to be \$0.4M favourable to budget at year end, mainly due to a reduction in depreciation costs of \$1.3M, and higher fees and user charges \$0.4M which is offset by higher repairs and maintenance cost \$0.9M, contracted service cost \$0.2M and other miscellaneous cost \$0.1M.
- City Development is forecast to be \$4.4M favourable to budget at year end, mainly due to delays in RiverLink demolition works \$3M (as the project is in the process of scoping the work and it is now expected that this will be carried out in 2023/24) and due to development stimulus project being underspent by \$2.4M (with \$0.9m in savings from some remissions not proceeding and \$1.4m related to delays in the timing of development projects covered by remission agreements which is likely to be carried over to 2023/24). This is offset by higher resourcing costs \$1.4M largely for subdivision engineering work.
- Community Partnering & Support is forecast to be \$0.7M favourable to budget at year end, mainly due to \$0.5M grants unable to be paid by year end, likely to be carried over and \$0.2M of operational savings.
- Open Parks, Spaces & Reserves is forecast to be \$0.5M favourable to budget at year end, mainly due to \$0.4M less depreciation.
- Corporate Services is forecast to be \$2.2M favourable to budget at year end, mainly due to changes in the timing of the Go Digital programme \$2.4M which is likely to be carried over to 2023/24. This is offset by operating cost increases of \$0.2M.



# Net operating results continued

(before rates income and capital contributions)

## Unfavourable

- Sustainability & Resilience is forecast to be \$0.4M unfavourable to budget at year end, mainly due to increased costs relating to emergency management and carbon reduction initiatives.
- Regulatory Services is forecast to be \$3.1M unfavourable to budget at year end, mainly due \$2.4M higher resourcing costs to aid in processing the backlog of consent applications received, some of which is recoverable. There is also a reduction in revenue of \$0.6M largely due to a downturn in consent applications.
- Connectivity Creativity Learning & Recreation is forecast to be \$0.2M unfavourable to budget at year end, mainly due to multiple minor operating variances.
- Governance, Strategy & Partnerships is forecast to be \$0.1M unfavourable to budget at year end mainly due to increased operating costs within Democratic services.

## Depreciation:

- The asset revaluation across council resulted in a lower increase to the value of HCC assets than anticipated. The estimated increase was between 5% – 10%, but the actual increase was closer to 3%. Due to the lower asset base, depreciation costs are forecast to reduce. The significant reductions in depreciation are:
  - Transport – \$1.3M
  - Three Waters – \$0.9M
  - Open Parks, Spaces & Reserves – \$0.4M

## Rates Income

- Rates income is forecast to be \$0.6M higher than budget mainly due to greater than expected growth in the rating base.

## Capital Contributions

- Capital contributions are forecast to be under budget by \$17.3M mainly due to \$15.4M reduced capital subsidies and grants for Transport projects delayed, \$8.1M delayed Crown Infrastructure Partners(CIP) funding at Naenae Pool caused by milestone rephasing offset by \$3.4M increase in Reserve Contributions, and \$2.1M Three Waters Development Contributions and Vested assets, and \$0.8M increase in RiverLink Capital subsidies.

# Capital investment results

## Capital results by activity

\$Million	YTD Actual	YTD Budget	Variance	%	Year-end Forecast	Revised Budget	Variance	%	Annual Plan Budget
<b>Environmental Wellbeing</b>									
Water Supply	10.1	9.4	(0.7)	(7.4%)	15.6	12.5	(3.1)	(24.8%)	9.2
Wastewater	33.8	34.2	0.4	1.2%	48.4	45.8	(2.6)	(5.7%)	29.2
Stormwater	1.8	2.8	1.0	35.7%	3.3	3.7	0.4	10.8%	3.4
Solid Waste	2.9	5.8	2.9	50.0%	5.0	7.7	2.7	35.1%	7.7
Sustainability & Resilience	0.2	0.6	0.4	66.7%	1.0	0.9	0.1	11.1%	0.6
Regulatory Services	-	-	-		-	-	-		-
<b>Environmental Wellbeing</b>	<b>48.8</b>	<b>52.8</b>	<b>4.0</b>	<b>7.6%</b>	<b>73.3</b>	<b>70.6</b>	<b>(2.7)</b>	<b>(3.8%)</b>	<b>50.1</b>
<b>Economic Wellbeing</b>									
Transport	9.7	35.9	26.2	73.0%	26.0	27.4	21.4	45.1%	52.3
City Development	9.9	15.8	5.9	37.3%	22.1	21.0	(1.1)	(5.2%)	25.7
<b>Economic Wellbeing</b>	<b>19.6</b>	<b>51.7</b>	<b>32.1</b>	<b>62.1%</b>	<b>48.1</b>	<b>68.4</b>	<b>20.3</b>	<b>29.7%</b>	<b>78.0</b>

# Capital investment results continued

## Capital results by activity

\$Million	YTD Actual	YTD Budget	Variance	%	Year-end Forecast	Revised Budget	Variance	%	Annual Plan Budget
Social & Cultural Wellbeing									
Community Partnering & Support	0.4	1.7	1.3	76.5%	1.0	2.2	1.2	54.5%	1.5
Open Spaces, Parks & Reserves	2.8	6.2	3.4	54.8%	5.1	8.2	3.1	37.8%	8.2
Connectivity, Creativity, Learning & Recreation	22.7	34.6	11.9	34.4%	38.7	46.3	7.6	16.4%	35.5
Governance Strategy & Partnerships	-	-	-		-	-	-		-
Corporate Services	1.2	2.0	0.8	40.0%	2.0	2.6	0.6	23.1%	4.2
Social & Cultural Wellbeing	27.1	44.5	17.4	39.1%	46.8	59.3	12.5	21.1%	49.4
<b>Totals</b>	<b>95.4</b>	<b>148.9</b>	<b>53.5</b>	<b>35.9%</b>	<b>168.1</b>	<b>198.3</b>	<b>30.1</b>	<b>15.2%</b>	<b>177.5</b>

## 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.

\$Million	YTD Actual	YTD Budget	Variance	%	Year-end Forecast	Revised Budget	Variance	%	Annual Plan Budget
Replacements	45.2	53.8	8.6	16.0%	68.3	71.5	3.2	4.8%	54.4
Improvements	49.9	89.9	39.9	44.4%	99.0	119.8	20.9	17.5%	116.5
Growth	0.2	5.2	5.0	96.2%	0.8	6.9	6.1	88.4%	6.6
<b>Totals</b>	<b>95.4</b>	<b>148.9</b>	<b>53.5</b>	<b>35.9%</b>	<b>168.1</b>	<b>198.3</b>	<b>30.1</b>	<b>15.2%</b>	<b>177.5</b>

# Capital results

## Year-end capital spend is forecast to be under budget by \$30.1M (15.2%)

### Underspend

- Solid Waste is forecast to be underspent by \$2.7M at year end, mainly due to delays to the Silverstream Landfill transfer station and the Asbestos Cell project. These unspent budgets projects will be carried over to complete the work in 2023/24.
- Transport is forecast to be underspent by \$21.4M at year end, mainly due to the delays with Tupua Horo Nuku \$10M, Cross Valley Connection \$3.7M, Cycling Micromobility Programme \$3.1M and Area wide Pavement Treatment \$2.3M, Pavement Surfacing \$1.4M, Streets for people program \$0.4M and Network Resilience (Eastern Hutt Road). Most of this is expected to be carried over to 2023/24.
- Community Partnering & Support is forecast to be underspent by \$1.2M at year end, mainly due to the condition of the Walter Nash roof being in better condition than expected, resulting in savings of \$0.7M and underspend in the Community Panel fund of \$0.3M.
- Parks & Reserves is forecast to be underspent by \$3.1M at year end, mainly due delays in Parks Capital Renewals \$1.6M, Valley Floor Implementation Review \$0.4M and other Park Improvement projects of \$1.1M. Carryovers of \$2.1M are signalled for these projects with \$1M as an expected saving in Parks Capital Renewals.
- Connectivity, Creativity, Learning & Recreation is forecast to be underspent by \$7.6M at year end, mainly due to a change in the workplan of the Naenae Pool and Fitness Centre rebuild \$5.1M. Overall Project costs and completion date remains unchanged. Petone Library Renewal of \$1.5M & Stokes Valley pool roof replacement of \$0.7M are now scheduled for completion in 2023/24. All projects are proposed to be rephased.
- Corporate Services is forecast to be underspent by \$0.6M mainly due to a reduction in Activity-Based Working project plan to offset council wide cost escalations as part of the Annual Plan 2023-24 process.

# Capital results continued

## Overspend

- Three Waters is forecast to be over budget by \$5.3M. This is comprised of:
  - \$5M increase in Wellington Water Ltd spend relating to Barber Grove to Seaview works and Howard Road Watermain renewals.
  - \$1.8M of unplanned water infrastructure renewals associated with Queen Street Wainuiomata, Tupua Horo Nuku and Gracefeild subdivision development.
  - Offset by \$1.5M reduced spend in Valley Floor projects expected to be carried over to next year.

The total forecast in the Three Waters activities is \$67.3M compared to a revised budget of \$62M. This revised budget includes an additional \$19.3M which was approved in February 2023.

Further detailed Three Waters reporting will be presented to the 19 May 2023 Long-Term Plan/Annual Plan Subcommittee.

- City Development is forecast to be over budget by \$1.1M at year end, mainly due to the increase RiverLink capital expenditure due to increase in initial phase of Alliance costs \$2.6M which is offset by delay of the Urban Growth Strategy Improvements (Wise Street Development) \$1.5M and will be carried over to 2023-24.

# Annual Plan vs Revised Budget

The Long Term Plan 2021–2031 was approved by Council on 30 June 2021. The budgets included in the 2022/23 Annual Plan were based on the latest financial information and estimates available at the time of preparation of the Annual Plan, which was approved by Council on 30 June 2022.

A revised budget for 2022/23 was created to reflect the budget updates required to improve the accuracy of budgets and the associated reporting of variances. Like 2021/22, the focus of performance monitoring is on financial results compared to the revised budget, as this is the most meaningful from a performance perspective.

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

\$Million	Net Surplus 2022/23	Capital investment 2022/23	Meeting date reference
<b>Annual Plan 2022/23</b>	15.9 Surplus	177.5	
Resource Consents Statutory Timeframes Improvement	(0.5)	0.0	
Carry overs from 2021/22 including the Development Stimulus fund and Naenae Pool & Fitness rebuild etc.	(1.2)	1.7	Council meeting 22 Nov 2022
Budget adjustment related to Eastern Hutt Road slip response	(2.7)	0.0	Council meeting 22 Nov 2022
Rephasing including Naenae Pool rebuild, Eastern Hutt Road network resilience, Petone Wharf etc.	(1.8)	0.7	Council meeting 20 Dec 2022
Budget adjustment including removal of the Activity Based Working project, and adjustment to the Valley Floor Three Waters project etc.	(1.0)	(0.3)	Council meeting 20 Dec 2022
Budget adjustments for the reduction of the Eastern Hutt Road capital subsidy and the increase of the Micromobility capital subsidy	(0.2)		Council meeting 23 Feb 2023
Budget adjustments approved at 23 February meeting of Council for an increase in the Three Waters revised budgets to reflect the forecast		19.3	Council meeting 23 Feb 2023
Budget adjustment deferral of Dowse Heat Pump projects moved to 2023/24		(0.6)	Council meeting 23 Feb 2023
Budget adjustment deferral of Petone Wharf demolition costs deferred to later years	0.2		Council meeting 23 Feb 2023
<b>Revised budget 2022/23</b>	<b>8.8 Surplus</b>	<b>198.3</b>	

# Balanced Budget

The Long Term Plan 2021-2031 (LTP) includes a financial strategy that outlines important principles that provide the foundation for prudent sustainable financial management. Included here is achieving a balanced 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 forecast variances as reported above, the forecast balanced budget position for 2022/23 has been changed compared to what was in the 2022/23 Annual Plan, as reflected in the table below.

\$Millions	Year end forecast	Revised Budget	Variance	Annual Plan Budget
Balanced budget (projected deficit)	(26.6)	(33.0)	6.4	(29.3)

Section six

# Treasury management summary

This summary from Treasury 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 management summary

## Treasury management activity focus

- Managing interest rate risk and minimising funding costs
- Monitoring cash flow and liquidity
- Managing debt requirements and the maturity profile

## Key highlights to 31 March 2023

- A review of our Treasury Risk Management Policy was completed in conjunction with our Treasury Advisors. Council approved the updated policy on 28 March 2023.
- An average cost of funds of 3.4% has been achieved year-to-date, which is slightly lower than budget. However, this average has risen from 2.9% in June 2022 as a result of market conditions. We are closely monitoring the projected cost of funds in conjunction with our Treasury advisors.
- Interest costs are lower to date than budget by \$0.34M, mainly due to slightly lower than anticipated debt levels during the period.
- Interest earned on cash holdings is favourable to budget by \$0.04M, primarily due to higher cash holdings from pre-funding activities and higher than anticipated market interest rates.

## Debt portfolio performance

- Net debt increased from \$247.8M (31 December 2022) to \$277.8M as at 31 March 2023, whilst gross debt increased from \$301.4M to \$346.4M over the same period.
- We completed \$45M of debt issuance in the three months to 31 March 2023:
  - \$10M maturing February 2025 for on-lending to Urban Plus Limited
  - A \$15M Green, Social and Sustainability Loan (GSS) for the Naenae Pool Rebuild project maturing September 2029
  - \$20M maturing Sep 2027 to fund Council's capital investment programme
- No debt matured during the period to 31 March 2023.

## Debt portfolio performance

- On 30 Mar 2023 LGFA approved Council as a Climate Action Loan (“CAL”) issuer for all new debt issuance going forward that is not categorised as a GSS loan. The benefit to Council is a 0.02% per annum rate discount on each debt issue. We qualified for this LGFA initiative as we have an Interim Carbon Reduction and Climate Resilience Plan (2021-2031) in place.
  - The 0.02%, LGFA (\$35M) and Westpac (\$10M), remained undrawn as at 31 March 2023.
  - discounted is designed to encourage NZ Councils to consider Carbon Reduction and Climate impacts for the work/projects that we seek funding for.
- Both revolving credit facilities, LGFA (\$35M) and Westpac (\$10M), remained undrawn as at 31 March 2023.

	Actual YTD	YTD Budget	Variance
Average cost of funds	3.39%	3.53%	(0.14%)
Interest expense – borrowings	(\$7.62M)	(\$7.96M)	\$0.34M
Interest earned	\$1.1M	\$1.06M	(\$0.04M)
Fair value <i>gain</i> on derivatives	\$2.07M	-	-

The 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.

The fair value gain of the swap portfolio (derivatives) year-to-date, as at 31 March 2023, was \$2.07M. This is an accounting adjustment required to be recorded and there are no cash flow implications.

## Policy compliance

Measures	Policy	Actual 31 March 2023	Compliant
Net external debt/total revenue	Maximum 250%	129.10%	Yes
Net interest on external debt/total revenue	Maximum 10%	3.22%	Yes
Net interest to annual rates income	Maximum 20%	4.65%	Yes
Liquidity ratio	Minimum 110%	118.61%	Yes

# Funding risk control limits

Period	Minimum %	Maximum %	Actual gross debt Not including Revolving Credit Facility (\$45M)	Actual % 31 March 2023	Compliant
0 to 3 years	15%	60%	\$155.7M	45%	Yes
3 to 7 years	25%	80%	\$160.7M	46%	Yes
7 years plus	0%	60%	\$30M	9%	Yes
		<b>Total</b>	<b>\$346.4M</b>	<b>100%</b>	

# Funding maturity profile

Month

March 2023

Currency

NZD

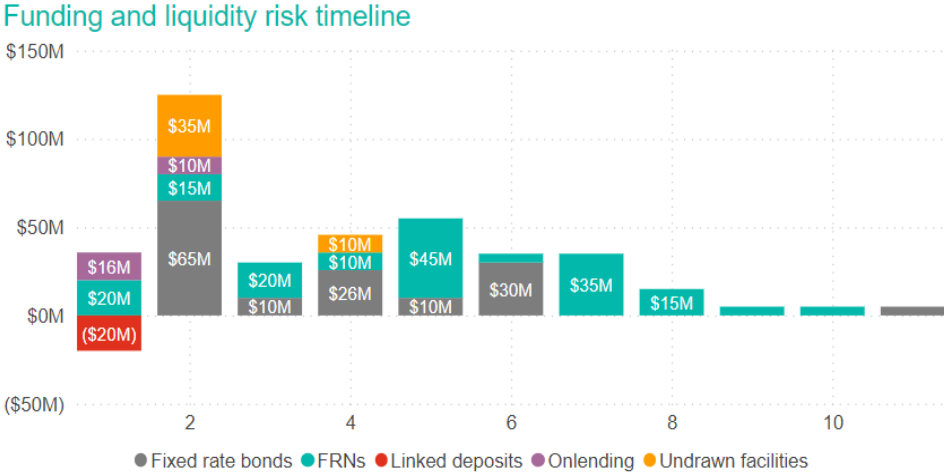
## Liquidity summary

118.61%

Liquidity ratio (liquid deposits)

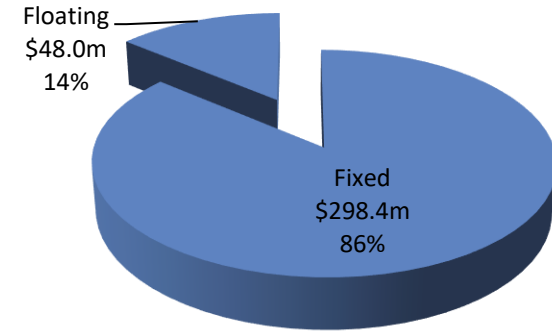
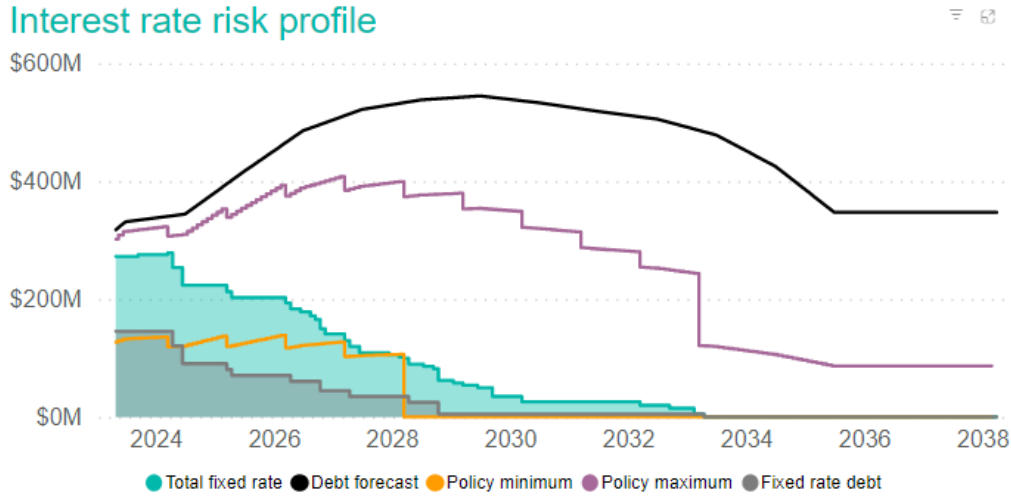
110%

Liquidity ratio policy



## Interest rate risk control limits

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



After overlaying interest rate swaps, the split between fixed and floating debt is shown above