



KOMITI ITI AHUMONI I TŪRARU | AUDIT AND RISK SUBCOMMITTEE

18 June 2024

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

Tuesday 25 June 2024 commencing at 2:00 pm

This Meeting will be livestreamed on Council's Youtube page

Membership

Suzanne Tindal (Independent Chair)

Mayor C Barry (Deputy Chair)

Cr S Edwards

Cr J Briggs

Cr K Morgan

Cr T Stallinger

For the dates and times of Council Meetings please visit www.huttcity.govt.nz

Have your say

[You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting.](#)

[Please let us know by noon the working day before the meeting. You can do this by emailing](#)

DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800

HUTT CITY

KOMITI ITI AHUMONI I TŪRARU | AUDIT AND RISK SUBCOMMITTEE

Chair:	Independent Chair Sue Tindal
Deputy Chair:	Mayor Campbell Barry
Membership: <p>Komiti Iti Ahumoni i Tūraru Audit and Risk Subcommittee members should be appointed so that the subcommittee has a diversity of governance skills, experiences and personal qualities. Between them, the members should bring a mix of the following attributes:</p> <ol style="list-style-type: none"> 1. Broad governance experience; 2. Familiarity with risk management disciplines; 3. Understanding of internal control and assurance frameworks; 4. An understanding of financial and non-financial performance reporting; 5. A good understanding of the roles of internal and external audit; and 6. A sound understanding of the local government sector. <p>Use of the matrix below has assisted other councils to consider the best fit for membership of an Komiti Iti Ahumoni i Tūraru Audit and Risk Committee.</p>	Cr Glenda Barratt Cr Josh Briggs Cr Karen Morgan Cr Tony Stallinger
Quorum:	Half of the membership
Meeting Cycle:	Meets on an eight-weekly basis or as required
Reports to:	Council

AREAS OF FOCUS:

The subcommittee's areas of focus are:

- Oversight of risk management and assurance across the Council Group with respect to risk that is significant
- Internal and external audit and assurance
- Health, safety and wellbeing
- Business continuity and resilience
- Integrity and investigations
- Monitoring of compliance with laws and regulations
- Significant projects, programmes of work and procurement, focussing on the appropriate management of risk
- The Long Term Plan, Annual Report and other external financial reports required by statute.

DELEGATIONS FOR THE SUBCOMMITTEE'S AREAS OF FOCUS:

- The subcommittee has no decision-making powers other than those in these Terms of Reference.
- The subcommittee may request expert advice through the Chief Executive where necessary.
- The subcommittee may make recommendations to Council and/or Chief Executive.

Risk Management:

- Review, approve and monitor the implementation of the risk management framework and strategy, including significant risks to the Council Group.
- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance (including health and safety), significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and/or emerging risks.

Assurance:

- Review and approve, and monitor the implementation of, the assurance strategy and detailed internal audit coverage and annual work plans.
- Review the coordination between the risk and assurance functions, including the integration of the Council's risk profile with the internal audit programme. This includes assurance over all material financial, operational, compliance and other material controls. This includes legislative compliance (including health and safety), significant projects and programmes of work, and significant procurement.
- Review the reports of the assurance functions dealing with findings, conclusions and recommendations (including assurance over risks pertaining to Council Controlled Organisations and Council Controlled Trading Organisations that are significant to the Council Group).
- Review and monitor management's responsiveness to the findings and recommendations, inquiring into the reasons that any recommendation is not acted upon.

Fraud and Integrity:

- Review, approve and monitor the implementation of the assurance strategy, including the fraud and integrity aspects.
- Review the arrangements in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters, and ensure that there is a proportionate and independent investigation of such matters and appropriate follow-up action.
- Review the procedures in relation to the prevention, detection, reporting and investigation of bribery and fraud.
- Review and monitor policy and process to manager conflicts of interest amongst elected and appointed members, management, staff, consultants and contractors.
- Review internal and external reports related to possible improprieties, ethics, bribery and fraud-related incidents.

Statutory Reporting:

- Review and monitor the integrity of the Long Term Plan and Annual Report including statutory financial statements and any other formal announcements relating to the Council's financial performance, focussing particularly on the areas listed below.
- Compliance with, and the appropriate application of, relevant accounting policies, practises and accounting standards.

- Compliance with applicable legal requirements relevant to statutory reporting.
- The consistency of application of accounting policies, across reporting periods, and the Council Group.
- Changes to accounting policies and practices that may affect the way that accounts are presented.
- Any decisions involving significant judgement, estimation, or uncertainty.
- The extent to which financial statements are affected by any unusual transactions and the way they are disclosed.
- The disclosures of contingent liabilities and contingent assets.
- The clarity of disclosures generally.
- The basis for the adoption of the going concern assumption.
- Significant adjustments resulting from the audit.

External Audit:

- Discuss with the external auditor, before the audit commences, the nature, scope and fees of the external audit, areas of audit focus, and error and materiality levels.
- Review, with the external auditors, representations required by elected members and senior management, including representations as to the fraud and integrity control environment.
- Review the external auditor's management letter and management responses and inquire into reasons for any recommendations not acted upon.
- Where required, the Chair may ask a senior representative of the Office of the Auditor General to attend meetings of the subcommittee to discuss the office's plans, findings and other matters of mutual interest.

Interaction with Council Controlled Organisations (CCO) and Council Controlled Trading Organisations (CCTO):

- Other committees dealing with CCO and CCTO matters may refer matters to the Komiti Iti Ahumoni i Tūraru | Audit and Risk Subcommittee for review and advice.
- This subcommittee will inquire to ensure adequate processes at a governance level exist to identify and manage risks within a CCO. Where an identified risk may impact on Council or the Council Group, the subcommittee will also ensure that all affected entities are aware of and are appropriately managing the risk.

Matrix of Experience, Skills and Personal Qualities

Experience, Skills and Personal Qualities	Member A	Member B	Member C	Member D	Independent Chairperson
<i>The recommended combination of experience is:</i>					
• financial reporting					
• broad governance experience					
• familiarity with risk management disciplines					
• understanding of internal control and assurance frameworks					
• good understanding of the roles of internal and external audit					
• local government expertise					
<i>For an "advisory-oriented" audit committee, particular emphasis should be placed on:</i>					
• Strategy					
• Performance management					
• Risk management disciplines					
<i>In determining the composition of the audit committee, the combined experience, skills, and personal qualities of audit committee members is critical. Members should bring:</i>					
• the ability to act independently and objectively					
• the ability to ask relevant and pertinent questions, and evaluate the answers					
• the ability to work constructively with management to achieve improvements					
• an appreciation of the public entity's culture and values, and a determination to uphold these					
• a proactive approach to advising the governing body and chief executive on matters that require further attention					
• business acumen					
• appropriate diligence, time, effort, and commitment					
• the ability to explain technical matters in their field to other members of the audit committee					

HUTT CITY COUNCIL

KOMITI ITI AHUMONI I TŪRARU | AUDIT AND RISK SUBCOMMITTEE

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

on

Tuesday 25 June 2024 commencing at 2:00 pm.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
E hī ake ana te atakura	Let the red-tipped dawn come with a sharpened air.
He tio, he huka, he hau hū	A touch of frost, a promise of a glorious day.
Tihei mauri ora	

2. APOLOGIES

Mayor Barry.

3. PUBLIC COMMENT

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

4. CONFLICT OF INTEREST DECLARATIONS

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

5. THREE WATERS MATTERS

Report No. ARSC2024/3/145 by the Strategic Advisor

8

CHAIR'S RECOMMENDATION:

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

6. INFORMATION ITEMS

a) Whakatupu Ngaengae

Memorandum dated 10 June 2024 by the Project Manager (Naenae) 21

CHAIR'S RECOMMENDATION:

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

b) Verbal Update on the Long Term Plan by the Group Chief Financial Officer

A verbal updated will be provided by the Group Chief Financial Officer.

c) Audit and Risk Subcommittee Forward Programme 2024

Memorandum dated 30 May 2024 by the Democracy Advisor 33

CHAIR'S RECOMMENDATION:

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

7. QUESTIONS

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

8. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

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

Jack Kilty
Democracy Advisor

Report no: ARSC2024/3/145

Three Waters Matters

Purpose of Report

1. This report highlights issues and risks relating to the three waters activity including an update on three waters reform.

Recommendations

That the subcommittee:

- (1) notes the Active Risk Register for three waters, attached as Appendix 1, which was considered by Council in its Long Term Plan deliberations;
- (2) notes the report and findings of the Wellington Water Limited (WWL) independent review of its systems and processes, following the omission of corporate overheads in its advice on the Draft Long Term Plan capital works programme, will be reported to the next meeting of this subcommittee for consideration;
- (3) notes that work on the high-level conceptual design for a preferred future regional water delivery model is progressing at pace and that there is likely to be a budget shortfall to progress this work over the coming financial year;
- (4) notes work is progressing on the scope and constraints of the urgent project to upgrade a section of the main wastewater pipe under and adjacent to State Highway 2 (SH2) and that the funding for this work will need to be further considered by Council once costs are known; and
- (5) notes that progress on eliminating the backlog of leaks is on track with the plan WWL has put in place.

Background

Long Term Plan Investment and Associated Risks

2. Wellington Water Limited (WWL) provided Council with information on risks associated with its preferred investment option as part of the Long Term Plan deliberations earlier this month. The risks were formally noted by the Long Term Plan/ Annual Plan Subcommittee and are included in this report for information, in accordance with its risk management area of focus.
3. The Active Risk Register advice (Appendix 1) records 24 different issues. The main issues are summarised as follows:
 - a. reservoir capacity limitations and related asset failure risks until remediation projects are completed (e.g. Eastern Hills Reservoir and pipeline);
 - b. growing renewal backlogs may compromise network resiliency and lead to increased frequency of asset failures, and increased operational cost to manage and maintain the networks;
 - c. risk of continuing water supply restrictions, due to impacts of growth demands and water loss as networks degrade due to slower than recommended renewal rates;
 - d. increased chances of flooding because of impacts of sea level rise on coastal outfalls performance;
 - e. ongoing risks to the performance and compliance of Seaview Wastewater Treatment Plant until programme of upgrades and consents are complete;
 - f. the wastewater network discharge consent and global stormwater consent issues, as all necessary interventions may need to be delivered earlier than currently planned with significant expenditure implications; and
 - g. minimal activity to achieve net carbon zero and address climate change (including flooding) and seismic resilience.

Independent Review of WWL Overheads Omission for Capital programme

4. WWL advised Council in late May 2024 that it had omitted to include corporate overheads in its advice on the capital works programme, which amounted to \$20.1M over the first three years of the LTP.
5. This issue was reported through the LTP Subcommittee on 4 June 2024, including an updated capital programme which included adjustments to reflect the necessary impacts. The Council confirmed final decisions for the LTP water services capital programme off the back of this advice. There is ongoing work happening to seek further assurance from WWL as part of the final LTP preparation and external audit process.

6. The WWL Board has decided to appoint an independent party to review what has happened and provide recommendations for system/process improvements to ensure it is not repeated. The Board is intending to present the report to the Water Committee at its meeting on 24 July 2024.
7. The report and findings will be reported through to this sub-committee at its 29 August 2024 meeting.

Water reform - Local Water Done Well

8. Work on the high-level conceptual design for a preferred future regional water delivery model is progressing at pace. A small project team of subject matter experts, led by Dougal List, is providing the expertise to prepare the information required for the concept design work for the new regional model.
9. A series of workshops is being held (separately) for Council officials, Chief Executives, and the Advisory Oversight Group to provide input and feedback to the concept design work.
10. The draft report is expected to be available in late July/early August 2024 for the 10 participating Councils to consider as part of their consultation and decision-making processes.
11. While the cost of this first phase of work has been able to be met from three waters central government transition funding, the cost of future phases of work are unlikely to be fully funded in this way and may require a variation to Council budgets. A re-allocation of some of the approved Better Off Funding of \$86,500 (from the Pito-one Project) is expected to meet around half of the cost of the second phase of work through to March 2025.
12. The Local Government (Water Services Preliminary Arrangements) Bill, which establishes preliminary arrangements for future local government water services delivery, had its first reading on 30 May 2024. Submissions on the Bill closed on Thursday 13 June 2024 with Council submitting as part of the regional group.

Main Hutt Valley Wastewater Pipe SH2

13. Work is progressing on the scope and constraints for the upgrade or renewal of the 360-metre section of the main wastewater pipe, under and alongside SH2, recently identified to be in very poor condition.
14. WWL's activity brief for this urgent works project was signed off on 26 April 2024. It noted that a further 225 metre length of the pipe immediately upstream needed to be inspected to determine if it should be included in the project. This is currently being done.
15. Contemporaneously a contingency plan is being prepared for the repair of any unexpected failure. The plan will involve managing flows in the upstream network and over pumping the remaining flows to enable emergency repairs. Imminent failure is unlikely based on the condition information currently known.

16. All stakeholders, including the New Zealand Transport Agency and the Greater Wellington Regional Council are being regularly kept informed of progress on planning for this work.
17. The draft 2024-2034 Long Term Plan has budget provision in out years that would need to be brought forward to enable these works, noting that until the scope is finalised an estimate of cost remains unknown.

Water Shortage

18. As reported to the sub-committee at its 30 April 2024 meeting, Wellington Water is working on behalf of the Councils in the Wellington region to collectively minimise the risk of water shortages next summer. The two main actions WWL is undertaking on behalf of this Council are leak reduction and installation of pressure reduction valves in the network.
19. For leak reduction the target is to eliminate, by the end of 2024, the backlog so that at any one time the number of open leaks is within the 20-day KPI response time, set for lower-level leaks. This number is around 110 leaks. WWL is reporting weekly on progress in achieving the target.
20. Most reported leaks will require an initial assessment, an application submitted to Council as the Roadway Authority for a Corridor Access Request (CAR) and a Traffic Management Plan (TMP). This process typically takes ten to twenty days to achieve for low level leaks. Priority leaks, such as a burst watermain, are repaired under an emergency arrangement which still require lodging of a CAR post repair.
21. At its meeting of 4 June 2024, Council included an additional 1% in rates spread over 2024/25 and 2025/26 to help fund the repair of water leaks. This is in addition to the \$2.8M agreed in February 2024 to clear the backlog of leaks.
22. Attached at Appendix 2 is the latest weekly report from WWL that shows the backlog to be at 425 on 3 June 2024. This number is down 35% over two months, (from 649 in early April 2024), and is trending according to plan.

Climate Change Impact and Considerations

23. With a changing climate Council's three water infrastructure will come under more pressure, whether that be less overall rainfall during the summer months or greater incidences of higher rainfall events, resulting in flooding with both stormwater and wastewater networks overloaded. Investment in network improvements and operational responses, such as managing water leaks, has been prioritised to address some of these issues.

Consultation

24. Investment in three waters infrastructure has been the subject of consultation through the draft Long Term Plan.

Legal Considerations

25. There are no legal considerations at this time.

Financial Considerations

26. The cost of future phases of water reform is being evaluated and will likely exceed available budgets, requiring a Council decision.
27. The funding of urgent renewal works for the main wastewater pipe under and adjacent to SH2 will need Council consideration once the likely costs of the works are known.

Appendices

No.	Title	Page
1	Risk Register	13
2	Weekly Report on Leak Repairs as at 30 June 2024	20

Author: Bruce Hodgins
Strategic Advisor

Reviewed By: Alison Geddes
Director Environment and Sustainability

Approved By: Jo Miller
Chief Executive



Hutt City Council Active Risk Dashboard (May 2024)

Purpose: Articulation of Councils risks that Wellington Water are not resourced to control based on current investment levels, and the alignment to Wellington Water overarching risks

Item	Issue	Circumstances	Overarching Risk	Overarching Risk Context
1	There is not enough capacity at the Seaview WWTP to meet full compliance when major maintenance is needed.	<p>The design of the plant means that part of the capacity has to be taken out of service to carry out major maintenance. While this is happening it is not possible to maintain full compliance during wet weather flows.</p> <p>There is no funding in the LTP to increase the redundancy of the plant.</p>	Treatment of wastewater	<p>Treatment capacity cannot be ensured due to inadequate redundancy.</p> <p>There will be periods of non-compliance when maintenance activities are carried out.</p>
2	The condition of the Seaview WWTP assets means that there will continue to be compliance issues until the funded renewals are complete.	<p>The ageing assets in Seaview WWTP poses a significant risk in the plant's overall performance and compliance with the resource consents. Most of the asset risks are currently being addressed through capital renewal which will take some time and are subject to funding availability. Reliable consent compliance will likely be achieved when these asset renewals are complete.</p> <p>Operating plant at or near end of life results in an increased likelihood of breakdowns and/or compliance failure.</p> <p>The Seaview plant has come to a time in its asset life where major renewals and operational intervention is required to ensure it meets both capacity and compliance requirements. This means investment is required in the short term.</p> <p>The lack of asset redundancy means that maintenance and renewal is complex and compliance risk increases as treatment capacity is reduced during renewal work.</p>	Treatment of Wastewater	<p>Treatment cannot be ensured due to the condition of the assets.</p> <p>There will be periods of non-compliance until the renewals are complete.</p>
3	There is a potential that the community expectations of the odour mitigation at Seaview WWTP are not met within the funded LTP project scope.	<p>The work scoped in the funded LTP project focusses on the largest potential odour sources at Seaview WWTP.</p> <p>We are aware that the community may have expectations greater than that which is required to be achieved under the consented activity. This may lead to a further need for investment to upgrade odour management activities.</p> <p>Current condition of assets means that more odour is being generated by those end of life assets, which in turn exacerbates the overall odour issue at the plant.</p>	Treatment of Wastewater	<p>Risk of non-compliance until the project is complete.</p> <p>May need to consider further investment.</p>
4	Wastewater Treatment plant and wastewater network vulnerable to climate change.	<p>Investment is being made in strategic planning for an adaptive approach to climate change. The outcomes of which may require further investment to implement.</p>	Treatment of Wastewater	<p>May need to consider further investment.</p>
5	Reconsenting the overflow from Seaview to Waiwhetū Stream is more complex due to changes in the NRP and the increased frequency of discharges both wet and dry weather (joint failures).	<p>There has been an increased frequency of wet weather discharges due to changes in the network operation combined with growth and rainfall patterns.</p> <p>Changes in the network operations are focussed on reducing environmental impact through network overflows which has re-directed the impact to the treatment plant. The cumulative number of discharges from Seaview is exceeding the consentable number and is forecast to increase due to growth.</p> <p>There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather.</p> <p>The Waiwhetū overflow is the largest consenting issue at the Seaview WWTP.</p> <p>Active conversation underway with Mana whenua with a focus on the long term solutions.</p>	Treatment of Wastewater	<p>Investment will be required to meet the environmental and consent requirements.</p>

6	<p>Seaview long outfall pipe - the frequency of joint leaks / failures is unpredictable leading to a variable increase in OPEX spend and environmental impact.</p> <p>Capacity constraints due to the pipe condition is leading to more frequent treated discharges to the Waiwhetū Stream. This impacts the Waiwhetū consent issue.</p>	<p>There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather.</p> <p>Pre-implementation (option assessments, consent strategy, and early design) to start in 2024/25. Options assessment will determine the funding requirements for the next LTP.</p> <p>Construction is unfunded in the current 10yr LTP.</p> <p>The 18km pipeline was commissioned in 1962. Its max. operating pressure has been lowered twice to reduce rubber ring joint failures, occurring since commissioning. As flows to the plant increase, treated overflows frequency has increased due to the pipeline capacity limitations.</p>	<p>Unplanned critical three waters asset failure</p>	<p>Parts of the long outfall pipe fail with no notice causing environmental and cultural impact.</p> <p>Investment may be required to meet the environmental and consent requirements.</p>
7	<p>Sludge dryer at Seaview WWTP is nearing end of life. It is causing increased maintenance costs and the maintenance regime is meaning it is getting close to not being able to meet the demand for sludge drying.</p>	<p>Capital investment is planned in this LTP with target completion mid-2028.</p> <p>Sludge will need to be disposed to landfill for planned or unplanned maintenance, this causes odour issues and is not preferred by the landfill operator. This increases OPEX costs.</p> <p>The sludge dryer is the largest Seaview WWTP investment required. The dryer is also close to its design capacity and will require replacement to accommodate projected growth.</p> <p>One of the key objectives of the project is that the replacement dryer has lower carbon emissions, with the existing natural gas being the largest sole source emission in Council control.</p>	<p>Unplanned critical three waters asset failure</p>	<p>Condition of assets impacting the ability to deliver sludge treatment potentially leading to consent non-compliance.</p>
8	<p>Erosion occurring on the Hutt River potentially undermining 825mm bulk wastewater pipeline adjacent Taita rock.</p>	<p>River bank is eroding away and is potentially going to undermine the wastewater main that services Upper Hutt, Manor Park and part of Stokes Valley.</p> <p>No funding in LTP to address this risk.</p>	<p>Unplanned critical three waters asset failure</p>	<p>Assets located in unstable environments failure may lead to environmental and cultural impact.</p> <p>Investment may need to be re-prioritised to ensure the level of service is maintained.</p>
9	<p>Reservoirs condition means they are vulnerable to contamination.</p> <p>There are a number of reservoirs that are reaching the end of life and have condition issues. This makes them vulnerable to having contamination issues and increased risk of structural failure.</p>	<p>There is the potential that several reservoirs may be compromised in the life of the LTP due to the optimisation of the funding. This leads to the potential for a contamination event or structural failure that may require reprioritisation of funding.</p> <p>The funding constraints means that the renewal of reservoirs is not ideally aligned to the level of risk.</p> <p>Ageing reservoir assets require increasing levels of operational maintenance in an ongoing basis.</p> <p>This increases the risk of contamination of water supply.</p> <p>LTP is funding the remediation of contamination risk. There will be a residual risk until the contamination is remediated.</p> <p>Regulatory requirements include the need for a Water Storage Management Plan which may mean additional funding required.</p> <p>Renewals of individual reservoirs are a significant investment requirement i.e. tens of millions.</p>	<p>Unplanned critical three waters asset failure</p>	<p>Asset condition has the potential to compromise the provision of safe drinking water.</p> <p>WWL budgets in compliance with the LTP have areas of insufficient funding to maintain, operate and repair assets.</p> <p>Failures of critical assets impacts the ability to provide safe and healthy water to our communities.</p>

Hutt City Council's Investment Into Leaks - Progress Update 3/06/2024*

*The data provided is based on the best information available at the time of the assessment



<p>Overall Leaks Fixed</p> <p>2717 Leaks Fixed Since 01/07/2023</p> <p>2717 Fixed Leaks 2517 are Network Leaks 200 are Private Leaks</p>	<p>Leaks Fixed by Suburb</p> <p>Below is a map of the suburbs in Hutt. Leaks fixed in those suburbs this week.</p> <table border="1"> <thead> <tr> <th>Suburb</th> <th>Leaks Fixed</th> </tr> </thead> <tbody> <tr><td>Wainuiomata</td><td>16</td></tr> <tr><td>Petone</td><td>7</td></tr> <tr><td>Stokes Valley</td><td>4</td></tr> <tr><td>Hutt Central</td><td>4</td></tr> <tr><td>Taita</td><td>3</td></tr> <tr><td>Kelson</td><td>3</td></tr> <tr><td>Korokoro</td><td>2</td></tr> <tr><td>Gracefield</td><td>2</td></tr> <tr><td>Fairfield</td><td>2</td></tr> <tr><td>Boulcott</td><td>2</td></tr> <tr><td>Belmont</td><td>2</td></tr> <tr><td>Naenae</td><td>1</td></tr> <tr><td>Maungaraki</td><td>1</td></tr> <tr><td>Lowry Bay</td><td>1</td></tr> <tr><td>Epuni</td><td>1</td></tr> <tr><td>Avalon</td><td>1</td></tr> </tbody> </table>	Suburb	Leaks Fixed	Wainuiomata	16	Petone	7	Stokes Valley	4	Hutt Central	4	Taita	3	Kelson	3	Korokoro	2	Gracefield	2	Fairfield	2	Boulcott	2	Belmont	2	Naenae	1	Maungaraki	1	Lowry Bay	1	Epuni	1	Avalon	1	<p>Investment</p> <p>\$4.953M** Spent on Leaks so Far</p> <p>\$4.916M Funding</p> <p>\$6.1M Funding</p> <p>\$8.9M</p>
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<p>Weekly Update - Leaks Reported and Fixed</p> <p>This Week</p> <table border="1"> <thead> <tr> <th>Reported Leaks</th> <th>Leaks Fixed</th> </tr> </thead> <tbody> <tr> <td>47 Reported Leaks 23 WWL Detected Leaks</td> <td>49 Public Leaks</td> </tr> <tr> <td>0 Private Leak</td> <td>3 Private Leak</td> </tr> </tbody> </table>	Reported Leaks	Leaks Fixed	47 Reported Leaks 23 WWL Detected Leaks	49 Public Leaks	0 Private Leak	3 Private Leak	<p>Leaks Backlog</p> <table border="1"> <thead> <tr> <th>This Time Last Week</th> <th>New Reported</th> <th>Fixed</th> <th>Backlog Inc Duplicates</th> <th>Backlog Exc Duplicates</th> </tr> </thead> <tbody> <tr> <td>442</td> <td>70</td> <td>52</td> <td>460</td> <td>425</td> </tr> </tbody> </table> <p>35 Jobs Were Closed as Duplicated upon Triage with No Work Done</p>	This Time Last Week	New Reported	Fixed	Backlog Inc Duplicates	Backlog Exc Duplicates	442	70	52	460	425	<p>Backlog Trend</p>																		
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TO: Chair and Members
Audit and Risk Subcommittee

FROM: Andrew Quinn

DATE: 10 June 2024

SUBJECT: WHAKATUPU NGAENGAE



Purpose of Memorandum

1. To provide an update to the subcommittee on the progress and management of the Whakatupu Ngaengae Project (pool and town centre development) since the last update to this subcommittee on 30 April 2024.

Recommendation

That the Subcommittee:

- (1) receives and notes the information; and
- (2) notes the following progress that has been made on the Whakatupu Ngaengae project:
 - (a) work on the new Naenae Pool and Fitness Centre is progressing to plan and confidence remains high that the project can be completed within budget;
 - (b) the conversion of the old Naenae Post Office to community centre is complete save for a few finishing items that will be completed before handover to operator Team Naenae Trust. The centre will open to the public on 29 June 2024;
 - (c) concept design of the Walter Mildenhall Park is currently being finalised following feedback from the community. A preliminary version will be presented to the Naenae Community Advisory Group on 12 June 2024.

Naenae Pool and Fitness Centre

2. The pool project is progressing well and the roof membrane over the gym and reception area is now largely complete. In parallel, work continues inside the main pool hall, the leisure pool hall, and the plant room areas.
3. The topping slab between the main pool concourse and the leisure pool hall has been poured, the tiered bleachers are ready for pouring, and the air conditioning ducts in the main pool hall are awaiting delivery of the transition section.
4. The 50m pool liner and movable floor are nearing completion. The leisure and toddler pool construction has also progressed along with the hydro-slide installation, which has now been paused to enable other works to progress.

5. Exterior window frame installation has commenced and exterior framing in advance of the façade and soffit system install is well advanced. The design application for the Green Star certification has been submitted to the reviewer.

Community Centre

6. Fit out of the new Community Centre is nearing completion and an inspiring blessing ceremony led by Mana Whenua and attended by members of Hutt City Council (HCC), the community, and the project team was held at dawn on 17 May.
7. Outstanding works include some interior items, some exterior refurbishment works, and overall defect remediations. Completion of the building's exterior works has been delayed by the need to remove a live mains cable from the rear yard. This work was expedited and completed on 20 May 2024.
8. Team Naenae Trust has been confirmed as the lead tenant to operate the Community Centre ahead of an official opening scheduled to coincide with Matariki on 29 June 2024.
9. Following a recommendation by the Naenae Community Advisory Group supported by Mana Whenua, the new name of Te Mako – Naenae Community Centre has been endorsed by Council.

Walter Mildenhall Park

9. Stage 1 engagement with the Community is now complete and a concept design for the park is progressing. The outcome of the engagement has informed the spatial plan concepts. This collaborative design process is what was envisaged at the start of the project and should encourage further feedback from the community.
10. A site investigation report for the park redevelopment based on soil sampling undertaken in May is being prepared to further inform landscape design decisions.

Transition to Operations

11. Regular meetings have been established with five complementary workstreams to guide the HCC operational teams through the transition to operations. The representative workstreams are FF&E (furniture, fixtures and equipment), IT/AV, pool operations, asset management/maintenance and event/communications.
12. Each workstream has produced a Workstream Plan of activity leading to opening day and beyond. A high-level timeline has been developed to illustrate the transition to operations and has been updated to reflect the latest project programme from Apollo. Further to the regular 'transition to operations' meetings, the HCC transitions team have the opportunity to visit the pool every six weeks for familiarisation.

Risk

16. The cost of the Naenae Pool and Fitness Centre continues to be reviewed at regular intervals and remains within the \$68M budget cap. There remains high confidence that the pool project can be completed within budget and the latest risk assessment (see attachments) suggest that confidence in achieving the desired budget outcome is 77%.
17. The latest risk register in the appendices of this report demonstrates that all risk mitigations are being carefully monitored for effectiveness.
18. Officers continue to monitor construction market conditions, particularly in the local supply chain. Materials delivered earlier to the construction site are now being incorporated into the works.
19. The key risk of adverse weather conditions will diminish once the building envelope is closed in, as most of the remaining works will then be inside the building. This remains a key focus for the team as we advance towards the winter months.

Financial Considerations

20. The project team has reviewed and updated the current financial profile of the project for the 2024/34 Long-Term Plan. As reported above, the project is still tracking well to the capital expenditure budget of \$68M.
21. CIP are providing co-funding of \$27M through the COVID-19 response and recovery fund. To date, Council has drawn down \$14.85M of the \$27M of co-funding.
22. Expenditure on the Community Centre is forecasted to be \$6.7M at completion, inclusive of purchase of the old Post Office. This still leaves \$2.3M for the further development of Walter Mildenhall Park, which is the chosen next priority for the Community Advisory Group. The park project will be scaled to fit within remaining budget.

Legal Considerations

17. There are no legal considerations to report.

Appendices

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2	Naenae Pool - risk register	27

Author: Andrew Quinn
Project Manager (Naenae)

Approved By: Andrea Blackshaw
Director Neighbourhoods and Communities

TO: Chair and Members
Audit and Risk Subcommittee

FROM: Jack Kilty

DATE: 30 May 2024

SUBJECT: AUDIT AND RISK SUBCOMMITTEE FORWARD PROGRAMME 2024



Purpose of Memorandum

1. To provide the Audit and Risk Subcommittee (the subcommittee) with a Forward Programme of work planned for the subcommittee for 2024.

Recommendation

That the Subcommittee receives and notes the Forward Programme for 2024 attached as Appendix 1 to the memorandum.

Background

2. The Terms of Reference for the subcommittee require the subcommittee to have a monitoring and advisory role in reviewing the effectiveness of the way Council discharges its responsibilities with respect to governance, risk management and internal control.
3. The Forward Programme for 2024 provides a planning tool for both members and officers to co-ordinate programmes of work for the year. The forward programme is attached as Appendix 1 to the memorandum.

Forward Programme

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

Appendices

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Author: Jack Kilty
Democracy Advisor

Approved By: Kathryn Stannard
Head of Democratic Services

