HUTT CITY COUNCIL

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

Meeting to be held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt,
on 7 May 2024 commencing at 2:00pm.

SUPPLEMENTARY ORDER PAPER

PUBLIC BUSINESS

9. QUARTERLY PERFORMANCE REPORT 1 JANUARY TO 31 MARCH 2024

Report No. PFSC2024/2/110 by the Head of Enterprise Portfolio Management Office 2

CHAIR'S RECOMMENDATION:

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

Jack Kilty
Democracy Advisor

HUTT CITY TE AWA KAIRANGI **Policy, Finance and Strategy Committee**

29 April 2024

Report no: PFSC2024/2/110

Quarterly Performance Report 1 January to 31 March 2024

Purpose of Report

1. The purpose of the Quarterly Performance Report is to provide an overview of Council's performance results for the period 1 January to 31 March 2024.

Recommendations

That the Committee notes and receives the Quarterly Performance Report for the period 1 January to 31 March 2024, attached as Appendix 1 to the report.

For the reasons outlined in the report.

Background

2. The Quarterly Performance Report has been developed to present findings and results from Quarter 2 (1 January to 31 March 2024).

3. Due to the publishing of the Annual Report in Quarter 4 there will be no separate Quarter 4 Performance Report.

Discussion

4. Key highlights and the challenges Council has faced over the quarter are outlined on pages 3-7 of the report attached as Appendix 1.

5. Non-financial KPIs: There are 86 indicators in the Annual Plan/Long Term Plan, 51 of which are reported quarterly. The remaining 35 are reported annually.

6. 61% of targets were met, no change from Quarter 2.

7. A breakdown of data and information by wellbeing is provided on pages 21-39 of the report attached as Appendix 1.

Options

8. Not applicable

Climate Change Impact and Considerations

9. There are no climate change impacts or considerations arising from this report.

Consultation

10. There are no consultation requirements arising from this report.

Legal Considerations

11. There are no legal considerations arising from this report.

Financial Considerations

12. The financial summary is provided on pages 40-50 of this report.

Appendices

No.	Title	Page
1⇩	Appendix 1: Quarterly Performance Report 1 January to 31 March 2024	4

Author: Gemma Birse
Head of Enterprise Portfolio Management Office

Approved By: Jarred Griffiths
Director Strategy and Engagement

Quarterly Performance Report
Quarter 3
1 January to 31 March 2024

Contents

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, 2023/24.

Section one: Highlights and challenges **3**
Highlights 4
Challenges 7

Section two: Strategic focus areas **8**
Pou Tāhū 9
Pou Tuarongo 11
Pou Tuarongo & Whenua 13
Pou Tokomanawa 14

Section three: Programme and project summary **15**

Section four: Non-financial key performance indicators **21**
Overview 22
Environmental wellbeing 23
Economic wellbeing 32
Social & cultural wellbeing 33

Section five: Financial summary **40**
Financial summary 41
Financial performance results 42
Net operating results 43
Capital investment results 46
Annual Plan vs Revised Budget 49
Balanced Budget 50

Section six: Treasury management summary **51**

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

Progressing the 2024-34 Long Term Plan

- In late March 2024, Council signed off on the draft 10-year plan for public consultation.
- Consultation will be open to the public from 2 April to 3 May 2024. This includes 20 community meetings around the city with elected members.

Water shortage response

- Due to community effort, more stringent water restrictions were not necessary, and the risk of an acute water shortage has subsided. The sale of 653 200-litre emergency water tanks from Community Hubs added 130,600 litres of stored water across the city. Contingency plans for emergency water distribution at regional and local levels were reviewed and refined.

Neighbourhoods and communities

- Visitor numbers to our Neighbourhood Hubs continue to improve. For the YTD (July – March) they were 101.6% of target, which is 13% higher than the same period last year. Since becoming a NZ Post agency in December, daily door counts at the Petone Hub have rarely been below 500. Visits for Q3 are 23% more than last year and 19% above target. In March, Pride in the Hutt was celebrated across all of our Hubs with various activities including Pride storytime and Eastbourne celebrated its 50th birthday with a community celebration.
- Council's pools came through their Poolsafe audits successfully and have had their accreditation ratified. The summer season for outdoor pools has now finished and numbers were generally higher than last year, with attendance particularly high at the start of the season. Wainuiomata had a very busy season including achieving its highest one-day revenue ever.

Climate action and waste reduction

- Heavy EV Charging Hub: Council is developing a charging hub for heavy vehicles at Silverstream Landfill. Wellington Electricity has confirmed its support for the project in Q3, meaning detailed design can commence and enable implementation by the end of 2024.
- Carbon footprint: A key action enabling us to measure emission reductions was completed in Q3, with 69% electrification of HCC's fleet contributing to progress. A focus going forward will be reducing emissions associated with contractors delivering various services for Council (e.g., emptying litter bins).
- Regional Emission Reduction Plan 2024-2030 has been completed. This was a collaboration between all councils in the Wellington region and is now available at https://wrlc.org.nz/project/regional-emissions-reduction-plan.

Highlights

Community engagement

- Council consulted on the draft Rangatahi Engagement Plan during Q3, which attracted valuable insights from over 100 young people both online and in person. The final action plan is going to the Communities, Culture and Partnerships Committee in early May.

Regulatory Services

- 99% of food verification targets were met, meaning food operators are being verified by their due date.
- Resource consents are currently processed within 25 working days on average, compared with 40 working days at Q3 2022/23.

District Planning

- The Draft District Plan consultation ran from the start of November 2023 to the end of January 2024. Highlights include:
    - Over 6,500 visits to the District Plan Review webpages.
    - 193 people completed the online survey.
    - Written feedback was received from 300 individuals and groups.
    - Over 100 people attended public meetings.

Water Leaks

- At Councils request, WWL has put together an implementation plan for how it will address the leaks backlog with the additional $2.8M of funding provided by Council.
- The plan involves increasing resources to eliminate 60% of the backlog from May to July 2024, with the remaining backlog cleared by November 2024. A further uplift in resources is planned over the December 2024 to February 2025 period to be able to keep on top of the seasonal increase in reported leaks over summer.
- WWL has determined that a target level of leak backlog in the future should be the number of leaks that it receives on average over a ten-day period. That currently equates to 108 leaks. This is half of the median resolution time of 20 working days for non-urgent work as per Councils Key Performance Indicator (KPI).
- With the backlog sitting at around 700 leaks as at end of March 2024, the number of leaks to be eliminated is just under 600, while ensuring new leaks are adequately resourced.

Highlights

Staff development

- 248 staff have attended a Tetramap Workshop (team building workshop) so far in 23/24 which takes the total number to 440, spanning 29 teams. Resources have also been developed to support the implementation and ongoing embedding of Tetramap within teams.

Improving customer experience and outcomes

- The Digital version of 'What's On' has launched. This app provides a one-stop shop where the community can learn about events and activities happening in our city.

Project Highlights

Tupua Horo Nuku (Eastern Bays Shared Path)

- Good progress continues to be made on Tupua Horo Nuku with the project on track to be completed to timelines. Department of Conservation Lizard Permits are being approved.

Eastern Hutt Road Slope Stabilisation Project

- The road was fully reopened to the public from 15 March 2024, within the project schedule timeframes.

Whakatupu Ngaengae

- Work continues as the Naenae Pool and Fitness Centre heads towards its final stages of construction

Challenges

Government reform programme

- Central Government's reform programme has created a high level of uncertainty across a range of projects and other areas across council. This includes water infrastructure, resource management, and district planning.

Night construction work

- There has been an increase (from 2 per month to 3 per week) in the number of proposals to carry out construction work at night, in particular works associated with Te Awa Kairangi (RiverLink) Project and repairs to our water infrastructure.
- Due to the potential for adverse noise effects on residents living nearby to the worksites, careful assessment must be made to ensure any adverse effects resulting from the construction noise are minimised.

Regulatory Services

- 51% of Building Consents were processed within statutory timeframe in Q3 (45% YTD). Throughput against statutory timeframes has continued to improve since the last Quarter (currently 70-80%) but we are still dealing with legacy issues from an influx of consents earlier in the year, prior to a change in the building code and a doubling of inspections.
- A technical skills gap within building control had occurred mostly due to an increase in multi-unit development and a highly competitive market for these skills. This is currently being addressed to reduce our reliance on external contractors. This factor and the need to use external business improvement consultants to prepare for the IANZ audit in February, has been the major cause of cost overruns in Building Control.
- In planning the use of contractors has reduced significantly as all vacancies have been filled (for the first time since 2019) and the majority of consents are now being dealt with in-house. External resources are still necessary for specialist input , however.

Project challenges

Te Wai Takamori o Te Awa Kairangi (RiverLink) Programme

- Te Awa Kairangi remains unaffordable, and the project team has sought Council decision on preferred delivery options. A briefing was provided to Councillors on the proposed delivery strategy on 13 March 2024.

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.

Focus area	Quarter 3 update (1 January – 31 March 2024)
Our delivery of key LTP 2024-34 initiatives	**Progress on the draft LTP 'Help us take the next steps'** • In late March, Council signed off on the draft 10 year plan for public consultation. Consultation will be open to the public from 2 April to 3 May 2024. This includes 20 community meetings around the city with elected members. • The four key consultation items are: investment in water services, food organics and green organics collection service, rates relief for low-income households and the way ahead for Petone sites • We will also be inviting our community to comment on other key aspects of the LTP, including managing our assets, fees and charges, Development contributions policy, Infrastructure strategy and Financial strategy
	Climate action and waste reduction • A new initiative has commenced on the implementation of a Heavy EV Charging Hub at Silverstream Landfill to enable decarbonisation of landfill vehicles and machinery. • Proposal and risk assessment of regulations for new gas connections have been completed. HCC is focusing on providing information online and engaging developers whose consent applications involve fossil fuels. An update will be provided to Council's Climate Change and Sustainability Committee in April 2024. • Recycling collection vehicle drivers can now inspect and remove contaminated bins, rather than relying on bin inspectors. • Since February, coloured no.1 plastics are no longer counted as contaminated material.
	Progressing our Māori Strategy • Te Herenga Kairangi (The Interwoven Ambition to Thrive) was adopted by Council on 27 March and will be formally announced and published on the Council website in early May.

Pou Tāhū

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

Focus area	Quarter 3 update (1 January – 31 March 2024)
Our collaboration on key regional priorities	**Emergency Management** • Five Emergency Assistance Centre (EAC) Supervisors were qualified on a pilot course. • Planning has commenced for Emergency Operations Centre and EAC exercises in May and June. Two EACs will be rehearsed (Koraunui-Stokes Valley and Walter Nash Stadium). • Models to develop marae as emergency hubs are being developed as a regional effort, including the implementation of equipment caches at selected marae (including Waiwhetu) and a pilot exercise involving Porirua City Council and marae in their rohe. **Partnership with housing providers** • Housing partnerships either through UPL or directly with Community Housing Providers, Mana Whenua and the Crown continue to be a key focus area to address the shortfall in housing for our growing population. Kāinga Ora and the Ministry of Housing and Urban Development are key to these discussions. • A housing hui was held in April to connect key social housing stakeholders in Lower Hutt; develop a collective understanding about the opportunities and challenges for the sector; demonstrate the strength, capability and ambition of the local housing sector; and put forward solutions to enable the local housing sector to thrive. **Water infrastructure through the IAF** • Stormwater – Three shortlisted stormwater options will be assessed to identify a preferred option for Council approval. • Wastewater -The initial cost estimate showed a cost increase over and above initial budget. Several options have been investigated to reduce costs (value engineering) without compromising objectives. **Active leadership role in local government/responding to legislative change.** • We recently submitted feedback on the Draft Government Policy Statement on land transport 2024-34 (GPS). We provided feedback to the Minister Responsible for RMA Reform on the second Bill on changes to the Resource Management Act 1991. Local Government reform is in abeyance. • Ongoing work regionally and nationally with councils particularly on water reform, RMA reform and delivering against the new Government's priorities in key areas of housing and transport.

Pou Tuarongo

Our communities and their voices are at the heart of our work

Focus area	Quarter 3 update (1 January – 31 March 2024)
Our customer & regulatory services	**CCTV** • A roadmap planning for the next six months, including potential new investment in CCTV for City Safety through the LTP of future enhancements and upgrades will be completed early in May. • New CCTV recording hardware has been implemented and all cameras are being migrated on to the new hardware. **Compliance with statutory timeframes** • 51% of building consents were processed within timeframes in Q3 (45% YTD). • 77% of resource consents were processed within timeframes in Q3 (72% YTD). It is unlikely, based on current information, that 80% compliance will be achieved by 30 June 2024. We expect to achieve 75% compliance by year end. • Implementation of a new data management and digital consenting system in Building Control, an increase in consents earlier in the year and resourcing issues impacted results. • An increase in consents prior to 30 June 2024 is anticipated due to increased development contributions. **Building Consent Authority (BCA) Accreditation** • IANZ audited the technical functions/procedures carried out by the Building Consents team against building regulations and noted substantial improvements. It recommended continuation of the BCA accreditation for HCC. • The risk rating is medium and IANZ will return in a year. **Optimising systems and processes in regulatory services** • A Quality Management System (QMS) has been introduced, addressing legacy consents and the capacity and capability gap between the level of skills required and resources available. • Progress has been made in addressing the skills gap to reduce our reliance on external contractors

Pou Tuarongo

Our communities and their voices are at the heart of our work

Focus area	Quarter 3 update (1 January – 31 March 2024)
Our improvements to Customer experience	**Customer Service systems improvements** • Contracts have been signed with three providers and design workshops have begun in preparation for implementation of the CRM/request for service, Bookings, and Pools and Fitness projects. **Customer experience improvements** • The Centralised Customer Experience (CCX) project, part of the wider Te Kōhao o te Ngira (Go Digital) Programme, is well underway. • The CCX project and our ticketing system will help improve our ability to track and respond to emails as well as providing real time data on customer experience. • A delivery deadline is being confirmed, but the project is anticipated to be completed in early 2025. **Customer Service knowledgebase system** • The contact centre knowledge base has been fully implemented. • The Customer Services Improvement project was completed in Q2, having achieved its objective of putting in place short term improvements before implementation of the CCX project. • Ongoing work is required to ensure full utilisation and regular updating of information.
Representation Review	• The representation review panel has completed a comprehensive programme of engagement and is currently drafting its report and initial proposal. • The proposal will be presented to Council on 27 June 2024.

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.

Focus area	Quarter 3 update (1 January – 31 March 2024)
Our relationship with Mana Whenua	**Mana Whenua engagement** • Representatives attended the District Plan Committee workshop. • Mana Whenua businesses were interviewed to understand challenges and opportunities regarding procurement within Te Wai Takamori o Te Awa Kairangi (RiverLink) Programme. **Takai Here agreement and Kāhui Mana Whenua** • Joint Kahui Mana Whenua are being held with four entities attending. • Discussions and feedback provided on operational matters are progressing and inform work undertaken at the quarterly hui, the review of the District Plan and projects such as the development of the Rautaki Māori.
Our relationships with stakeholders	**Partnerships and engagement** • Council staff supported South End Business Group to run their Cool As Challenge hospitality promotion involving 20 local businesses. • Supported local business engagement in the Wellington Regional Industrial Land Study to determine future needs, challenges and opportunities with business. Results are due in June 2024. • A Central City Activator was appointed to engage with city centre businesses and champion business community needs in upcoming projects. • A partnership with NeatPlaces.co.nz has resulted in 25 Lower Hutt businesses being featured in a New Zealand-wide guide of places to eat, drink, see and visit. **Local and Central Government engagement** • Work continues with the Ministry for the Environment to secure funding for the proposed FOGO kerbside service. • Ongoing discussions with Department of Internal Affairs on Three Waters and representation review process.

Pou Tokomanawa

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

Focus area	Quarter 3 update (1 January – 31 March 2024)
Our culture and leadership	**Enhancing our Māori capability** • 24 staff attended the Te Ao Māori capability programme this quarter. The current intake will complete programme will be completed in April. • E-learning modules to support staff with learning basic Te Reo Māori in the workplace have been made available in Go1, our digital learning platform. A variety of other learning resources and information to help staff on their Te Ao Māori journey were also published on Te Pātaka. This included a range of community-based learning options, Te Reo Māori greetings and signoff guides, and links to 'Give Te Reo a go' resources.

Our systems & processes	**HRIS and Payroll**
	• An initial workshop has been held with key internal stakeholders to discuss the project scope and agree next steps to recommence the HRIS/Payroll project. A project brief will be completed in May to agree:
	  • Core objectives and requirements including key functionality that needs to available in the new system.
	  • Agreement of what option/s HCC wants to consider during procurement.
	  • Procurement timeframes.
	Business Process Optimisation
	• Two initiatives were delivered in Q3:
	  • Animal Services – Unpaid Dog Registration Reminders for HCC –significant time savings for staff identified, pilot complete and handed over for implementation and monitoring.
	  • LIMS – Report Creation Process Improvement - documented the current end to end LIM process, identified opportunities for improvements/efficiencies and reviewed potential to reinstate a five-day LIM fast-track option.

Section three

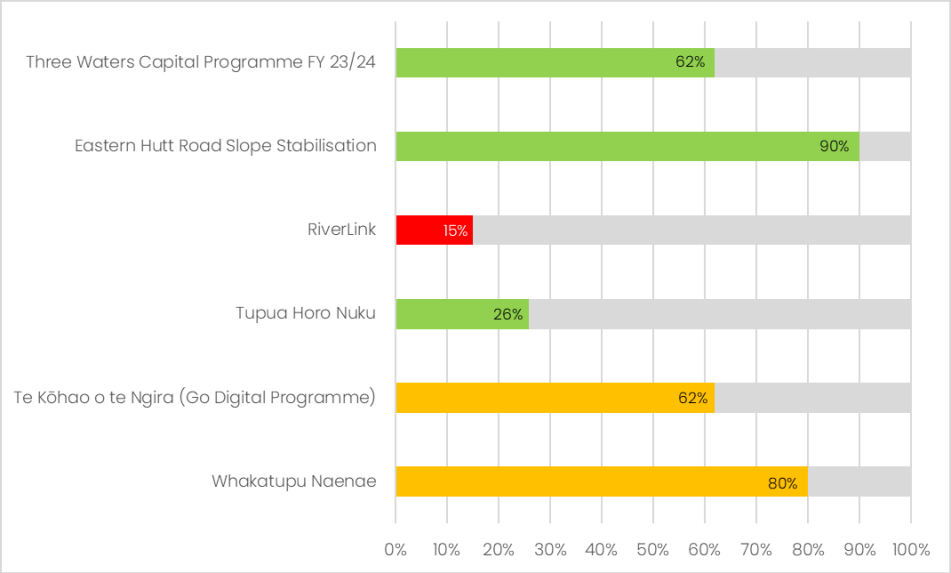
Programme and project summary

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 2024

Overall Project Health and Percentage (%) complete



Overall Enterprise Health

A

Project RAG indicators

The overall enterprise health is reporting AMBER in Q3. Te Wai Takamori o Te Awa Kairangi is tracking red due to significant affordability issues and changes to scope. Te Kōhao o te Ngira and Whakatupu Ngaengae both have an overall health status of amber due to budget challenges and high risks around schedule.

A detailed summary for each project is provided on pages 16-19.

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 2024

Project title	Strategic alignment	Upcoming Milestones over the next 12–18 months:		Indicator	RAG	Progress update
Three Waters Capital Programme	Environmental wellbeing	• Eastern Hills storage reservoir consents lodged • Petone Collector Sewer detailed design completed.	Apr 2024 Jun 2024	Scope	↑	Wellington Water Ltd (WWL) is planning an undertaking a comprehensive programme of capitc works as approved in the Annual Plan and varied b Council at its meeting on 20 February 2024. This yea Council has requested kilometres of renewals b tracked. To date, around 10km of pipes have beei renewed, with works on track to deliver approximatel 12 kms by year end. This is less than initially projectec mainly due to an early optimistic forecast. Some work estimated to be completed in this year's programm are now likely to occur later in 2024. An underspend c $2.9M is forecast for the full year which is due to th timing of a small number of projects being pushed ou There is a further forecast underspend for th Infrastructure Acceleration Fund projects of $7m due t delays.
				Schedule	↑	
				Budget	↑	
				Risk	↑	
				Health & Safety	↑	
				Overall Confidence	↑	

	Budget	Actual spend	Forecast	Variance
Total	$90.9m	$49.7m	$81m	$10m

Project title	Strategic alignment	Upcoming Milestones over the next 12–18 months:		Indicator	RAG	Progress update
Eastern Hutt Road Slope Stabilisation project	Economic wellbeing	• Site A&B defects period complete	Sep 2024	Scope	↑	The slip works south of the Stokes Valley Roundabou were re-opened on 15 March 2024, within the projec timeframes. Design is about to commence on two high-risk site north of the roundabout in Q4.
				Schedule	↑	
				Budget	↑	
				Risk	←	
				Health & Safety	↑	
				Overall Confidence	↑	

	Budget	Actual spend	Forecast	Variance
Total	*$27.5m	**$4.3m	$27.5m	$0m

*This is total approved budget, incl. wider business case works
** Total actual spend for phase one

PROGRAMME AND PROJECT INFORMATION			QUARTERLY UPDATE – as at 31 March 2024		
Project title	**Strategic alignment**	**Upcoming Milestones over the next 12–18 months:**	**Indicator**	**RAG**	**Progress update**
Te Wai Takamori o Te Awa Kairangi (RiverLink)	Economic wellbeing	• Awaiting updated Alliance schedule for remainder of IPAA phase. • Awaiting proposed PAA schedule to understand delivery sequencing and impacts on scope	Scope	↑	Te Awa Kairangi continues to have affordability challenges. Council approved the preferred delivery option which includes the streetscaping, landscaping and some local road improvements. The design and delivery of the City Link Bridge, tie-ins and some local road improvements will stay with the Alliance. **Budget** / **Actual spend** / **Forecast** / **Variance** Total *$129.7m / $31.8m / $202.2m / $72.5m *This is total approved budget.
			Schedule	↑	
			Budget	↑	
			Risk	↑	
			Health & Safety	↑	
			Overall Confidence	↑	
Tupua Horo Nuku	Economic wellbeing	• Construction complete – Sunshine Bay (Jun 2024) • Construction complete – York Bay (Nov 2024)	Scope	↑	Overall health has improved to GREEN at the end of Q3 with positive progress made. The project is on schedule The RAG has decreased to amber due to the dependency risk on the Te Ara Tupua project. Budget indicator has also decreased to AMBER at the end of Q3. **Budget** / **Actual spend** / **Forecast** / **Variance** Total $79.95m / $26.96m / $79.95m / $0m
			Schedule	→	
			Budget	→	
			Risk	↑	
			Health & Safety	↑	
			Overall Confidence	←	

PROGRAMME AND PROJECT INFORMATION			QUARTERLY UPDATE – as at 31 March 2024		
Project title	**Strategic alignment**	**Upcoming Milestones over the next 12–18 months:**	**Indicator**	**RAG**	**Progress update**
Te Kōhao o te Ngira (Go Digital Programme)	Economic wellbeing	• Implementation commenced for CRM, booking and facilities management and request for service systems. Jun 2024	Scope	⬆	Overall health for Te Kōhao o te Ngira remains AMBER at the end of Q3. Schedule indicator has improved to green as the schedule of activities has become more well defined. Kick off and design workshops are shaping up the schedule for delivery for three CCX projects and a delivery roadmap is under development. Due to the extra time taken to ensure due diligence across procurement and contract negotiations for the CCX projects and Hybrid Cloud, as well as the delays to the HRIS/Payroll project, Go Digital is forecasting a $2.1M underspend (based on March forecast) of the 2023/24 budget. A carryover request will be needed in order to deliver the remaining Go Digital Programme.
			Schedule	⬅	
			Budget	⬆	
			Risk	⬆	
			Health & Safety	⬆	
			Overall Confidence	⬆	

	Budget	Actual spend	Forecast	Variance
Total	$14.57m	$8.9m	$17.73m	$3.16m

PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 31 March 2024		
Project title	**Strategic alignment**	**Upcoming Milestones over the next 12-18 months:**		**Indicator**	**RAG**	**Progress update**
Whakatupu Ngaengae	Economic wellbeing	Naenae Pool • Internal works • Fit out and commissioning • Practical completion • Pool operational Community Centre • Building services & internal finished • Practical completion • Community centre opening	Jun 2024 Jul 2024 Jul 2024 Jul -Dec 2024 Apr 2024 Apr 2024 May 2024	Scope Schedule Budget Risk Health & Safety **Overall Confidence**	→ → → ↓ → →	The overall health at the end of Q3 continues to report AMBER. The Pool and Fitness centre project is still largely on track and on budget, however the schedule of work activities is challenging given the weather conditions and all attempts are being deployed to recover the time lost. **Ngaengae Pool and Fitness Centre:** Work continues as the project heads towards final stages of construction. The Internal works are progressing rapidly in the plant rooms, the leisure pool hall and main pool hall. **Te Ngaengae Community Centre** Steady progress has been made to the refurbishment of the old Naenae Post Office and conversion to the Community Centre. Internal fit-out is also underway and progressing well. The project continues to monitor the key residual risks to completion which are programme prolongation, earthquake, health & safety, site security/theft. All residual risks are being managed pro-actively and have risk mitigation plans in place.

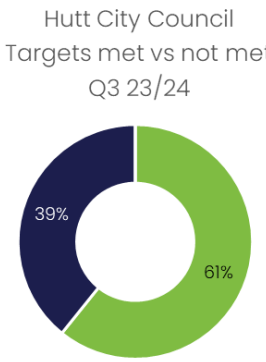
	Budget	Actual	Forecast	Variance
Pool & Fitness	$68m	$53.2m	$68m	$0m
Town Centre	$9m	$5.69m	$9m	$0m

Section four

Non-financial key performance indicators

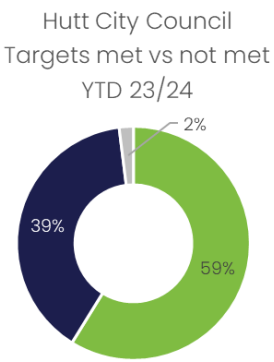
A summary of our performance over the quarter according to our Annual Plan key performance measures

Overview



Quarter 3

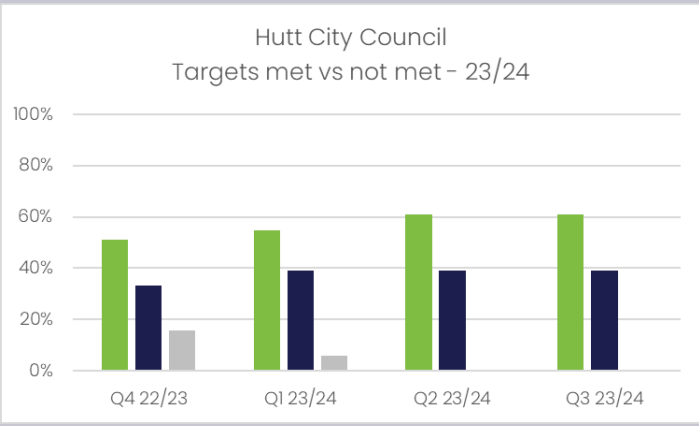
- 51 Annual Plan KPIs
- 31 met
- 20 not met



YTD

- 51 Annual Plan KPIs
- 30 met
- 19 not met
- 2 data unavailable

Quarterly Trends



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
Variance columns	
45%	Numbers in green indicate the target was met or exceeded
45%	Numbers in red indicate the target was not met

Legend for the charts

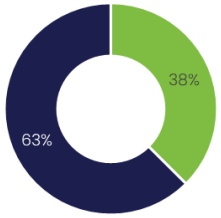
	Targets met
	Targets not met
	Data unavailable

Note: There are 86 indicators in the Annual Plan/LTP, 51 of these are reported on quarterly. The remaining 35 are reported on annually and are included in year-end figures and charts

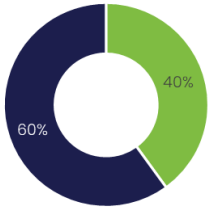
Three waters

YTD

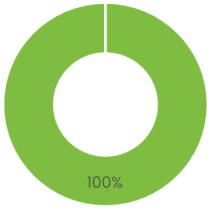
Water Supply
Targets met vs not met
YTD 23/24



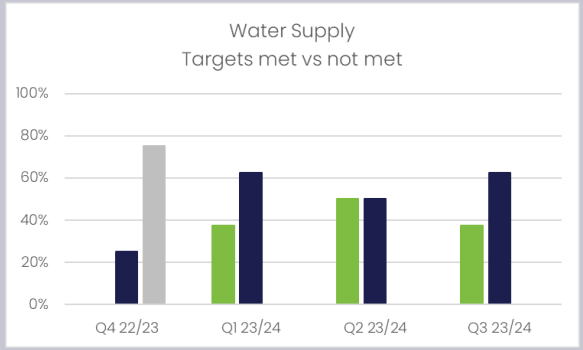
Wastewater
Targets met vs not met
YTD 23/24

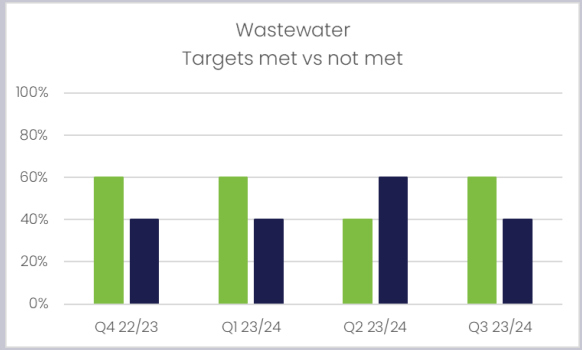


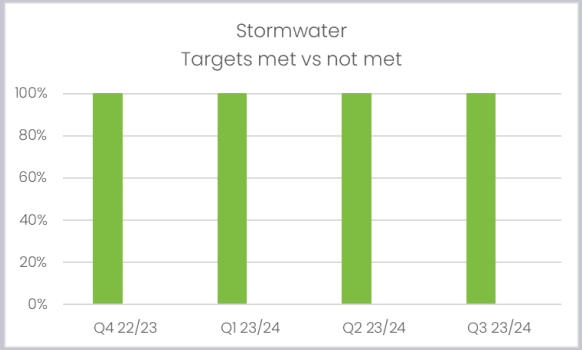
Stormwater
Targets met vs not met
YTD 23/24



Quarterly Trends







Legend

Targets met	Targets not met	Data unavailable

Water supply

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	0%	-100%	100%	0%	-100%	While HCC's network is fully compliant with the Taumata Arowai distribution rules, the water supplied by GWRC from the Waterloo Water Treatment Plant is not compliant for up to 800 Lower Hutt households. This measure is being reported as non-compliant until upgrades (funded in the LTP) are completed
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	0%	100%	67%	-33%	
Number of complaints for drinking water per 1000 connections	≤20	≤5	9.2	-4.2	≤15	23.3	-8.3	
Attendance for urgent callouts: from the time the local authority receives notification to the time that service personnel reach the site	≤90 mins	≤90 mins	108 mins	-18 mins	≤90 mins	88 mins	2 mins	Target not met due to increasing work volume
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	≤8 hrs	≤8 hrs	5.1 hrs	2.9 hrs	≤8 hrs	4.2 hrs	3.8 hrs	

Water supply

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Attendance for non-urgent callouts: from the time the local authority receives notification to the time that service personnel reach the site	≤72 hrs	≤72 hrs	191 hrs	-119 hrs	≤72 hrs	208 hrs	-136 hrs	Target not met due to increasing work volume
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	≤20 working days	≤20 working days	14 working days	6 working days	≤20 working days	10.7 working days	9.3 working days	
Average drinking water consumption (litres per resident per day)	≤385 litres	≤385 litres	423 litres	-38 litres	≤385 litres	423 litres	-38 litres	Target not met; however, average consumption is the same as last quarter due to successful works on leaks. We promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels.

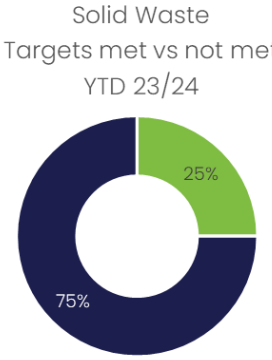
Wastewater

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Dry weather wastewater overflows per 1000 connections	≤20	≤5	0.2	4.8	≤15	0.6	14.4	
Number of complaints per 1000 connections	≤30	≤7.5	5.9	1.6	≤22.5	18.8	3.7	
Sewerage system attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	≤90 mins	≤90 mins	497 mins	-407 mins	≤90 mins	881 mins	-791 mins	Target not met due to funding and resource constraints and increased work volume
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)	≤8 hrs	≤8 hrs	17 hrs	-9 hrs	≤8 hrs	20 hrs	-12 hrs	Target not met due to funding and resource constraints and increased work volume
Compliance with resource consents for discharges from wastewater system	0	0	0	0	0	14	-14	(0 = no enforcement action) YTD target not met due to 14 infringement notices received in Q2

Stormwater

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Number of flooding events (where stormwater enters a habitable floor)	≤2	≤0.5	0	0.5	≤1.5	0	1.5	
Number of habitable floors affected by flooding events (per 1000 connections)	≤0.24	≤0.06	0	0.06	≤0.18	0	0.18	
Number of complaints about stormwater system performance (per 1000 connections)	≤20	≤5	1.8	3.2	≤15	6.6	8.4	
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)	≤8 hrs	≤8 hrs	0 hrs	8 hrs	≤8 hrs	0 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)

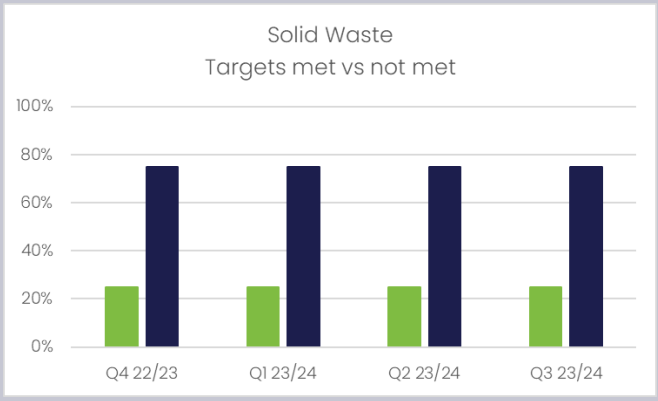
Solid waste



Legend

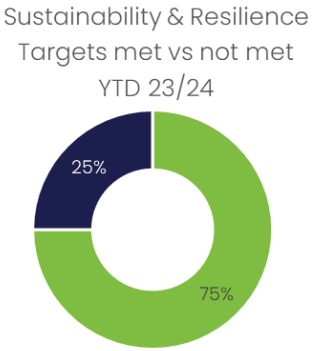
Targets met | Targets not met | Data unavailable

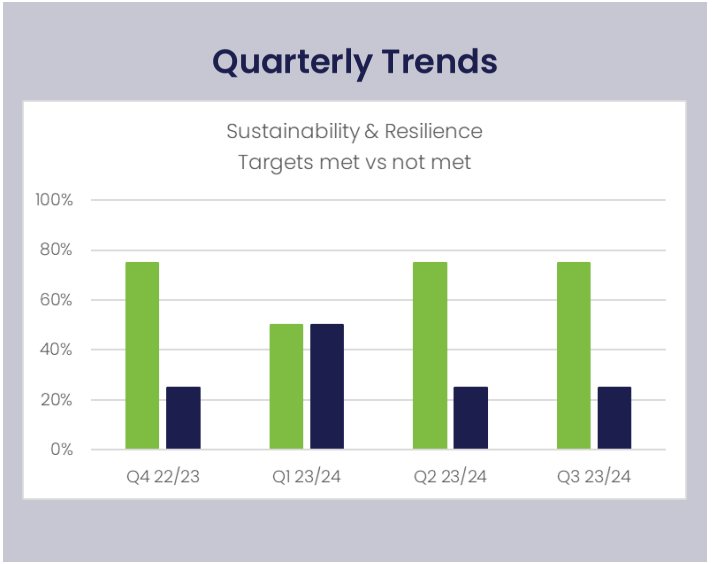
Quarterly Trends



Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Tonnes of waste to landfill (tonnes per person)	≤19,735 / 113,559 = 0.17	≤4,933 / 113,559 = 0.04	5,690 / 113,559 = 0.05	757 / 113,559 = 0.01	≤14,801 / 113,559 = 0.13	16,664 / 113,559 = 0.15	1,863 / 113,559 = 0.02	Target not met due to the growing population. Additionally, we're collecting more rubbish from homes than predicted, especially from owner-occupied properties
Percentage of kerbside recycling that is contaminated and diverted to landfill	≤10%	≤10%	15%	-5%	≤10%	14%	-4%	Target not met. We continue to run our public education programme on recyclables. Contamination increases during holidays
Tonnes of kerbside recycling collected	≥6,011.9	≥1,503	1,382	-121	≥4,509	3,933	-576	Target not met due to increased contamination, which affected the overall collection total, despite the higher amount collected compared to the previous months
Number of litter incidents resulting in a complaint	<328.5	<82	70	12	<246	206	40	

Sustainability and resilience



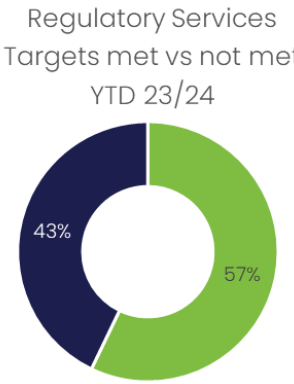


Legend

Targets met | Targets not met | Data unavailable

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Percentage of Community Resilience Plans that are more than 24 months old	0% (none)	0% (none)	17%	17%	0% (none)	52%	52%	WREMO advises that the target has not been met due to resourcing issues. Council officers are discussing this with WREMO with a view to significantly increasing performance. This will include understanding how we can make better use of existing resource to deliver these plans - with a view of doing this work more efficiently
Emissions from council owned facilities (tCO2-e)	≤2,233	≤558.25	477.8	80.45	≤1,674.75	1,514.4	160.35	
Percentage of council owned vehicle fleet that is electric	≥64%	≥64%	69%	5%	≥64%	69%	5%	
Emissions from council owned fossil fuel vehicles (tCO2-e)	≤94.2	≤21.4	13.9	7.5	≤64.2	50.4	13.8	

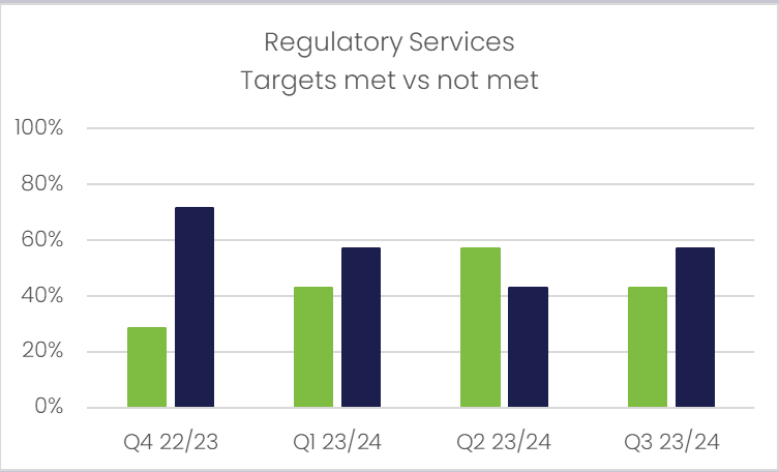
Regulatory services

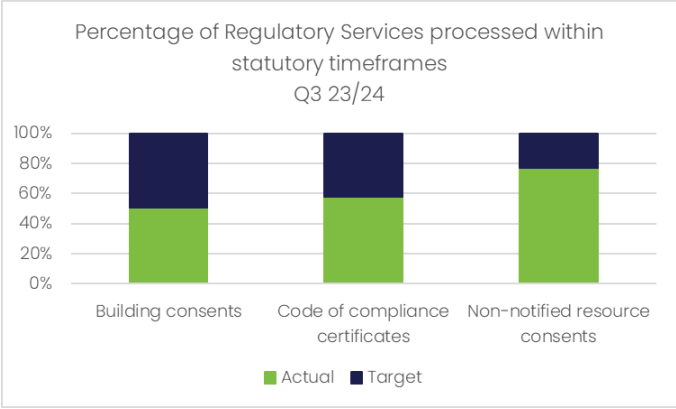


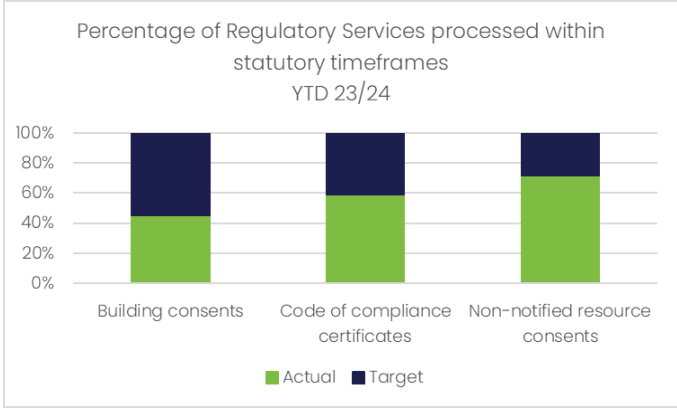
Legend

Targets met | Targets not met | Data unavailable

Quarterly Trends



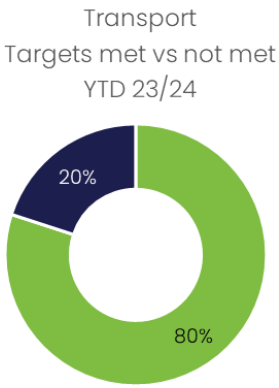




Regulatory services

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Percentage of building consents processed within statutory timeframe	100% within 20 days	100% within 20 days	51%	-49%	100% within 20 days	45%	-55%	A peak in poor quality applications received during April and May 2023, due to changes in the building code (re insulation), and a doubling in inspection numbers resulted in statutory timeframes being negatively impacted for several months. Although current throughput has improved (70-80%), statutory timeframes continue to be impacted by historic overdue consents
Code of compliance certificates issued within the statutory timeframe	100% within 20 days	100% within 20 days	58%	-42%	100% within 20 days	59%	-41%	
Percentage of non-notified resource consents processed within statutory timeframes	100% within 20 days	100% within 20 days	77%	-33%	100% within 20 days	72%	-28%	Target not met due to increase in complex residential and multi-unit development approvals
Existing food premises verified within time frames	95% by due date	95% by due date	100%	5%	95% by due date	99%	4%	Consistent performance in verifications within statutory timeframes has now been achieved.
Sale and supply of liquor (high risk premises) inspected	95% checked	95% checked	91%	-4%	95% checked	106%	11%	Target not met due to no visits being carried out in January. This will be met before year end
Noise control complaints (%) investigated within 45 minutes	≥85%	≥85%	92%	7%	≥85%	92%	7%	
Number of animal management community education programmes carried out	≥17	≥4.25	36	31.75%	≥8.5	56	47.5	

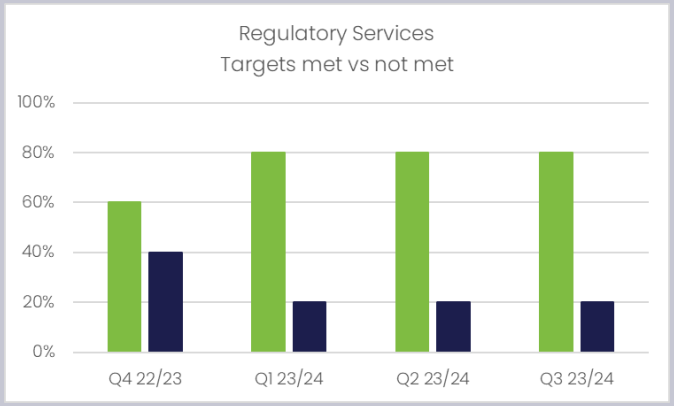
Transport



Legend

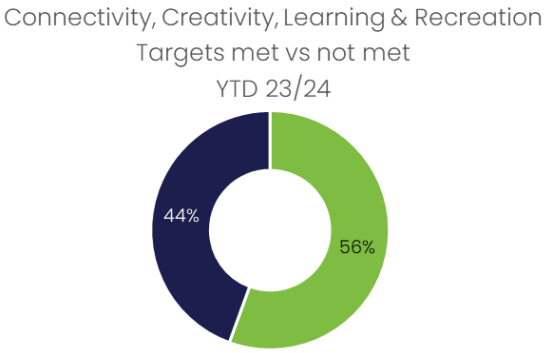
Targets met | Targets not met | Data unavailable

Quarterly Trends



Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
The number of fatalities and serious injury crashes on the local road network	≤26	≤6.4	9	-2.6	≤19	27	-8	While there has been an increase in serious accidents, Council has implemented a programme of safety initiatives to improve the safety of road and footpath users.
Audit of contracts – physical work (number of contracts audited this quarter)	≥7	≥7	7	0	≥7	7	0	
Audit of contracts – percentage of contracts meeting contractual obligations	≥90%	≥90%	94%	4%	≥90%	96%	6%	
Total length of cycleways	21.3 km	21.3 km	21.3 km	0 km	21.3 km	21.3 km	0 km	
Total length of shared paths	71.4 km	71.4 km	71.4 km	0 km	71.4 km	71.4 km	0 km	

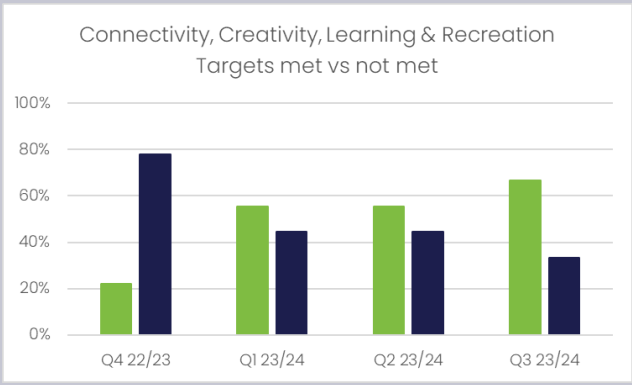
Connectivity, creativity, learning and recreation

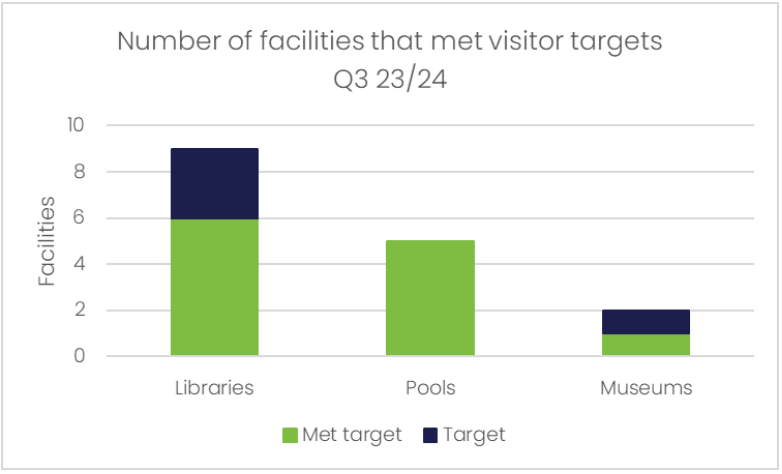


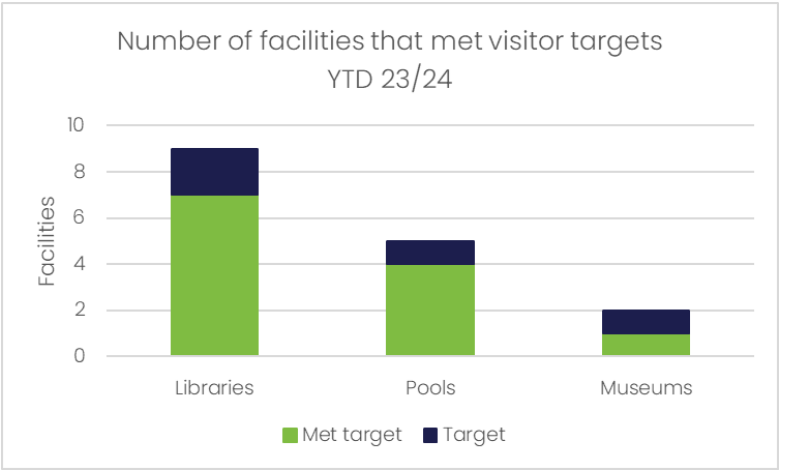
Legend

Targets met	Targets not met	Data unavailable

Quarterly Trends







Connectivity, creativity, learning and recreation

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Number of physical loans from libraries	≥575,000	≥143,750	172,669	26,466	≥431,250	547,164	115,914	
Number of physical loans from libraries via the home delivery service	≥4,700	≥1,175	787	-388	≥3,525	2,538	-987	Target not met due to increased use of on-line resources and change in behaviour. We are looking to increase programming at two hubs where targets are not being met and increasing promotion as resource allows
Number of electronic loans from libraries	≥123,000	≥30,750	53,504	22,754	≥92,250	151,731	59,481	
Number of people using the wifi at libraries and community hubs	≥234,000	≥58,500	83,550	25,050	≥175,500	225,419	79,919	
Use of council computers at libraries and community hubs	≥60,000	≥15,000	18,403	3,403	≥45,000	58,116	13,116	
Number of pools that met visitor number targets	5 of 5	5 of 5	5 of 5	0 of 5	5 of 5	4 of 5	-1 of 5	Target not met. However, visitor numbers have increased for all pools on the same time last year
Number of fitness suite members	≥1,400	≥1,400	1,926	526	≥1,400	1,786	386	
Number of museums that met visitor number targets	2 of 2	2 of 2	1 of 2	-1 of 2	2 of 2	1 of 2	-1 of 2	Numbers are consistent with same time last year. Target not met due to change in visitor behaviour, less large-scale venue hire and multiple exhibitions with changeover periods in the galleries

Connectivity, creativity, learning and recreation

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
* Total number of visitors to neighbourhood hubs	≥1,868,500	≥467,125	405,157	-61,968	≥1,401,375	1,503,123	101,748	Target not met due to increased use of on-line resources and change in behaviour. We are looking to increase programming at two hubs where targets are not being met and increasing promotion as resource allows
* Number of visitors to Eastbourne neighbourhood hub	≥62,000	≥15,500	20,038	4,538	≥46,500	59,674	13,174	
* Number of visitors to Wainuiomata neighbourhood hub	≥240,000	≥60,000	49,441	-10,559	≥180,000	178,613	-1,387	Target not met due to increased use of on-line resources and change in behaviour. We are looking to increase programming at two hubs where targets are not being met and increasing promotion as resource allows
* Number of visitors to Moera neighbourhood hub	≥12,500	≥3,125	7,466	4,341	≥9,375	22,326	12,951	
* Number of visitors to Petone neighbourhood hub	≥145,000	≥36,250	43,115	6,865	≥108,750	126,922	18,172	
* Number of visitors to Walter Nash/Taitā neighbourhood hub	≥829,000	≥207,250	131,351	-75,899	≥621,750	657,294	35,544	Target not met due to increased use of on-line resources and change in behaviour. We are looking to increase programming at two hubs where targets are not being met and increasing promotion as resource allows
* Number of visitors to Naenae neighbourhood hub	≥87,000	≥21,750	24,500	2,750	≥65,250	79,018	13,768	
* Number of visitors to War Memorial neighbourhood hub	≥322,000	≥80,500	80,717	217	≥241,500	225,833	-15,667	YTD target not met due to poor heating/cooling in the building and the Easter holiday period
* Number of visitors to Koraunui/Stokes Valley neighbourhood hub	≥155,000	≥38,750	48,529	9,779	≥116,250	153,443	37,193	
* Number of visitors to Maungaraki neighbourhood hub	≥16,000	≥4,000	3,249	-751	≥12,000	12,934	934	Target not met due to increasing use of online resources

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

Connectivity, creativity, learning and recreation

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
* Total number of visitors to council swimming pools	≥702,500	≥175,625	227,606	51,981	≥526,875	544,298	17,423	
* Number of visits to Stokes Valley Pool	≥90,500	≥22,625	22,997	372	≥67,875	76,566	8,691	
* Number of visits to Huia Pool	≥500,000	≥125,000	125,898	898	≥375,000	360,892	-14,108	YTD target not met, however result increased on the same time last year
* Number of visits to Eastbourne Summer Pool	≥17,920	≥7,680	12,696	5,016	≥10,240	18,161	7,921	
* Number of visits to McKenzie Summer Pool	≥31,360	≥13,440	27,118	13,678	≥17,920	35,651	17,731	
* Number of visits to Wainuiomata Summer Pool	≥62,720	≥26,880	38,897	12,017	≥35,840	53,028	17,118	
* Total number of visitors to council museums	≥200,000	≥50,000	38,186	-11,814	≥150,000	116,459	-33,541	Numbers are consistent with same time last year. Target not met due to change in visitor behaviour, less large-scale venue hire and multiple exhibitions with changeover periods in the galleries
* Number of visitors to the Dowse Museum	≥193,000	≥48,250	35,162	-13,088	≥144,750	106,982	-37,768	Numbers are consistent with same time last year. Target not met due to change in visitor behaviour, less large-scale venue hire and multiple exhibitions with changeover periods in the galleries
* Number of visitors to the Petone Settlers Museum	≥7,000	≥1,750	3,024	1,274	≥5,250	9,477	4,227	

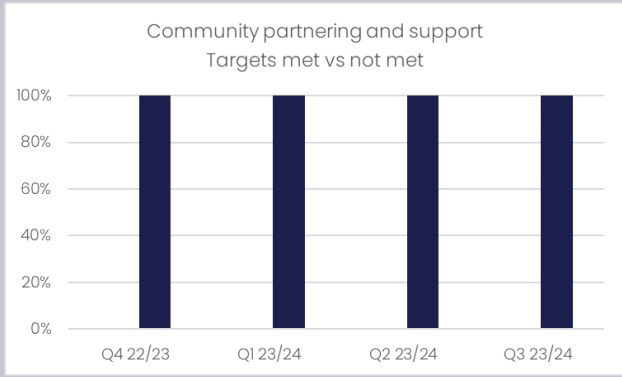
* Items are contributory measures to the Annual Plan KPIs, included to provide CLT with visibility of location-based results

Community partnering and support

Legend

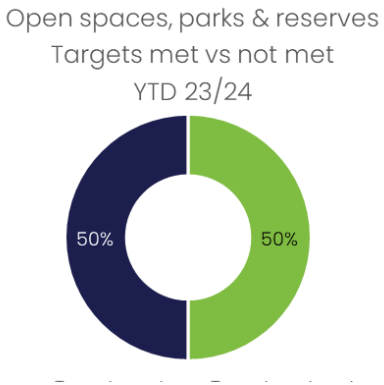
Targets met | Targets not met | Data unavailable

Quarterly Trends



Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Number of sites (community hubs) that met visitor number targets	9 of 9	9 of 9	6 of 9	-3 of 9	9 of 9	7 of 9	-2 of 9	Target not met due to increased use of on-line resources and change in behaviour. We are looking to increase programming at two hubs where targets are not being met and increasing promotion as resource allows

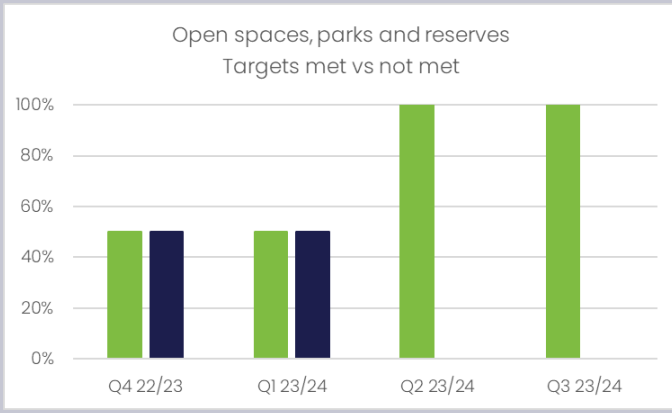
Open spaces, parks and reserves



Legend

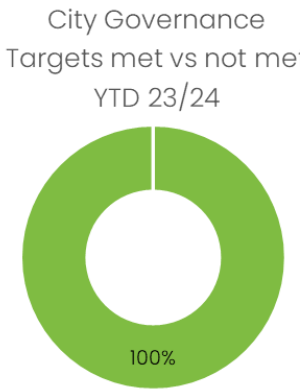
Targets met	Targets not met	Data unavailable

Quarterly Trends

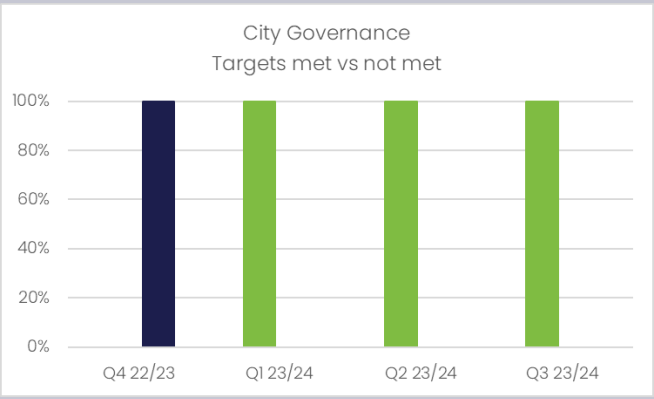


Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Number of days council grass sport fields are closed (due to maintenance or drainage issues)	≤20 days	≤5 days	4 days	1 days	≤15 days	20 days	-5 days	Delaney Park is currently partially closed for the drainage & levelling project. In the longer term, this will improve the capacity of the field
Number of days council owned/maintained artificial turf sports fields are closed (due to maintenance or drainage issues)	≤10 days	≤2.5 days	0 days	2.5 days	≤7.5 days	0 days	7.5 days	

City Governance



Quarterly Trends



Legend

Targets met | Targets not met | Data unavailable

Indicator	23/24 Target	Q3 23/24 Target	Q3 23/24 Actual	Q3 Variance	YTD Target	YTD Actual	YTD Variance	Commentary
Meeting and committee agendas made available to the public within statutory time frames	100%	100%	100%	0%	100%	100%	0%	

Section five

Financial summary

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

Finance summary

Financial Performance Results to 31 March 2024

Executive Summary

Operating performance results

The year-end net operating result including rates income is forecast to be $9.1M or 21.3% favourable compared to revised budget of a deficit of $43.0M
Key favourable forecast variances are:

- $1.1M in Solid Waste mainly due to additional revenue partly offset by higher MFE costs.
- $4.2M in City Development due to operating projects being deferred to 2024/25 including the Development Incentives Package.
- $2.8M in Open Spaces, Parks & Reserves due to deferral to 2024/25 of Point Howard Wharf demolition $2.9M.
- $2.8M underspend in depreciation, mainly in Water Services and Transport due to capital delivery deferrals.

Key unfavourable forecast variances are:

- $4.1M in Regulatory Services mainly due to extra resourcing costs, processing costs and work to maintain Council's IANZ accreditation.
- $0.9M in Connectivity, Creativity, Learning & Recreation, mainly due to higher employee costs and operating costs.
- $0.8M due to overall higher interest expense of $3.2M partly offset by higher interest income $2.3M.

Capital investment performance results

The year-end capital is forecast to be $187.6M which is under budget by $45.7M or 19.6% against a revised budget of $233.3M.

Year to date capital spend is $117.8M which is 62.8% of the forecast of $187.6M.

Key forecast variances are:

- Water Services $10M underspend mainly due delays in Infrastructure Acceleration Fund (Valley Floor) projects of $7M.
- Transport $16.6M underspend mainly due to delays in a number of projects with the most significant being Micromobility $7.6M.
- City Development $8.2M underspend mainly due to delays in Te Wai Takamori o Te Awa Kairangi (RiverLink) project.
- Connectivity, Creativity, Learning & Recreation $3.9M underspend mainly due to delays in the Naenae Pool project $1.8M and Libraries & Museums projects $1.9M.

Financial performance results

Financial Performance Results To 31 March 2024

Operating performance results

$million	YTD Actual	YTD Budget	Variance	%		Year-End Forecas	Revised Budget	Variance	%		Annual Plan Budget
Operating Revenue	63.3	58.3	5.0	8.5%		82.7	77.4	5.3	6.8%		75.9
Operating Expenditure	(198.5)	(206.5)	8.0	3.9%		(272.9)	(276.0)	3.1	1.1%		(267.9)
Net Operating Before Rates Income	**(135.2)**	**(148.2)**	**13.0**	**8.8%**		**(190.2)**	**(198.6)**	**8.4**	**4.2%**		**(192.0)**
Rates Income	156.6	155.6	1.0	0.6%		156.4	155.6	0.8	0.5%		155.6
Net Operating	**21.4**	**7.4**	**14.0**	**187.7%**		**(33.8)**	**(43.0)**	**9.1**	**21.3%**		**(36.4)**
Capital Contributions	25.6	45.2	(19.5)	-43.2%		51.5	63.8	(12.3)	-19.3%		71.9
Net Surplus/(Deficit) Before Adjustments	**47.1**	**52.6**	**(5.5)**	**-10.5%**		**17.7**	**20.8**	**(3.2)**	**-15.1%**		**35.5**
Other Non Operating Adjustments	(1.7)	0.3	(2.1)	-632.9%		0.7	0.4	0.3	67.7%		0.4
Net Surplus/(Deficit)	**45.3**	**52.9**	**(7.6)**	**-14.4%**		**18.4**	**21.3**	**(2.9)**	**-13.4%**		**36.0**

Key:

Favourable or minimal variance:

Moderate variance:

High unfavourable 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.

Capital performance results

$millions	YTD Actual	YTD Budget	Variance	%		Year-End Forecas	Revised Budget	Variance	%		Annual Plan Budget
Total	117.8	154.1	36.3	23.6%		187.6	233.3	45.7	19.6%		225.7

Net operating results

Financial Summaries by Activity

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

$Million	YTD Actual	YTD Budget	Variance	%		Year-End Forecas	Revised Budget	Variance	%		Annual Plan Budget
Environmental Wellbeing											
Water Supply	(20.8)	(21.4)	0.6	2.7%		(28.9)	(28.6)	(0.2)	-0.8%		(28.6)
Wastewater	(19.9)	(21.6)	1.6	7.6%		(25.9)	(28.8)	2.9	10.0%		(28.8)
Stormwater	(8.1)	(8.2)	0.1	1.1%		(10.4)	(10.9)	0.5	4.4%		(10.9)
Solid Waste	1.7	0.2	1.5	666.0%		1.4	0.3	1.1	367.8%		0.3
Sustainability & Resilience	(0.2)	(0.8)	0.6	78.0%		(0.9)	(1.1)	0.2	16.4%		(1.1)
Regulatory Services	(4.7)	(1.3)	(3.4)	-267.7%		(6.2)	(2.1)	(4.1)	-193.9%		(2.1)
Environmental Wellbeing Total	**(52.1)**	**(53.0)**	**1.0**	**1.8%**		**(70.9)**	**(71.3)**	**0.3**	**0.5%**		**(71.3)**
Economic Wellbeing											
Transport	(20.2)	(23.1)	3.0	12.8%		(30.2)	(31.1)	0.9	3.0%		(29.8)
City Development	(6.3)	(12.3)	6.1	49.2%		(12.3)	(16.5)	4.2	25.6%		(13.0)
Economic Wellbeing Total	**(26.4)**	**(35.5)**	**9.0**	**25.5%**		**(42.5)**	**(47.6)**	**5.2**	**10.8%**		**(42.7)**
Social & Cultural Wellbeing											
Community Partnering & Support	(6.3)	(6.8)	0.5	6.8%		(9.2)	(9.0)	(0.2)	-2.0%		(8.5)
Open Spaces, Parks & Reserves	(13.2)	(15.2)	2.0	13.0%		(17.5)	(20.2)	2.8	13.8%		(18.8)
Connectivity, Creativity, Learning & Recreation	(14.6)	(13.5)	(1.1)	-8.2%		(18.9)	(18.0)	(0.9)	-5.1%		(18.1)
Governance Strategy & Partnerships	(2.0)	(2.3)	0.3	14.7%		(3.1)	(3.1)	(0.0)	-1.4%		(3.1)
Corporate Services	(20.6)	(21.9)	1.3	6.1%		(28.0)	(29.3)	1.3	4.5%		(29.5)
Social & Cultural Wellbeing Total	**(56.6)**	**(59.6)**	**3.0**	**5.0%**		**(76.7)**	**(79.7)**	**3.0**	**3.7%**		**(78.0)**
Total	**(135.2)**	**(148.2)**	**13.0**	**8.8%**		**(190.2)**	**(198.6)**	**8.4**	**4.2%**		**(192.0)**

Key:

Favourable or minimal variance:

Moderate variance:

High unfavourable variance:

Net operating results

Net operating results (excluding rates, capital contributions, & support costs)

Year-end forecast compared to revised budget is favourable by $8.4M or 4.2%.

Key variance explanations:

Favourable

- Water Services is forecast to be $3.1M favourable to budget at year end, mainly due to a forecast reduction in depreciation of $1.9M, reduced net costs in Wastewater $1.3M and Stormwater $0.4M, offset by an increase in costs related to Water Supply leak repairs $0.6M
- Solid Waste is forecast to be $1.1M favourable to budget at year end, mainly due to extra revenue from increased volumes from special waste and commercial waste $1.6M, lower Emission Trading Units $0.9M, offset by higher MFE levy of $0.7M and higher contract costs $0.9M.
- Transport is forecast to be $0.9M favourable to budget at year end, mainly due to a reduction in depreciation $0.8M and increase in parking revenue $0.2M .
- City Development is forecast to be $4.2M favourable to budget at year end, mainly due to $3.1M carry over to 2024/25 in payments of the Development Stimulus package, and operating projects experiencing delays, to be deferred to 2024/25.
- Open Spaces, Parks & Reserves is forecast to be $2.8M favourable to budget at year end, mainly due to delays in the Point Howard Wharf demolition project $2.9M due to delayed resource consent with the project to be deferred to 2024/25.
- Corporate Services is forecast to be $1.3M favourable to budget at year end mainly due to delays in the Go Digital programme to be deferred to 2024/25, partially offset by higher costs for an unbudgeted Riskpool claim, and asset revaluation work brought forward.

Key variances explanations continued:

Unfavourable

- Regulatory Services is forecast to be $4.1M unfavourable to budget at year end, up from $2.9M as at last quarter, mainly due to additional resources and processing costs for Building Consents, Resource Consents and Subdivision Engineering. The additional resources are mainly contractors due to staff vacancies and the need to maintain the Council's IANZ accreditation. The increase from last quarter is due to the continued reliance on the use of contractors in both building control and planning. These were expected to reduce but this has not been achieved due to the need for further work to improve processes and internal capability to make sure Regulatory Services are set up for success in the future. This work will also ensure that budgets are correctly set for future years.
- Community, Partnering & Support is forecast to be $0.2M unfavourable to budget at year end mainly due to higher costs in Community Hubs, mostly offset by an underspend in Libraries, which is in the Connectivity, Creativity, Learning & Recreation activity, as operationally Hubs and Libraries resources are combined.
- Connectivity, Creativity, Learning & Recreation is forecast to be $0.9M unfavourable to budget at year end mainly due to higher resourcing costs within Aquatics.

Net operating results

Other variances explanations continued:

Depreciation

Depreciation is forecast to be favourable to budget by $2.8M at year end. This is mainly a timing issue due to the depreciation budget assuming capital projects budgeted in 2022-23 would be fully capitalised (works completed and assets commissioned) but due to project delays this has resulted in reduced depreciation for this year. The largest variances in depreciation are:

- $1.9M Water Services
- $0.8M Transport
- $0.1M Open Spaces, Parks & Reserves

Rates Income

Rates income is forecast to be $0.8M higher than budget mainly due to greater than expected growth in the rating base together with other minor variances.

Capital Contributions

Capital contributions are forecast to be unfavourable to budget by $12.3M, mainly due to reduced subsidies in Transport and delayed grants, offset by higher vested assets and development contributions due to city wide growth and new developments. Variances include:

- ($12.0M) decrease in Waka Kotahi Capital Subsidies due to reduced forecasted spend on subsidised projects with a forecast of $9.7M compared to a revised budget of $21.7M.
- ($5.8M) decrease in CIP funding relating to Naenae pool and Tupua Horo Nuku that is forecast to be received in 2024-25, with a forecast of $30.3M compared to a revised budget of $36.1M.
- $1.5M increase in Parks Reserve Contributions with a forecast of $4M compared to a revised budget of $2.5M.
- $3.1M increase in Vested Assets in Water Services & Transport with a forecast of $4M compared to a revised budget of $0.9M.
- $0.9M increase in Development Contributions with a forecast of $3.4M compared to a revised budget of $2.5M.

Other Non-operating Adjustments

$0.3M unfavourable is mainly due reduced revenue from vehicle sales as a result of delays in the delivery of vehicle replacements.

Capital investment results

Capital Performance by Activity

$million	YTD Actual	YTD Budget	Variance	%	Year-End Forecas	Revised Budget	Variance	%	Annual Plan Budget
Environmental Wellbeing									
Water Supply	19.3	13.9	(5.5)	-39.3%	33.4	35.7	2.3	6.4%	25.8
Wastewater	27.6	30.5	2.9	9.6%	43.4	42.2	(1.2)	-2.9%	40.8
Stormwater	2.8	8.6	5.8	67.0%	4.2	13.1	8.9	68.0%	10.2
Solid Waste	6.1	5.7	(0.5)	-8.0%	8.3	10.3	2.0	19.3%	10.7
Sustainability & Resilience	0.0	0.2	0.2	99.4%	(0.0)	0.3	0.3	100.0%	-
Regulatory Services	-	-	-		-	-	-		-
Environmental Wellbeing Total	**55.9**	**58.8**	**3.0**	**5.1%**	**89.3**	**101.5**	**12.2**	**12.1%**	**87.5**
Economic Wellbeing									
Transport	24.3	43.1	18.8	43.6%	39.4	56.0	16.6	29.6%	66.5
City Development	13.1	16.2	3.1	19.4%	19.8	27.9	8.2	29.2%	30.6
Economic Wellbeing Total	**37.4**	**59.4**	**21.9**	**37.0%**	**59.2**	**83.9**	**24.7**	**29.5%**	**97.0**
Social & Cultural Wellbeing									
Community Partnering & Support	0.1	0.9	0.8	94.1%	0.9	1.2	0.3	21.0%	1.1
Open Spaces, Parks & Reserves	2.0	5.5	3.5	63.9%	5.4	7.3	1.9	25.4%	5.5
Connectivity, Creativity, Learning & Recreation	20.7	25.8	5.2	20.0%	30.5	34.4	3.9	11.5%	30.7
Governance Strategy & Partnerships	-	-	-		-	-	-		-
Corporate Services	1.8	3.7	1.9	51.6%	2.3	5.0	2.6	53.3%	4.0
Social & Cultural Wellbeing Total	**24.5**	**35.9**	**11.4**	**31.8%**	**39.2**	**47.9**	**8.7**	**18.2%**	**41.2**
Total	**117.8**	**154.1**	**36.3**	**23.6%**	**187.6**	**233.3**	**45.7**	**19.6%**	**225.7**

Capital investment results

Capital results

Year-end capital spend is forecast to be under revised budget by $45.7M or 19.6%

Key variance explanations:

Underspend

- Water Services is forecasting to be underspent by $10M. This is mainly due to an underspend of $7M on Infrastructure Acceleration Fund (Valley Floor) projects due to the stage 1 feasibility study taking longer then expected. WWL managed project budgets were revised and spend is now forecast to be below budget by $4.3M. This is made up of Water Supply $2.3M and Stormwater $4M, offset by overspend in Wastewater of $2.1M. Offsetting these are additional costs for Eastern Bays and Tunnel Grove projects $1.3M.
- Solid Waste is forecast to be underspent by $2M at year end due to work on the Asbestos Cell being suspended to focus on the construction of the Landfill.
- Sustainability & Resilience is forecast to be underspent by $0.3M, mainly due to delays with Emergency Response Team facility project seeking new resource consent approval. The project is expected to be deferred until 2024/25.
- Transport is forecast to be underspent by $16.6M, mainly due to Micromobility $7.6M project being paused due uncertainty of Waka Kotahi subsidies, and the downsizing of the scope of Micromobility works in January 2024. Citywide Resurfacing and Rehabilitation projects are forecasting an underspend of $3.6M at year end due to weather related issues with the resurfacing work and longer repair time at Oxford Terrace. Additionally there are delays on a number of projects including Slip Remediation $1.6M, Cross Valley Connections $1M, Cuba Street Bridge $1M with these projects to be deferred to 2024/25. There is a saving of $0.8M in Wainuiomata Coast road with the project cost estimates being lower than expected.
- City Delivery is forecast to be underspent by $8.2M, mainly due delays in Te Wai Takamori o Te Awa Kairangi (RiverLink) project caused by changes in Alliance programming. There is an additional $0.2M underspend in Petone 2040 as the planning phase has been extended with the project likely to be deferred to 2024/25.

Capital investment results

Key variances explanations continued:

- Open Spaces, Parks & Reserves is forecasting to be underspent by $1.9M, mainly due to delays with Building and Tracks Renewals and some Reserve Development Projects (Black Creek, High Street Pomare, and Meadowbank) with these projects to be deferred to 2024/25.
- Connectivity, Creativity, Learning & Recreation is forecasting to be underspent by $3.9M mainly due to an underspend of $1.8M for Naenae Pool & Fitness Rebuild, although the overall project timeline is not compromised with work to be deferred to 2024/25 to complete the project within overall budget. There is a further $0.15M underspend and saving for Stokes Valley Roof replacement. Hubs and Library Services is forecasting to be under spent by $1.1M due to delays with the Moera Library Renewal project, and Arts & Culture is forecasting to be $0.8M under spent due to Dowse Heat Pump replacement project including decarbonisation. Both projects are likely to be deferred to next year.
- Corporate Services is forecasting to be underspent by $2.6M by year end mainly due a $1.7M underspend within Facilities Seismic Strengthening which is likely to be deferred to 2024/25 as further works cannot continue without a 6 month Library closure and a $0.7M savings in the Contingent Facilities Management Fund. There is also an underspend in CCTV camera installation project $0.2M which will be deferred to 2024/25.

Annual Plan vs Revised Budget

Annual Plan vs Revised Budget

The current Long Term Plan 2021-2031 was approved by Council on 30 June 2021. The budgets included in the 2023/24 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 2023. A revised budget for 2023/24 was created to reflect the budget updates required to improve the accuracy of budgets and the associated reporting of variances. The focus of performance monitoring is on financial results compared to the revised budget, as this is the most meaningful 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 23/24	Capital 2023/24	
Annual Plan 2023/24		**36.0 Surplus**	**225.7**	
Hutt Valley Tennis Funding		(1.2)	-	Council meeting 30 June 2023
Transport Contract Changes		(1.4)	-	Council meeting 30 June 2023
Carryovers including Transport, Waka Kotahi Subsidies, Naenae Pool, Parks Capital Works, and other minor projects.		(2.4)	8.6	Council meeting 30 June 2023
Revised budget 2023/24 as at Q 1 Reporting Date		**31.0 Surplus**	**234.3**	
Transport slips funding and associated subsidies		1.7	3.4	Council meeting 30 October 2023
Transport Eastern Hutt Road and associated subsidies		(7.2)	(10.6)	Council meeting 30 October 2023
Micromobility and associated subsidies		(5.4)	(5.6)	Council meeting 12 December 2023
Transport Eastern Hutt Road and associated subsidies		3.6	3.6	Council meeting 12 December 2023
Te Wai Takamori o Te Awa Kairangi - RiverLink		(2.5)	(4.5)	Council meeting 12 December 2023
Revised budget 2023/24 as at Q 2 Reporting Date		**21.2 Surplus**	**220.6**	
Water Services Capital		-	14.2	Council meeting 20 February 2024
Landfill Transfer Station Reduction		-	(1.5)	Council meeting 20 February 2024
Current Revised Budget 2023/24		**21.2 Surplus**	**233.3**	**-**

Balanced Budget

Balanced Budget

The current 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 2023-24 has been changed compared to what was in the 2023-24 Annual Plan, as reflected in the table below.

$million	YTD Actual	YTD Budget	Variance	%		Year-End Forecas	Revised Budget	Variance	%		Annual Plan Budget
Net Operating	21.4	7.4	(14.0)	-187.7%		(33.8)	(43.0)	(9.1)	-21.3%		(36.4)
Plus Subsidies For Capital Renewals	2.8	5.4	2.6	48.7%		4.2	7.2	3.1	42.7%		4.8
Total	**24.2**	**12.9**	**(11.3)**	**-88.0%**		**(29.7)**	**(35.7)**	**(6.1)**	**-17.0%**		**(31.6)**

Section six

Treasury management summary

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

Treasury Report

Treasury Report for the period ended 31 March 2024

The focus of treasury management activity has been on:

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

Key highlights include:

- An average cost of funds of 4.49% has been achieved year to date, which is above budget by 0.54%. This is a result of market conditions and borrowing completed during the period.
- Interest costs are unfavourable to budget by $2.51M for the period, mainly due to higher debt levels during the period (pre-funding) and higher market interest rates. This, however, is offset by interest earned as detailed below.
- Interest earned on cash holdings are favourable to budget by $2.26M, due to higher cash holdings from pre-funding activities and higher market interest rates.

	Actual YTD	YTD Budget	Variance
Average cost of funds	4.49%	3.95%	(0.54%)
Interest expense – borrowings	($15.32M)	($12.81M)	($2.51M)
Interest earned	$4.69M	$2.42M	$2.26M
Fair value gain on derivatives	($2.25M)	-	-

Debt portfolio performance

- Net debt* increased from $363.7M (31 December 2023) to $403.2M as at 31 March 2024, whilst gross debt increased from $475.7M to $530.7M over the same period.
- We completed $55M of debt issuance in the three months to 31 March 2024:
- $20M maturing April 2026 to fund Council's Water Services capital investment programme,
- $10M maturing September 2028 to fund Council's capital investment programme, and
- $25M maturing May 2030 to also fund Council's capital investment programme.
- Funds not immediately required were placed on call deposit at a rate of 5.50%.
- During the next quarter we have planned for additional issuance of up to $35M which is a mix of new debt to fund our capital investment programme and to pre-fund debt maturing in the next financial year (2024/25).
- No debt matured during the three-month period to 31 March 2024.
- During the next quarter we have $40M of debt maturing in April 2024, and $30M in June 2024. Both maturities have been pre-funded.
- Both revolving credit facilities, LGFA ($35M) and Westpac ($10M), remained undrawn as at 31 March 2024.

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 Loss of the swap portfolio (derivatives) year-to-date, to 31 March 2024, was $2.25M. This is an accounting adjustment required to be recorded and there are no cash flow implications.

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

Policy compliance and risk controls

Policy compliance

Measures	Policy	Actual 31 December 2023	Compliant
Net external debt/total revenue	Maximum 250%	165.6%	Yes
Net interest on external debt/total revenue	Maximum 10%	6.3%	Yes
Net interest to annual rates income	Maximum 20%	8.8%	Yes
Liquidity ratio	Minimum 110%	111.4%	Yes

Funding risk control limits

Period	Minimum %	Maximum %	Actual gross debt Not including Revolving Credit Facility ($45M)	Actual % 31 March 2024	Compliant
0 to 3 years	15%	60%	$215.7M	41%	Yes
3 to 7 years	25%	85%	$305M	57%	Yes
7 years plus	0%	60%	$10M	2%	Yes
		Total	$475.7M	100%	

Funding maturity and interest rate risk

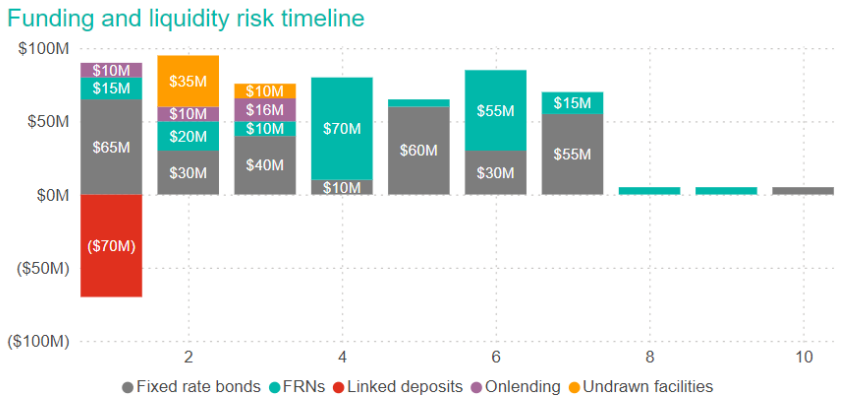
Funding maturity profile

Month
March 2024
Currency
NZD

Liquidity summary

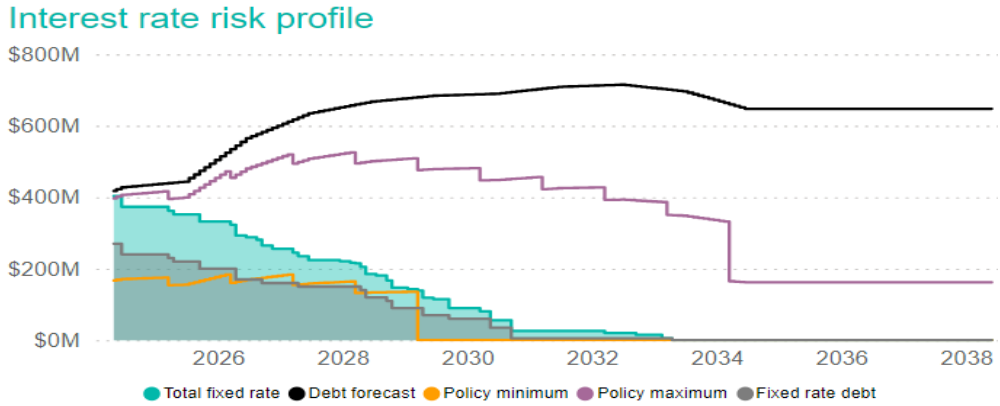
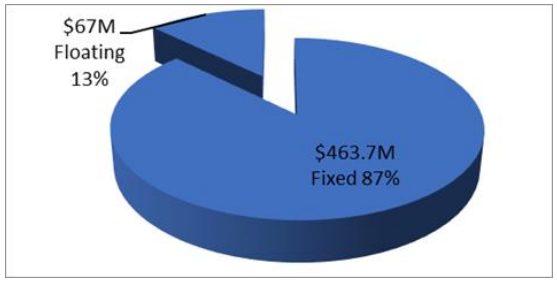
111.90%
Liquidity ratio (liquid deposits)

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 as follows: