
Tuesday, 21 July 2020

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Operations and Monitoring Committee Meeting

Kaupapataka

Open Attachments Under Separate Cover

Te Rā Hui:
Meeting date: **Tuesday, 21 July 2020**

Te Wā:
Time: **9.30am**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

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TE KAUNIHERA Ā-ROHE O HERETAUNGA

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Executive Summary

The Purpose of the Operations and Monitoring Committee is to ensure consolidated and complete reporting and monitoring of all financial and non-financial information and performance measures against the Annual Plan, Long Term Plan and Council Strategies, Goals and Priorities.

The period including the third quarter (January – March 2020) and into the fourth quarter presents as one of the most challenging times for our communities in our living history. The COVID 19 Pandemic and associated Nationally Declared Emergency resulted in closure of large segments of our economy and required all of us to remain at home unless we were involved in essential services delivery that required us to be in our workplace.

Our staff kept all essential services operating during the lockdown period, and most of our staff were able to continue their roles working remotely. Remaining staff were redeployed to support Council Incident Management Services, regional Civil Defence operations and Council Welfare Services, particularly focused on vulnerable people and people living alone.

This Performance and Monitoring Report is being developed to provide information and commentary for the Committee in sufficient detail that the Committee can maintain oversight of delivery of the Council Annual Plan and be satisfied that Council services are being delivered to specification, budget and on time. Any exceptional situations will be reported on along with mitigation measures being put in place.

The development of the necessary enterprise systems for assembly of the data for this Report has been delayed due to COVID 19 and the consequential redeployment of staff. As a result, the quality, depth and style of this report is not as advanced as was planned earlier in the year.

This Report is structured in alignment with our existing Long-Term Plan.



Future Reporting to the Committee will get more refined and aligned with the Committees communicated expectations regards the level and depth of information that is required for the Committee to satisfactorily achieve its Purpose.

Key Successes

Annual Plan and Rates Strike for 2020/2021

Following Community consultation, Council adopted the 2020/2021 Annual Plan at its meeting on 25 June 2020. Council revised its original Draft Annual Plan Budget down to a Rating Revenue Increase of 1.9% from 4.4%. It was felt that this level of increase still allowed Council to fulfil an essential role in stimulating the economy, sustaining employment and retaining an ability to add local support initiatives alongside Governments financial packages supporting business and employees. Council resolved to set the rates at their meeting on 14 July 2020.

Council COVID 19 Pandemic Response

We are pleased with the Council response to COVID 19. Planning which commenced in January meant Council was prepared for the imposition of National alert levels and associated restrictions. The strategic work of our Information & Business Transformation Team over the last 3 years meant we were quickly able to have over 200 staff and elected representatives supported to be working remotely from home. Over 130 staff kept all Council Essential Services operating with no service delivery gaps.

On 17 March, the Chief Executive directed the Council Incident Management Team be activated and Council ran successfully under a 'Coordinated Incident Management Structure' for approximately 6 weeks.

Council Facilities & Toitoti Reopening

On 29 February, Toitoti was officially opened after five years of planning, consultation and construction. It was then extremely disappointing to close Toitoti on 19 March due to COVID-19 restrictions. Staff have been able to adapt and deliver to the various restrictions under the different Alert Levels. Most Council facilities are back to full operational service levels including Toitoti. There are some restricted hours in i-Sites and the Art Gallery due to resource constraints.

Receipt of Central Government Funding

Council has received \$9,370,000 for major improvement works in the Waipatu area, footpath renewals, cycleway improvements and works on State Highway 51 Taihape Road. The funds must be invested quickly and underpin local sustainability in employment. Council has received an additional \$340,000 to support Council work placement services with a strong emphasis on youth (18-24-year olds)

At the time of writing Council is anticipating receipt of further Government Grant funding from applications submitted to the Provincial Growth Fund and Crown Infrastructure Funds.

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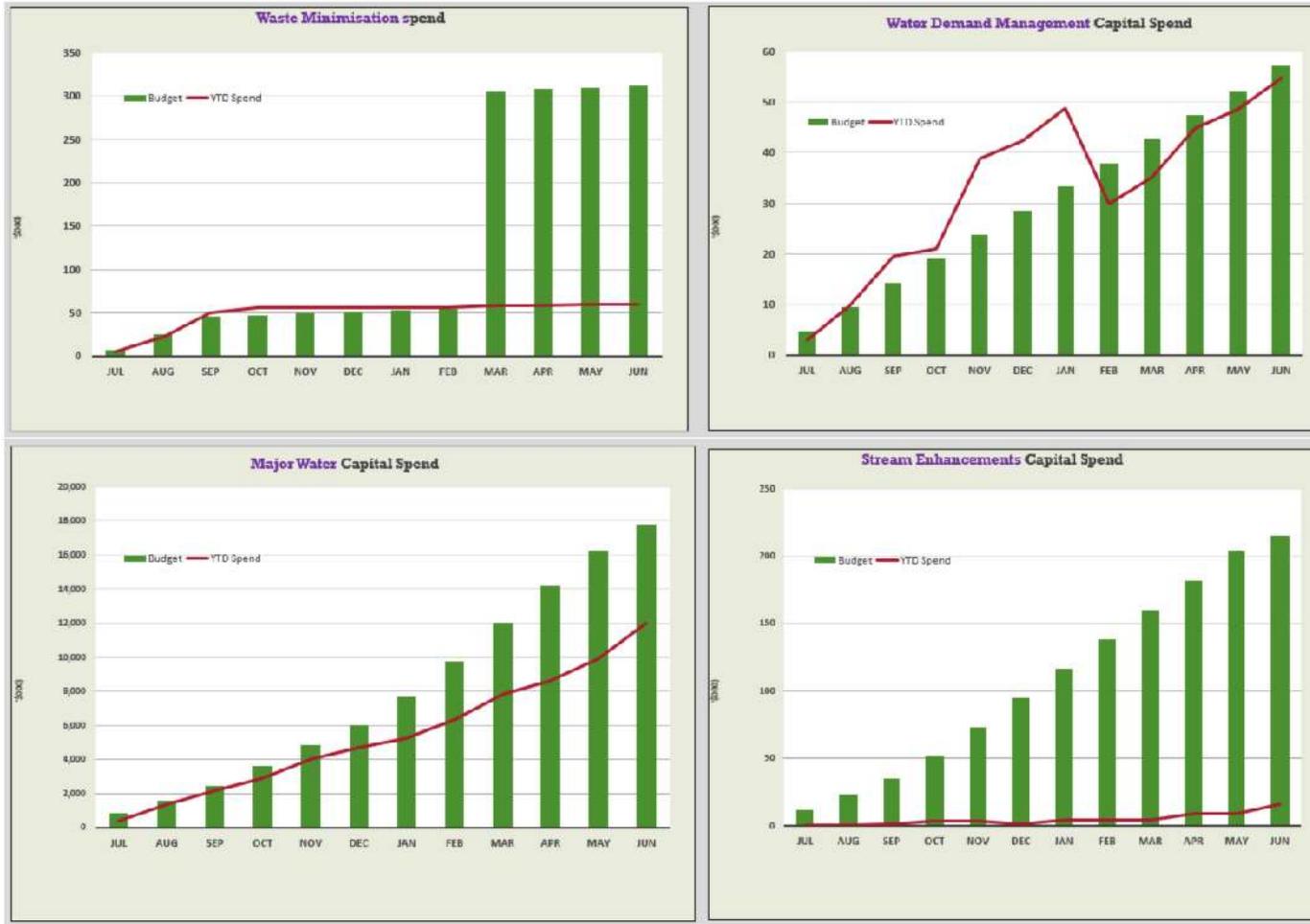


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Our Environment

3 Waters

Drinking Water

Compliance with Drinking Water Standards (2015-2019)

Safe drinking water is the Hastings District Council’s highest priority. The extent of changes in the way Council is managing drinking water safety has been informed by the Board of Inquiry findings following the Havelock North contamination event which occurred in August 2016, and there is commitment at the highest level to achieve this.

These changes have occurred across the entire drinking water space from catchment to tap including:

- Chlorination of all drinking water supplies starting 2017

- Treatment upgrades
- New water treatment plants being developed which will comply with protozoa – and bacteriological criteria of the Drinking Water Standards NZ (2018)
- Improving our understanding of this risk through the ongoing catchment risk assessment work and managing the risk through development of source protection zones
- Restructured business with additional skilled resources
- New processes and standards
- A significant emphasis on quality assurance

Complying with the DWSNZ requires a combination of treatment processes (ultra violet, chlorination) and routine monitoring of the source, treatment plant and reticulation. All supplies complied with the DWSNZ bacteriological requirement from 2016 to 2019. This is attributed to the

implementation of chlorination throughout all the supplies as well as monitoring frequencies and test results as per DWSNZ requirements.

Protozoa compliance has not been achieved for some of the Council supplies due to the current water treatment plant not being validated against the DWSNZ criteria, or due to the bore losing security status after previously being classified as secure.

Full compliance with protozoa requirements across all supplies will not be achieved until the Drinking Water Upgrade works are completed. This work is included in Council's budgets and Water Safety plan. The main risk to delivery timeframe is consenting.

Water strategy upgrades

Small Community Water Treatment Upgrades

Work is progressing on the Small Community upgrades. A contract is in place with Filtec Ltd for the design and construction of the six initial Small Community sites. Work on a new water supply bore for the Haumoana / Te Awanga and Parkhill water supplies is completed. Installation of 1,850m of new raw and treated water lines, connecting the new bore on Palomino Rd with the water treatment plant site off Parkhill Road and the existing Haumoana and Te Awanga treated water main at the end of East Road is nearing completion. Civil works have commenced on the new Haumoana water treatment plant site with construction of the water treatment plant and 600,000 litre reservoir scheduled for completion in August. It is expected the existing Haumoana and Te Awanga supply will be switched over to the new supply mid-September once testing and commissioning is completed. The Parkhill Community will be switched over to the new supply October / November once work on a small booster pump for the Parkhill Community, currently in design, is completed. The next supply to be upgraded is Whirinaki and Esk with site works scheduled to commence in July. The remaining 4 sites are at various stages of land negotiation and

design. This project is on track in accordance with the prioritised programme of work proposed through to June 2021.

A further contract has been let to Vertex Engineers Ltd to design and construct the Te Pohue Water Treatment upgrade. This upgrade is currently in design. Construction work is expected to commence in August with the new plant becoming operational in September. As part of the land negotiation, space has been secured for a future recycling station for the Te Pohue community.

Havelock North Booster Pump Station

The Booster pump station construction is now complete with testing and commissioning being undertaken. There will be a period of trialling and testing by HDC with the station available for full operation by November 2020. The project has been delivered within the revised and approved budget.

HDC Urban Water Treatment Upgrades

Frimley

Works are progressing on all key elements of the Frimley project with the following work complete;

1. A tender for the construction of up to 4 new water supply bores is currently out for tender;
2. Tenders have closed for the reticulation pipe contract which involves connecting the new water treatment plant to the existing network.
3. A tender has been let for the supply and construction of an 8,000 cubic metre storage reservoir.
4. Final design and tender documents are being prepared for the Water Treatment Plant.

The publicly notified consent process commenced in December 2019 with submissions closing in March 2020. There is only one opposing consent which will require a consent hearing scheduled for 17 July 2020. Subject to

the outcome of this process dates will then be confirmed for construction of the various phases of work. The project currently remains on track for completion in mid-2021.

Eastbourne

Work is also concurrently progressing on the Eastbourne site with the following work complete;

1. Site geotechnical investigations complete
2. The tender for construction of one new water supply bore has been included in the Frimley bore contract, currently out for tender.
3. Reticulation pipe alignments have been agreed from the new site to the existing network and are in the final design and contract preparation phase.
4. A tender has been let for the supply and construction of 2 x 5,000 cubic metre storage reservoirs.
5. Site layout detail of the water treatment plant and reservoirs is entering the detailed design phase.
6. Site enhancement works are also an integral part of the development works and these are advancing to the stage of further presentation to Council.

The focus for the project at this time is on community and Iwi consultation processes and preparation of detail for a notified consents process. This work needs to be progressed over the next two months.

Brookvale Road Water Treatment Plant cannot be downgraded to an emergency supply until Eastbourne and Frimley treatment facilities and associated reticulation upgrades are fully commissioned.

Waste Water

Treatment Plant Compliance (East Clive WWTP)

The wastewater treatment plant continues to operate within its consent conditions. Routine quarterly sampling has been completed for the consent year 2019-2020 and the compliance report is being prepared and will be submitted to Hawke's Bay Regional Council (HBRC) in September 2020.

A number of minor improvement works have been completed at the plant including the renewal of the components of the domestic and industrial screening equipment. The plant electrical system has gone through significant changes to improve the resilience in the system and also to comply with the new electrical standards. The plant control system upgrade project is in the tendering stage. Once completed, we will have a robust and reliable automated treatment system for the plant. While the plant operation has been stable and well maintained, we have procured some critical assets to maintain a reliable service. In the meantime, some outdated plant assets have removed from the site. The plant building is being well maintained to provide a good work environment for staff, contractors and visitors from schools and Hasting District Council staff. To fully comply with the changing Health and Safety (H&S) requirements, a number of improvements have been made to the plant building. A good documentation framework has also been developed for the site.

Officers also monitor compliance with the trade waste users to confirm that they are operating within their approved conditions.

Wastewater Network

Urban wastewater overflows have the potential to create unsanitary conditions, public health issues and can result in adverse environmental impacts through contamination of land and waterways. Over the last quarter there was one sewer overflow reported to HBRC.

An investigation into the cause of the overflow was carried out swiftly after which determined the cause of the overflow to be ingress of tree roots blocking wastewater flow within the pipe. The tree roots have since been removed and relining of the pipe will take place to prevent further ingress from tree roots to ensure there are no reoccurring issues. HBRC have issued an abatement notice and infringement notice for the overflow.

Coastal Works

Waimarama Seawall maintenance – Initial design and contract negotiations are complete for the placement of 2,750 tonnes of limestone rock required to maintain the existing Waimarama seawall. The works are estimated to cost \$200k and a letter has been sent to all ratepayers advising the impact of this cost on rates of \$30 - \$120 per property. Responses to the proposal close on 9th June, when a decision will be made on proceeding with works in the 2020/21 financial year. Responses have all been in favour of the works so far and are scheduled for construction in July 2021.

North Shore Road (Whirinaki) – Local residents have approached Council for advice to localised erosion in the North Shore Road area in Whirinaki. The site has been inspected, options discussed and HDC has engaged Tonkin & Taylor to produce a report summarising the coastal trends and to consider more recent impacts in this area. This is now complete and a copy provided to local residents for consideration. Residents are looking for support and guidance on small scale coastal protection works and planting, that could be carried out by themselves.

Cape View Corner (Haumoana) – Works are progressing in this area in preparation for a consenting process. The agreed revetment design is complete and discussions are being had with impacted landowners. A Planning advisor has been engaged and is preparing detail and documents for the consents process. Meetings have been held with HBRC to agree a

way forward and it is hoped to get into the consent process in the next 6 – 8 weeks.

H21 (Haumoana) – Following an initial meeting in February 2020 with H21 representatives it was agreed for HDC, along with Tonkin & Taylor, to prepare a report of defence options and preferred alignment for the residents' consideration of a contiguous protection wall for the H21 properties. This report is nearing completion and should be made available to H21 representatives by mid-June. Consideration will then be given to the next steps.

Landscape ride safety improvements, Waimarama Road

Work is largely complete on the design and land related matters for this project. Iwi and archaeological approval has also been secured for this project so it can now be prepared for construction. Construction is proposed for post-winter in September/October 2020.

Capital Works

- Construction on the extension of the stormwater infrastructure between Kaiapoi and Gordon Road was completed.
- Works are progressing on the stormwater upgrade works on Arataki Road between Russell Robertson Drive and Albany Lane. Completion is expected in August 2020.
- The rehabilitation of the rising main from the Lyell Road pump station towards Park Road is essentially complete with only minor tasks required.
- The construction of the replacement rising main along School Road in Clive is nearing completion and should be finished in June 2020.
- The renewal of the drinking water main in Montgomery Street is also expected to be complete in June 2020.

OUR WMMP JOURNEY

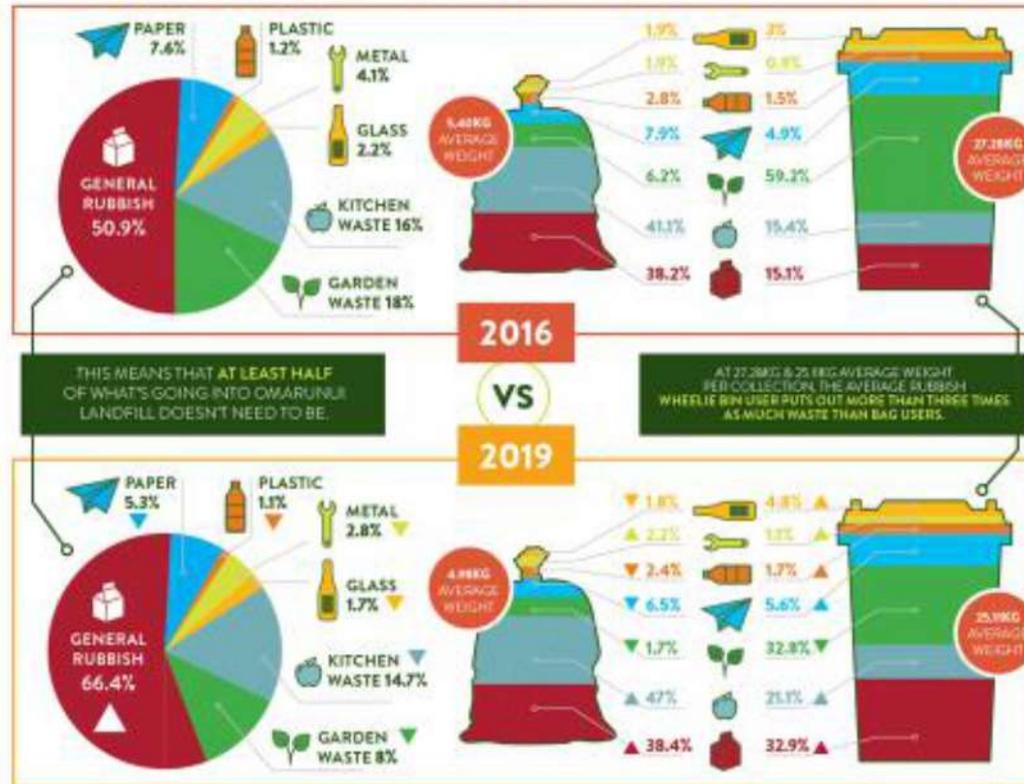
VISION TO DELIVER WASTE MINIMISATION AND RESOURCE RECOVERY ACROSS HASTINGS DISTRICT AND NAPIER CITY WORKING TOWARDS ZERO WASTE.

TARGETS

- 20%** TOTAL TONNAGE INCREASE IN COMMON RECYCLABLES DIVERTED FROM OMARUNUI LANDFILL
- 30%** TOTAL TONNAGE DECREASE IN ORGANICS TO OMARUNUI LANDFILL



WHAT'S IN OUR WASTE - 2016 VS 2019





WMMP ACTION PLAN UPDATE

TONNAGE

- HOUSEHOLD WASTE DECREASING (Green traffic light)
- TRANSFER STATION WASTE STATIC (Yellow traffic light)
- LANDFILL TONNES INCREASING (Red traffic light)
- COUNCIL GREEN WASTE DECREASING (Red traffic light)

ACTIONS

- WASTE FUND (Green traffic light)
- LOBBYING (Green traffic light)
- KERBSIDE COLLECTION CONTRACTS (Green traffic light)
- ORGANIC WASTE (Yellow traffic light)
- PLANNING CONTROLS (Yellow traffic light)
- MONITORING (Yellow traffic light)
- ZERO WASTE EVENTS (Yellow traffic light)
- HAZMOBILE (Yellow traffic light)
- BUSINESS SUPPORT (Yellow traffic light)
- JOINT SERVICES (Red traffic light)
- PUBLIC PLACE RECYCLING (Red traffic light)
- REWARDING THE COMMUNITY (Red traffic light)

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Waste

- Henderson Road Transfer Station - bookings to visit the site in March – May were essential and overall worked very well.
- Green Bins/Rural recycling sites – with the move to Level 2, Maraekakaho, Poukawa, Tutira, Pukehaumoamoamo and Waimarama sites reopened and are being closely monitored.

Kerbside Recycling

- Kerbside Collection started on 1st July.
- Kerbside Receptacle Delivery - The recycling crate and wheelie bin delivery has been completed and the new contracts have commenced.

Community Engagement

Prior to COVID-19 the engagement plan included a large number of roadshows at supermarkets, the farmers market and in parks with the new trucks. These had to be cancelled and our communications changed to reflect the current situation. The information on the council website has been regularly updated during lockdown to reflect the service level changes as they occurred, along with media releases, advertising and Facebook posts.

The engagement plan has been re-evaluated taking into account the heightened awareness that surrounds what is happening to the rubbish

and recycling and the extra communications that have gone out during this time.

Each crate was delivered with a 'Guide to Reducing Waste' – which covered how to present the recycling crates, what can and can't go in the new rubbish wheelie bins and organic waste options. There was also a 'Recycling in 4 Easy Steps' pin up and in three quarters of the deliveries a COVID-19 update.

The rubbish wheelie bins were delivered with a leaflet detailing what will be accepted in the bins and how they should be presented at kerbside.

During June the communications moved through three phases letting people know the new services are coming, it's time to prepare.

The recycling and rubbish guides are just the start of what will be a larger education program. After the launch it will be about getting the basics right tackling problems with contamination and presentation issues.

Simple guides are being made available in multiple languages: Te Reo Māori, Samoan, Basic Chinese, Hindi and Punjabi.

Work is also being undertaken by the Waste Team to look at developing policies regarding contamination, assisted service collections and bin/crate replacement.

<p><i>It's Coming</i></p>	<p>Top level message:</p> <ul style="list-style-type: none"> • Heads up, new services are coming • More info later in the month <p>Details:</p> <ul style="list-style-type: none"> • Bins are arriving but don't use them yet – check out the info that arrived with them (include why!). • Online delivery schedule.
<p><i>Get Ready</i></p>	<p>Top level message:</p> <ul style="list-style-type: none"> • Here's what you need to know. • Think: What will change in your home when new service starts? <p>Details:</p> <ul style="list-style-type: none"> • New recycling and rubbish rules: 7am start, separate your recycling. • All about green waste. • Contact your commercial waste provider. <p>What's your (start) date?</p>
<p><i>Let's Go</i></p>	<p>Top level message:</p> <ul style="list-style-type: none"> • Make the change to the new normal. • Make landfill your last choice. <p>Details:</p> <ul style="list-style-type: none"> • What's your day? Check the sticker on your wheelie bin and crates. • 7am start • Must use your council provided crates • 60% of what is in your rubbish could be recycled or composted <p>Recycling and rubbish rules reminders (key)</p>

Basel Amendment Submission

The Basel Convention is an international treaty that was designed to reduce the movements of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries

New international requirements (under the Basel Convention) for the trade in plastic waste come into effect on 1 January 2021. The Government is proposing amendments to the Imports and Exports Order to meet this international requirement.

Under these amendments, imports and exports of most mixed plastic waste will require a permit. Imports and exports of separated plastic waste suitable for recycling, and mixtures of PET, PE and PP will not require a permit.

A submission was drafted and submitted by officers based on feedback from the Joint Waste Management and Minimisation Plan consultation and national discussion with other Councils and members of the waste industry.

Local Fund

A local waste minimisation fund has been created to support the creation of new, or the expansion of existing activities that result in waste minimisation or diversion of waste from landfill. The establishment of the fund is related to Actions 6 C and D of the Joint Waste Management and Minimisation Plan (WMMP).

The fund can support an individual, school, business, charity, or group carrying out a waste minimisation project. The fund has been established to allocate a portion of the Waste Disposal Levy funds paid to the Hastings District Council under the Waste Minimisation Act 2008 (WMA).

The fund was launched for the first round of applications in February 2020. Since the launch, two applications have been received, however

one of the two has since been withdrawn. This application was approved by officers for the full funding amount, as per the funding framework.

A larger funding round will be available once per year to support medium to large waste minimisation projects. Applications for medium to large projects are between \$2,000-\$25,000. This round opens for applications in September 2020.

Due to Covid-19 pandemic the fund has not yet been advertised to the wider community. Knowledge of the fund has so far been limited to anyone looking on the funding page of the Hastings District Council website and people who have signed up to the waste minimisation e-news which is issued on an ad-hoc basis.

Advertising for the fund will begin in the coming months through Council channels such as the monthly waste minimisation e-newsletter, social media, and the HDC website.



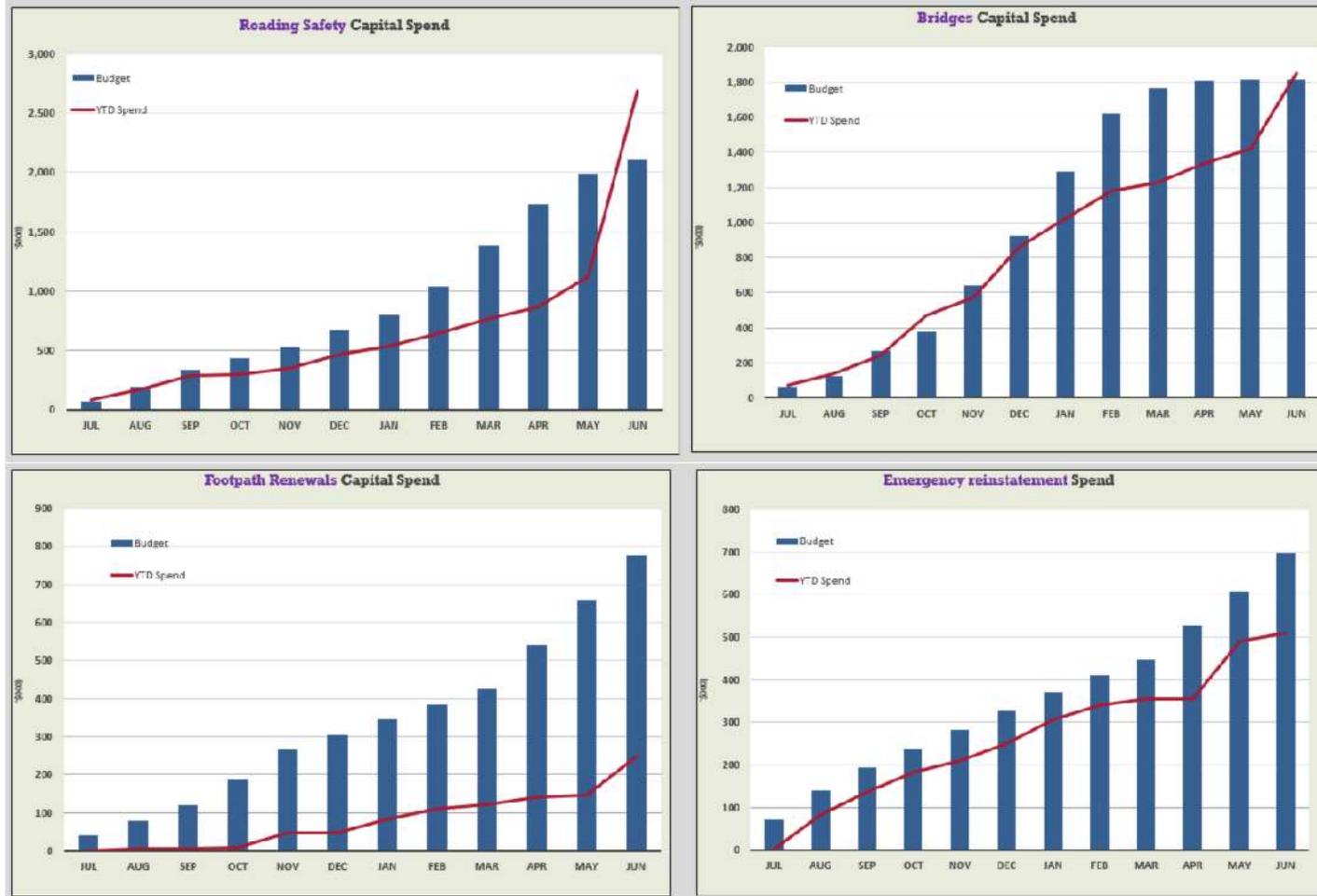
Photo: New recycling crates

HazMobile

The HazMobile collection scheduled for 30 March 2020 was postponed due to COVID-19 restrictions. It will be rescheduled for later in 2020.

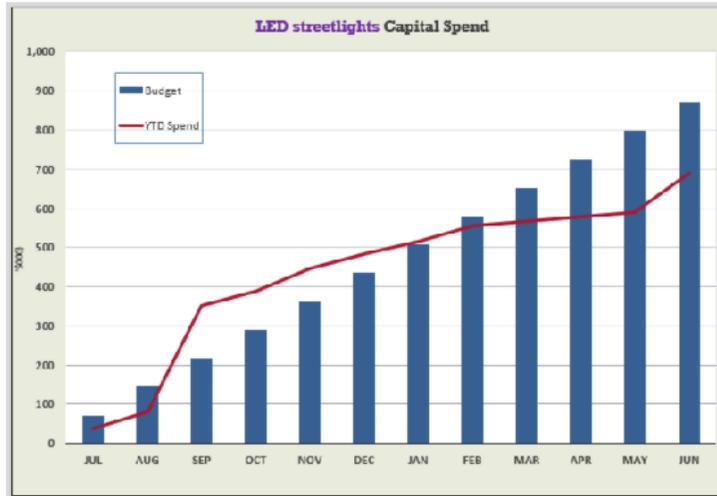


Moving Around



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Our Bridges

Restricted Bridges and High Productivity Motor Vehicle (HPMV) Routes

The works on Ohara Bridge have finished with Riggirs and Moeangiangi Bridges expected to finish by the end of June and August respectively.

The construction progress of both bridges was heavily affected by the lockdown period which meant that some construction money was redirected to be spent on evaluation of the next listed bridges.

Therefore, work has started on evaluation of the following bridges: Farndon Overhead, Crownthorpe, McDonalds, Moka, Heays Gorge and Poporangi.

There are also design works being completed for the next financial year construction.

Bridge Maintenance

Works are underway to create a model to forecast bridge long-term investment and service level scenarios to more robustly understand and manage the maintenance and renewal demand over the life of the bridges.

Street Lighting

The Council programme to replace all street lights with new LED lights is ahead of schedule with 65% of lights replaced and the programme is due for completion by the end of 2020. This should result in a 20% reduction in power consumption.

Asset Management Planning

Roading

The Programme Business Case for the 2021-24 Long-Term Plan is currently being jointly reviewed by the New Zealand Transport Agency and Council. The final submission of the Asset Management Plan and the Programme Business Case which outlines the proposed work and funding requirements for the 2021-24 period is due by the end of August.

As part of the planning and to understand the network needs the following work has been completed:

- Predictive asset analysis to inform renewal investment needs;
- independent network inspection;
- lifecycle analysis of surface lives on the network.

The work confirms that there is a significant backlog on the network and that the current funding level will need to be increased to maintain the current service level and reduce lifecycle costs. This discussion will be included as part of Council's Long-Term Plan considerations.

Roading Network Performance

Appendix 4 provides a status update on construction and maintenance.

Appendix 5 provides a summary of our Network Performance.

October 2019 Storm Event

A storm event caused widespread damage in October 2019. Whilst not all of the damage has been funded by NZTA, \$350,000 worth of damage was funded and repaired. There is significant work outstanding that will be done using existing maintenance and renewal funds on a priority basis.

COVID-19

The announcement of COVID-19 lockdown on 23 March 2020 resulted in the shutdown of all seven active transportation construction projects. These sites have been maintained throughout Level 4 period by contractors without any incident. Works resumed on all sites within two weeks of going into Level 3. We have received a number of COVID-19 related claims from the contractors. These claims are being evaluated by our engineers in accordance with the broader guidance of NZTA and Ministry of Business, Innovation and Employment. The effect on transportation activities during the various alert levels was felt across all elements of the transportation network. The reduction of traffic meant that essential service work was able to continue to be done with less disruption.

Provincial Growth Fund

Jobs for Heretaunga: Immediately prior to the announcement of the Level 4 lockdown, we submitted a funding application to the Provincial Growth Fund (PGF) to assist with economic stimulus and job creation post the COVID-19 lockdown. On 23 May government announced Council will receive \$9.37 million funding for specific shovel ready projects. Projects include improvements to our footpaths, the iWay walking and cycling network, and a significant safety project on State Highway 51 between Kenilworth and Ruahapia Roads.

The purpose of the funding in delivering the project is that Council must ensure that all tendering, procurement, employment and training arrangements:

- (a) prioritise the employment of local workers displaced by the COVID economic crisis;
- (b) occur at pace, time being critical; and
- (c) assist in meeting the social procurement objectives agreed between the parties, together.

We have indicated that in the order of 158 workers will be required for these projects, with a mixture of existing and redeployed workers. Where possible we would like to create quality jobs with career pathways and will work with suppliers to achieve this. Work packages have been designed to help enable this outcome.

Those redeployed positions will be filled working in conjunction with the Ministry of Social Development who will identify those workers impacted by COVID-19 that need redeployment.

Safety

Speed Limit Reviews

During the previous speed limit reviews which were implemented in 2018 and 2019, Council received numerous requests from the public for additional reviews across many of the District’s routes. In addition, NZTA requested that any future reviews also considered the top 10% high risk safety routes across the District. Council has adopted the proposed changes to be taken through the community consultation and ultimate decision making processes later this year.

High Risk Roads and Motorcycle Routes

Crash reduction studies have been completed on all of the roads rated as ‘high risk’ on our network, as well as the high risk intersections. Many of the recommendations from these studies have been implemented. The remaining recommended safety improvements have been programmed for future years when funding becomes available.

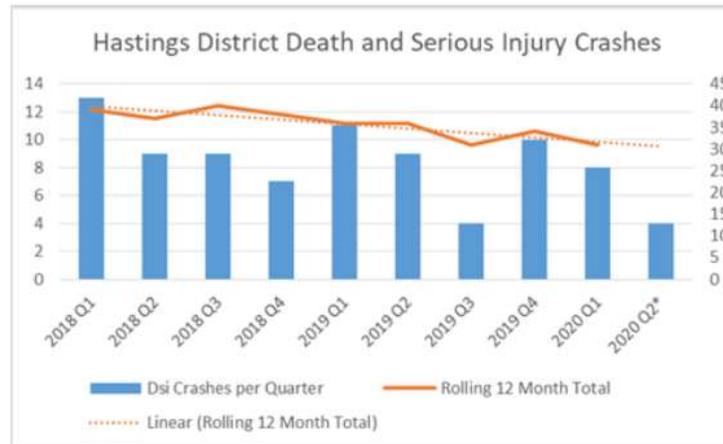
The list of roads include:

- Brookfields Road
- Clive to Haumoana Route (Mill Road, Haumoana Road, Parkhill Road, East Road)
- Middle Road
- Stock Road

- Taihape Road
- Te Aute Road
- Tukituki Road
- Waimarama Road

Safety Strategy

The Ministry of Transport has recently released their “Road to Zero” safety strategy, which is based on the vision that no death or serious injury while travelling on our roads, streets, cycleways and footpaths is acceptable. The overarching target is a 40% reduction in death and serious injuries from crashes by 2030. The crash rate in the District has been slowly decreasing since 2018, and through continued safety improvements and increased funding, Council can achieve this target.



Officers are in the process of updating Council’s safety strategy, which was developed in 2017, to align with the Road to Zero strategy and to support the associated action plans.

Walking and Cycling

iWay Audit

An on-bike audit was carried out of the entire Hastings iWay network, which identified a number of items to improve; including worn surfaces, inconsistent signs and markings, and missing cut-downs. The remedy of these issues is being funded as part of the Jobs for Heretaunga (PGF supported) programme.

Napier Road Cycleway

The upgrade of Napier Road with cycling facilities is underway. This includes an off-road shared path between Thompsons Road and Romanes Drive, with on-road cycle lanes up to the new SH51 / Te Ara Kahikatea roundabout.

Te Ara Kahikatea Shared Path

A new shared path alongside Te Ara Kahikatea between Pakowhai Road and the peanut roundabout has been completed. This links up with the shared path on Pakowhai Rd leading up to Chesterhope Bridge that was completed last year.

Strategies

Active Travel Business Case

The Programme Business Case for Active Travel is nearly complete. This has been developed in consultation with key stakeholders despite lockdown. It lays out the argument for supporting walking, scootering and cycling, and identifies a preferred programme of physical works and soft measures to put forward into the next LTP.

Transport Network Business Case

The Programme Business Case for the Transport Network is nearly complete. This has been developed in consultation with key stakeholders despite lockdown. It identifies the key issues facing transport in Hastings District and puts forward a preferred programme of infrastructure improvements and soft measures for the next LTP.

Regional Programme

Regional Transport Programme Business Case

The Regional Transport Programme Business Case is under development. This is being led by NZTA and commenced via investment logic mapping workshop involving mayors and staff from all local councils.

National Issues

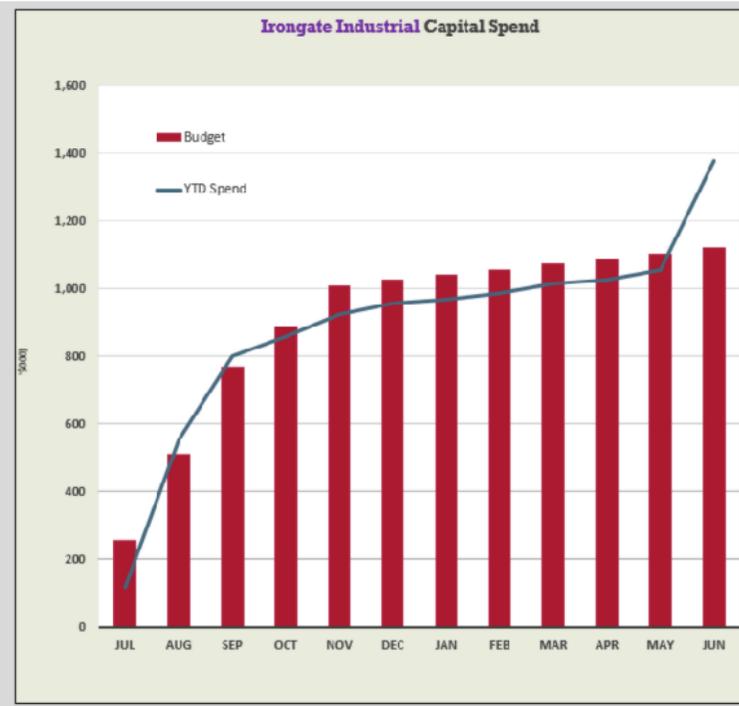
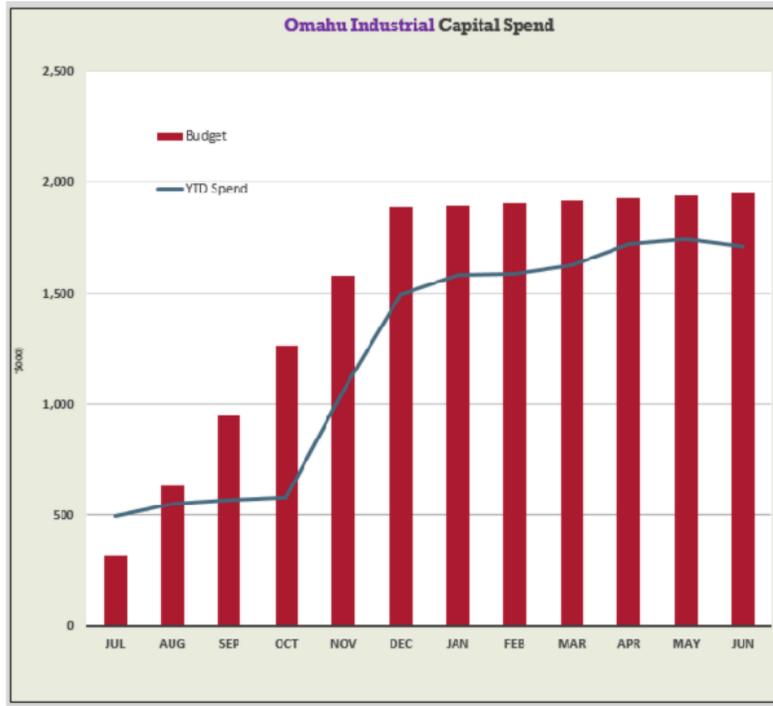
Accessible Streets

The Government is proposing a suite of rule changes around the usage of footpaths and cycleways. The major changes are to allow all people on bikes to use footpaths, regardless of age, with a speed limit of 15km/h, and to allow e-scooters to use cycle lanes. Council's submission was largely in favour of the changes, while raising the need for nationwide education around the changes and a review of footpath standards.

Government Policy Statement

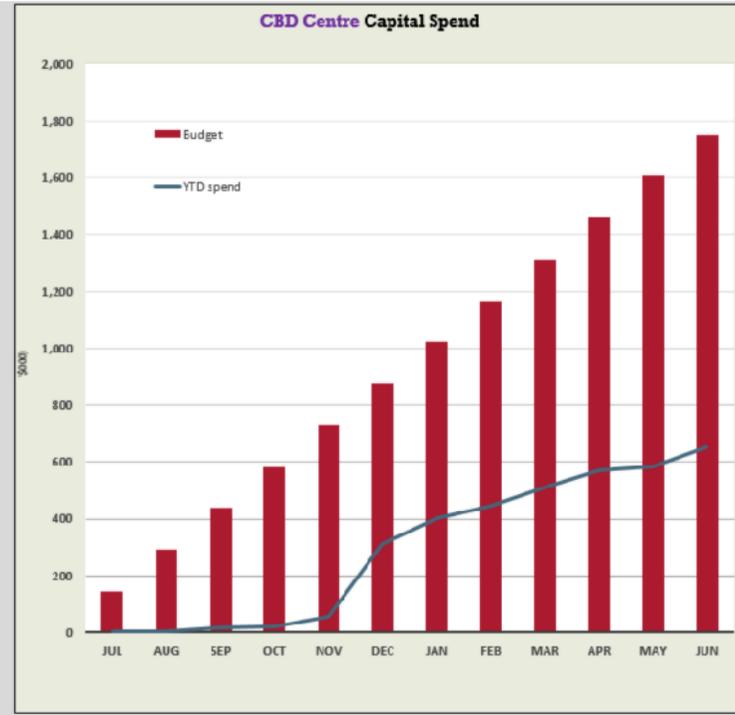
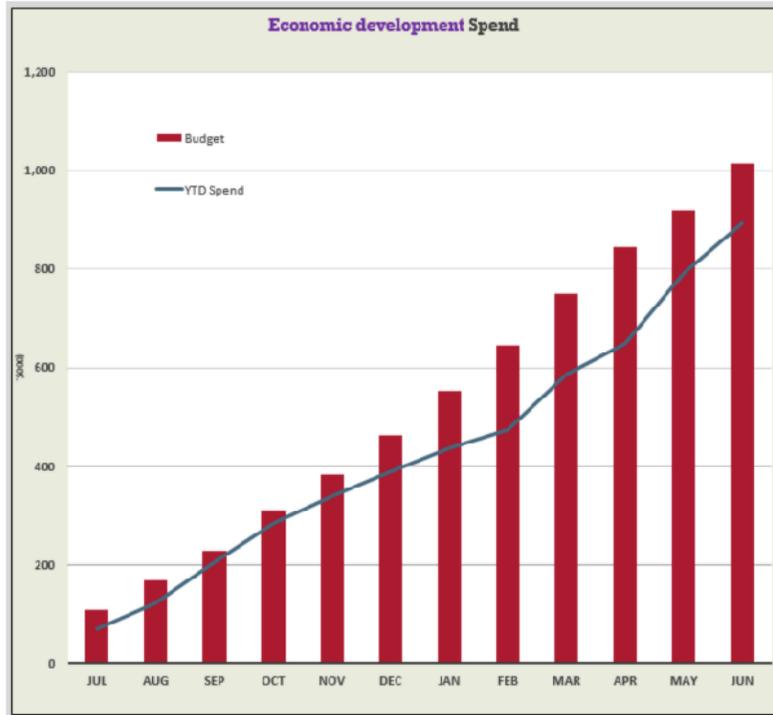
The Government is also consulting on its Draft GPS, setting the funding levels and requirements for transport projects. Council's submission was largely supportive, particularly of the increased focus on safety, better travel options, and improving freight connections. However concerns were raised around funding for road maintenance and the impacts of COVID-19.





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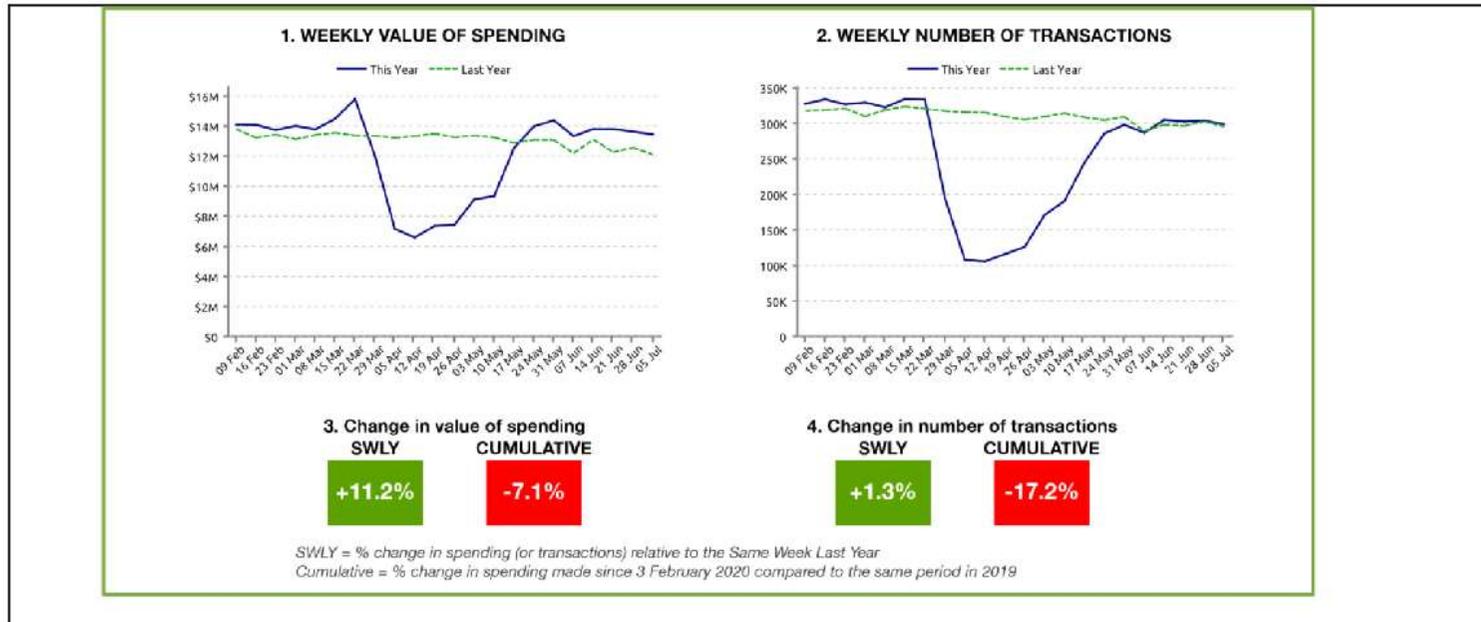
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Our Economy

- COVID-19 had an initial negative impact on building consents however the numbers have now increased and are back to pre-COVID levels. See graph below.
- COVID-19 has not impacted on resource consent applications (particularly sub-divisions) which have continued at a relatively high level. See graph below.
- Retail spending dropped significantly during the lockdown but has recovered and volumes are back to similar levels as last year with the total value of transactions being higher. See graph below.
- Employment is expected to take longer to recover with Infometrics forecasting for March 2021 that Hawke's Bay region employment will drop by 7,000 from 83,600 to 76,600 and an unemployment rate of 8.4% with most job losses in the services sector.
- Some events targeted at our China relationships are on hold given the practical implications of COVID-19. Planning for the 40th Guilin Anniversary is still underway for 2021.
- Council has notified, made decisions and is awaiting appeals on its seasonal workers accommodation plan change which will provide for accommodation on orchard and industrial zones. This will provide much needed labour to harvest Hawke's Bay's crops.

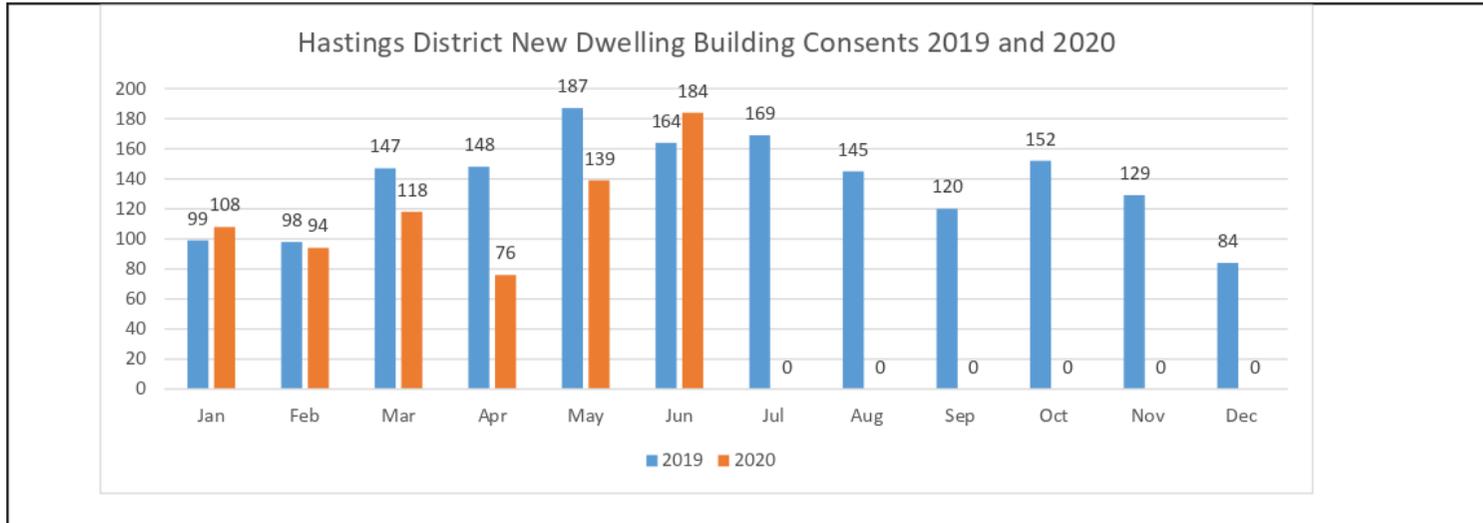
Hastings Retail Sales as at 5 July 2020



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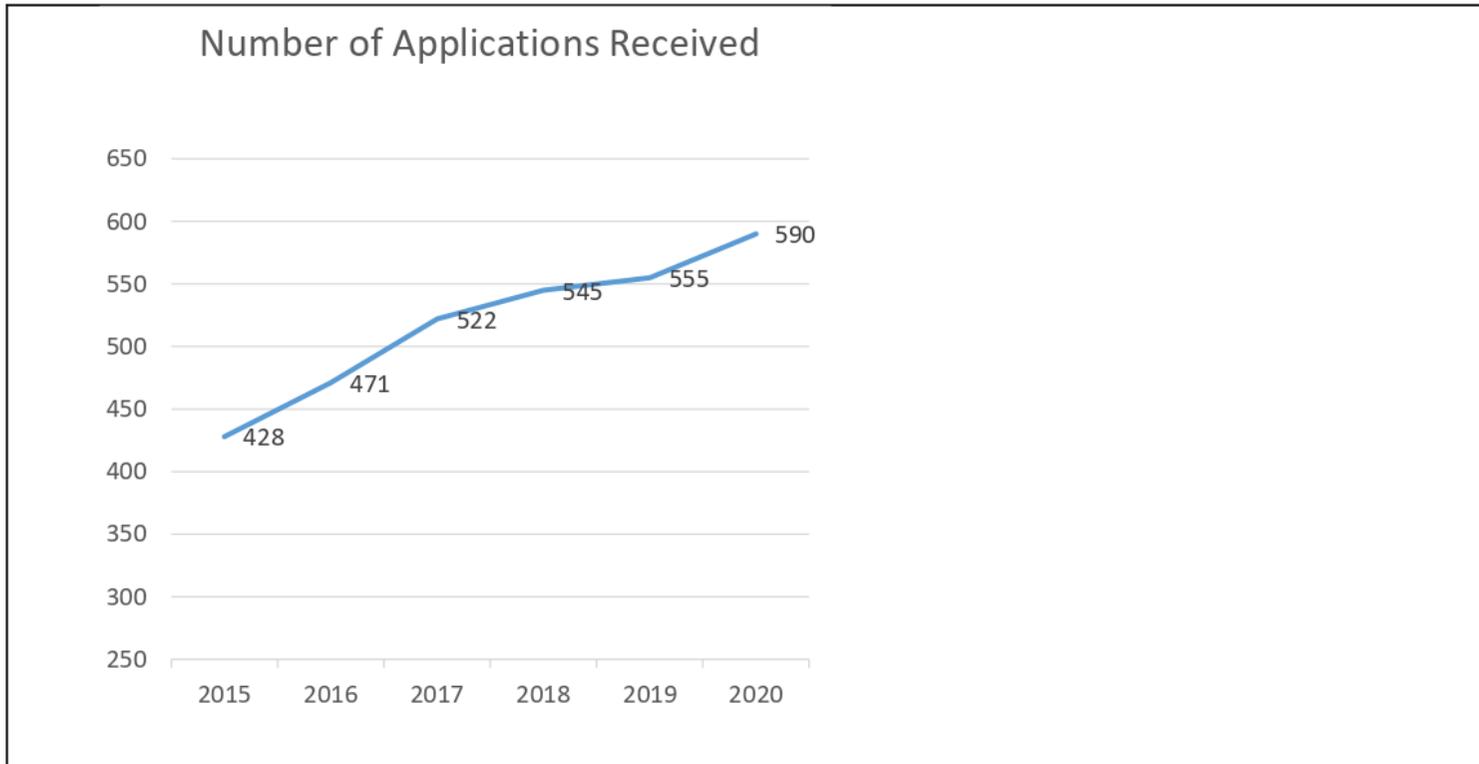
Hastings District Building Consents as at 30 June 2020



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Hastings District Total Yearly Number of Resource Consents 2015 to 2020 (ytd extrapolated)



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CURRENT AREAS OF FOCUS	
Industrial Development	
Karamu Strategy	Officers are reviewing the Karamu Master Plan as the drivers that existed for this project in late 2018 have significantly changed. A recast of this project including further developing a Regional Industrial (joint) Strategy and an investigation into cultural aspirations for the area is under consideration.
Food Innovation Hub (FOODEAST)	Officers are working to ensure the successful delivery of the HB Food Innovation Hub. Challenges around due diligence are currently being addressed. Funder commitments still need to be confirmed. Work continues on the final design.
Omahu Road (North) Industrial Zone	Industrial zone water and sewer infrastructure is effectively complete.
Irongate	Subdivision of 9+ hectares of land in Irongate is going ahead bringing further industrial lots to the market. Work continues to support landowners and developers through Council processes
CBDs	
Hastings CBD	Councillors have given their support to an accelerated delivery programme. A monthly City Centre Forum meeting has been initiated to share progress on various CBD related projects and initiatives with key stakeholders aimed at fostering positive and productive long-term relationships. Current work in the CBD includes the Karamu Road North street upgrade and Landmarks Square upgrade.
The Municipal Building	The Municipal Building is undergoing a two stage redevelopment: 1. Seismic Strengthening 2. Interior Redevelopment. The seismic strengthening is on track and nearing completion. Full funding for the interior redevelopment stage is still to be resolved. Final design will depend on tenancies.
Hotel in the Hastings CBD	Facilitating the establishment of a hotel in the Hastings CBD has been a long term strategic aspiration for the Council and is regarded as being a key piece of strategic infrastructure missing from the City Centre. Discussions with interested parties continue.
Business Processing Centre	Officers are continuing their discussions with a prospective organisation to establish in Hastings.
Flaxmere Town Centre	The Commercial Area is up for sale. Council undertook a review in early 2020 with a view to developing the western blocks of land which have been vacant for many years. The Urban Design Review has been adopted by Council and community engagement will commence in August.

Appendix 10 provides a status update on residential and industrial developments.

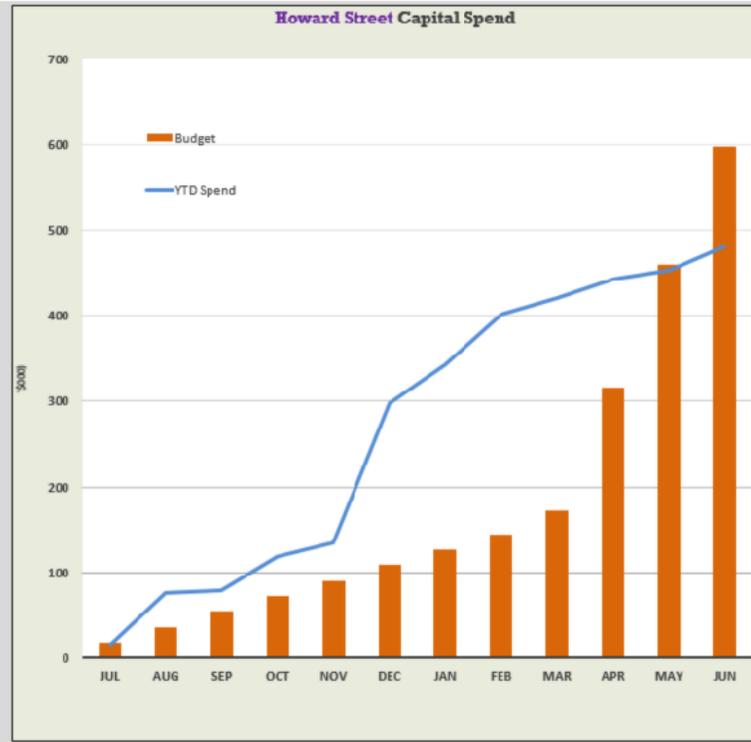
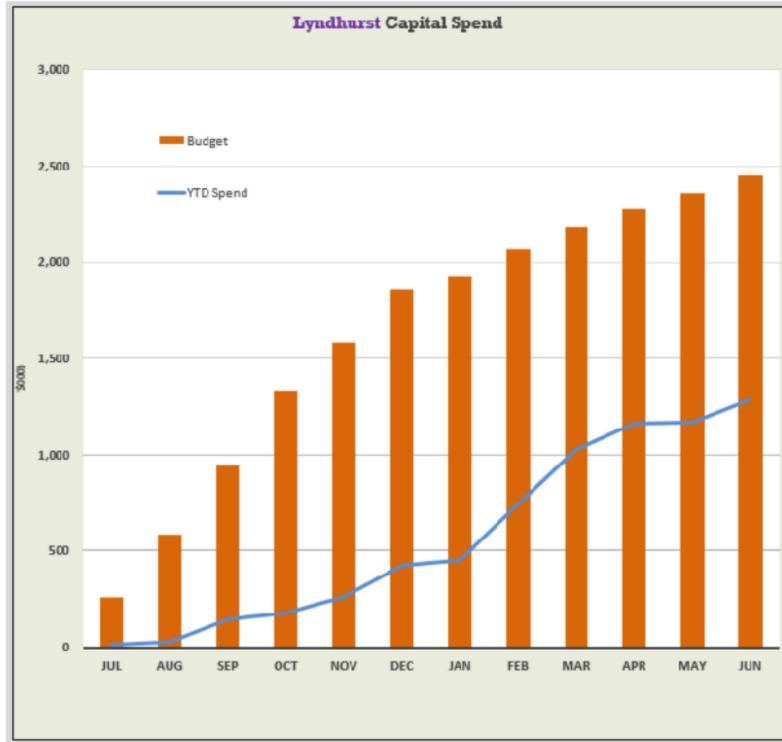
Performance and Monitoring Report: Quarter Three 2019/2020

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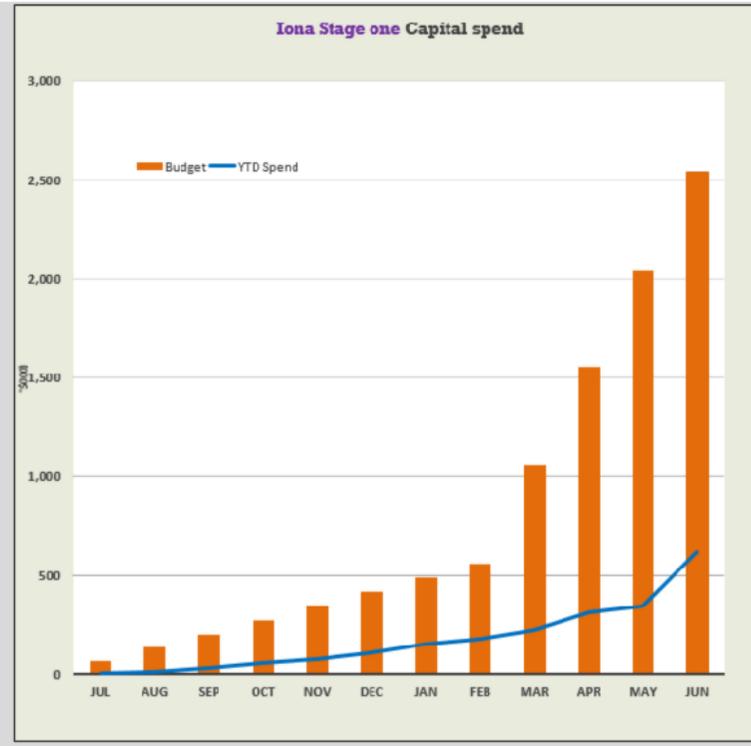
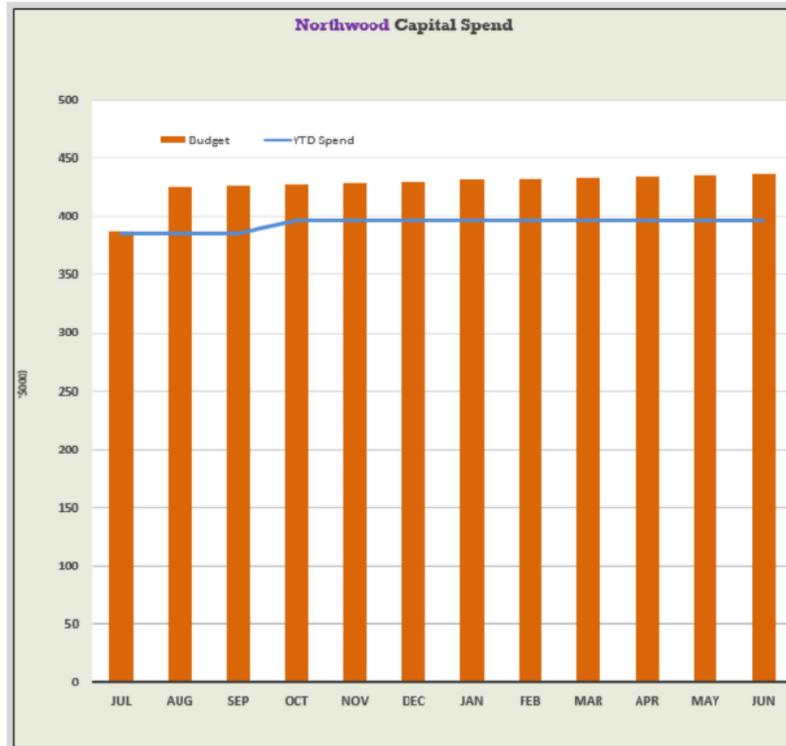
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Where We Live

Housing Strategies

Housing Strategies	
Hastings Place Based Plan	<p>Council is collaborating with Kainga Ora and Ministry of Urban Developments to identify and progress opportunities for affordable housing.</p> <p>Kainga Ora Development Programme is accelerating with:</p> <ul style="list-style-type: none"> • 40 Houses about to commence construction in Kauri Street. • Resource Consents for Tranches 4 and 5 which amount to 75 additional houses will be lodged in the next quarter. • 15 'infill' dwellings are in the process of resource consent with construction completion scheduled for early next year. <p>Council land sales are progressing:</p> <ul style="list-style-type: none"> • 3 Flaxmere West Sites sold to Kainga Ora. • 244 Flaxmere Avenue design meetings with Kainga Ora • Tarbet Street subdivision will begin construction phase in July.
Hastings Medium and Long Term Housing Strategy	<p>Officers in association with Ministry of Housing and Urban Development, Kainga Ora and an external consultant are currently developing a Medium and Long Term Housing Strategy for Hastings. The strategy is being developed with similar partners involved with the Hastings Place Based Plan. It is planned to have a first draft of the strategy available in August.</p>
Heretaunga Plains Urban Development Strategy	<p>Officers are investigating opportunities to accelerate some HPUDS implementation actions and align with programmed review.</p>
Medium Density Housing Strategy	<p>Officers are currently prioritising a stocktake of outstanding and ongoing medium density housing implementation actions with a view to refocussing efforts and resources in conjunction with the Place Based Housing Plan.</p>

Transitional, Emergency and Social Housing

Transitional, Emergency and Social Housing																																													
<p>Transitional Housing and Emergency Housing</p>	<p>Hastings District as at 31 December 2019.</p> <ul style="list-style-type: none"> • There were 165 applicants in Transitional Housing places, down from 181 in the previous quarter. • There were 450 Emergency Housing Special Needs Grants (EH SNG), up from 380 in the previous quarter. • The value of EM SNGs was \$634,420 up from \$460,169. 																																												
<p>Social Housing</p>	<p>Social Housing Register as at 31 March 2020</p> <p>The number of applicants on the MSD social housing register continues to rise over the past 12 months, increasing from 278 in March 2019 to 500 in March 2020. 475 of the 500 applicants are on the A Priority List.</p> <div data-bbox="510 646 1393 1182" data-label="Figure"> <table border="1"> <caption>Hastings District Housing Register March 2015 to March 2020</caption> <thead> <tr> <th>Date</th> <th>Number of Applicants</th> </tr> </thead> <tbody> <tr><td>Mar-15</td><td>50</td></tr> <tr><td>Jun-15</td><td>42</td></tr> <tr><td>Sep-15</td><td>57</td></tr> <tr><td>Dec-15</td><td>72</td></tr> <tr><td>Mar-16</td><td>85</td></tr> <tr><td>Jun-16</td><td>70</td></tr> <tr><td>Sep-16</td><td>69</td></tr> <tr><td>Dec-16</td><td>88</td></tr> <tr><td>Mar-17</td><td>104</td></tr> <tr><td>Jun-17</td><td>125</td></tr> <tr><td>Sep-17</td><td>163</td></tr> <tr><td>Dec-17</td><td>174</td></tr> <tr><td>Mar-18</td><td>198</td></tr> <tr><td>Jun-18</td><td>250</td></tr> <tr><td>Sep-18</td><td>283</td></tr> <tr><td>Dec-18</td><td>295</td></tr> <tr><td>Mar-19</td><td>278</td></tr> <tr><td>Jun-19</td><td>324</td></tr> <tr><td>Sep-19</td><td>459</td></tr> <tr><td>Dec-19</td><td>484</td></tr> <tr><td>Mar-20</td><td>500</td></tr> </tbody> </table> </div>	Date	Number of Applicants	Mar-15	50	Jun-15	42	Sep-15	57	Dec-15	72	Mar-16	85	Jun-16	70	Sep-16	69	Dec-16	88	Mar-17	104	Jun-17	125	Sep-17	163	Dec-17	174	Mar-18	198	Jun-18	250	Sep-18	283	Dec-18	295	Mar-19	278	Jun-19	324	Sep-19	459	Dec-19	484	Mar-20	500
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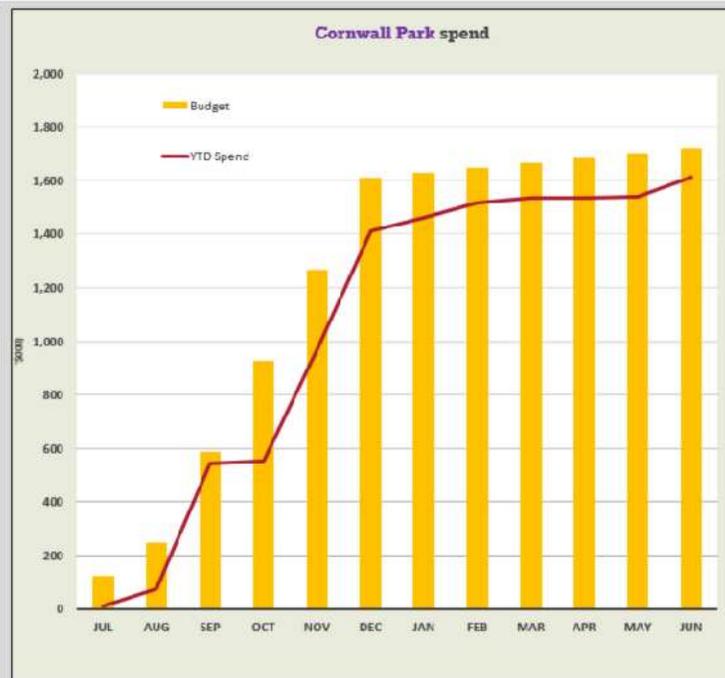
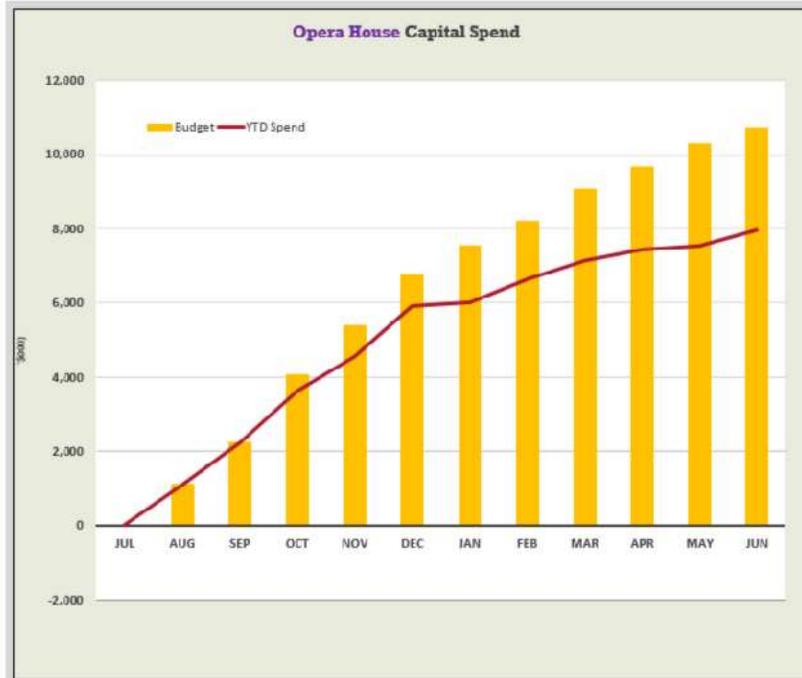
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Of the 500 applicants the highest demand is for 1 bedroom (180) and two bedrooms (188) dwellings.

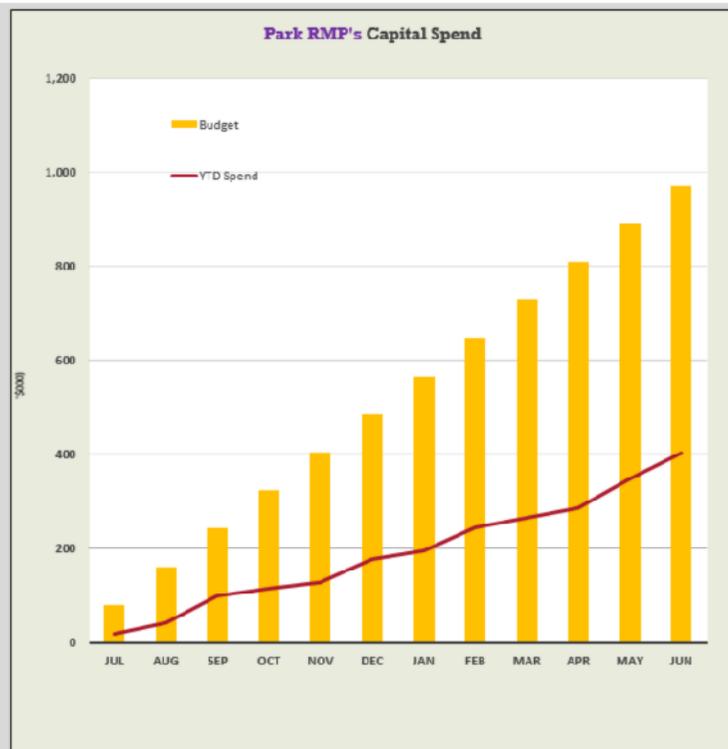






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Things to Do

Delivering to the Community during Covid-19 Alert Levels

Council’s community facilities were innovative during the Covid-19 alert levels so that the community could continue to have a range of “things to do” despite the limitations. With restrictions such as social distancing, facilities had to come up with different ways to offer programme and engage groups. Use of technology was at the forefront of maintaining programme delivery and connection. For example, the Hastings City Art Gallery provided on-line art learning packs for its educational offerings that would normally be delivered in person. The Hastings District Library also delivered programmes on-line and through a phone conferencing platform. The Flaxmere Community Centre continued to deliver fitness classes to the community via their Facebook page. These alternative ways of delivering programmes were popular and the community appreciated being able to continue these activities and social connection albeit in different forms.

Toitoti

Opening of Toitoti – Hawke’s Bay Arts & Events Centre

Toitoti – Hawke’s Bay Arts and Events Centre was officially opened on February 29th with a dawn blessing. On March 1, the public was invited to the free Homecoming – Community Festival at Toitoti for the community to explore the newly revamped building including the Opera House, Cushing Foyer and Functions on Hastings. Prime Minister, Rt Hon Jacinda Ardern was a special guest and was given an exclusive preview ahead of the official opening.



Miharo – On-Line Concert

In May, ‘Miharo’ an on-line concert created by Toitoti and Arts Inc Heretaunga took place. More than 8,600 households watched the concert that was streamed on Facebook and YouTube. It featured internationally acclaimed Hastings artists and was created to acknowledge and celebrate the community’s efforts during the Covid-19 event.

Reopening

Toitoti has reopened post Covid with a strong programme of events and shows.

Hastings City Art Gallery

New Roof

Work to replace the roof of the Hastings City Art Gallery started in January this year and prior to lockdown was expected to be completed in August. During this time the gallery will remain open to the public, with a full exhibition programme.

Programmes

Regular programming including education programmes got underway for the year in January. Planning is underway for a collaborative programme to be delivered by the Hastings City Art Gallery, Hastings District Libraries and Toitōi, called Creative Learning. This programme will be used to promote the Gallery to rural schools in the coming year. Hastings City Art Gallery recognises the valuable contribution that young people make to the gallery. The gallery is running a special programme for youth, known as YAAP: Youth Art Ambassador Programme. A group of young people between the ages of 14 and 19 will meet up regularly from March through to August 2020. The Hastings City Art Gallery website - www.hastingscityartgallery.co.nz and Facebook page - www.facebook.com/HCAGNZ/ provide regular updates on their exhibitions, programmes and other offerings.

Hastings District Library

For the period January – June 2020 the library had 146,151 visitors (all sites). Digital checkouts (e-books and audiobooks) – 16,718, up 43.6% on the same period last year. 386 Pick and Mix bags were put together by staff from alert level 3 re-opening until the end of June. These have had an overwhelmingly positive response.

Programmes

A range of holiday programmes continued in January (Summer Sparks for 5-12 year olds and Meh for teens). Junk to Funk and Puppet making were

just two parts of a whole programme of fun for young people. The Great Continuous Lego™ Build made its way around all three libraries. The annual Harry Potter Book Night was held in February in Civic Square. This is a massive event with over 2,600 visitors over the three hour event. The Hastings District Libraries website – www.hastingslibraries.co.nz and Facebook page www.facebook.com/hdlibraries/ provide regular updates on their programmes and offerings.

Splash Planet

Splash Planet was open throughout the Christmas/New Year period (only closed on Christmas Day) and attendance numbers varied due to the weather. As of the end of January, numbers were similar to previous years with just over 80,000 customers through the gates.

On Wednesday 22 January, Hillary Barry and Jeremy Wells shot some of their Seven Sharp show at the park, capturing some great footage.



Photo: Splash Planet with the Double Dipper slide and Lazy River Ride in the foreground.

Aquatics

With seasonal staff at our outdoor aquatic facilities returning to school and university at the end of February, the opening hours of the outdoor pools were reduced for safety reasons. As of Saturday February 22 both Frimley Pool moved to weekends only opening from 10am-6pm. However, community and school bookings during the day at this facility continued.

To offset this, Village Pool continued to remain open seven days a week with extended hours on Wednesdays and Fridays (6am-7:30pm) to not only support users but also to support avid lane swimmers and those training for events. In addition, Village Pool also offered family fun evenings every Friday from 5pm-7pm. For other week-day lane swimming options, we encouraged the community to use the aquatics facilities in Flaxmere and Clive, which are both open from 6am Monday to Friday.



Photo: Village Pool in Havelock North and one of the new inflatables.

Flaxmere Community Centre

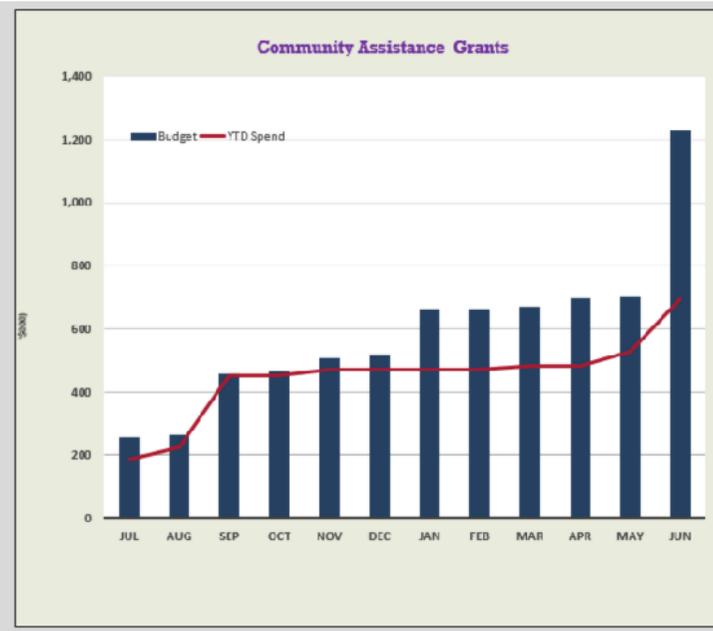
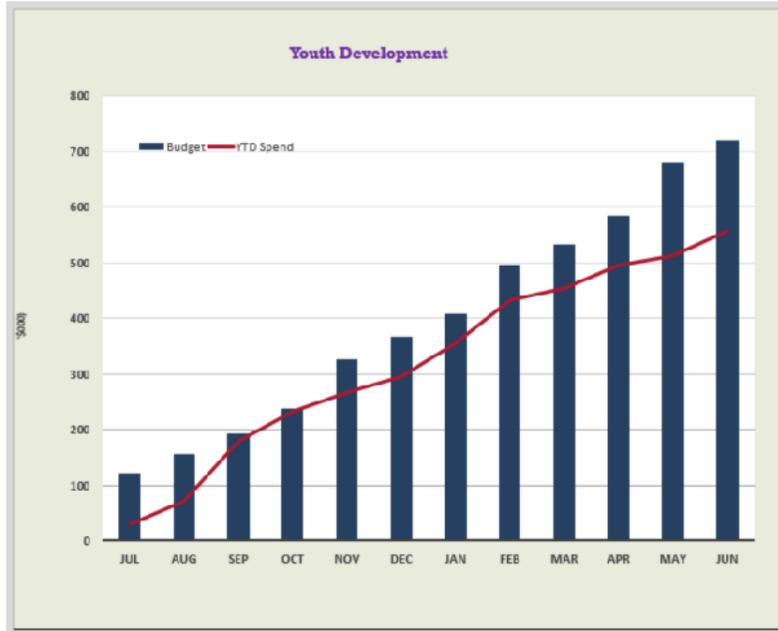
Diversity and Cultural Day

In February the Diversity and Cultural Day was held at the Flaxmere Community Centre. The event aimed to educate and empower young people to celebrate diversity and culture within the Flaxmere community. A range of service providers had information stations at the event. Free Te Reo lessons have been a popular addition to the programmes being offered at the Flaxmere Community Centre. There is an intention to add weaving and other Maori based activity tuition to the Flaxmere Community Centre.



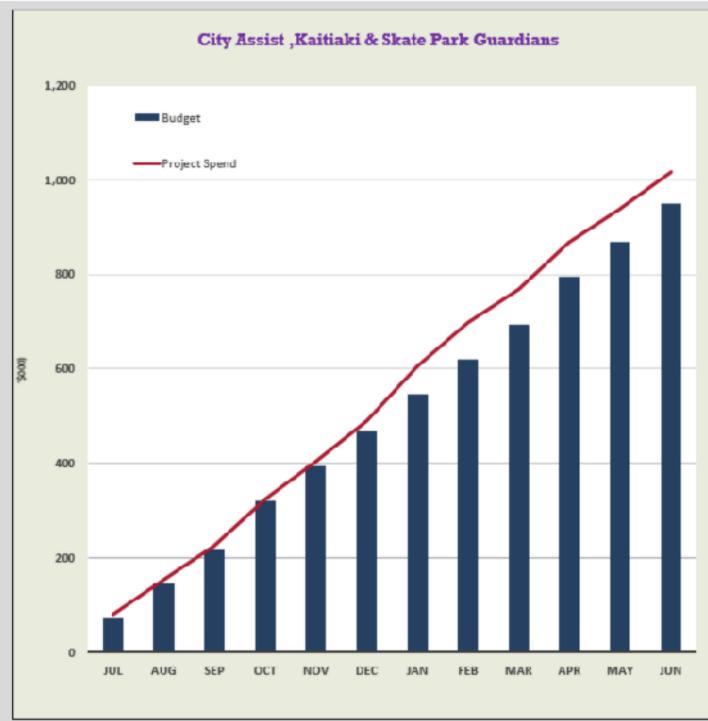
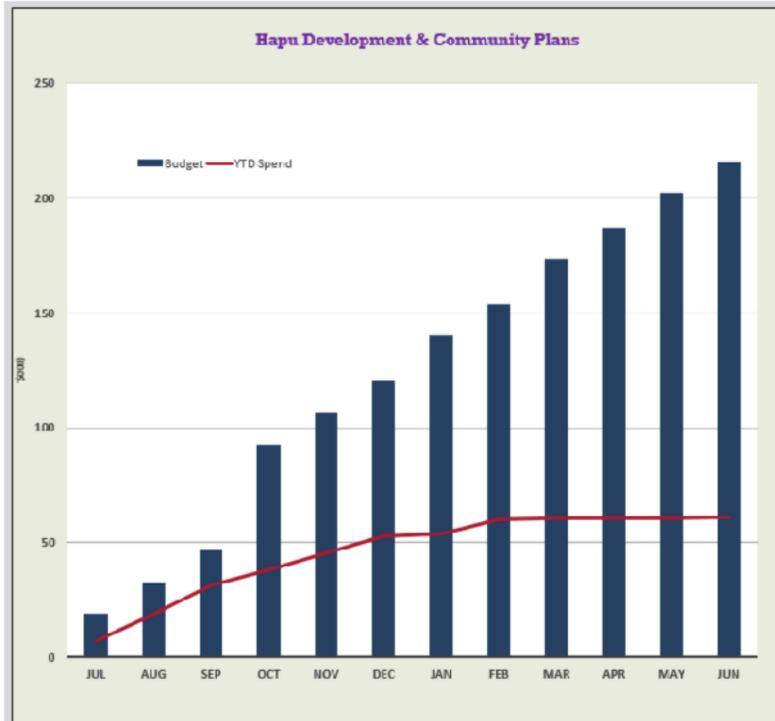
Photo: Te Reo lessons with Moewaka Sheperd at Flaxmere Community Centre





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Our People

Developing Our Youth

Youth Potential

The goal for the Youth Potential project is to provide positive pathways for rangatahi. A new action in the Youth Potential Plan involves looking at boarding school options for rangatahi from high risk communities. Earlier this year, two Hastings students were accepted into a boys boarding school with support through the Youth Potential project including assistance from Te Taiwhenua O Heretaunga and in-kind support from Council. The students are benefitting from the new approach that involves the provision of pastoral care to the students and their whanau.

Youth Council

Recruitment for the 2020 Hastings Youth Council was completed in February. This year the returning 2019 Youth Councillors created a [recruitment video](#) calling for their peers to come and join them.



Youth Employment

Mahi for Youth

The Mahi for Youth Programme has been operating with funding support from the Ministry of Business, Innovation and Employment's He Poutama Rangatahi Fund since 2018. Since this time, the employment of the Youth Connectors, an Employer Connector and a Whanau Connector has resulted in 352 rangatahi being engaged in the Programme. Of those people engaged, 156 have obtained employment or are in training; 63 are active job seekers, 44 require further support to be job ready and 89 are requiring further support to fully engage with the Programme.

BOUNCE Programme

In February, eight Mahi for Youth participants took part in the BOUNCE Programme which is a two week life and employability skills programme. This Programme teaches participants foundation skills that every job seeker needs. The programme helps young people to discover their goals for the future, allows them to set a plan for those goals and give all the necessary skills to ensure that they know exactly where to start.

Uplift people and our communities

The Camberley Project

The Camberley Project is comprised of a number of components including: the Camberley Community Plan; the establishment of a wellbeing hub based at the Camberley Community Centre; work with Camberley Primary School and a funding application to employ Kaitiaki and Kaiwāhina.

In February this year an application was submitted to the Ministry of Justice's Proceeds of Crime Fund seeking resource to establish 4.5 roles to support the Camberley community to deliver their community developed

plan. The purpose of the roles (2.5 Kaitiaki and 2 Kaiwāhina) is to support the community by raising the levels of community safety and provide whānau wellbeing support. A total of \$1.1m is being sought for these positions over 4 years – from 2020/21 – 2023/24. If this application is successful, the Kaitiaki will be employed by Council and the Kaiwāhina will be employed by Camberley Primary School. The outcome of the funding application is expected in September.

Community Engagement on the Camberley Community Plan

Following on from the street BBQs and surveys held pre-Christmas the community has provided us with a great template of actions to form the draft plan. The key priority areas include: community facilities and infrastructure; community activities and services; and community safety.

Waipatu Community Plan

In February the Waipatu Community Group hosted a community BBQ at the Elwood Centre. It was an opportunity for locals to hear from the Police, Mayor Sandra, Councillors and Council staff on traffic and safety related matters. Attendees were updated on planned footpaths – including along Bennett Road to coincide with the new kura; drainage and footpath along SH51 (near Waipatu Marae) and reviewing the speed limits in the area. There was a further community update in June.

Safer Hastings Event – Maraekakaho School Community Resilience Day

The Maraekakaho School Community Resilience Day in February saw full school participation with classes attending all agency activities. A range of service providers supported this event including Council, Police, FENZ, I-way, Sports HB, HBCDEM, Brain Injury HB, St John, Plunket, and Hastings District Library. Given the event was the first of its kind and the positive feedback received we will be evaluating its success with a view to rolling it out across other communities.



Community Funding

Contestable Grants and Funding Framework

In April 2020 the Civic and Administration Committee formally adopted the 'Contestable Grants and Funding Framework'; this was a substantial piece of work that came out of the funding review requested by Councillors in 2019.

2020/21 Single Year Community Grants

There were 57 applications to this year's annual contestable funding round. The total value of requests was \$662,008. The contestable grants

budget for 2020/2021 was \$245,000 meaning the budget allocation was oversubscribed by \$417,008.

In May the Civic and Administration Subcommittee fully allocated the \$245,000 to 30 groups. The Civic and Administration Subcommittee have delegated authority to allocate this funding and the wider Council was notified of the result.

Customer Experience

Customer Interaction Summary: 1 January to 30 June

The early months of the year were very much business as usual with the team focussing on preparations to upgrade the phone system and the transition to the new rubbish and recycling kerbside collection services later in the year.

COVID-19 brought about rapid change as service offerings retracted and the public adapted to life in lockdown.

Importantly there were no disruptions to the designated essential services, with the 3 waters; rubbish collection; the transportation network and contact centre remaining available throughout. This was achieved through a combination of external contractor and Council resilience.

The wide range of online options that have been established over the last few years enabled customers to carry out business remotely i.e. apply, pay and request assistance. This ensured the business community could continue to interact with Council as required.

HDC Contact Centre:

A summary of the call and service level information for the year to date is below.

COVID operations: Due to limitations of the current contact centre system, some of the team have continued to operate from Council offices throughout, albeit located on different floors to ensure appropriate distancing measures were in place. The timing was unfortunate with the new contact centre software offering remote working and increased functionality to manage high volumes e.g. up-front messaging, call overflow to specialist groups only a couple of months away from going live.

Call volumes dropped over the Level 4 period following an initial influx. However, the move to Level 3 resulted in a large increase in call volumes, which continued throughout May and now into June. The highlights were:

- The 11,130 calls received in May, and the 11,173 in June are the busiest months since the water crisis in 2016.
- The 718 calls received on May 18 ranked as the 6th busiest day since the contact centre opened in August 2010.
- The higher volumes of waste related calls was the primary driver of the increased demand. The COVID related booking requirements at the transfer stations and the introduction of the new kerbside collection resulting in 2,518 calls in May and 2,307 calls in June. Normal waste call levels are around 300, so it has been huge increase over a sustained period.
- Building related calls returned to pre lockdown volumes from April 28th as the inspection services resumed.

Since reopening following the COVID lockdown, customer numbers in the service centre have been lower normal. Typically in June, with dog registrations in full swing, the daily average would be 160+. It is early days, but the online options that customers utilised throughout April/May appear to be continuing. To date 70% of dogs have been registered online and emails to the customer service mailbox continue to grow. This is another indicator of increased online activity with many applications lodges and forms completed on the HDC website directed to the customer service team to action

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Performance and Monitoring Report: Quarter Three 2019/2020

Month	Total Calls	Daily Average	Ave Service Level Target = 80% calls answered in 20 secs.
July 2019	9,976	434	88%
August 2019	9,225	419	87%
September 2019	8,701	414	87%
October 2019	8,761	417	88%
November 2019	8,881	423	89%
December 2019	6,471	381	89%
January 2020	8,111	406	88%
February 2020	8,487	447	81%
March 2020	8,357	380	85%
April 2020	4,287	226	89%
May 2020	11,130	530	66%
June 2020	11,173	532	73%

See Appendix 9: Call Volumes period March 23 – June 30 2020

After-hours Contact Centre:

After-hours call volumes were also higher than expected with 1,788 received in May 2020. The previous two years (2018 and 2019) around 800 calls were received. Again, the waste calls and in particular the transfer station booking process was the main reason for the rise.

Month	Total Calls	Ave Service Level
July 2019	825	79%
August 2019	948	83%
September 2019	921	79%
October 2019	1,391	75%
November 2019	1,386	72%
December 2019	1,920	69%
January 2020	1,550	72%
February 2020	1,389	76%
March 2020	1,154	67%
April 2020	842	68%
May 2020	1,788	72%

Emails to Customer Service

Enquiries received by email continue to grow year on year and it will be interesting to see if the COVID impact stimulates use of this channel further. Many of the applications lodged and forms completed on the HDC website are directed to the customer service team to action, so the increasing numbers indicate rising online activity.

Month	Total Emails	Daily Average
July 2019	2,193	71
August 2019	2,079	67
September 2019	2,178	73
October 2019	1,831	68
November 2019	2,137	71
December 2019	1,828	59
January 2020	1,953	63
February 2020	2,004	69
March 2020	2,462	79

April 2020	2,247	75
May 2020	2,676	86
June 2020	2,756	92

Customer Service Centre

The doors closed on the afternoon of Monday March 23rd and reopened almost two months later at Level 2 (May 14th) with measures in place to ensure safe distancing and contact tracing. Although just in time for rates due on May 22nd the numbers coming in were notably lower than normal.

Typically in June, with dog registrations in full swing, the daily average would be 160+. It is early days, but the online options that customers utilised throughout April/May appear to be continuing. A significant increase in online payments and the 70% of dogs registered online signalling change in customer behaviour, for now at least.

Month	Total Visitors	Daily Average
July 2019	3,866	168
August 2019	3,360	153
September 2019	2,245	106
October 2019	2,567	112
November 2019	2,947	140
December 2019	1,691	100
January 2020	2,245	112
February 2020	2,441	128
March 2020	1,546	97
April 2020	0	0
May 2020	1,114	93
June 2020	2,652	126

Risk and Assurance

The following Strategic Risks are included in the report as recent changes are considered noteworthy for the Committee to consider.

Improving Risk Position

Due to the faster than expected relaxing of COVID-19 restrictions and proactive management of Council’s risk exposure, the follow risks are considered to have improved in the last month.

Risk ID	Description	Residual risk level	Level of control	Business Unit	Notes	Trend
6	Information security failure	High	Sufficient	Corporate	With the onset of COVID-19 in NZ, the majority of Council staff have been working from home. Resources have been deployed to ensure risk mitigation in terms of cyber-security whilst maintaining the productivity of staff to enable BAU output. All staff have completed the cyber safety online training course so this risk is now viewed as stable.	↔
8	Inadequate available funds	Medium	Strong	Corporate	Over the period of Levels 4 and 3, liquidity experienced high levels of volatility both at a global and national level with the cost of funds becoming markedly more expensive. However, Council was well placed having secured \$10m of funding during this period. Council liquidity ratios are within Treasury policy limits with no likelihood of breaching these limits as a result the risk is now considered stable.	↔

Potential Future Issues

Officers would like to draw the Committee’s attention to the following two risks, as there is potential for them to have a material impact on future Council operations.

Risk ID	Description	Residual risk level	Level of control	Business Unit	Notes	Trend
4	Adverse environmental change	High	Limited	Planning & Regulatory	It appears that there is greater acceptance within society of the need for action to address climate change, but there is still significant inertia behind current living standards that is impeding climate change adaption. To counter this greater clarity on Governance priorities would be beneficial. The recently released TANK Plan change to the Regional Resource Management Plan has been a collaborative response from all authorities to manage both the effects of growth and climate change on the quantity and quality of the freshwater resources of the Heretaunga Plains. Council Officers are also investigating a range of low impact urban design options that would provide a greater level of resilience for water supply and re-use for residential development. The new National Policy Statement on Indigenous Biodiversity provides greater direction in the protection of biodiversity, but this will still be impacted by climate change and setting of governance priorities still remains crucial so the risk is viewed as still trending up.	↑
18	Legislative change	Medium	Sufficient	Office of Chief Executive	COVID-19 has created a time of considerable legislative flux, and the haste has added a greater than usual uncertainty around the meaning and application of the legislative responses that have been made. Other councils are facing similar issues, and to help minimize risk we are in constant contact through LGNZ hosted discussion groups. LGNZ and SOLGM are also helping through their advice and lobbying activities. Therefore, on balance this risk is viewed as having an elevated risk trend.	↑

Appendices

Appendix 1: Compliance status of HDC supplies July 2015-June 2019

Supply name	Compliance 2015-2016		Compliance 2016-2017		Compliance 2017-2018		Compliance 2018-2019		Comment
	Bacteria*	Protozoa	Bacteria*	Protozoa	Bacteria*	Protozoa	Bacteria*	Protozoa	
Brookvale	No	Yes**	Yes	Yes	Yes	Yes	Yes	Yes	5-log WTP installed in 2017 which complies with protozoa- and bacteriological criteria of the DWSNZ.
Eastbourne	Yes	Yes**	Yes	No	Yes	No	Yes	No	Bore field lost security status in 2016, which affects protozoa compliance against the DWSNZ. Subsequent testing showed no presence of protozoa.
Frimley	Yes	Yes**	Yes	No	Yes	No	Yes	No	Bore field lost security status in 2016, which affects protozoa compliance against the DWSNZ. Subsequent testing showed no presence of protozoa.
Portsmouth	Yes	Yes**	Yes	Yes**	Yes	Yes**	Yes	Yes**	Bore has secure status, which complies with protozoa- and bacteriological criteria of the DWSNZ.
Wilson	Yes	Yes**	Yes	No	Yes	No	Yes	No	Bore field lost security status in 2016, which affects protozoa compliance against the DWSNZ. Subsequent testing showed no presence of protozoa. A 3-log WTP installed in 2017 which complies with protozoa- and bacteriological criteria of the DWSNZ.
Clive-Ferry	No	Yes**	Yes	Yes**	Yes	Yes**	Yes	Yes**	Bore has secure status, which complies with protozoa- and bacteriological criteria of the DWSNZ.
Clive-Tucker	Yes	Yes**	Yes	Yes**	Yes	Yes**	Yes	Yes**	Bore has secure status, which complies with protozoa- and bacteriological criteria of the DWSNZ.
Whakatu	Yes	Yes**	Yes	Yes**	Yes	Yes**	Yes	Yes**	Bore has secure status, which complies with protozoa- and bacteriological criteria of the DWSNZ.
Haumoana	No	Yes**	Yes	Yes**	Yes	Yes**	Yes	Yes**	Bore has secure status, which complies with protozoa- and bacteriological criteria of the DWSNZ.
Waimarama	Yes	No	Yes	No	Yes	No	Yes	No	An unvalidated Cartridge filtration, UV and chlorination WTP installed, which achieves protozoa removal, but does not comply with protozoa criteria of the DWSNZ.
Omahu	Yes	No	Yes	No	Yes	No	Yes	No	An unvalidated Cartridge filtration, UV and chlorination WTP installed, which achieves protozoa removal, but does not comply with protozoa criteria of the DWSNZ.
Esk	Yes	No	Yes	No	Yes	No	Yes	No	An unvalidated Cartridge filtration, UV and chlorination WTP installed, which achieves protozoa removal, but does not comply with protozoa criteria of the DWSNZ.
Whirinaki	Yes	No	Yes	No	Yes	No	Yes	No	An unvalidated Cartridge filtration, UV and chlorination WTP installed, which achieves protozoa removal, but does not comply with protozoa criteria of the DWSNZ.
Waipatiki	Yes		Yes		Yes		Yes		
Parkhill	Yes		Yes		Yes		Yes		
Waipatu	Yes		Yes		Yes		Yes		

Appendix 2: Schedule of contracts awarded (2019/20 Q3)

Index #	Month	Contract #	Contract Name	Contract Estimate	Tenders	Range of Tenders	Selected Tenderer	Accepted Tender Value	Other Costs <small>[see note 1]</small>	Total	Funds Allocated	Variance
1	Jan	CON2020013	Landmarks Square - Installation of Foundations and Firewall for 20' Shipping Container	\$40,000	1	\$36,823 to \$36,823	Tims Construction Ltd	\$36,823	\$0	\$36,823	\$40,000	\$3,177
2	Feb	CON2019108	Princes St, Ellison Rd and Victoria St AWPT	\$1,904,268	1	\$1,298,500 to \$1,298,500	Russell Roads Ltd	\$1,298,500	\$468,412	\$1,766,912	\$1,781,180	\$14,268
3	Feb	CON2019112	Breadalbane Avenue Reconstruction	\$1,178,925	3	\$770,000 to \$816,900	Russell Roads Ltd	\$770,000	\$281,975	\$1,051,975	\$0	-\$1,051,975
4	Feb	CON2020011	Maratotara Falls Carpark Development Retaining Wall Geotech Investigation	\$7,000	1	Negotiated	Resource Development Consultants Ltd	\$6,300	\$0	\$6,300	\$7,000	\$700
5	Feb	CON2020012	Maratotara Falls Carpark Development Retaining Wall Structural Design	\$7,000	1	Negotiated	Strata Group Engineers Ltd	\$6,930	\$0	\$6,930	\$7,000	\$70
6	Feb	CON2020019	New Ebbett Park Toilet Design Fees	\$4,000	1	\$3,500 to \$3,500	Citrus Studio Architecture Limited	\$3,500	\$118,500	\$122,000	\$122,000	\$0
7	Feb	CON2019095	Flaxmere Waterworld - New Roof to Entranceway	\$69,000	1	\$68,205 to \$68,205	Tims Construction Ltd	\$68,205	\$0	\$68,205	\$85,000	\$16,795
8	Feb	CON2020008	Arataki Stormwater Improvements	\$314,880	2	\$262,076 to \$469,990	Fulton Hogan	\$262,076	\$0	\$262,076	\$390,000	\$127,924
9	Feb	CON2020023	New Ebbett Park Toilet Geotechnical Services	\$6,500	1	\$6,200 to \$6,200	Resource Development Consultants Ltd	\$6,200	\$0	\$6,200	\$6,500	\$300
10	Feb	CON2020025	Professional Engineering Services Contract Review	\$17,000	1	\$17,000 to \$17,000	Rationale Ltd	\$17,000	\$0	\$17,000	\$17,000	\$0
11	Mar	CON2019113	Napier Road Cycleway	\$2,280,107	3	\$1,720,000 to \$1,944,002	Higgins Contractors Ltd	\$1,743,249	\$417,034	\$2,160,283	\$2,334,948	\$174,665
12	Mar	CON2020026	Haumoana New Public Toilet Power Supply	\$40,000	1	Negotiated	Pope Electrical	\$35,000	\$0	\$35,000	\$40,000	\$5,000

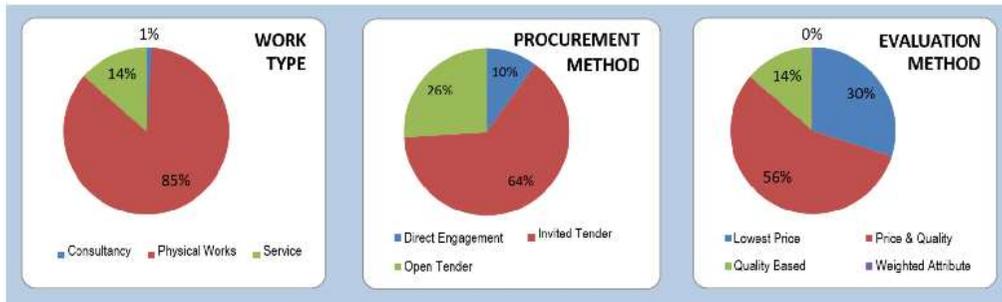
[1] Other costs include site investigations, design and consultation fees, supply of materials and supporting activities delivered via existing maintenance contracts and by others

Appendix 3: Summary and Trends of Contracts Awarded

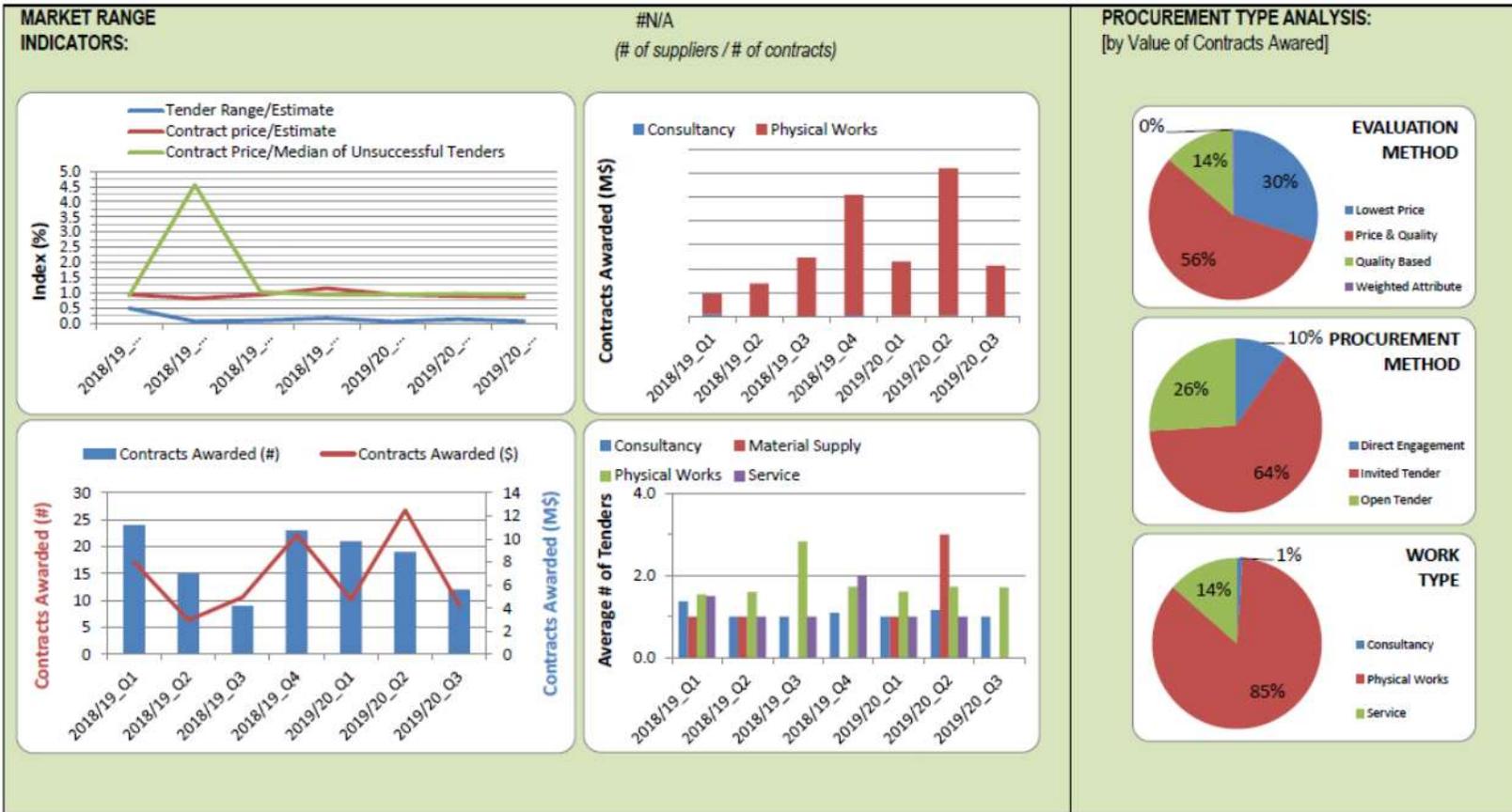
Number of Contracts awarded this Quarter (#): 12 [to 9 different suppliers]

Value of Contracts awarded this Quarter (\$): \$4,253,783

Category Groups by Value of Contracts Awarded during Period:



Appendix 3A: Summary and Trends of Contracts Awarded



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Attachment 1

Appendix 4: Transportation Construction Programme Monitoring

Category	Project	Phase	Implementation time frame	Target for Financial Year	Status
Road network	Kahuranaki rd.	Defects liability	Complete	Completed by end of 19/20 financial year	Project complete - in defects liability.
Road network	Middle Road Stage 2	Defects liability	Complete	Completed by end of 19/20 financial year	Project complete - in defects liability.
Road network	Kereru road	Final Completion	Complete	Completed by end of 19/20 financial year	Project complete.
Road network	Grove road	Final Completion	Complete	Completed by end of 19/20 financial year	Project complete.
Road network	St Andrews road	Construction	November 2019 - June 2020	Completed by end of 19/20 financial year	Final drainage and top soiling to be completed in the next week.
Road network	Princess / Victoria / Ellison roads reconstruction	Construction	February - August 2020	Completed by end of 19/20 financial year	Project delayed due to Covid 19. Progressing with sub base construction, kerb and foot path and 3 waters installations.
Road network	Warwick road	Tender	October 2020 - June 2021	Completed by end of 20/21 financial year	Progressing detail design. Preparing tender documentation. Co-ordinating enabling works.
Road network	Eastbourne sty upgrade	Final Completion	Complete	Completed by end of 19/20 financial year	Project complete.
Growth	Arbuckle road	Construction	February - June 2020	Completed by end of 19/20 financial year	Project delayed due to Covid 19. Construction at advanced stage. Sealing of the pavement scheduled for end of May but were delayed due to wet conditions as a result of recent rain.
Growth	Breadalbane Ave	Construction	March - July 2020	Completed by end of 19/20 financial year	Project delayed due to Covid 19. Progressing with water and sewage installation.
Growth	Irongate rd. stage 2	Defects liability	Complete	Completed by end of 19/20 financial year	Project complete - in defects liability.
Growth	Omahu Henderson Roundabout	Tender	October 2020 - March 2021	Completed by end of 20/21 financial year	Tender has been advertised. Enabling works delayed due to Covid 19 but is progressing well.
Growth	Irongate rd. stage 3 Roundabout	Detail design	November 2020 - April 2021	Completed by end of 20/21 financial year	Finalising detail design. Co-ordinating enabling works. Preparing tender documentation.
Walking & Cycling	Napier road cycle way	Construction	March - November 2020	Completed by end of 20/21 financial year	Project commencement delayed due to Covid 19. Progressing with pavement widening construction from Northern end of Napier rd. at the roundabout with SH51.
Walking & Cycling	Southland drain cycle way	Final Completion	Complete	Completed by end of 19/20 financial year	Project complete.
Walking & Cycling	Whakatu link cycle way	Defects liability	Complete	Completed by end of 19/20 financial year	Project complete - in defects liability.
Safety	Middle Road Stage 3 RP8360-8840	Construction	May - June 2020	Completed by end of 19/20 financial year	Project commencement delayed due to Covid 19. Construction works at an advanced staged.
Safety	Middle Road Stage 3 RP7170-8360	Detail design	August - November 2020	Completed by end of 20/21 financial year	Design almost complete
PGF	iWay Network Upgrades	Tender	July - December 2020	Completed by end of 20/21 financial year	Contractor engagement process being activated.
PGF	SH51 / Waipatu marae Safety improvements	Tender	July 2020 - March 2021	Completed by end of 20/21 financial year	Detail design complete. Work packages being defined. Unison are starting to shift their services on 15th June. Comms plan completed.
PGF	Various new footpaths	Tender	July - December 2020	Completed by end of 20/21 financial year	Contractor engagement process being activated.
PGF	Road rehabilitation project	Detail design	July - December 2020	Completed by end of 20/21 financial year	Design being finalised. Contractor engagement process being activated.
PGF	Taihape road passing opportunities Stage 1 & 2	Tender	June - December 2020	Completed by end of 20/21 financial year	Contractor engagement process being activated.
PGF	Taihape road passing opportunities Stage 3 & 4	Tender	June - December 2020	Completed by end of 20/21 financial year	Contractor engagement process being activated.
PGF	Taihape road passing opportunities Stage 5	Detail design	June - December 2020	Completed by end of 20/21 financial year	Design being finalised. Contractor engagement process being activated.

Performance and Monitoring Report: Quarter Three 2019/2020

Appendix 5: The percentage of vehicle kilometres travelled on all roads owned by local authority classified as smooth

The Percentage of Vehicle Kilometres Travelled on All Roads owned by Local Authority classified as Smooth

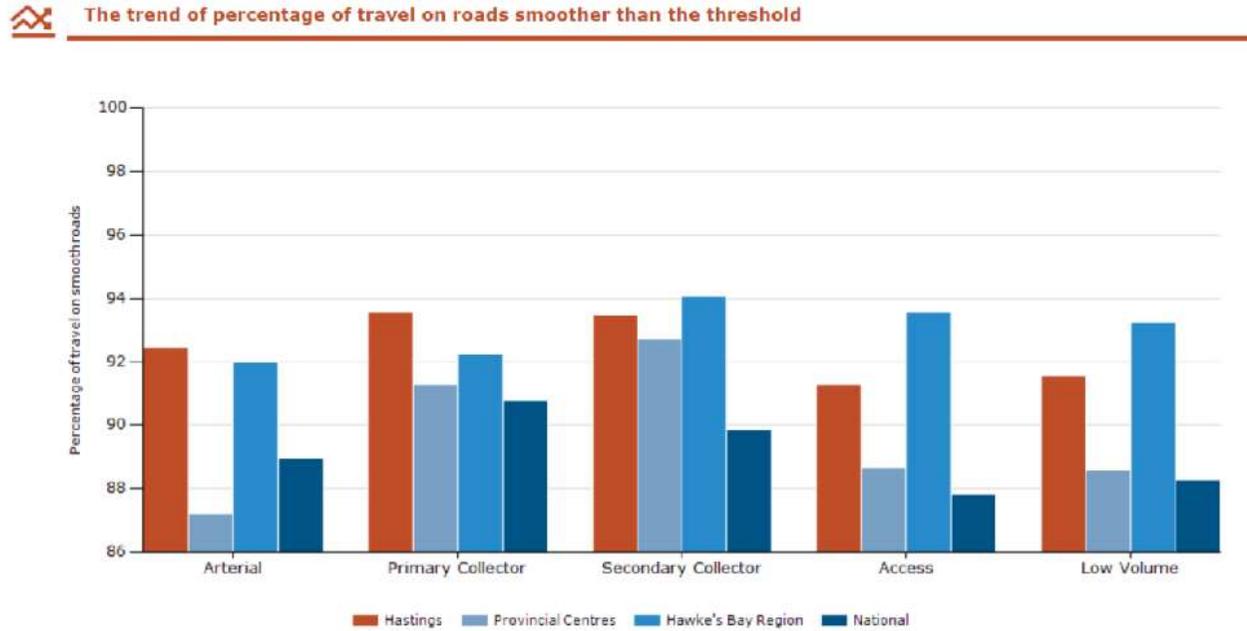
	Total VKT	VKT on Smooth Roads	Percentage VKT on Smooth Roads
Urban	g. 263577426	v. 225490769	86 %
Rural	h. 193417425	w. 171134080	88 %
Both	i. 456994851 (Sum of above)	x. 396624849 (Sum of above)	87 %

Note: This data has been extracted from all Carriageway Sections owned by Local Authority and excludes the following event codes: BRIDGE Abutment end (Both) (B), Detour route (D), GRID (eg Cattle Stop) (G), SPEED HUMPS (H), Other (O), WORKS (Road works, marking, etc) (W), RAILWAY CROSSING (X), Raised zebra crossing (Z).

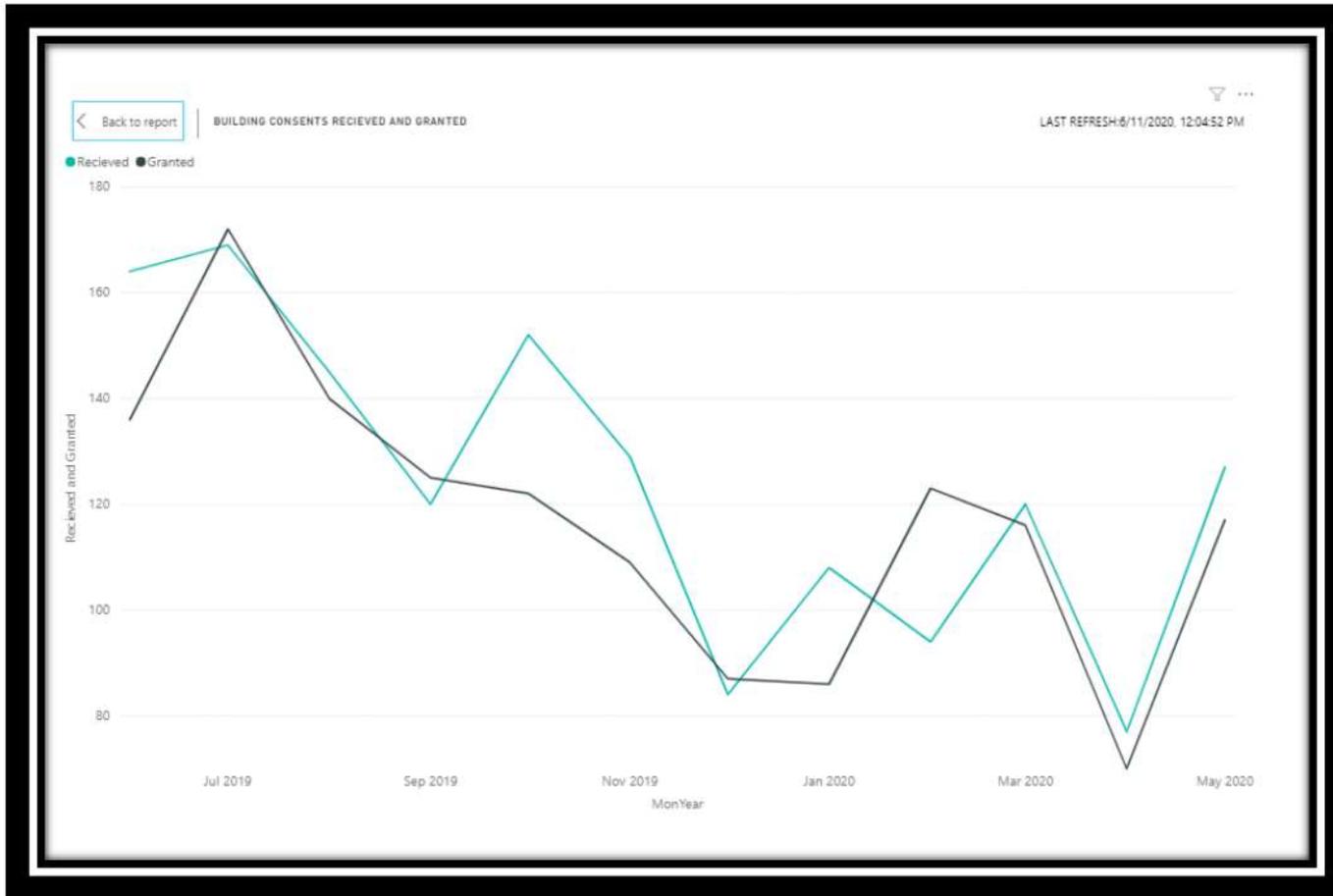
The aim of this measure is to display the smoothness of the journeys experienced by road users. STE is the *percent of travel on roads smoother than the threshold for each traffic grouping, reported by ONRC classification, for your network, Peer Group, Region and the Nation.*

	Year	Arterial	Primary Collector	Secondary Collector	Access	Low Volume
Hastings	2015/16	86.9%	91.1%	90.0%	89.8%	90.6%
	2016/17	87.4%	91.5%	89.6%	90.0%	90.3%
	2017/18	86.9%	90.3%	91.1%	88.9%	88.5%
	2018/19	90.2%	93.7%	93.2%	91.2%	89.8%
	2019/20	92.5%	93.6%	93.5%	91.3%	91.6%

Appendix 6: The trend of percentage of travel on roads smoother than the threshold

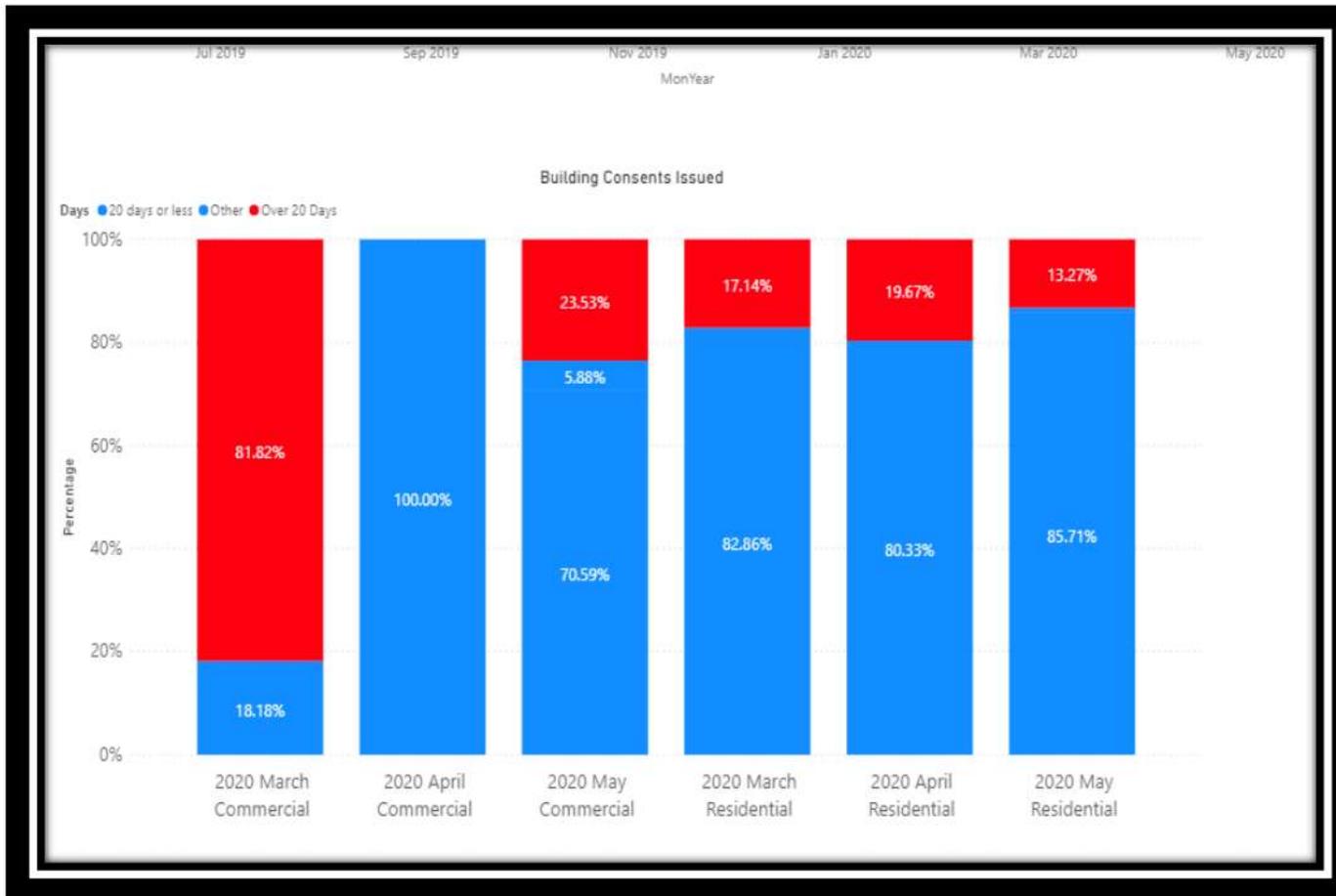


Appendix 7: Building Consents Processing

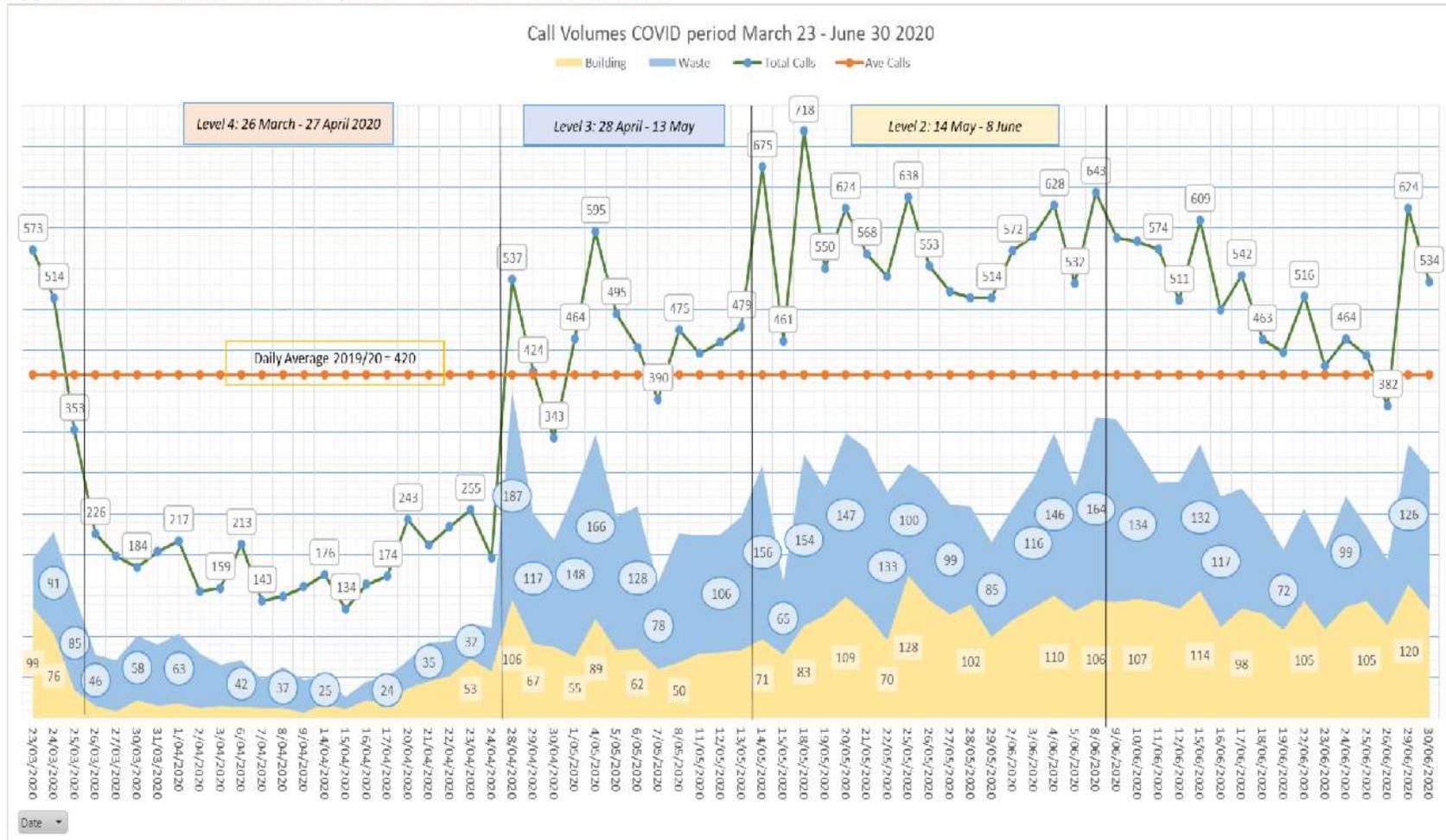


Performance and Monitoring Report: Quarter Three 2019/2020

Appendix 8: Building Consents Issued



Appendix 9: Call Volumes COVID period March 23 – June 30 2020



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Attachment 1

Appendix 10: Residential and Industrial Growth Projects

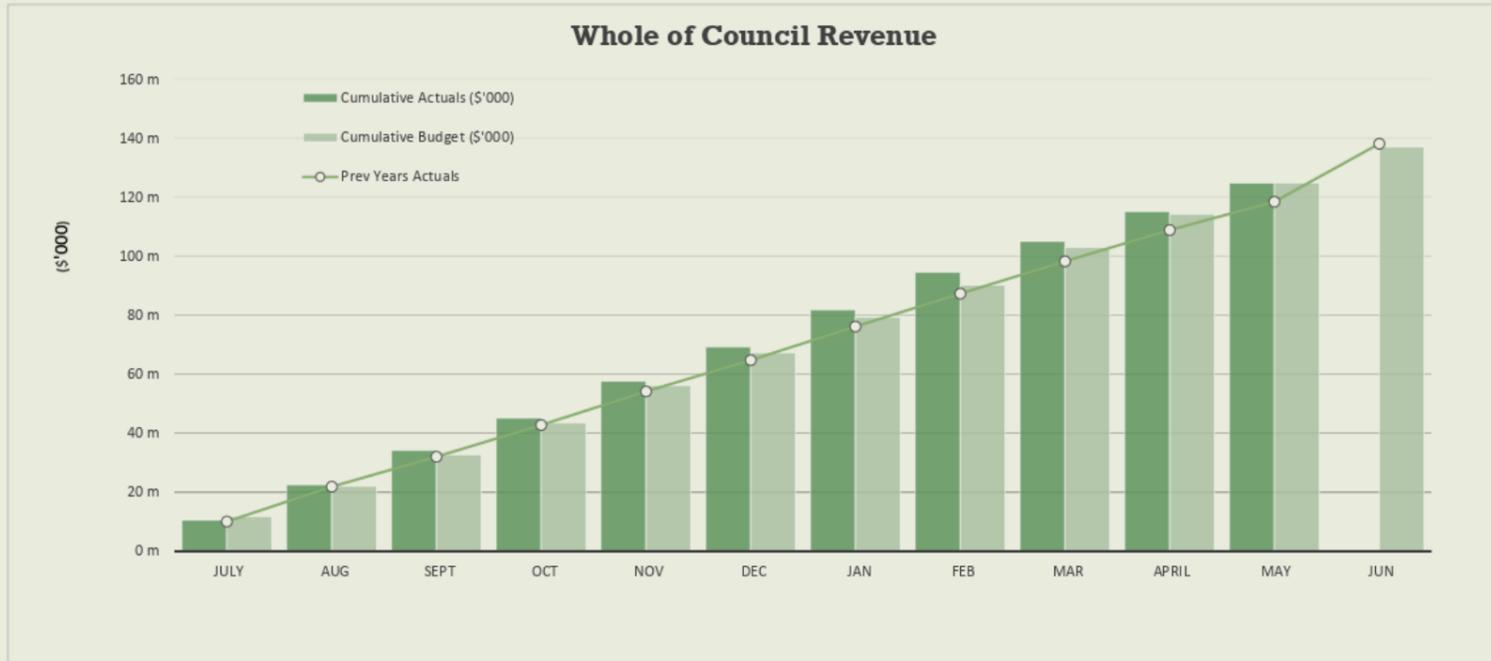
GROWTH PROJECTS (As at 18 February 2020)				RISK CATEGORIES										COMMENTS	
	Sequence	PM	Overall Project Status	Scope	Costs	Time	Quality	Planning	3 Waters	Roading	Parks	Relationships	External Factors		Resourcing
ACTIVE RESIDENTIAL GROWTH AREAS															
Lyndhurst Development Stage I		SamF	OK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Largely complete
Lyndhurst Development Stage II (270)		SamF	MANAGING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	There are numerous dwellings being built within the stage 2 development area. ~167 lots have been consented. An additional ~50 lot subdivision application (3Tuahine) has been granted. All the landowners within stage 2 have indicated their interest to develop. Portion 2 construction of bulk water services from Lyndhurst Road through to Arbuttle Road is complete. Portion 3 construction of bulk water services from Arbuttle Road through to the 3Tuahine land is completed.
Northwood Reserve		SamF	OK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Developer underway with final stages
Howard Street (260)		SamF	MANAGING	✓	✓	✗	✓	✓	✓	✓	✓	✓	✗	✓	HDC have completed developed design of the internal water infrastructure and roading network (with the exclusion of landowner vehicle crossings and manholes etc details). Internal Servicing Development Contribution (ISDC) Policy has been adopted. Land negotiations are ongoing.
Araiki Development (770)		SamF	OK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Largely complete. Former Araiki Motorcamp site now underway with building development.
Iona / Middle (210)		SamF	MANAGING	✓	✓	✗	✓	✓	✓	✓	✓	✓	✗	✓	The main landowner has inquired into any available 3 water capacity to allow for a small development ahead of HDC services upgrades. Officers have confirmed 20 houses can occur ahead of HDC services upgrades. Broadalbane Avenue is being designed with construction commencement of roading and associated infrastructure for March 2020. Investigations into the realignment and closure of Iona Road have commenced.
Medium Density Housing Strategy			OK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Monitoring individual developments through the resource consent process. Draft design guide has been prepared.
UPCOMING RESIDENTIAL GROWTH AREAS															
Lyndhurst Extension (Yield 230)	2023-2033		N/A												
Kaiapo Road (350)	2023-2048		N/A												
Copeland/Murdoch (210)	2028-2048		N/A												
Irongate / York (270)	2043-2048		OK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Havelock Hills (140)	2010-2030		N/A												
Brookvale Road / Romanes Dr (575)	2018-2048	SamF	MANAGING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	District Plan Changes have been confirmed by the Env't Court. Landsdale looking at developing Stage 1 ASAP. Stormwater Modelling Report to be confirmed by HDC ASAP.
Araiki Extension (220)	Reserve Area		OK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
ACTIVE INDUSTRIAL GROWTH AREAS															
Tomoana Industrial - Stage 1			N/A												
Tomoana Industrial - Stage 2			N/A												

Item 5

Attachment 1

GROWTH PROJECTS (As at 18 February 2020)	RISK CATEGORIES											COMMENTS			
	Sequence	PM	Overall Project Status	Scope	Costs	Time	Quality	Planning	3 Waters	Roading	Parks		Relationships	External Factors	Resourcing
Irongate Industrial Development		JenniferB	MANAGING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	The capital works for water infrastructure is complete. Road improvements for Irongate Road East are effectively complete and final design for the roundabout at Maraekakaho Road is underway. Received payments for Development Contributions for 27.44 Ha in second half of 2019.
Omahu Industrial Development		JenniferB	MANAGING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	The capital works for water infrastructure is complete. Acquisition of Land for the roundabout at Omahu and Henderson is nearing completion. Works on the first roundabout is scheduled to start in fourth quarter of 2020.
Whakatu Industrial Development			N/A												
OTHER GROWTH PROJECTS															
Flaxmere Waingakau Village		Sam F	OK	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	Stage 1 consented and construction underway. Road Stopping Process for Mawson Ave commenced.
Housing NZ		Dave B	MANAGING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	Oliphant Road/ Campbell Street redevelopment with 44 additional dwellings is underway. Resource Consents and Building Consents for Tranche 2 (Kaun Street) has been granted which will result in 40 new units. 20 units across Hood, St Aubyn, Kennedy Rd and Anson St are under construction. RC for tranches 4 and 5 beginning to be lodged.
Ryman Healthcare		Dave B	MANAGING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Site construction is underway. Detailed Design by Stantec for Te Aute Water Main is complete. Ryman have indicated a preference to enter into a Development agreement to get the water main built sooner. HDC will continue to design watermain for Construction Start September 2020.
Tarbet Street HDC		Dave B	MANAGING	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	Construction to commence 20th July 2020.

Hastings District Council Dashboard as at 31 May 2020



Total Revenue Streams	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Variance Ytd (\$'000)
Rates (Budget)	75,123	74,844	280
Fees, charges & metered water supply charges	26,103	23,719	2,384
Subsidies and Grants	18,701	20,781	-2,080
Development and financial contributions	3,736	4,958	-1,221
Interest revenue	455	0	455
Other revenue	678	592	86
Total	124,798	124,893	-95

Comments: The overall revenue result for the year to date has deteriorated with a \$2m favourable variance for the first 9 months reducing to \$0.1m adverse at the end of May, due to the impact of COVID-19.

Impact of COVID19 on key revenue streams (\$'000)

Rates



Rates revenue is unaffected in the 19/20 financial year. Higher rate remissions are possible in 20/21. The Planned Rates increase for 20/21 has been reduced by \$2.2m, from 4.6% (March draft) to 1.9% (June final).

Fees & Charges



Fees and charges were 14% ahead of budget until March but are impacted by Covid in April & May, especially Solid Waste, Building Control, Parking and Community Services.

Subsidies and Grants



Timing of Roading capital projects and NZTA Transportation subsidies have been affected by Covid 19 impact in April & May.

Development Contributions



Development contributions have been affected through the April /May period due to COVID impacts and the timing of revenues received vs budget

Interest Revenue



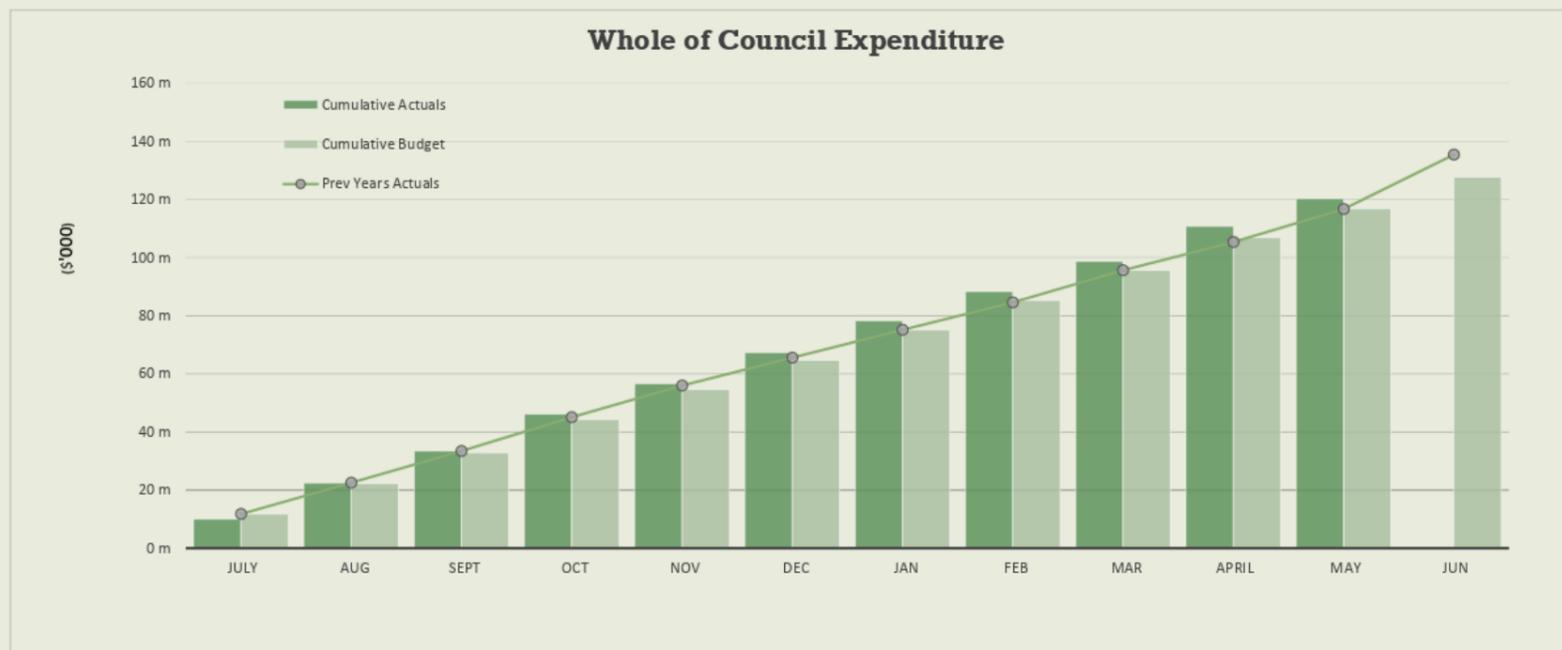
Interest received from maturing Term Deposits have driven a favourable variance, with no significant COVID impact.

Other Revenue



Other Revenue is ahead of plan with no significant Covid 19 impacts (being primarily Dividends Received and Petrol Tax revenue).

Hastings District Council Quarterly Dashboard as at 31 May 2020



Total Expenditure	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Variance Ytd (\$'000)
Personnel Costs	34,074	32,427	-1,646
Depreciation	31,804	29,463	-2,342
Finance Costs	4,598	6,240	1,642
Other Operating Costs	49,873	48,786	-1,087
Total	120,349	116,915	-3,433

Comments: Higher expenditure has been driven by increased operational costs due to high economic activity. Covid 19 impacts have adversely impacted on revenue levels across the board but costs have remained over budget. Close to \$0.5m of direct additional Covid costs were incurred during the lockdown period, mainly for emergency response, cleaning of council buildings, PPE, and community facility closures.

Impact of COVID 19 on key expenditure categories (\$'000)

Finance Costs



Finance Costs are under budget due to lower than expected debt, and prudent treasury management.

Personnel Costs



High activity and volumes have driven higher personnel costs YTD to March. In managing Covid impacts, recruitment & vacancy processes have been robustly reviewed.

Depreciation



Depreciation costs are higher than budget and mainly relate to prior year higher capital spend and revaluations that have increased asset values. Delay in capital projects due to Covid lockdown has not materially affected Depreciation costs.

Other Operating Costs



Other operating costs, were \$1.7m adverse at the end of March due to very high activity levels. The Covid lockdown curbed these costs significantly reducing to \$1.1m adverse at the end of May. The largest reductions are in Transportation related expert advice and contracted services.

Items of special interest (\$'000)

Covid 19 Response

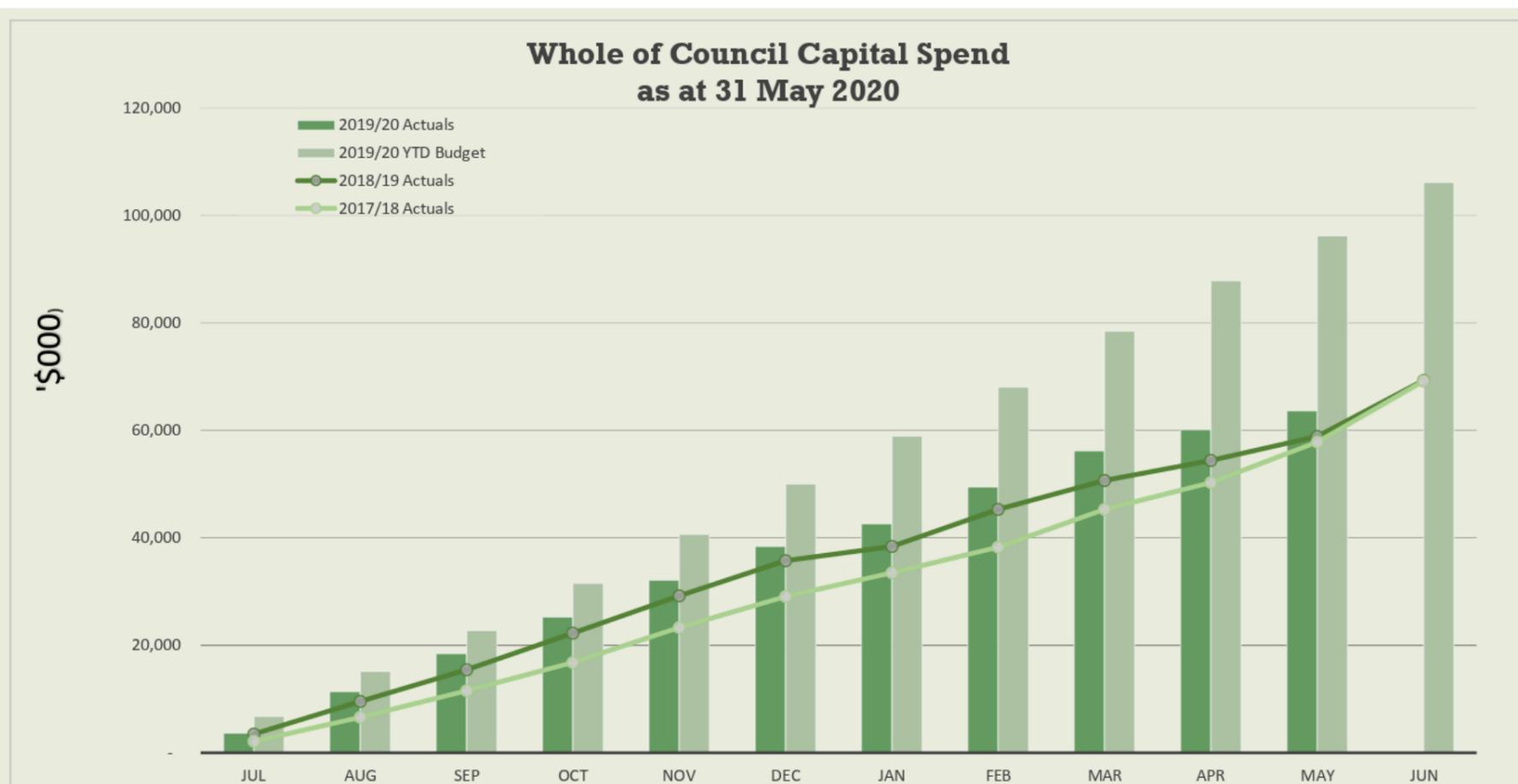


Expenditure related to direct Covid19 costs. Some of these costs relate to welfare payments that may be reimbursed by MCDEM.

* costs directly related to the response excluding additional requirements to "business as usual" costs driven by Covid 19.

Major Covid response costs include:

- Building and facilities cleaning
- Lockdown preparation & implementation (facilities, tracks, parks, signage, barriers)
- Facilities servicing (eg toilets/bins)
- Security
- Safety (personal protective equipment)
- Shared council messaging/communications/postage
- Health & Safety rapid response
- Video conferencing licensing
- Community & business support
- Civil defence emergency response



Key projects	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Var Ytd (\$'000)	Total Budget (\$'000)
Renewal Projects				
Opera house	8.4 m	11.1 m	2.7 m	11.6 m
Streetlight LED Upgrade	0.6 m	0.8 m	0.2 m	0.9 m
Wastewater Rising mains	3.2 m	5.5 m	2.3 m	5.5 m
Trunk Sewer	3.3 m	3.6 m	0.3 m	3.6 m
Outfall	0.2 m	1.2 m	1.0 m	1.2 m
New Works projects				
Drinking water project	9.9 m	16.2 m	6.3 m	17.7 m
CBD Upgrades Hastings	0.9 m	0.6 m	-0.4 m	0.6 m
CBD Redevelopment	0.6 m	1.6 m	1.0 m	1.8 m
Growth projects				
Omahu	1.7 m	1.9 m	0.2 m	2.0 m
Lyndhurst	1.2 m	2.4 m	1.2 m	2.4 m
Irongate	1.1 m	1.1 m	0.1 m	1.1 m
Iona/Middle	0.3 m	2.0 m	1.7 m	2.5 m
Howard	0.5 m	0.5 m	0.0 m	0.6 m

Capital - Commentary

Capital spend to 31st May 2020 is \$63.6m compared to \$96.2m budgeted for the year to date. The full year budget is set at \$106m and includes \$40.3m of approved carry forwards from 2018/19. Whilst capital spend was behind budget for the year to date in March it has worsened due to Covid 19 and the effects of the lockdown.

Forecast - Commentary

Revenue Variances

Revenue at the end of the year is forecast to be significantly affected by COVID 19, with revenue expected to end the year slightly underbudget. Fees and Charges revenue that had been very strong over the first 9 months of the financial year are expected to fall from 14.7% ahead of budget to 8% above budget by year end. In addition Development Contributions are forecast to be lower than budget for the remainder of the year.

Expenditure Variances

Expenditure is forecast to finish the year 3.8% higher than budgeted, with volume activity pressures from earlier in the year now locked in. This can be seen in the personnel costs lines along with higher spends in contracted costs. There is some offset to these additional costs in the form of additional funding for specific projects.

Result

The rating requirement is forecasted to show a positive result at year end. This result is split between money that is ring fenced as a targeted rate, and the general rate. The general rate surplus forecast is not large at just over a six hundred thousand dollars, however if achieved represents an outstanding result in a very difficult trading year. It must be noted however that it will not take much of a shift in business conditions either at a regional or national level to materially affect the final rating result.