

Thursday, 21 September 2023

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Performance and Monitoring Committee Meeting**

*Kaupapataka*

# Agenda

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*Te Rā Hui:*  
Meeting date: **Thursday, 21 September 2023**

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*Te Wā:*  
Time: **1.00pm**

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

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*Te Hoapā:*  
Contact: **Democracy and Governance Services  
P: 06 871 5000 | E: [democracy@hdc.govt.nz](mailto:democracy@hdc.govt.nz)**

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*Te Āpiha Matua:*  
Responsible  
Officer: **Deputy Chief Executive - Bruce Allan**

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**HASTINGS DISTRICT COUNCIL**  
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156  
Phone **06 871 5000** | [www.hastingsdc.govt.nz](http://www.hastingsdc.govt.nz)  
**TE KAUNIHERA Ā-ROHE O HERETAUNGA**

## Performance and Monitoring Committee – Terms of Reference

### Fields of Activity

The purpose of the Performance 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.

### Membership

- Mayor and 15 Councillors.
- Chair appointed by Council.
- Deputy Chair appointed by Council.
- 1 Rural Community Board member (non-Councillor) appointed by Council.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.

### Quorum – 9 members

#### DELEGATED POWERS

- 1) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in the Fields of Activity.
- 2) Authority to exercise all of Council's powers, functions and authorities (except where prohibited by law) at any time when the Chief Executive certifies in a report that;
  - a. the matter is of such urgency that it requires to be dealt with; or
  - b. the matter is required to be dealt with, prior to the next ordinary meeting of the Council.
- 3) Monitor the performance of Council in terms of the organisational targets set in the Long Term Plan and Annual Plan – both financial and nonfinancial.
- 4) Monitor operational performance and benchmarking.
- 5) Undertake quarterly financial performance reviews.
- 6) Develop the Draft Annual Report and carry forwards.
- 7) Monitor and review the performance of Council Controlled Organisations and other organisations that Council has an interest in.
- 8) Monitor and review tender and procurement processes.
- 9) Monitor major capital projects.
- 10) Recommend to Council on matters concerning project decisions where these are identified as a result of the committee's project monitoring responsibilities.
- 11) Delegations of powers to sub-committee(s) if so established.
- 12) Writing off outstanding accounts for amounts exceeding \$6,000 and the remission of fees and charges of a similar sum.
- 13) Settlement of uninsured claims for compensation or damages where the amount exceeds the amounts delegated to the Chief Executive.
- 14) Guarantee loans for third parties such as local recreational organisations provided such guarantees are within the terms of Council policy.
- 15) Authority to exercise the Powers and Remedies of the General Conditions of Contract in respect of the Principal taking possession of, determining, or carrying out urgent repairs to works covered by the contract.
- 16) Grant of easement or right of way over Council property.
- 17) Conversion of terminating leases to renewable leases and the settlement of terms except in the case of leases under the Reserves Act.
- 18) Approve insurance – if significant change to Council's current policy of insuring all its assets.
- 19) Consider and approve constitutions and any shareholder agreements for Council Controlled Organisations and other organisations that Council has an interest in.

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Thursday, 21 September 2023

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Performance and Monitoring Committee Meeting**

*Kaupapataka*

# Open Agenda

<i>Mematanga:</i> <b>Membership:</b>	<i>Koromatua</i> <b>Chair:</b> Councillor Damon Harvey
	<i>Ngā KaiKaunihera</i> <b>Councillors:</b> Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler (Deputy Chair), Henry Heke, Kellie Jessup, Tania Kerr, Eileen Lawson, Renata Nepe, Simon Nixon, Ann Redstone, Wendy Schollum and Kevin Watkins
	Mayor Sandra Hazlehurst
	Hastings District Rural Community Board appointee: Jonathan Stockley (RCB Chair)
	Heretaunga Takoto Noa Māori Standing Committee appointee: Dr Darryn Russell
<i>Tokamatua:</i> <b>Quorum:</b>	9 members
<i>Apiha Matua</i> <b>Officers Responsible:</b>	Deputy Chief Executive – Bruce Allan (Lead) Group Manager: Asset Management - Craig Thew Group Manager: Strategy & Development – Craig Cameron Financial Controller – Aaron Wilson Chief Information Officer – Warren Perry
<i>Te Rōpū Manapori me te Kāwanatanga</i> <b>Democracy &amp; Governance Services:</b>	Christine Hilton (Extn 5633)



## *Te Rārangi Take*

# Order of Business

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### 1.0 Opening Prayer – *Karakia Whakatūwheratanga*

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### 2.0 Apologies & Leave of Absence – *Ngā Whakapāhatanga me te Wehenga ā-Hui*

An apology from Councillor Watkins has been received.

Leave of Absence had previously been granted to Mayor Hazlehurst

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### 3.0 Conflict of Interest – *He Ngākau Kōnatunatu*

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

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### 4.0 Confirmation of Minutes – *Te Whakamana i Ngā Minitī*

Minutes of the Performance & Monitoring Committee Meeting held Thursday 20 July 2023.

*(Previously circulated)*

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### 5.0 Health, Safety & Wellbeing Year-end Report 2022/2023

7

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### 6.0 Draft Financial Year End Results 30 June 2023

19

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### 7.0 Non-Financial Performance Report for the Year Ended 30 June 2023

47

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## **8.0**    **Minor Items – *Ngā Take Iti***

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## **9.0**    **Urgent Items – *Ngā Take Whakahihiri***

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Thursday, 21 September 2023

Item 5

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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*Nā:*  
**From: Jennie Kuzman, Health, Safety and Wellbeing Manager**

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*Te Take:*  
**Subject: Health, Safety & Wellbeing Year-end Report 2022/2023**

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 The purpose of this report is to inform and update the Performance and Monitoring Committee about Health, Safety & Wellbeing at Hastings District Council.
- 1.2 The Health and Safety at Work Act 2015 (HSWA) requires HSWA Officers (Elected Members and the Chief Executive) to exercise due diligence by taking reasonable steps to understand the organisation's operations and Health, Safety & Wellbeing risks, and to ensure that they are managed so that Council meets its legal obligations.
- 1.3 The attached report (**Attachment 1**) covers the full financial year ending 30 June 2023. The report provides information to enable Elected Members to undertake due diligence, by providing leading and lagging statistical information in relation to Health, Safety & Wellbeing.
- 1.4 Additionally, Monthly Snapshot reports are regularly provided for Elected Members digitally on the 'Hub'. These monthly reports provide information on proactive Health, Safety & Wellbeing risk management initiatives and details of any significant incidents which have occurred within the reporting period.

## **2.0 Recommendations - *Ngā Tūtohunga***

That the Performance and Monitoring Committee receive the report titled Health, Safety & Wellbeing Year-end Report 2022/2023

## **Attachments:**

1↓ HDC Health, Safety & Wellbeing - 12 Month Trend      HR-03-8-2-23-214  
Report - 1 July 2022 to 30 June 2023





# Health, Safety & Wellbeing 12 Month Trend Report

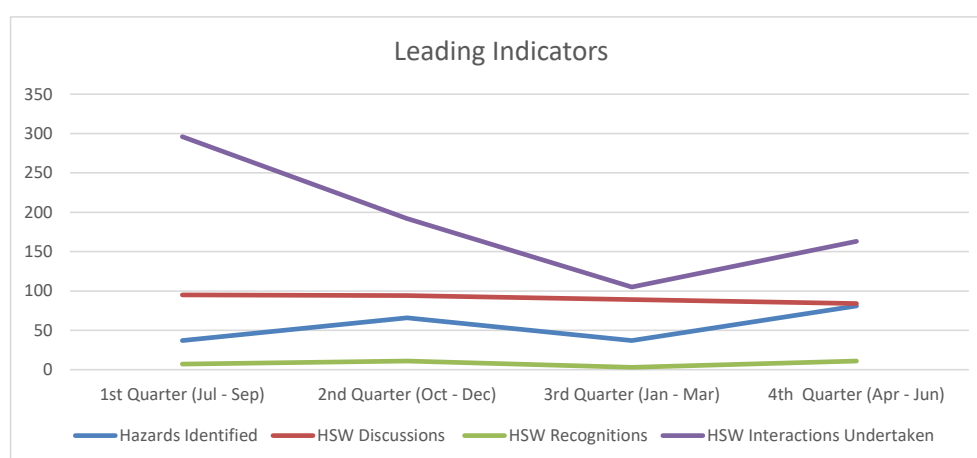
1 July 2022 – 30 June 2023

This report contains information that was reported during the period 1 July 2022 to 30 June 2023 and is current as of 30 August 2023.

## A. LEADING INDICATORS

### 1. Indicator Tracking

Indicator	1 <sup>st</sup> Quarter Jul - Sep	2 <sup>nd</sup> Quarter Oct - Dec	3 <sup>rd</sup> Quarter Jan - Mar	4 <sup>th</sup> Quarter Apr-Jun
Hazards Identified	37	66	37	81
Health, Safety & Wellbeing Discussions	95	94	89	84
Health, Safety & Wellbeing Recognitions	7	11	3	11
Health, Safety & Wellbeing Interactions Undertaken	296	192	105	163

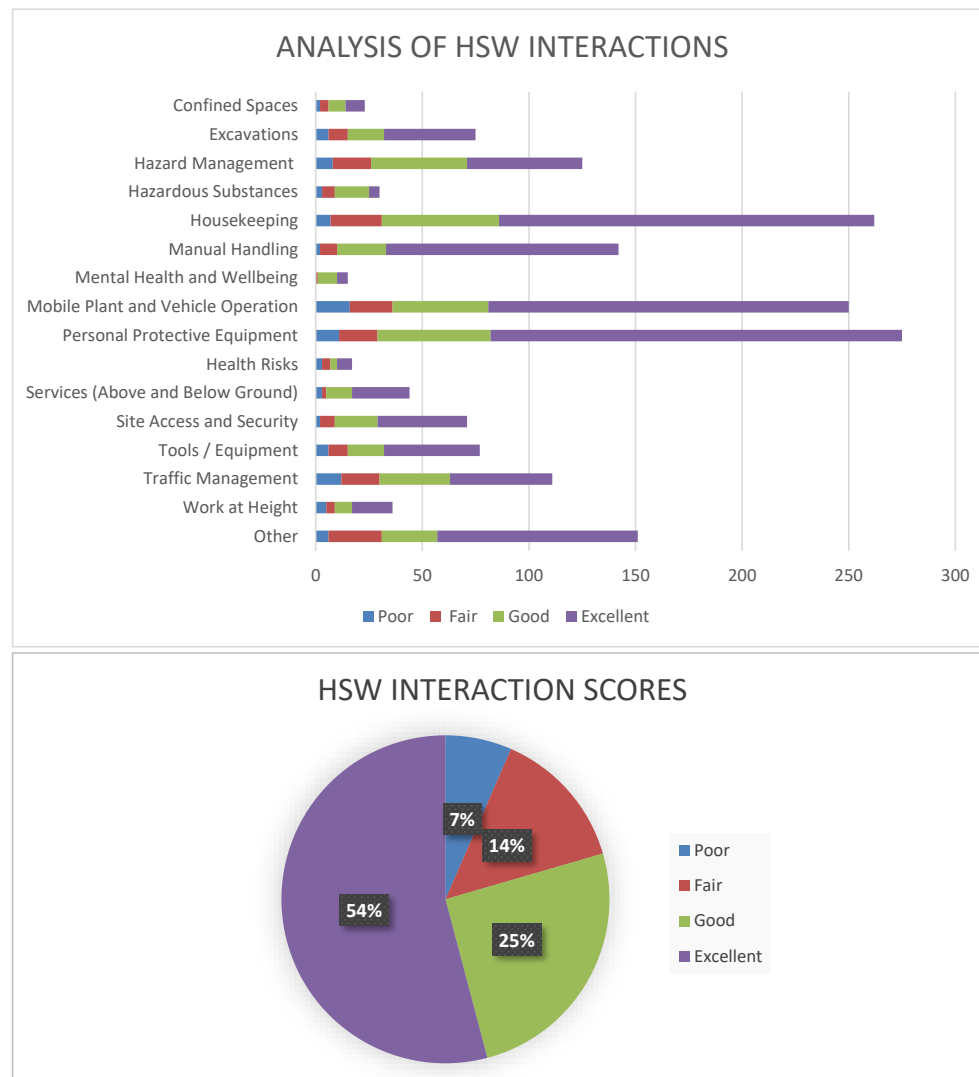


#### Commentary

Council currently tracks several lead indicators (as above), these are proactive measures to track how well Council is performing in relation to Health, Safety & Wellbeing and what is being done to actively prevent serious injuries and incidents from occurring.

During the twelve-month period reported, there was noticeable decline in Health, Safety & Wellbeing Interactions over the second and third quarters. This is likely due to lower reporting over the holiday period in December/January and disruptions from Cyclone Gabrielle. Managers were reminded of the importance of undertaking regular engagement with staff and contractors and following that there was a noticeable increase in the fourth quarter.

## 2. Analysis of Health, Safety & Wellbeing Interactions



### Commentary

Of the 691 interactions undertaken by HDC Staff, 440 (64%) were undertaken with Contractors, 221 (32%) were undertaken with Employees and 30 (4%) were undertaken with Customers.

By in large, the majority of these interactions are scored at either excellent (54%) or good (25%). Only 7% of the interactions identified poor health and safety practices, and these were remedied with the affected parties at the time of the interaction.

## B. LAGGING INDICATORS

### 1. Employee Incidents

Indicator	1 <sup>st</sup> Quarter Jul-Sep	2 <sup>nd</sup> Quarter Oct-Dec	3 <sup>rd</sup> Quarter Jan-Mar	4 <sup>th</sup> Quarter Apr-Jun
Near Misses	15	10	9	16
Property Damage	9	12	9	12
Mental Health Referrals	23	19	113	92
Non-Injury Incidents	96	55	41	31
First Aid Injuries	4	10	17	11
Medical Treatment Injuries	0	4	9	5
Lost Time Injuries	3	0	3	2
WorkSafe Notifiable Events	1	0	0	1

### 2. Contractor Incidents

Indicator	1 <sup>st</sup> Quarter Jul-Sep	2 <sup>nd</sup> Quarter Oct-Dec	3 <sup>rd</sup> Quarter Jan-Mar	4 <sup>th</sup> Quarter Apr-Jun
Near Misses	55	22	21	16
Property Damage	11	18	19	31
Non-Injury Incidents	32	1	5	7
First Aid Injuries	5	3	3	4
Medical Treatment Injuries	1	4	1	1
Lost Time Injuries	3	1	2	1
WorkSafe Notifiable Events	0	0	1	0

### 3. Public/Customer Incidents

Indicator	1 <sup>st</sup> Quarter Jul-Sep	2 <sup>nd</sup> Quarter Oct-Dec	3 <sup>rd</sup> Quarter Jan-Mar	4 <sup>th</sup> Quarter Apr-Jun
Near Misses	15	30	49	16
First Aid Injuries	14	79	58	19
Medical Treatment Injuries	0	2	5	3
WorkSafe Notifiable Events	0	0	0	0

### Commentary

There was a significant increase in mental health referrals in quarters three and four due to Council proactively referring staff involved in Cyclone response work for wellbeing check-ins and an associated staff wellbeing campaign.

The rest of these lagging indicators have remained relatively stable over the twelve-month period with an as expected increase in the summer months, corresponding with the seasonal aquatic facility operations. Pleasingly, although Cyclone Gabrielle brought much additional risk to work activities in February and March, there were no significant incidents reported during this time.

## 4. Incidents Involving Critical Risks

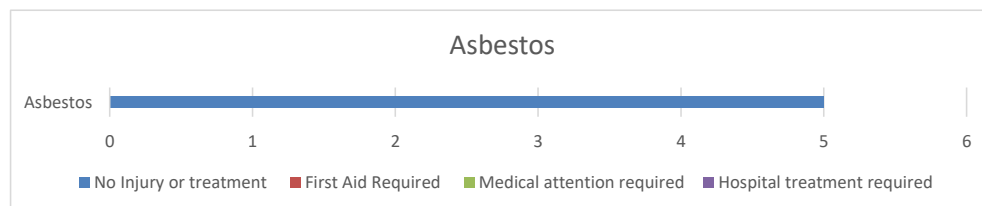
From a Health, Safety & Wellbeing perspective, Critical Risks are those risks which have the greatest potential to seriously harm. Focussing attention on critical risks and their associated controls means that Council is managing the big issues, rather than chasing everything. This is all about aiming to protect people from serious harm.

Here at Council, we have 12 Critical Health, Safety & Wellbeing Risks, listed below in alphabetical order.

For each of these critical HSW risks an overview of the reported incidents for this nine-month period has been provided. This is a new way of reporting incidents for Council, and it is hoped that over time this analysis will assist with reviewing the effectiveness of management controls and identifying areas for improvement.

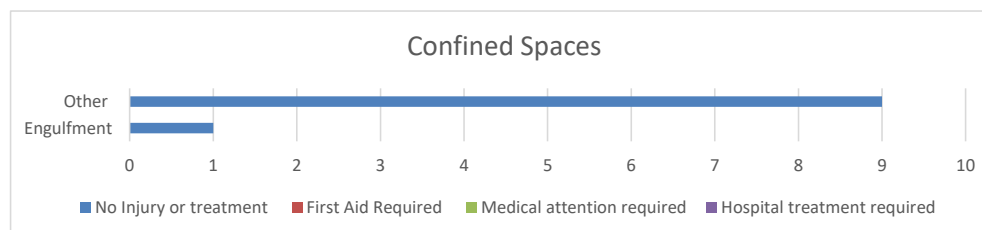
### Asbestos

Five incidents were linked to asbestos.



### Confined Spaces

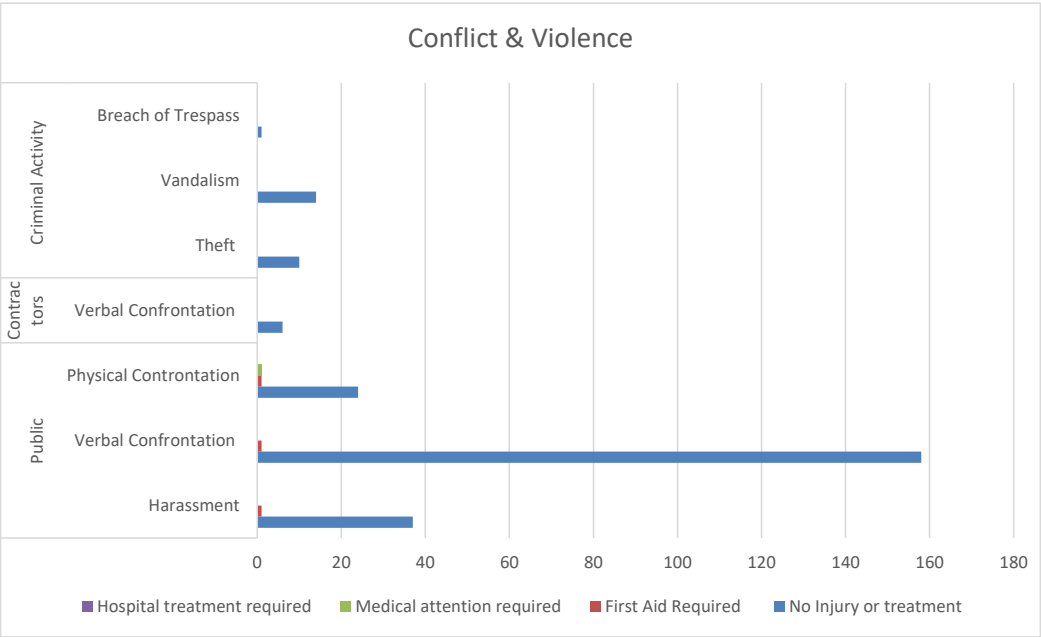
10 incidents were linked to work involving confined spaces.





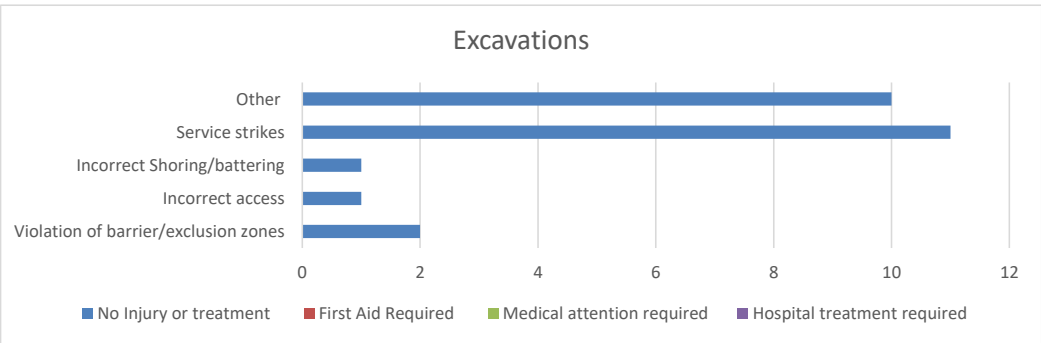
Conflict and Violence

254 incidents were linked to Conflict and Violence, of which one required medical treatment.



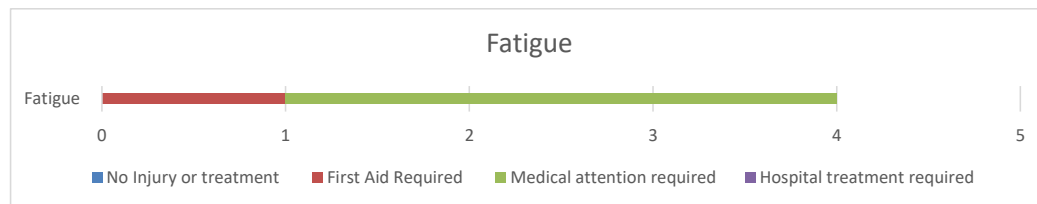
Excavations

25 incidents were linked to Excavations.



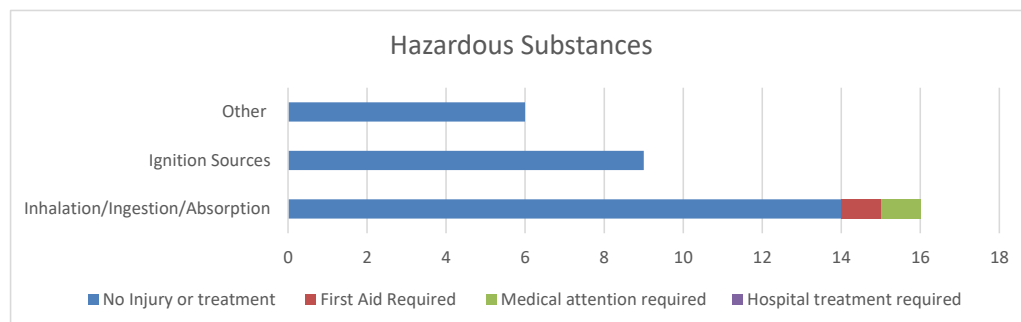
### Fatigue

Four incidents were linked to Fatigue, of which two required medical treatment. However, this is not necessarily indicative of actual work-related fatigue incidents, as many are not formally reported.



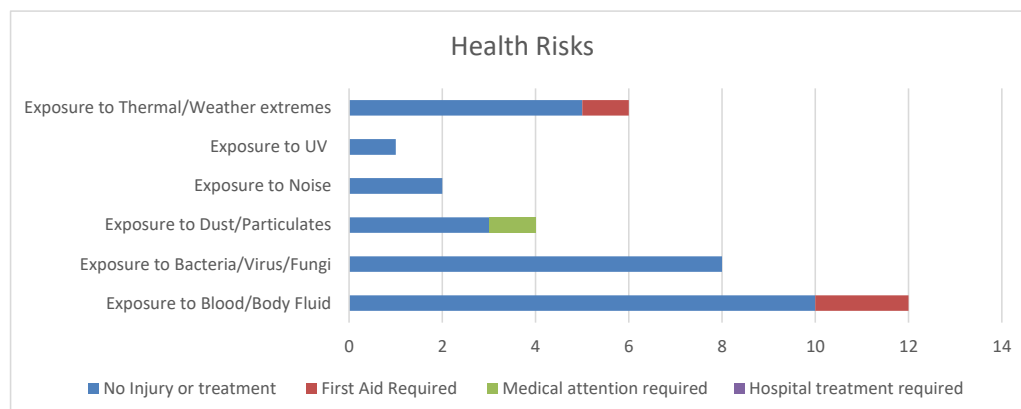
### Hazardous Substances

31 incidents were linked to Hazardous Substances, of which one required medical treatment.



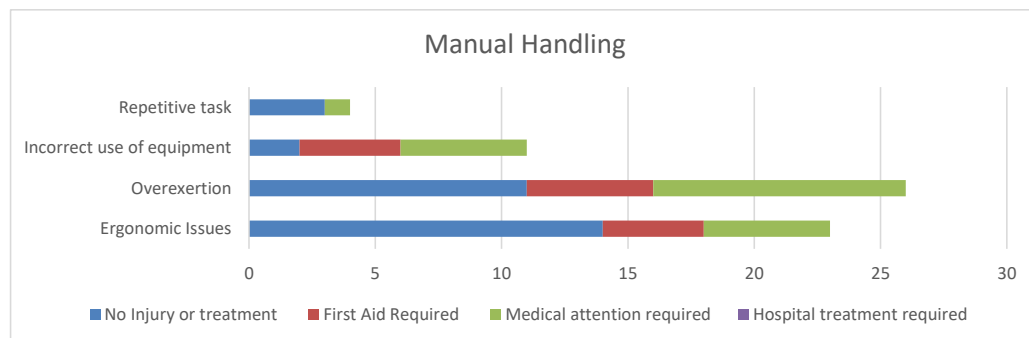
### Health Risks

33 incidents were linked to Health risks, of which one required medical treatment.

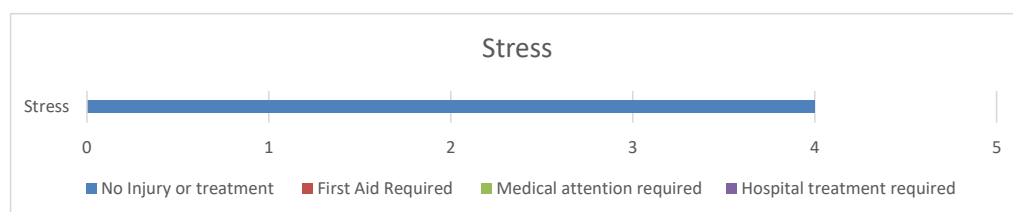


**Manual Handling**

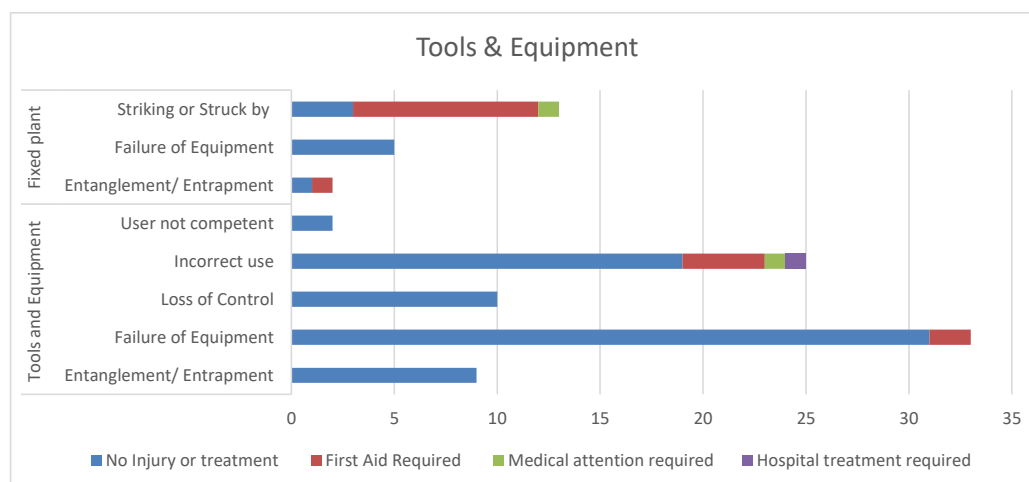
64 incidents were linked to Manual Handling, of which 21 required medical treatment.

**Stress**

Four incidents were linked to 'Stress' however this is not necessarily indicative of actual work-related stress situations, as many of these are not formally reported – rather staff may seek assistance anonymously through the Employee Assistance Programme (EAP) or take up other wellbeing initiatives.

**Tools and Equipment**

99 incidents were linked to Tools and Equipment, of which two required medical treatment and one hospital treatment.

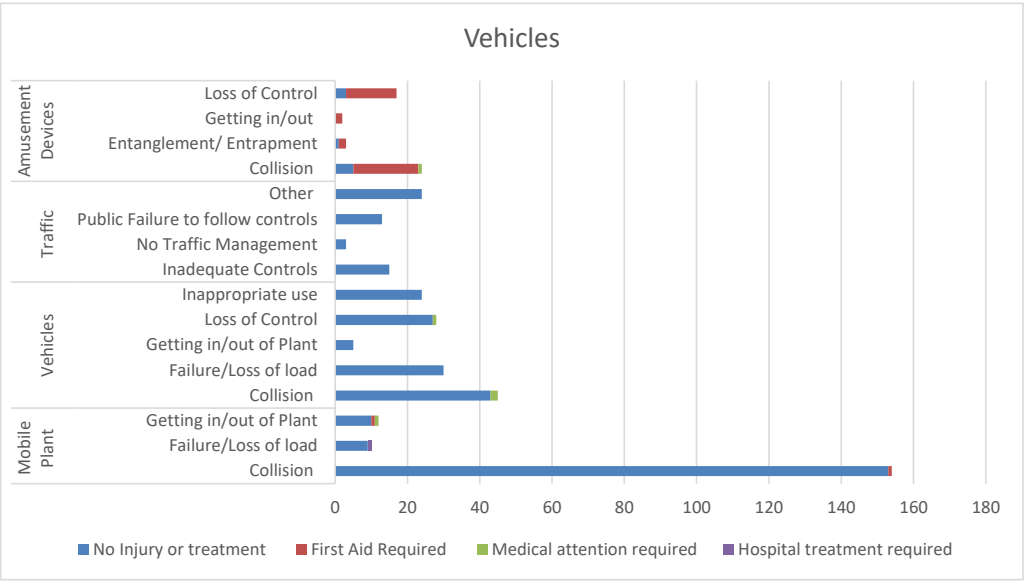






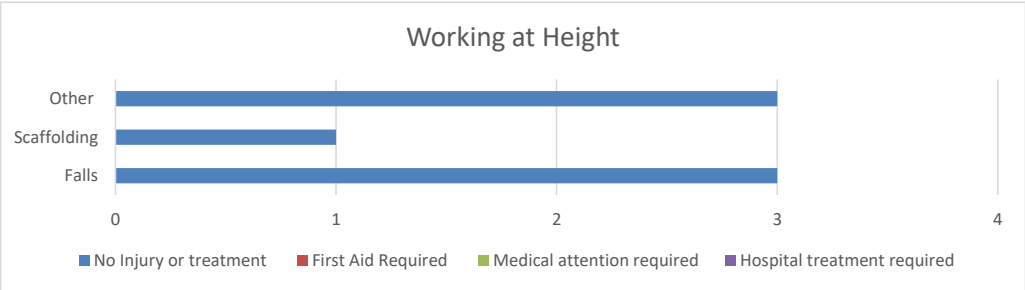
Vehicles

409 incidents were linked to Vehicles, of which six required medical treatment.



Working at Height

Seven incidents were linked to Working at Height.



# GLOSSARY OF TERMS

## Leading Indicators

- **Hazards Reported** – reports of newly identified hazards (sources of harm) in HDC facilities/worksites.
- **Health, Safety & Wellbeing Interactions** - documented conversations and/or task observations undertaken by HDC Managers/Team Leaders with Employees or Contractors.
- **Health, Safety & Wellbeing Discussions** – documented meetings/conversations in which Health, Safety & Wellbeing matters are discussed with HDC employees in attendance (e.g., team meetings).
- **Health, Safety & Wellbeing Recognition** - documented recognition of excellence in regard to Health, Safety & Wellbeing.

## Lagging Indicators

- **Significant Incidents** - refer to any incidents which required medical treatment or resulted in significant property damage or WorkSafe notifiable events.
- **Near Misses** - Close call events - i.e., no injury or property damage sustained.
- **Property Damages** – reported damage to HDC property/plant/equipment.
- **Mental Health Referrals** - employees self-referring / referred for mental health/wellbeing assistance (often through the Employee Assistance Programme (EAP)).
- **First Aid Injuries** - Injuries treated onsite by HDC Employees and no further treatment required.
- **Medical Treatment Injuries** - Injuries treated by Registered Medical Professionals e.g., nurse, doctor, physiotherapist, dentist.
- **Lost Time Injuries** - Injuries resulting in time off work.
- **WorkSafe Notifiable Events** - Any incidents which were legally required to be reported to WorkSafe NZ.

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Thursday, 21 September 2023

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Item 6

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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*Nā:*  
**From: Aaron Wilson, Financial Controller**

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*Te Take:*  
**Subject: Draft Financial Year End Results 30 June 2023**

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## **1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to inform the Performance and Monitoring Committee of the unaudited accounting and rating result for the year ended 30 June 2023 and for the Committee to approve the allocation of the rating result. The Hastings District Rural Community Board has approved the recommendations submitted to it on 4<sup>th</sup> September 2023 relating to the year-end rating result for Rating Area 2 (RA2).
- 1.2 The indicative overall Rating result for the 2022/23 year is unfavourable to budget and is a \$11.6m rating deficit. The result is unaudited and indicative at this stage and consequently there may be some variation to the figures in the result.
- 1.3 This result, for the purpose of clarity, has been split out to show the impact of Cyclone Gabrielle separately from BAU (Business as Usual) and Targeted rates.
- 1.4 This report concludes by recommending that, given the large size of 2022/23 deficit, any available reserve should be allocated to fund that deficit with the remaining portion of the deficit being funded by debt. How that debt is then funded and repaid will need to be determined by Council as it prepares the next Long term Plan and financial strategy.
- 1.5 Officers will be recommending to Council that there will be no carry forwards into the 2023/24 financial year as there is no rating surplus from which to allocate funding for those projects. This will impact on rates-funded projects that were not delivered in 2022/23 but are still required and will require officers to manage their 2023/24 work programme with this in mind. There is also a large capital programme in 2023/24 that can be reprioritised to accommodate any 2023/24 debt funded projects that are still required to be delivered.

- 1.6 Council is provided with quarterly financial reports during the year with the unaudited year-end result presented annually at the September Performance and Monitoring Committee meeting.
- 1.7 Officer's report on the operating financial result (operating surplus/deficit) as well as the rating result. The operating (accounting) financial result is reported on quarterly during the year and, at year end, a report is prepared on the rating result in addition to the accounting result.
- 1.8 The rating result differs from the accounting result in respect of non-cash items such as depreciation, gains or losses on interest rate swaps, vested assets, impairment of assets and investments and development contributions income which have no impact on setting rates and are therefore excluded from the rates calculations. The rating result reports on the variance of rates collected and net total expenditure (including capital and reserve transfers) for Council.
- 1.9 The Financial Reports attached to supplement this report include:
  - Attachment 1** – Interim Rating Result for the year ended 30 June 2023
  - Attachment 2** – Dashboard Summary of Financial Performance
  - Attachment 3** – Draft Unaudited Financial Statements
- 1.10 The financial reports contain summarised information. **Please feel free to contact the report writer or the Deputy Chief Executive directly on any specific questions from the reports before the meeting.** This will ensure that complete answers can be given at the meeting on the detail that forms the basis for these reports.

## 2.0 Summary – discussion

- 2.1 For the first time in many years, Council has had a significant overall rating deficit for the year.
- 2.2 The audited annual report will also record a significant deficit as many assets, destroyed or significantly damaged by the cyclone, will need to be written off or materially impaired. This will be reported to Council in October when the annual report is adopted. The Risk and Assurance Committee will also have oversight of this process prior to Council adopting the Annual Report.
- 2.3 The overall combined rating deficit for 2022/23 is \$11.6m for both the general rate and targeted rates areas. This excludes \$5m of insurance proceeds for damaged bridges as most of the expenditure to replace those bridges will occur in future years. The insurance funds will be used to reduce any cyclone-related borrowings and the offset is included in Council debt of \$292m as at 30 June 2023.
- 2.4 While the impact of Cyclone Gabrielle has had a detrimental effect on Council's financial performance, the result for Business as Usual (BAU) operations delivered a small \$0.6m general rating surplus along with a targeted rate deficit of \$3.1m deficit for the year for a total business as usual deficit of \$2.5m. Due to the unusual nature of the year with the impacts from the cyclone, the year-end result has been split between BAU and cyclone impacts to enable the reader to understand what is driving the rating deficit.
- 2.5 Some of the key drivers behind the 2022/23 deficit will flow through into the 2023/24 performance, such that it is likely that Council will record a further deficit on BAU activities for the 2023/24 financial year. In addition, Council will need to fund the additional costs associated with cyclone recovery activities in 2023/24 as these costs were not included in the 2023/24 budgets.
- 2.6 Further analysis on the likely BAU performance for 2023/24 will be presented as part of the 2024/34 Long-Term Plan deliberations to ensure Council has the opportunity to adjust the budgets or make service changes to reduce the impacts on future rating levels.

## 3.0 The Rating Result

- 3.1 The split between BAU and cyclone-related results by rating group, is shown in the following tables. Most cyclone costs in 2022/23 relate to the initial response, rather than the longer-term recovery

phase with most of the cyclone response expenditure relating to transport emergency reinstatement work for which Council received 93% funding support from Waka Kotahi.

- 3.2 This year the overall general rating result for 2022/23 is a \$7.64m deficit to budget as shown below by rating area. Cyclone Gabrielle has had a significant impact on Council's finances and as a result is the primary reason for the general rate deficit position.

Description	Total	Rating Area One	Rating Area Two
Business as Usual Result – surplus(deficit)	\$601,872	(\$662,203)	\$1,264,076
Cyclone Gabrielle recovery Impact	(\$8,245,654)	(\$2,501,771)	(\$5,743,883)
<b>General Rate Result for 2022-23</b>	<b>(\$7,643,782)</b>	<b>(\$3,163,974)</b>	<b>(\$4,479,807)</b>

- 3.3 Not only have there been significant costs incurred in responding directly to Cyclone Gabrielle, it has also had a material impact on the delivery of Council's normal business. The area most impacted is in the transportation activity which has had to redirect almost all of its resources to responding to the event which has created large underspends in their business as usual areas.
- 3.4 There has also been significant cost pressures incurred on the activities funded through targeted rates and in particular in the areas of water supply, wastewater and kerbside refuse collection. For the year ended 30 June 2023 the targeted rate areas incurred deficits of \$3.98m of which the impacts of Cyclone Gabrielle contributed \$847k.

Description	Total	Rating Area One	Rating Area Two
Business as Usual Surplus (Deficit) on Targeted Rate Activities	(\$3,137,074)	(\$3,162,179)	\$25,105
Cyclone Gabrielle Surplus (Deficit) on Targeted Rate Activities	(\$847,892)	(\$845,271)	(\$2,621)
<b>Targeted Rate Result for 2022-23</b>	<b>(\$3,984,966)</b>	<b>(\$4,007,450)</b>	<b>\$22,484</b>

- 3.5 The combination of the two rating deficits is a total rates deficit of \$11.63m. The Rural Community Board have made recommendations on how to deal with the RA2 deficit and this report will make recommendations on the allocation of reserves and application of debt where appropriate.
- 3.6 Cyclone Gabrielle's direct contribution for both the general rate and the targeted rate deficits is \$9.09m out of the total of the \$11.63m deficit.

Description	Total	Rating Area One	Rating Area Two
<b>Total Overall Rating Surplus (deficit) for 2022/23 against rating budgets</b>	<b>(\$11,628,747)</b>	<b>(\$7,171,424)</b>	<b>(\$4,457,323)</b>

Note: Excludes \$5m of insurance proceeds received for bridge replacements.

- 3.7 Insurance Proceeds: Council held insurance cover for its bridges and as noted above, \$5m has been received from insurance proceeds (a further \$5m is expected resulting in the full settlement of the sum insured of \$10m). These funds have been deliberately excluded from the rating surplus calculations. While considerable funds will have been spent on bridges, these funds were on the initial response on temporary repairs to get bridges operational again. A number of replacement bridges are being rented and longer-term permanent replacement structures need to be funded. The \$5m in cash has reduced our borrowings, however, total insurance proceeds are only expected to fund a proportion of future recovery expenditure. The approach to immediately apply the

proceeds to reduce debt reflects the prudent approach Council will need to take going forward to contain debt levels and the flow-on effect this has on rates and community affordability.

- 3.8 It should be noted that the rating result is after all necessary targeted reserve transfers have been made. There are several significant activities where surpluses or deficits are ring fenced and/or transferred to reserves and include targeted rate areas of water supply, waste water and kerbside refuse & recycling.
- 3.9 To fund the large deficit, the approach of officers has been to look to release all relevant available reserves first before resorting to debt funding. The Rural Community Board has recommended that where there is a reserve that can be used for the RA2 deficit that this should be utilised.
- 3.10 It is recommended that the deficits incurred from the general rate and the targeted rates be dealt with separately. For the general rate deficit of \$7.64m it is proposed that \$5.54m is to be funded from reserves with the remaining \$2.1m to be funded by debt as detailed in the table below:

	RA1	RA2	Total
<b>Total Deficit on General Rate</b>	3,163,974	4,479,807	7,643,782
<b><u>Allocation of Deficit:</u></b>			
RA1 General Purpose Reserve	9,316		9,316
Contingency Reserve	1,052,061	400,000	1,452,061
RA2 Capital Reserve		1,903,967	1,903,967
RA2 NZTA Transport Reserve		295,312	295,312
Rural Fire Contingency Reserve		6,457	6,457
RA2 Flood & Emergency Reserve		1,245,454	1,245,454
RA2 General Purpose Reserve		628,617	628,617
<b>Total Reserves allocated</b>	<b>1,061,377</b>	<b>4,479,807</b>	<b>5,541,184</b>
Debt funding required	2,102,597	-	2,102,597
<b>Allocated Deficit</b>	<b>3,163,974</b>	<b>4,479,807</b>	<b>7,643,782</b>

- 3.11 The approach for the Targeted rate deficits is that they are absorbed into the relevant Targeted Rate Accounts, putting those accounts into deficit further than had been anticipated in the Long Term Plan or reducing any surplus held for those activities. It is recommended that some of the Targeted Rate accounts be converted to debt to provide a level playing field for future targeted rate strategies. This will present a position that is more manageable in terms of rate increases for those targeted rate areas and will ensure an appropriate level of debt financing costs are allocated to these activities.

#### 4.0 The Unaudited Accounting Result

- 4.1 Set out below is a summary of the 2022/23 unaudited accounting result as at 30 June 2023. Noting that this is not the same as the rating result. The budget below is against the Annual Plan as required by the accounting standards and does not include carry forwards from the prior year and in-year adjustments.
- 4.2 The accounting result has not been finalised as the transport revaluation report has not yet been received. Due to the complex nature of understanding the values relating to what transport assets need to be impaired, what assets were destroyed, and the accounting treatment and calculation relating to when this happened, (two thirds of the year through) there will be material adjustments required for movements in valuation reserves and depreciation calculations.
- 4.3 There is also a parks revaluation to be finalised which will enable the finalising of the last days' depreciation for all assets before the accounts are closed. This is a set financial process where all valuation reports are required to adjust asset values before final year-end processing can be completed.
- 4.4 The movement in asset values will be in the hundreds of millions of dollars with the impact being seen in large movements in revaluation reserves and other comprehensive expense movements.

Given this material transaction has yet to be completed, the accounting result below is only shown to a Net Surplus/(deficit) after swaps level.

Unaudited Financial Accounting Result	Budget Council \$'000	Actual Council \$'000	Variance
Operating Revenue	168,924	244,554	75,630
Less: Operating Expenditure	161,635	264,333	102,698
<b>Net Surplus/(Deficit)</b>	<b>7,289</b>	<b>(19,779)</b>	<b>(27,068)</b>
Unrealised movement on Swaps	-	2,472	2,472
<b>Net Surplus/(Deficit) after Swaps</b>	<b>7,289</b>	<b>(17,307)</b>	<b>(24,596)</b>

- 4.5 The draft unaudited financial result for the year ended 30 June 2023, before gains or losses on revaluations, is an accounting deficit of \$19.8m with an unfavourable variance to the budget of \$27m.
- 4.6 It is important to note that budget variances noted in the table above refer to variances against the Annual Plan excluding carry forwards or any other budget adjustments as this is what Council is required to report against in the Annual Report. By comparison, the attached dashboard reports include budgeted information that includes all budget adjustments including carry forwards from the previous year.
- 4.7 The unrealised gain on interest rate swaps of \$2.472m is an accounting entry and reflects the potential cost or gain to Council of replacing all its interest rate swaps at the prevailing swap interest rates on 30 June 2023. Council is, however, extremely unlikely to do this and the gain is therefore recognised as an 'unrealised gain' and is reflective of the current situation with interest rates.
- 4.8 Council has interest rate swaps in place to hedge against interest rate exposure by reducing uncertainty of future cashflows. This is in line with Council's prudent financial approach and meets the requirements of Council's Treasury Policy. Market conditions have changed from several years ago when many of these swaps were taken out.
- 4.9 In addition to this, there were three revaluations this year. These were for Roding, Parks and Library assets. As has been stated earlier, at the time of writing this report, these adjusted values for Roding and Parks remain unknown and have yet to be processed through the accounts.

## Revenue

- 4.10 The table below shows total revenue against the revised budget and includes any in-year adjustments.

<b>Total Revenue Streams</b>	<b>Actual Ytd (\$'000)</b>	<b>Budget Ytd (\$'000)</b>	<b>Variance Ytd (\$'000)</b>
Rates (Budget)	100,935	101,191	-256
Fees, charges & metered water supply charges	35,843	33,613	2,230
Subsidies and Grants	25,823	29,326	-3,503
Development and financial contributions	4,944	5,785	-841
Interest revenue	775	0	775
Other revenue	6,917	1,537	5,380
<b>Total Revenue excl Cyclone Gabrielle</b>	<b>175,237</b>	<b>171,452</b>	<b>3,784</b>
Cyclone Gabrielle Revenue	<b>71,791</b>	<b>0</b>	<b>71,791</b>
<b>Total Revenue</b>	<b>247,028</b>	<b>171,452</b>	<b>75,575</b>

- 4.11 Cyclone related revenue of \$71.8m was recorded and relates to the subsidies received from Waka Kotahi for transport reinstatement and capital roading repairs, reimbursement for flood damage waste and silt collection, along with claims from NEMA for fuel and welfare.
- 4.12 Year to date business as usual (BAU) revenue excluding cyclone impact is \$3.78m favourable in the context of total revenue budgeted for the twelve months to June, at \$171.4m, or 2.2% of YTD budget.
- 4.13 Fees and charges revenue across Council are favourable by \$2.2m with the main drivers being:
- Splash Planet, despite closing earlier than normal, revenue was favourable to budget by \$200k.
  - Unbudgeted lease income of \$477k was received for 340 Heretaunga Street East. This additional revenue was offset by borrowing costs associated with the building purchase.
  - Toitoti revenues are favourable to budget by \$799k, representing significantly higher levels of activity than budgeted. The higher revenue in Toitoti is offset by higher than budgeted operational expenditure of \$2.5m; this is covered in expenditure commentary below.
  - Higher than budgeted meter and connection fees are large contributors to the \$865k favourable revenue and is due to the number of new residential connections along with a prior-year adjustment into the revenue line.
  - Planning and Regulatory services are unfavourable to budget by \$748k driven by lower than budgeted building consent fees (\$772k).
- 4.14 Subsidies and Grants are \$3.5m under budget partly due to lower BAU Waka Kotahi (NZTA) subsidies of \$8m, (offset by lower BAU spend) along with accrued government grants to be received for the Flaxmere land development (\$2m) and Government funding received for water reform (\$1.2m). In addition, "better off funding" related to Water Services reform was also received to the value of \$872k.
- 4.15 Development contributions are lower than budget by \$841k, and whilst this is likely due to the disruptive nature of the cyclone, this is an area that can be very difficult to budget when developers will begin development.
- 4.16 Other revenue is higher than budget by \$5.4m and includes non-cash adjustments at year end for the unrealised gain on swaps of \$2.47m and higher than budgeted vested assets of \$2.8m.

## Expenditure

- 4.17 The table below shows total expenditure against the revised budget and includes any in-year adjustments.



<b>Total Expenditure</b>	<b>Actual Ytd (\$'000)</b>	<b>Budget Ytd (\$'000)</b>	<b>Variance Ytd (\$'000)</b>
Personnel Costs	43,756	42,533	-1,224
Depreciation	52,480	40,079	-12,401
Finance Costs	12,196	8,624	-3,571
Other Operating Costs	74,766	73,234	-1,532
<b>Total excl Cyclone Gabrielle</b>	<b>183,199</b>	<b>164,470</b>	<b>-18,729</b>
Cyclone Gabrielle Costs	<b>75,607</b>		<b>-75,607</b>
<b>Total Expenditure</b>	<b>258,806</b>	<b>164,470</b>	<b>-94,336</b>

4.18 Cyclone expenditure of \$75.6m was recorded and relates to the work undertaken in transport reinstatement, flood damage waste and silt collection. As this is operational spend, it does not include any cyclone-related capital works that Council has completed.

4.19 Expenditure, excluding the impact of the cyclone, ended the year at \$18.7m or 10% of total revised budgeted expenditure year to date. Main drivers include:

- Personnel costs are unfavourable to budget by \$1.2m. The level of work across Council has increased substantially post the cyclone and there has been an element of 'right-sizing' to ensure the organisation was in a position to meet the needs of the community with the recovery efforts. As workloads return to more normalised levels it is expected that a number of these new positions will no longer be required. In addition, there are a number of positions that have been added that have been funded externally or recharged out through shared service arrangements.
- The negative variance to budget for non-cash entries in terms of Depreciation (\$12.4m) is driven by higher asset values due to prior year revaluations in 3 Waters and Transportation. The 3 Waters revaluation in asset value was significant and has been driven by higher contracted rates, and overall unit costs. This increase in asset value has seen a significant increase in depreciation and more than what was expected and budgeted. To date, the component of the depreciation budget that is funded by way of rates to meet the funding of asset renewals has not kept pace with the increases in asset values which have driven the large increases in depreciation.

The impact of asset revaluations is generally not known until later in the financial year and does not provide Council with an opportunity to increase funding in this space through rates collection in time to meet the budget processes. As such, there is a need to incorporate increases in depreciation funding in future years and effectively smooth in the effects of revaluations.

The increasing gap between the value of the depreciation expense and the rates collected for renewals will need to be addressed and the next Long-Term Plan would be the process to do that.

- Net finance costs are higher than budget by \$2.7m. This is due in to two main factors, the first being the significant increase in debt both in budgeted projects and also in approved but unbudgeted projects. This is an area of concern when taking into consideration the large required ongoing impacts of the cyclone on the local share to be funded by Council over the next few years.

This increased cyclone funding requirement means there is forecasted to be a lot less debt headroom, meaning Council will need to continue to carefully consider those approved but unbudgeted projects.

Secondly, there is an increase in the average cost of debt, due to the cyclical raising of the OCR rate by the Reserve Bank Governor and other global fundamentals that influence

domestic interest rates. Approximately 60% of council's current debt is held with fixed interest instruments at historical rates in line Council's Treasury Policy with the balance floating and therefore attracting the prevailing floating rates.

- Other operating costs excluding cyclone costs are unfavourable to budget by \$1.5m and were mainly driven by:
  - Higher than budgeted insurance costs in terms of material damage insurance of \$299k and LAPP insurance of \$186k, along with \$58k annual software licensing and support costs. HDC's share of external plant hire costs were above budget at the Landfill by \$183k. (Noting that the Landfill is a shared operation with Napier City Council)
  - Settlement costs of \$900k in relation to the area of planning and regulatory, this cost has been largely offset by reserve funding set aside for this purpose.
  - Services costs were higher than budget by \$493k mainly due to higher contracted service costs in the asset management activities offset by lower expert advice and electricity costs.

## Summary by Areas of Activity of Council

### Corporate and Governance

4.20 This wide-ranging group includes People & Capability, Finance, Leadership/Chief Executive, Culture & Heritage, Procurement and Emergency Management. Business as usual was upended in all areas of this group in the aftermath of Cyclone Gabrielle.

- Administration buildings and their facilities were on budget including the continuing demolition of Heretaunga House.
- Procurement, Emergency Management and People & Capability were all on budget.
- Information Services were on budget except for high depreciation costs.
- Finance Services were on budget except for higher than budgeted audit & finance advice (treasury) costs.
- Council Contingency for unexpected costs (which are housed with the Corporate service) were \$2.5m in excess of contingency budget for the year. This was entirely due to Cyclone Gabrielle response, recovery and remediation. Also accounted for here is the Community Recovery Team dealing with the Cyclone recovery.
- While a large proportion of the Cyclone response costs have been recovered by way of claims through NEMA claims or insurance settlements there is still more to be done and further claims to NEMA are expected approximately \$300k -500k still to be claimed.

### Community Facilities & Programmes

4.21 This group of activities has several challenges in the last financial year, as well as BAU staff being heavily involved in the cyclone response.

4.22 Splash Planet: Splash Planet had a number of challenges during the season which impacted on its bottom line. Although revenue exceeded budget by around \$200k, poor summer weather played a major role in a deficit \$160k in excess of budget. There were staffing challenges due to the loss of senior managers prior to opening resulting in external contractors having to be brought in to manage the facility at a higher cost than what was budgeted. Total staffing and contracted services exceeded budget by \$332k.

4.23 Higher spend in maintenance due to weather and regular repairs of attractions resulted in an overspend of almost \$170k on maintenance. Council also resolved to spend \$2.4m to upgrade elements of the facility for 2023/24 summer season, with some of this work beginning prior to year-end.

- 4.24 Pools: Aquatics had another challenging year with weather impacting the outdoor summer pools and the opening of the new Hawke's Bay Aquatic Centre competing for learn to swim and swim clubs, which were a major revenue stream for both Water World and Clive pools. COVID also had an impact at the start of the financial year which also resulted in hesitation of parents enrolling their children in future learn to swim classes due to the disruptions they experienced in previous lock downs.
- 4.25 Housing for the elderly – incurred a deficit of over \$300k. This was due to higher costs with maintenance, insurance and rates and lower rent increases not keeping up with rising costs within the housing market. There has been a Council workshop to address this shortfall, with officers recommending increases in base rent levels.
- 4.26 The aging nature of these buildings means the current funding arrangements with heavily subsidised rents is not sustainable and rent increases are inevitable. Noting that almost all of any rent increase is met through the Governments accommodation supplements for the tenants rather than the tenant meeting those costs directly themselves.
- 4.27 Toitoti: Toitoti finished the year with an overall loss of \$2.2m. Finance costs and depreciation accounted for \$1.2m, with personnel, cleaning contract costs and insurance costs the remaining drivers. A report was written to the July 2023 Performance and Monitoring meeting to show the operational issues that have been faced over the last financial year, and what is being done to improve the outcomes for Toitoti in the coming 2023/24 year.

#### Planning & Regulatory Services

- 4.28 The Building Control activity saw a 16% reduction in consent numbers (over 200) from the prior year, caused by a variety of factors including higher interest rates, higher inflation costs on materials and the impact of Cyclone Gabrielle, which has resulted in lower than budgeted revenue (\$691k). There have also been a higher number of issues requiring legal advice resulting in higher than budgeted legal costs (\$316k). This year also saw unbudgeted expenditure (\$66k) for a coastal inundation assessment from Tangoio to Clifton by Tonkin & Taylor, which was a jointly funded project with HBRC.
- 4.29 These additional costs have been partially offset by lower than budgeted personnel costs of \$355k as we are still unable to fill some vacancies, especially building consent officers with suitable experience to process commercial consents. There were also \$118k of costs incurred that relate to the Cyclone Gabrielle response/recovery. There is likely to be a similar deficit in the 2023/24 year due to the budgets being forecast on a higher number of consents than what Council are now seeing coming through which, going forward in the 2024-34 LTP, may require the need to increase the building consent fees to a sufficient level to offset costs or it will require an increase in the rate requirement.
- 4.30 The Environmental Consents activity saw a 24% reduction in consent numbers (nearly 150) from the prior year resulting in lower than budgeted revenue (\$75k) again as a result of higher interest rates, higher inflation costs on materials and the impact of Cyclone Gabrielle. Contractor/consultant costs are higher than budgeted, however, these costs are recovered from applicants but there is a delay between paying the contractor and invoicing the applicant which has resulted in a minor deficit of \$35K. Personnel costs were higher than budget (\$178k). To ensure Council was able to respond to a focus on growth and housing, there was a need to ensure the Environmental Consents team was fully staffed.
- 4.31 In terms of resilience, officers wanted to ensure that Council also had planners coming through the scholarship programme as the lack of planners across the country continues to be a problem. This has meant that we have had two student planners go through the HDC scholarship programme and have been able to provide them permanent roles at the end of their studies (rather than losing them to other employers). Officers also wanted to make sure that they could deliver on the main KPI of 97% Resource Consents processed within statutory timeframes. In the last year with the additional staff, we have managed to lift the percentage of RCs processed within timeframes from

84% to 91%. In this past three months, this has lifted further to 95%. These factors and circumstances have resulted in spending more on staff than we previously have. This hasn't been creating brand new positions, but it is more a case of extending the positions in terms of number of hours/days. And the people being 'appointed' are people that are already in the HDC system (as students, secondments, or lower position level) and have who we know are able to complete the required tasks of each role to a high standard.

#### 4.32 Transportation

4.33 The Transportation team have had an incredibly busy second half of the year since the cyclone event and responding to the widespread damage to roading and bridges. The emergency works have so far totalled \$61.4m with \$42.5m spent on emergency reinstatement and \$15.9m spent on bridge damage including the installation of Bailey bridges. This has been subsidised at 93% from Waka Kotahi leaving a local share of \$4.3m to be funded by Council.

4.34 The emergency response especially by our urban and rural maintenance contractors has meant that \$5.6m worth of our BAU maintenance and capital projects have not proceeded since February. This has meant that the local share on these projects has not been spent for that purpose and has been used to contribute towards funding the local share of the cyclone costs. It is therefore not available to be carried forward into 2023/24.

4.35 Waka Kotahi has cash adjusted their share of the unspent \$5.6m 2022/23 Maintenance and Capital budgets into 2023/24 and is available in 2023/24 should sufficient local share be found to match against this. This will be a challenge and will require a reprioritisation of spend if the local share of the available Waka Kotahi funding is to be utilised.

#### 4.36 Water Services

4.37 Council continues to respond to the water change programme with elevated expenditure activity through 2022/23 including both capital and operational expenditure. This activity is funded by way of a targeted rate and accounted for in a separate water supply rating account which is designed to either accumulate reserves or run in deficit depending on expenditure needs and Council decision making. This allows Council to spread the impact of "lumpy" expenditure in this activity.

4.38 There are several challenges that this area has faced operationally and going forward in the 2023/24 year some budget adjustments have been made with additional resourcing to reduce the costs of outsourced contracted costs.

4.39 Bottom line impact, including non-cash items of depreciation and vested assets is a \$8.8m deficit. The total value of depreciation is \$9m. Insurance cost has also been a significant contributor to the overspend in budget.

4.40 Asset values have increased substantially in recent years with the cost of replacing assets being the main driver. The impact of Council's water supply capital spend programme over the last seven years has also impacted on the value of the assets, whilst the debt borrowed to build the assets has meant much higher finance costs (\$1.8m above budget) for this area especially with rising interest rates.

4.41 There were also much higher costs in the maintenance and service contracting areas of the business, with some detail provided below.

4.42 The maintenance contract budget exceedance is primarily due to the escalation clause in the water services maintenance contract with Fulton Hogan. The maintenance contract is a relatively new contract, implemented in March 2021 and while escalation clauses are common practice with contracts of this nature, escalations at the time were budgeted at around 3%. Given market conditions of the past two years, that forecast proved optimistic. Actual escalations have been far greater and is presently running at 16.96%. High inflation, staff shortages and buoyant contractor markets have contributed to the present situation. Maintenance contract overhead budgets were set in November 2022 for the 2023/2024 year; it is noted that the adjustment made for this financial year may be insufficient to compensate considering inflation remains at higher levels.

- 4.43 Wastewater Preventative Maintenance is above budget by \$243k primarily due to the increase in pump station repair work costs.
- Increases in pump station preventative repairs across the year are due to aging infrastructure that increasingly requires additional maintenance to keep operable.
  - Increased jet cleaning has been required to manage network blockage issues (slip-line pipes attract fat, restrict flow and cause blockages as well as flat network cause solids to settle and accumulate leading to blockages).
- 4.44 In response to the increased operational costs, jet cleaning is being rationalised where possible and an increase in preventative maintenance budget has been factored into this year's budget until the required renewals are completed.
- 4.45 Wastewater Reactive Maintenance is above budget by \$223k. There has been an increase in reactive maintenance across the network this year particularly post Cyclones Hale and Gabrielle and relating to high ground water tables and Inflow and Infiltration (I&I) resulting in increased blockages, overflows and flow management. In addition, a wastewater network issue adjacent to Aintree Road, where Geotech outcomes has meant straightforward repairs are not suitable, over pumping is required until a long-term solution can be designed and implemented.
- 4.46 Effluent Disposal Preventative Maintenance above budget by \$304k. This includes \$148k for outsourced engineering resource. There has been an increase in preventative maintenance required to ensure the uninterrupted operation of the WWTP. This is due to aging infrastructure requiring more maintenance and escalating costs related to maintenance (and capex). Outsourced engineering resource has been used to undertake preventative maintenance activities including:
- Regular civil/fitter maintenance
  - Servicing and removal of equipment
  - Metal fabrication and repair work
- Effluent Disposal Reactive maintenance is above budget by \$169k and includes \$160k for outsourced engineering resource. This budget exceedance is due to an increase in reactive maintenance required at the WWTP. Aging infrastructure requires more maintenance and has a higher probability of failure and escalated costs related to maintenance (and capex).
- 4.47 An outsourced engineering resource has been used to undertake reactive maintenance activities including servicing and removal of equipment, metal fabrication and repair work
- 4.48 Water Services Administration is above budget by \$523k partly due to consultancy resource being required in August 2022 to provide cover across HDC 3 Waters Service Assurance when both the then Service Assurance Manager and Drinking Water Quality Officer resigned in July 2022. Additional cover was required for Network Engineering Support.

#### **Unbudgeted but approved spend**

- 4.49 Across the activities of Council, there are projects underway that Council has approved unbudgeted spend within the current financial year, to either complete the project, meet additional demand or position Council strategically going forward.
- 4.50 Whilst these projects in terms of spend fall in the current 2022/23 year, all the decisions were made by Council in the previous financial year in order to continue the completion of projects like the water supply upgrades or enable work/agreements to be signed.
- 4.51 It is important to keep a track on these projects, while they will have positive outcomes and are due to well-justified decisions, Council needs to be aware of how they are funded, and what the longer-term view is where Council debt is concerned in understanding the intergenerational impact these projects will have.

- 4.52 In addition to this, there will be some revenue streams over the longer term that will help offset the initial capital outlay. This is particularly relevant in relation to the purchase of building assets, where Council will receive circa \$500k in lease revenue, largely funding the financing and operational costs of that asset.
- 4.53 The increase in debt will mean additional financing costs in servicing that debt. Some of that debt servicing cost will be offset from delayed spending on other projects and from lease revenue derived from those assets.
- 4.54 The table below highlights the unbudgeted projects that have been approved by Council.

<b>Approved Unbudgeted Projects 2022/23</b>	<b>Funded by</b>	<b>\$'000</b>
Drinking Water Improvement Programme	Debt	8,700
340 Heretaunga Street West	Debt	7,500
305 Heretaunga Street East	Debt	1,000
Splash Planet Capital Spend	Debt	1,482
Laneway allocation	Debt	1,200
Heretaunga House extra budget	Debt	2,200
Other	Debt	2,690
Stormwater Management	Debt	1,500
<b>Total</b>		<b>26,272</b>

- 4.55 During the first quarter of the year Council made the decision to purchase 340 Heretaunga Street East as a long-term strategic property acquisition to support future development choices for Council into the future. While unbudgeted, the strategic nature of this property in relation to the Toitōi – Hawke’s Bay Arts and Events Centre was seen as the main driver and with the long-term lease in place (12 years with 2 rights of renewals of 6 years each) the lease income will largely service the debt and operational costs over that time.
- 4.56 Council also acquired the Hastings Church property at 305 Heretaunga Street East and officers are working through future use opportunities and will be reporting back to Council on progress and options.
- 4.57 In addition to the table above, a significant level of funding (\$18m) has been allocated from central government for a large infrastructure project to support growth that will help “unlock” parts of the district that are currently constrained by limitations within the current wastewater network. This will require Council to invest further into that infrastructure which will be considered in a Long Term Plan amendment in 2023.
- 4.58 Cyclone Gabrielle response and recovery activities will also incur significant unbudgeted expenditure over the course of time and officers will keep Council up to date on the financial implications of the recovery as it progresses.

#### Cyclone Gabrielle summary of funding received and spend committed

- 4.59 This section is to provide the committee with an overview of the impact of the cyclone in terms of the Council finances and shows the funding received and the expenditure incurred or committed on a “to date” basis. It is not designed to be a complete overview section of the operational activities that Council is currently engaged in relating to the cyclone, as there is a specific recovery project that will report to Council on a regular basis.
- 4.60 Council has submitted a claim and this claim has been approved by the Ministry of Emergency and Civil Defence. There will be further claims to come once year-end accounts are finished, there is no time limit on any outstanding claims that can be made.

- 4.61 The Transport repair costs have been funded with a 93% subsidy by Waka Kotahi for the 2022/23 financial year, with Council funding the remaining 7%.
- 4.62 As further funding is sought and received, the table below will be updated to keep the committee informed.

As at 30 <sup>th</sup> June 2023	Transport	3 Waters	Public Spaces	Waste/Silt	Other Response/ Recovery	Total
Funding	Actuals ('000)	Actuals ('000)	Actuals ('000)	Actuals ('000)	Actuals ('000)	Actuals ('000)
Waka Kotahi	57,051					
Insurance	5,000	414				
Other Grants			1,346	6,729	1,251	
<b>Funding Total</b>						<b>71,791</b>
Expenditure	61,151	1713	1510	7,289	3,943	
<b>Total Spend</b>						<b>75,607</b>
<b>Net Cost</b>	<b>(900)</b>	<b>1,299</b>	<b>164</b>	<b>560</b>	<b>2,692</b>	<b>3,816</b>

### Reserve Funds & Targeted Rates

- 4.63 As well as a rating deficit against the broad-based general rate revenues, 2022/23 has seen deficits for some of the key targeted rates, where any year-end balance is transferred into targeted rate reserves.
- 4.64 The reserve funds have traditionally been used to smooth the impact of rate movements between years and in the 2021-2031 LTP, the strategy was to progressively increase the targeted rates to address deficits that had accumulated.
- 4.65 Unfortunately, over that past two years, costs have exceeded expectations and the reserve balances have deteriorated further.
- 4.66 Fundamentally a reserve represents an amount set aside for future use. Sometimes a reserve may temporarily go into deficit, however, this should only happen where there is a sustainable and planned approach to bring the targeted rate reserve out of deficit, which previous long Term Plans have attempted to achieve. The size of the funding imbalance for a number of Council reserves is now impacting on Council's financial position to an extent that this imbalance needs to be addressed.
- 4.67 Where a reserve has a deficit balance this means that Council has needed to borrow funds (increase debt) to meet the funding shortfall. However, as the negative reserves are not included in the debt balances recorded by activity, no interest was included in budgets to meet the cost of this debt. This funding imbalance has contributed to the Council's rating deficit as the interest has been paid on debt raised to fund these reserve deficits.
- 4.68 The remedy is for the large water and wastewater reserve deficit balances to be converted into the debt balance recorded against that activity. This ensures activities, and Council as a whole, are funded correctly. The 2024-34 LTP will develop the necessary financial strategy for long term sustainable funding for these activities which continue to face cost pressures beyond what was anticipated when the current LTP was developed.
- 4.69 While the kerbside collection account is also showing a deficit balance it is proposed to deal with that through an approach to be developed through the 2024-34 LTP.

4.70 The following table shows some of the targeted rates reserves to show the deteriorating position.

Targeted rate	2021-31 LTP		Actual June 2023
	Balance June 2021	Projected June 2031	
Water Supply	(1,724)	121	(3,799)
Sewers - RA 1	269	(199)	(4,010)
Wastewater Treatment	5	6	27
Kerbside Recycling	(3,080)	(3,080)	(4,436)
Refuse Collection	1,771	(1,315)	1,079
CBD & Suburban Hastings	(247)	(247)	23
CBD Havelock North	(92)	(92)	127
<b>Total</b>	<b>(3,098)</b>	<b>(4,806)</b>	<b>(10,989)</b>

### Capital Spend

4.71 Council's total revised capital budget (including carry forwards, renewals, new works and growth projects) for 2022/23 was \$149m. This level of expenditure is a significant increase on what has been delivered previously by Council and there was always a risk associated with the ability of Council to deliver on this programme. Helping to offset some of this risk is a much more detailed programme of the works budgeted.

4.72 The large capital budget is made up of:

2022/23 Annual Plan	\$114m
Carry forwards and budget adjustments	<u>\$ 35m</u>
Total revised budget	\$149m

4.73 Capital spend for the year to date is \$113m, this is against the March forecast of \$110m. This is an excellent result when factoring the cyclone emergency reinstatement work to the value of \$61m had been completed on top of this capital expenditure.

4.74 Projects by Activity within the three types of capital spend are shown below:



2023 Full Year End Summary of Capital Spend by Type				
	YTD Actuals	YTD Budgets	YTD variance	% Spent to Total Budget
<b>COUNCIL CAPITAL</b>				
Renewals	29,830,892	42,548,139	12,717,247	70%
New Works	77,233,009	80,153,460	2,920,451	87%
Growth	6,092,764	26,300,250	20,207,486	23%
	<b>113,156,665</b>	<b>149,001,849</b>	<b>35,845,184</b>	
<b>SUMMARY</b>				
<b>RENEWALS</b>				
Stormwater Services	1,008,087	1,168,000	159,913	86%
Wastewater Services	7,837,095	11,613,500	3,776,405	67%
Water Services	4,028,805	4,893,800	864,995	82%
Transportation RA 1	9,534,450	15,059,594	5,525,144	63%
<u>Rest of Council</u>				
Parks	1,875,751	2,119,929	244,178	88%
Building services	2,153,248	2,615,081	461,834	82%
IT Infrastructure	628,788	627,000	(1,788)	100%
Other	2,764,667	4,451,234	1,686,567	62%
	<b>29,830,892</b>	<b>42,548,139</b>	<b>12,717,247</b>	
<b>NEW WORKS</b>				
Stormwater Services	3,583,036	5,685,300	2,102,264	63%
Wastewater Services	1,492,099	1,614,200	122,101	92%
Water Services	26,300,288	24,762,937	(1,537,351)	106%
Transportation	8,670,000	16,922,025	8,252,025	51%
Landfill	3,497,076	4,524,219	1,027,143	77%
Parks	13,185,084	14,540,283	1,355,199	91%
Building services	178,520	(650,000)	(828,520)	-27%
<u>Rest of Council</u>				
Flaxmere Town Centre	4,775,397	3,550,000	(1,225,397)	135%
New Cemetery Setup	51,798	873,000	821,202	6%
HB Museum Storage	339,638	2,000,000	1,660,362	17%
Flaxmere Housing	5,316,874	3,597,000	(1,719,874)	148%
Property Purchases	8,677,696	200,000	(8,477,696)	100%
Other	1,165,504	2,534,496	1,368,992	46%
	<b>77,233,009</b>	<b>80,153,460</b>	<b>2,920,451</b>	
<b>GROWTH</b>				
Stormwater Services	1,420,903	8,463,500	7,042,597	17%
Wastewater Services	1,672,963	4,377,000	2,704,037	38%
Water Services	682,238	1,995,500	1,313,262	34%
Transportation RA 1	1,496,330	10,630,250	9,133,920	14%
Parks	820,330	834,000	13,670	98%
	<b>6,092,764</b>	<b>26,300,250</b>	<b>20,207,486</b>	
<b>Total Capital</b>	<b>113,156,665</b>	<b>149,001,849</b>	<b>35,845,184</b>	

- 4.75 Renewals – Transport renewals are the substantive contributor to the underspend in renewals spending during 2022/23, with the last four months of the year were focussed on emergency reinstatement works, during which time \$61m worth of work was response and reinstatement work was completed.
- 4.76 New Works – Transport underspend with new works was also affected by the Cyclone with project work redirected towards the Cyclone response.
- 4.77 The Flaxmere subdivision projects have been progressing well with two of the three nearing completion, and whilst these have had a higher than budgeted spend, this is largely funded with Government support and through the Flaxmere Land development Reserve which will be eventually offset through section sales.
- 4.78 Growth – This was \$20m behind and whilst some developments are now moving forward with significant development works like Howard Street, others are taking time to move into the full development phase.

#### 2023-24 Projects Carried Forward

- 4.79 Part of the year-end report usually includes requests to carry forward funding for projects not completed during the financial year. These budgets and the associated funding are then added to

the next year's (2023/24) work programme. The requests usually include a mix of projects funded from rates, reserves and loan funding.

- 4.80 With no surplus rates funds available to support carry forward requests, officers are not in a position to recommend any rates funded carry-forwards. Activity managers have been advised that they cannot anticipate that funding for uncompleted and not yet delivered projects will be carried forward into 2023/24. They have been advised that, if the project is committed and/or still required in the short term, such that it cannot be re-budgeted as part of the 2024-34 LTP, other projects will have to be identified within the 2023/24 Annual Plan budget will have to be removed or deferred to enable the project to proceed.
- 4.81 Council already has a large, \$150m capital programme in 2023/24 and modelling to support deliberations on the impacts of the cyclone recovery were premised on the fact that the base capital programme would be trimmed back to \$130m, inclusive of any carry forward projects. Managing the size of the capital programme is one of the key levers Council has to contain the level of future rate increases for the community. While there
- 4.82 While there was a \$44m underspend on the 2022/23 capital programme, Officers are not recommending that funding for debt funded capital works is carried forward into 2023/24. As noted above, the capital budget for 2023/24 is large and work is currently underway to reprioritise the 2023/24 capital programme so it reflects the current priorities, current state of project delivery and the market capacity to deliver these works.

#### External Debt

- 4.83 Total net borrowing as at the end of June 2023 is \$292.7m, an increase from last year (\$237.7m). At year end, Council has cash on hand of \$2.3m, along with facilities of \$30m. The liquidity ratio is at 110% in line with the policy minimum of 110%.

	30 June 2023 (\$000)
Borrowing at start of year	237,740
New Loans Drawn	76,000
Loan Repayments	(21,000)
<b>Gross borrowings at end of period</b>	<b>292,740</b>
Funds held on deposit	2,300
<b>Total Net borrowings</b>	<b>290,440</b>
<i>Liquidity Ratio</i>	<i>110%</i>

#### Allocation of the Rating Deficit

- 4.84 This year, the total of the deficit is \$11,628,747 across both rating areas and across both general and targeted rate areas. It has been recommended that the deficit be funded by releasing reserves in the first instance with the remaining amount to be funded by debt.
- 4.85 For the allocation of the General Rate deficit the following is recommended:

	RA1	RA2	Total
<b>Total Deficit on General Rate</b>	3,163,974	4,479,807	7,643,782
<b><u>Allocation of Deficit:</u></b>			
RA1 General Purpose Reserve	9,316		9,316
Contingency Reserve	1,052,061	400,000	1,452,061
RA2 Capital Reserve		1,903,967	1,903,967
RA2 NZTA Transport Reserve		295,312	295,312
Rural Fire Contingency Reserve		6,457	6,457
RA2 Flood & Emergency Reserve		1,245,454	1,245,454
RA2 General Purpose Reserve		628,617	628,617
<b>Total Reserves allocated</b>	<b>1,061,377</b>	<b>4,479,807</b>	<b>5,541,184</b>
Debt funding required	2,102,597	-	2,102,597
<b>Allocated Deficit</b>	<b>3,163,974</b>	<b>4,479,807</b>	<b>7,643,782</b>

- 4.86 For the allocation of the Targeted Rate deficits, the individual targeted rate results have been allocated to their respective targeted rate accounts which in some instances has created larger than anticipated deficit positions. It is therefore recommended that the targeted rate accounts for water Supply and Wastewater be transferred to long term activity debt and financed in the normal way. Noting that the debt has already been incurred and this represents the accounting treatment of that debt position.

## 5.0 Recommendations - Ngā Tūtohunga

- (A) That the Performance and Monitoring Committee receive the report titled Draft Financial Year End Results 30 June 2023 dated 21 September 2023
- (B) That the funds arising from the Rating Area 2 deficit for the 2022/23 financial year, as recommended by the Hastings District Rural Community Board, align with the overall allocation resolved by the Performance and Monitoring Committee.
- (C) That the general rate deficit be funded both out of the reserves as per the table with the remainder to be funded by debt:

	RA1	RA2	Total
<b>Total Deficit on General Rate</b>	3,163,974	4,479,807	7,643,782
<b>Allocation of Deficit:</b>			
RA1 General Purpose Reserve	9,316		9,316
Contingency Reserve	1,052,061	400,000	1,452,061
RA2 Capital Reserve		1,903,967	1,903,967
RA2 NZTA Transport Reserve		295,312	295,312
Rural Fire Contingency Reserve		6,457	6,457
RA2 Flood & Emergency Reserve		1,245,454	1,245,454
RA2 General Purpose Reserve		628,617	628,617
<b>Total Reserves allocated</b>	<b>1,061,377</b>	<b>4,479,807</b>	<b>5,541,184</b>
Debt funding required	2,102,597	-	2,102,597
<b>Allocated Deficit</b>	<b>3,163,974</b>	<b>4,479,807</b>	<b>7,643,782</b>

- (D) That the targeted rate reserve balances for Water Supply and Wastewater that are currently in deficit be transferred to long term debt.
- (E) That the Performance and Monitoring Committee acknowledge that there will be no 2022/23 carry forwards be carried into the 2023/24 due to the rating deficit in the 2022/23 year and the large 2023/24 capital programme that can be reprioritised to accommodate any unspent but still required capital budget from 2022/23.

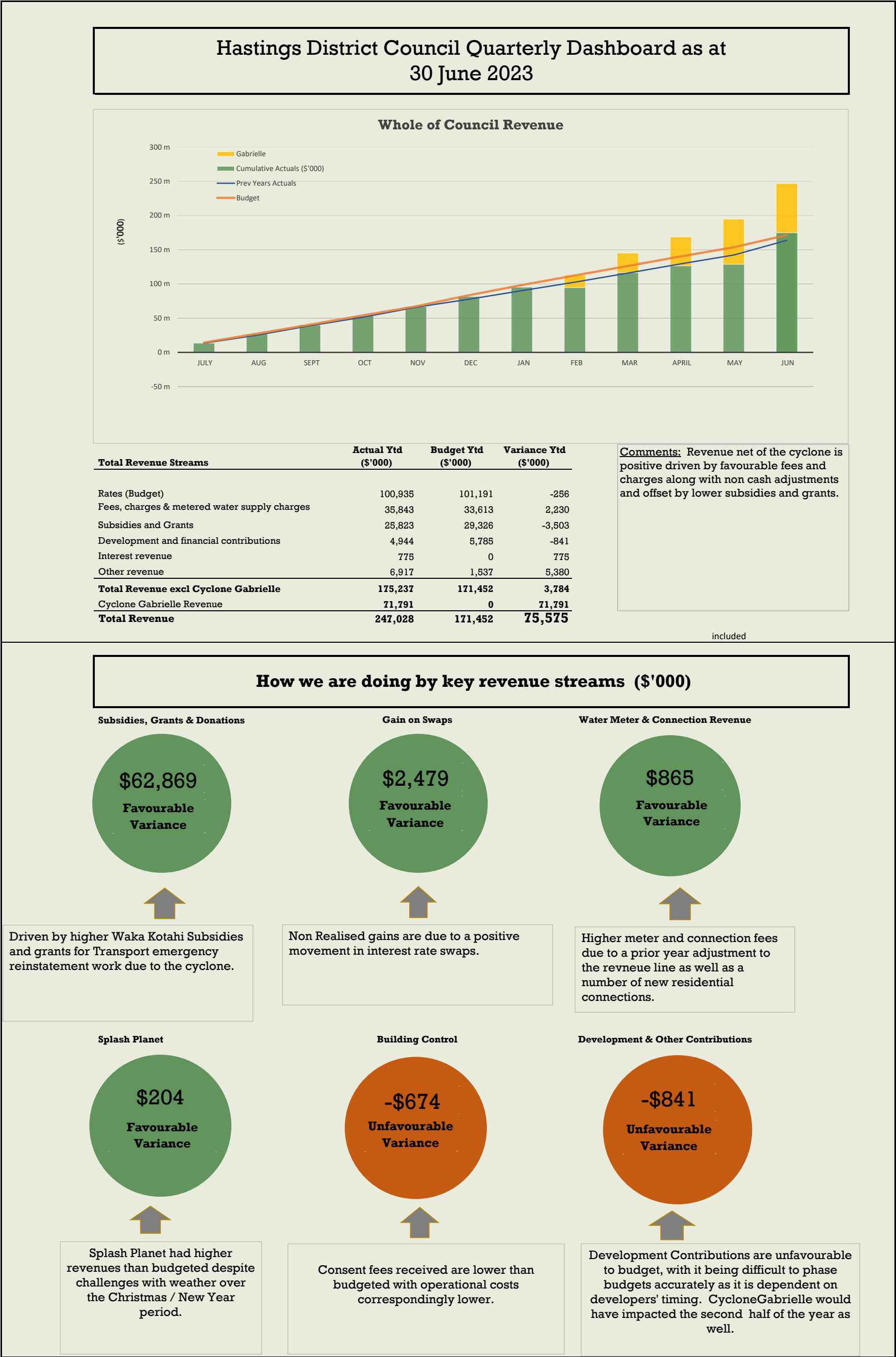
### Attachments:

- |   |   |                  |
|---|---|------------------|
| 1 | Rating Result 2023                          | FIN-09-01-23-216 |
| 2 | Quarterly Dashboard for the Year Ended 2023 | FIN-09-01-23-215 |
| 3 | Draft Financial Statements 2022/23          | FIN-09-01-23-214 |

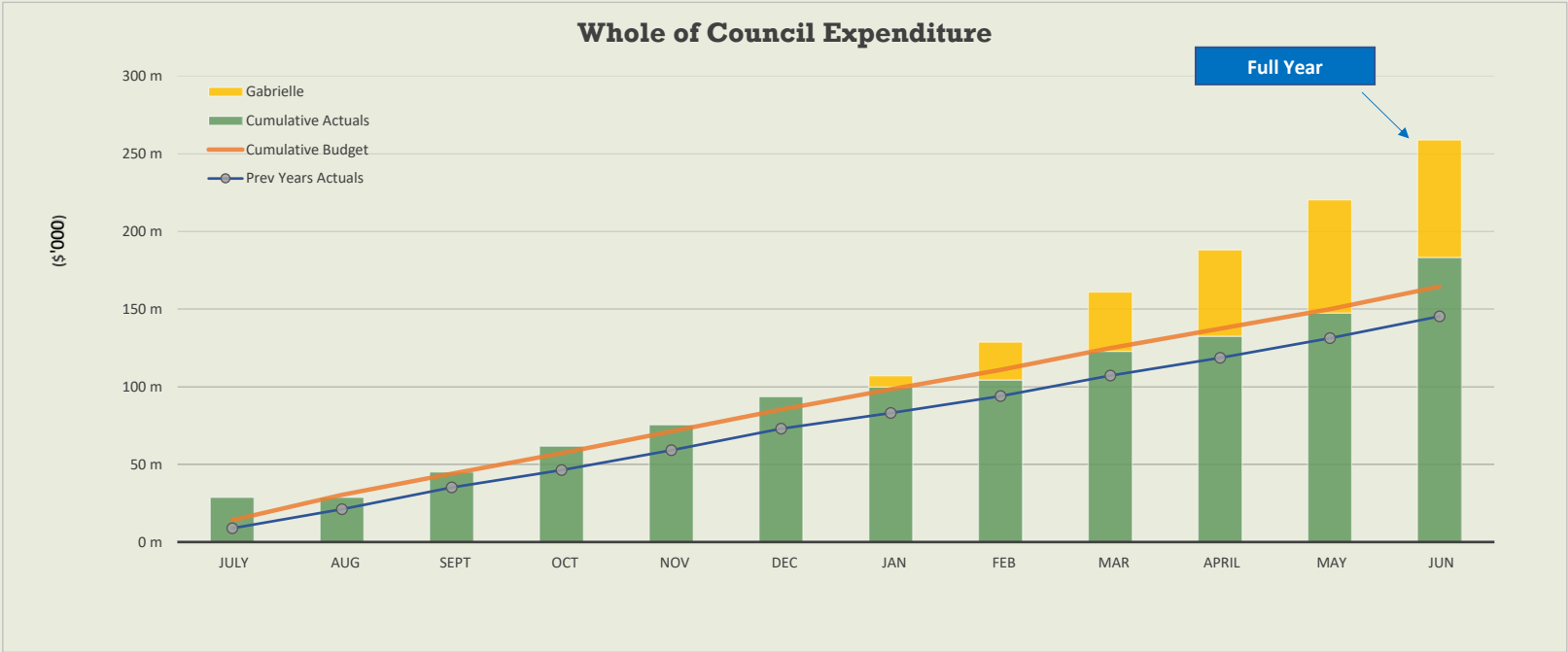
GENERAL RATE 2022/23 YEAR-END ANALYSIS BY Activity Group						
Activity	Budgeted Net Cost	Actual Net Cost	Variance Surplus( Def)	Total 22/23 Result Surplus(deficit)	Gabrielle Surplus(deficit)	BAU
Corporate and Customer Services	7,110,823	7,529,643	(418,820)	(418,820)	(10,734)	(408,086)
Community Facilities and Programmes	16,810,489	18,876,870	(2,066,381)	(2,066,381)	(56,007)	(2,010,375)
Marketing & Communication	3,453,508	4,052,088	(598,580)	(598,580)	(101,638)	(496,943)
Planning and Regulatory Services	6,211,970	7,477,116	(1,265,145)	(1,265,145)	(176,531)	(1,088,614)
Economic Growth & Organisation Improvement	4,474,902	4,223,839	251,063	251,063	0	251,063
Parks and Property Management	14,721,104	14,805,357	(84,253)	(84,253)	(171,033)	86,780
Transportation	20,137,795	19,146,866	990,928	990,928	(4,313,716)	5,304,645
Landfill	0	855,656	(855,656)	(855,656)	(386,565)	(469,091)
Stormwater	3,153,360	3,844,799	(691,438)	(691,438)	(422,465)	(268,974)
Water Services	0	(285,170)	285,170	285,170	(29,822)	314,991
Cemeteries/Crematorium	246,912	385,481	(138,570)	(138,570)	0	(138,570)
Recycling Depot & Trsfr Stn	528,856	413,622	115,234	115,234	(51,592)	166,826
Contingency Fund	50,000	2,605,352	(2,555,352)	(2,555,352)	(2,521,458)	(33,893)
<b>Subtotal - General Rate</b>				<b>(7,031,800)</b>	<b>(8,241,560)</b>	<b>1,209,760</b>
<b>Plus Other Revenue &amp; Expenditure Adjustments</b>				<b>(611,982)</b>	<b>(4,095)</b>	<b>(607,887)</b>
<b>Total General Rates</b>				<b>(7,643,783)</b>	<b>(8,245,655)</b>	<b>601,872</b>
TARGETED RATES 2022/23 YEAR-END ANALYSIS BY RATING GROUPS						
Activity	Budgeted Net Cost	Actual Net Cost	Variance Surplus( Def)	22/23 Result Surplus(deficit)	Gabrielle Surplus(deficit)	BAU
Corporate and Customer Services	403,919	414,269	(10,350)	(10,350)		
Community Facilities and Programmes	0	0	0	0		
Planning and Regulatory Services	317,316	310,397	6,919	6,919		
Economic Growth & Organisation Improvement	436,264	432,000	4,264	4,264		
Asset Management	5,317,793	5,519,545	(201,752)	(201,752)		
Transportation	400,000	399,671	329	329		
Waimarama Seawall	35,081	39,635	4,554	4,554		
Water Services	19,566,257	22,991,487	(3,425,230)	(3,425,230)		
Wastewater Levy	1,469,798	1,833,498	(363,700)	(363,700)		
Contingency Fund	0	0	0	0		
<b>Total Targeted Rates</b>				<b>(3,984,967)</b>	<b>(847,893)</b>	<b>(3,137,074)</b>
<b>Total Rates Surplus (Deficit)</b>				<b>(11,628,749)</b>	<b>(9,093,547)</b>	<b>(2,535,202)</b>







Hastings District Council Quarterly Dashboard as at  
30 June 2023



Total Expenditure	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Variance Ytd (\$'000)
Personnel Costs	43,756	42,533	-1,224
Depreciation	52,480	40,079	-12,401
Finance Costs	12,196	8,624	-3,571
Other Operating Costs	74,766	73,234	-1,532
<b>Total excl Cyclone Gabrielle</b>	<b>183,199</b>	<b>164,470</b>	<b>-18,729</b>
Cyclone Gabrielle Costs	75,607	0	-75,607
<b>Total Expenditure</b>	<b>258,806</b>	<b>164,470</b>	<b>-94,336</b>

Comments: Depreciation is driven by the higher revaluation of assets in the prior year. Other operating cost lines are seeing the impact of a continuing increase in cost pressures across Council.

How we are doing by key expenditure categories (\$'000)





## Hastings District Council Statement of Comprehensive Revenue and Expense as at 30 June 2023

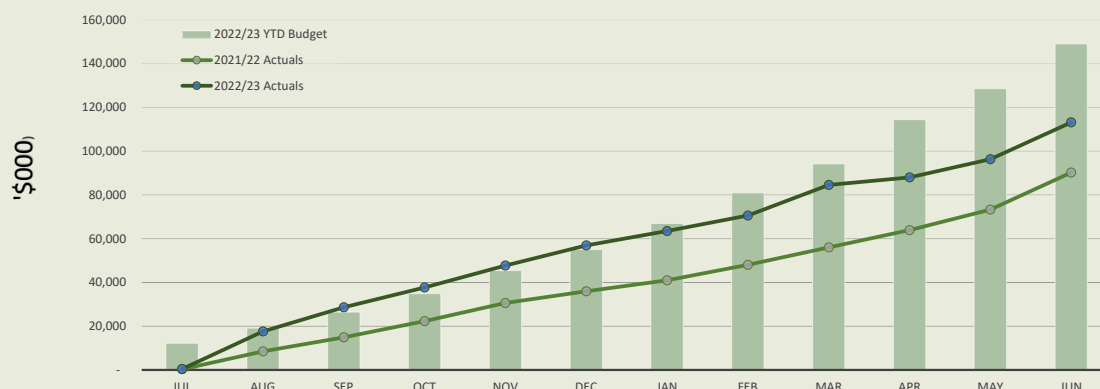
Previous YTD Actuals (\$'000)		YTD Actuals (\$'000)	YTD Budgets (\$'000)	YTD Variance (\$'000)	Full Year Budget (\$'000)
	<b><u>Revenue</u></b>				
94,974	Rates	100,935	101,191	(256)	101,191
31,091	Fees, charges & metered water supply	41,261	33,613	7,648	33,613
26,422	Subsidies and Grants	92,195	29,326	62,869	29,326
5,125	Development and financial contributions	4,944	5,785	(841)	5,785
99	Interest revenue	775	-	775	-
6,069	Other revenue	4,444	1,537	2,907	1,537
<b>163,781</b>	<b>Total Operating Revenue</b>	<b>244,555</b>	<b>171,452</b>	<b>73,103</b>	<b>171,452</b>
11,974	Non Realised Gains	2,472	-	2,472	-
<b>175,755</b>	<b>Total Revenue</b>	<b>247,028</b>	<b>171,452</b>	<b>75,575</b>	<b>171,452</b>
	<b><u>Expenditure</u></b>				
39,468	Personnel Costs	44,099	42,533	(1,567)	42,533
38,782	Depreciation & Amortisation Expense	52,480	40,079	(12,401)	40,079
6,135	Finance Costs	12,196	8,624	(3,571)	8,624
61,339	Other Operating Costs	150,031	73,234	(76,796)	73,234
<b>145,724</b>	<b>Total Expenditure</b>	<b>258,806</b>	<b>164,470</b>	<b>(94,336)</b>	<b>164,470</b>
<b>30,031</b>	<b>SURPLUS/(DEFICIT)</b>	<b>(11,778)</b>	<b>6,982</b>	<b>(18,761)</b>	<b>6,982</b>

## Hastings District Council Funding Impact Statement As At: 30 June 2023

Previous YTD Actuals (\$'000)	Description	YTD Actuals (\$'000)	YTD Budgets (\$'000)	YTD Variance (\$'000)	Full Year Budget (\$'000)
	<b><u>Operations - Funding Source</u></b>				
94,974	Rates	100,935	101,191	(256)	101,191
6,754	Subsidies and Grants	73,525	7,924	65,601	7,924
30,664	Fees, charges metered water supply	40,877	33,280	7,597	33,280
112	Interest and dividend revenue	793	17	776	17
988	Other revenue	910	853	57	853
<b>133,492</b>	<b>Total Operating Funding</b>	<b>217,041</b>	<b>143,266</b>	<b>73,775</b>	<b>143,266</b>
	<b><u>Operations - Use of Funding</u></b>				
39,468	Personnel Costs	44,099	42,533	(1,567)	42,533
54,880	Supplier Costs	137,872	62,223	(75,649)	62,223
6,234	Finance Costs	12,353	8,624	(3,729)	8,624
5,157	Other Operating Costs	9,777	9,516	(261)	9,516
<b>105,739</b>	<b>Total Use of Operating Funding</b>	<b>204,101</b>	<b>122,896</b>	<b>(81,205)</b>	<b>122,896</b>
<b>27,753</b>	<b>Operating Funding Surplus/(Deficit)</b>	<b>12,940</b>	<b>20,370</b>	<b>(7,430)</b>	<b>20,370</b>
	<b><u>Capital - Funding Source</u></b>				
19,668	Capital Subsidies grants	18,670	21,401	(2,732)	21,401
5,080	Development financial contributions	4,880	5,515	(634)	5,515
32,167	Debt - Increase or (decrease)	62,572	87,530	(24,958)	87,530
1,463	Sale of Assets	335	306	29	306
46	Other Capital Funding	64	270	(206)	270
<b>58,423</b>	<b>Total Capital Funding</b>	<b>86,521</b>	<b>115,022</b>	<b>(28,501)</b>	<b>115,022</b>
	<b><u>Capital - Use of Funding</u></b>				
5,147	To meet additional demand (Growth)	5,376	23,543	(18,167)	23,543
48,444	To improve the level of service	83,161	109,292	(26,130)	109,292
43,297	To improve the level of service (New Works)	77,785	85,749	(7,964)	85,749
42,131	To replace existing assets (Renewals)	28,823	38,487	(9,664)	38,487
-6,746	To Increase or (decrease) reserves	(9,000)	(12,564)	3,564	(12,564)
-940	Adjustment to reserves	4,595	50	4,545	50
-5,806	To Increase or (decrease) reserves	(13,595)	(12,614)	(981)	(12,614)
1,406	To Increase or (decrease) Investments	1,072	228	844	228
<b>86,176</b>	<b>Total use of Capital Funding</b>	<b>99,461</b>	<b>135,392</b>	<b>(35,931)</b>	<b>135,392</b>
<b>(27,753)</b>	<b>Capital Funding Surplus/(Deficit)</b>	<b>(12,940)</b>	<b>(20,370)</b>	<b>7,430</b>	<b>(20,370)</b>
-	<b>TOTAL FUNDING BALANCE</b>	<b>-</b>	<b>-</b>		<b>-</b>



## Whole of Council Capital Spend as at 30 June 2023



### Capital - Commentary

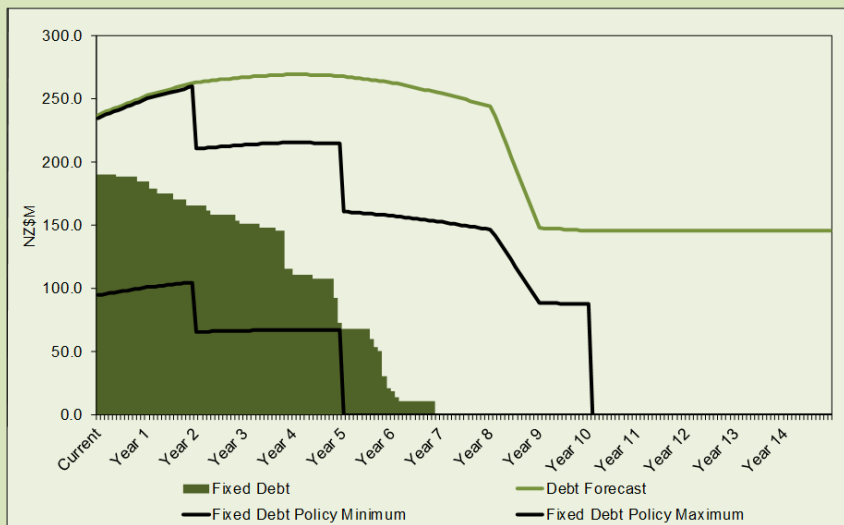
Capital spend for the year ended 30th June 2023 was \$113m compared to the full year budget of \$149m. Renewals and growth are behind by \$32.9m noting that the emergency reinstatement work in transport does not show as a capital expense, and is where significant focus has been put.

### Treasury - Commentary

## Interest Rate Risk Position

30-Jun-23

## Hastings District Council - Forecast



Council's total gross debt as at 30th June 2023 was \$292.7m. This amount included three tranches of borrowings (\$15m Nov 22, \$20m Feb 23, \$20m June 23) to maintain adequate cashflow, including the effect of the capital project/emergency reinstatement spend undertaken over the last four months of the financial year. The graph above shows the level of cover that is in place for the \$292.7m debt in order to manage the risk of increasing cost of funds. Council is compliant with Treasury policy.

## FINANCIAL STATEMENTS

Actual Council 2022 \$'000	Actual Group 2022 \$'000	Statement of comprehensive revenue and expense for the year ended 30 June 2023	Notes	Budget Council 2023 \$'000	Actual Council 2023 \$'000	Actual Group 2023 \$'000
<b>REVENUE</b>						
94,974	94,974	Rates, excluding metered water supply charges	3(a)	102,494	100,935	100,935
31,091	31,154	Fees, charges and metered water supply charges (i)		33,672	41,261	41,386
30,131	31,994	Subsidies and Grants (ii)		25,433	91,816	93,312
5,125	5,125	Development and financial contributions		5,785	4,944	4,944
243	243	Donations (iii)		3	379	379
99	104	Interest revenue	3(b)	0	775	797
786	1,527	Other revenue	3(c)	537	577	1,431
5,462	5,462	Vested infrastructural assets (iv)		1,000	3,867	4,528
<b>167,911</b>	<b>170,583</b>	<b>Total revenue</b>		<b>168,924</b>	<b>244,554</b>	<b>247,712</b>
<b>EXPENSES</b>						
102,247	102,997	Operational costs (v)	4	112,932	200,046	200,955
38,782	39,318	Depreciation and amortisation expense	8	40,079	52,456	53,012
5,932	5,932	Finance costs (vi)		8,624	11,831	11,831
<b>146,961</b>	<b>148,247</b>	<b>Total expenses</b>		<b>161,635</b>	<b>264,333</b>	<b>265,798</b>
(11,974)	(11,974)	Unrealised Loss/(Gain) on Swaps (vii)		0	(2,472)	(2,472)
411	411	Fair value loss on other revaluations			-	-
-	(314)	Share of associate surplus/(deficit)			-	(649)
<b>32,513</b>	<b>34,213</b>	<b>Surplus/(deficit) before tax</b>		<b>7,289</b>	<b>(17,307)</b>	<b>(14,965)</b>
-	-	Income Tax expense	5	-	-	-
<b>32,513</b>	<b>34,213</b>	<b>Surplus/(deficit) after tax</b>		<b>7,289</b>	<b>(17,307)</b>	<b>(14,965)</b>
<b>Other comprehensive revenue and expense:</b>						
-	-	Impairment of fixed assets		-	(545)	(545)
550,786	550,786	Gain/loss on infrastructural revaluations		84,770	-	-
-	-	Gain/Loss on land and building revaluations		-	-	-
(598)	(670)	Gain/Loss on other revaluations		-	-	112
252	333	Financial assets at fair value through other comprehensive revenue and expense		-	7	48
<b>550,440</b>	<b>551,789</b>	<b>Total other comprehensive revenue and expense</b>		<b>84,770</b>	<b>(538)</b>	<b>(385)</b>
<b>582,953</b>	<b>586,002</b>	<b>Total comprehensive revenue and expense</b>		<b>92,059</b>	<b>(17,845)</b>	<b>(15,350)</b>
<b>Net Surplus /(Deficit) attributable to:</b>						
32,513	34,213	Hastings District Council		7,289	(17,307)	(14,965)
-	-	Minority Interest		-	-	-
<b>32,513</b>	<b>34,213</b>			<b>7,289</b>	<b>(17,307)</b>	<b>(14,965)</b>
<b>Total comprehensive revenue and expense attributable to:</b>						
582,953	586,002	Hastings District Council		92,059	(17,845)	(15,350)
-	-	Minority Interest		-	-	-
<b>582,953</b>	<b>586,002</b>			<b>92,059</b>	<b>(17,845)</b>	<b>(15,350)</b>

Actual Council 2022 \$'000	Actual Group 2022 \$'000	Statement of financial position as at 30 June 2023	Note s	Budget Council 2023 \$'000	Actual Council 2023 \$'000	Actual Group 2023 \$'000
CURRENT ASSETS						
31,439	32,622	Cash & cash equivalents (i)		33,859	2,344	3,016
21,528	21,795	Receivables (ii)	6	13,514	50,067	50,588
39	39	Inventory		76	55	55
3,392	3,392	Non-current assets held for sale	8	-	3,392	3,392
-	-	Derivative financial instruments	12	-	30	30
-	395	Short Term Investments		-	-	364
56,398	58,243	Total current assets		47,449	55,888	57,445
NON-CURRENT ASSETS						
Other financial assets						
1,714	1,714	Derivative financial instruments	12	-	3,664	3,664
1,063	11,815	Investments in associates	7(a)	5,790	1,063	12,617
15	-	Investments in CCOs and similar entities	7(b)	15	15	-
5,987	5,987	Investment in other entities (ii)	7(b)	30	7,058	7,058
913	913	Other non-current assets			1,086	1,086
9,692	20,429	Total other financial assets		5,835	12,886	24,425
391,191	409,859	Plant, property and equipment (iii)	8	398,001	409,700	429,636
2,639,814	2,639,814	Infrastructural assets (iii)	8	2,156,397	2,677,929	2,677,929
60	60	Biological Assets	8	0	60	60
1,419	1,423	Intangible assets	8	509	1,279	1,283
3,042,176	3,071,585	Total non-current assets		2,560,742	3,101,854	3,133,333
3,098,574	3,129,828	Total assets		2,608,191	3,157,742	3,190,778
LIABILITIES						
Current liabilities						
31,181	32,255	Payables and deferred revenue (iv)	9	21,457	52,917	53,365
4,517	4,524	Employee entitlements	10	3,761	5,057	5,064
-	-	Derivative financial instruments	12	501	-	-
21,000	21,000	Borrowings and other financial liabilities (v)	11	24,581	29,000	29,000
56,698	57,779	Total current liabilities		50,300	86,974	87,429
Non-current liabilities						
2,091	2,201	Provisions and other non-current liabilities	9,18	1,559	2,336	2,403
783	783	Employee entitlements	10	684	760	760
492	492	Derivative financial instruments	12	10,251	-	-
216,741	216,741	Borrowings and other financial liabilities (v)	11	221,231	263,741	263,741
220,107	220,217	Total non-current liabilities		233,725	266,837	266,904
276,805	277,996	Total liabilities		284,025	353,811	354,333
2,821,769	2,851,832	Net assets (assets minus liabilities)		2,324,166	2,803,931	2,836,445
Equity						
1,306,958	1,333,103	Accumulated funds	13	1,240,979	1,294,279	1,322,840
4,007	4,007	Restricted Reserves	13(a)	3,437	4,865	4,865
1,510,804	1,514,722	Revaluation and other reserves	13(b)	1,079,751	1,504,787	1,508,740
2,821,769	2,851,832	Total equity		2,324,166	2,803,931	2,836,445

Actual Council 2022 \$'000	Actual Group 2022 \$'000	Statement of cash flows for the year ended 30 June 2023	Note s	Budget Council 2023 \$'000	Actual Council 2023 \$'000	Actual Group 2023 \$'000
<b>CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES</b>						
<b>Cash was provided from:</b>						
94,807	94,807	Receipts from rates revenue		102,494	100,336	100,336
36,489	37,077	Receipts from customers		39,994	43,929	44,566
263	267	Interest received		-	775	795
25,060	27,960	Subsidies and grants received		25,436	-	-
-	-	GST (net)		-	73,834	75,601
<b>156,619</b>	<b>160,111</b>			<b>167,924</b>	<b>218,874</b>	<b>221,298</b>
<b>Cash was applied to:</b>						
99,269	101,514	Payments to suppliers and employees		112,932	183,760	185,814
5,529	5,529	Interest paid		8,624	11,831	11,831
(40)	49	GST (net)		-	253	230
<b>104,758</b>	<b>107,092</b>			<b>121,555</b>	<b>195,844</b>	<b>197,875</b>
<b>51,861</b>	<b>53,019</b>	<b>Net cash flows from operating activities (A)</b>	<b>14</b>	<b>46,368</b>	<b>23,030</b>	<b>23,423</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Cash was provided from:</b>						
1,481	1,481	Receipts from sale of property, plant and equipment (i)		306	327	327
-	-	- Maturing/sale of investments		-	36	209
-	-	- Losses and impairment/revaluation prior year and investments withdrawn		-	-	-
<b>1,481</b>	<b>1,481</b>			<b>306</b>	<b>363</b>	<b>536</b>
<b>Cash was applied to:</b>						
91,048	92,627	Purchase of property, plant & equipment and infrastructural assets		55,124	105,857	106,934
524	125	Purchase of investments		228	567	567
<b>91,572</b>	<b>92,752</b>			<b>55,352</b>	<b>106,424</b>	<b>107,501</b>
<b>(90,091)</b>	<b>(91,271)</b>	<b>Net cash flows to investing activities (B)</b>		<b>(55,046)</b>	<b>(106,061)</b>	<b>(106,965)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Cash was provided from:</b>						
53,626	53,626	Proceeds from borrowings		18,624	74,600	74,600
<b>Cash was applied to:</b>						
22,632	22,636	Repayment of borrowings		9,812	20,664	20,664
<b>30,994</b>	<b>30,990</b>	<b>Net cash flows from financing activities</b>		<b>8,812</b>	<b>53,936</b>	<b>53,936</b>
<b>(7,236)</b>	<b>(7,262)</b>	<b>Net increase (decrease) in cash, cash equivalents and bank overdraft (A+B+C)</b>		<b>134</b>	<b>(29,095)</b>	<b>(29,606)</b>
38,675	39,884	Cash, cash equivalents and bank overdraft at the beginning of the year		33,725	31,439	32,622
31,439	32,622	Cash, cash equivalents and bank overdraft at the end of the year		33,859	2,344	3,016
<b>CASH AT END OF YEAR COMPRISES</b>						
31,439	32,622	Cash and cash equivalents		33,859	2,344	3,016

Thursday, 21 September 2023

Item 7

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Performance & Monitoring Committee Meeting**

*Te Rārangi Take*

# Report to Performance and Monitoring Committee

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Nā:  
From: **Lex Verhoeven, Strategy Manager**

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Te Take: **Non-Financial Performance Report for the Year Ended 30 June**  
Subject: **2023**

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

- 1.1 The purpose of this report is to update the Performance and Monitoring Committee on achievement against its non-financial performance management framework as contained within the 2021-2031 Long Term Plan.
- 1.2 The Performance Management Framework forms part of the 2021-2031 Long Term Plan which the Council is legally required to report against annually. This is the second year of reporting against the 2021-2031 plan.
- 1.3 This report is for information only and contains unaudited information. The audited version will be incorporated in the Council's Annual Report for Council adoption in October 2023.
- 1.4 A summary of Council performance is contained at the beginning of **Attachment 1** and provides a high-level overview of performance. Whilst the Council has met many of its performance targets, several measures across a range of activities have understandably been impacted by Cyclone Gabrielle. In other areas such as the Water Supply activity, the completion of the Council's drinking water capital investment programme and the related monitoring requirements will provide the platform to achieve full compliance with those mandatory performance measures. Councillors should note that the non-compliances noted across the main urban supply will remain until the completion and full implementation of the new water treatment plants and operational changes to the main urban supply, this is currently forecasted to be completed by the end of this calendar year.
- 1.5 The Council's Performance Management Framework has 3 levels as follows:
  - 1) **Future Aspirations** (what we are trying to achieve over time – trends and shifts)
  - 2) **Today's Commitments** (levels of service we have committed to the community)

3) **Smart Business** (internally focused on continuous improvement)

1.6 Level Two (Today's Commitments) is the primary focus of this report. It captures the performance information contained within the Long-Term Plan and has three separate reporting components as follows:

a) **Levels of Service**

b) **Customer Experience**

c) **Key Actions**

1.7 In regard to the 64 levels of service measures within the Long-Term Plan, 82% of those able to be measured in 2022/23 were either fully or substantially achieved. Of those not achieved the key reasons were:

- Response times and complaints impacted by Cyclone Gabrielle in the Three Waters activities;
- Maintenance of the sealed road network interrupted by Cyclone Gabrielle;
- Cyclone Gabrielle disrupted visitor numbers at the i-site during peak season;
- Completion of Council's safe drinking water investment programme will ensure full compliance with mandatory measures.

1.8 In regard to the 8 customer experience measures, 3 were either fully or substantially and the 5 measures not achieved being mainly the result of Cyclone Gabrielle disruption and covid sickness in our consenting areas, and increased call volumes in our contact centre due to the cyclone.

1.9 In regard to the 33 key actions contained in the Long-Term Plan these are either broadly on track or have been completed. Attachment 1 contains the full performance framework.

1.10 This report is for information only and once audited will form part of the Council's Annual Report.

## **2.0 Recommendations - Ngā Tūtohunga**

That the Performance and Monitoring Committee receive the report titled Non-Financial Performance Report for the Year Ended 30 June 2023 dated 21 September 2023.

### **Attachments:**

1 [↓](#) HDC00019 Annual Report 2024 S02 v01

CG-17-4-00056



# TA TATOU ANGA REPOPOATA OUR REPORTING FRAMEWORK



# OUR REPORTING FRAMEWORK

In this section you will find a summary of performance followed by detailed performance statements as follows:

## LEVEL ONE

Future Aspirations

## LEVEL TWO

Levels of Service

Customer Experience Measures

Key Actions

## LEVEL THREE

Asset Improvement Plans

### THE COUNCIL HAS A THREE LEVEL REPORTING FRAMEWORK

#### Level One Future Aspirations

has a future-looking focus and measures desired trends over time.

#### Level Two Today's Commitments

is about the commitments made in the short term to our community.

#### Level Three Smart Business

is more internally focused and is about the Council being the best organisation it can be.

MONITORING PROGRESS

Year-end progress report on Council’s Long Term Plan Commitments – as at 30 June 2023.



# SUMMARY NON-FINANCIAL PERFORMANCE

## INTRODUCTION

The pages which follow outline in detail how the Council has progressed against its performance management framework within its 2021-2031 Long Term Plan. This report marks the second year of reporting against the 2021-2031 Long Term Plan. A summary of our progress at the end of Year One is as follows:

### LEVEL ONE: FUTURE ASPIRATIONS

The information on progress toward future aspirations is best measured by shifts over time. These measures are largely on track.

### LEVEL TWO: TODAY’S COMMITMENTS

#### Key actions

There are 36 key actions contained within the Long Term Plan 2021-2031. These measures are largely on track or completed.

#### Levels of service and customer experience

There are 72 measures focused on the annual commitments made to the community. They relate both to the things Council provides (Levels of Service) and to how the customer interacts with Council’s services (Customer Experience). The aim of Council is to fully achieve/substantially achieve these. For reporting purposes, we group our activities into the following groups:

- Water and Roads
- Safe, Healthy and Liveable Communities
- Economic and Community Development
- Governance and Support Services

In brief the Council’s achievements are as follows:

#### LEVELS OF SERVICE (64 MEASURES)

Group of activities	Fully achieved	Substantially achieved (98.5%-99%)	Not achieved
Water & Roads (Note i)	12 (74%)	-	9 (26%)
Safe, Healthy & Liveable Communities (Note ii)	18 (78%)	5 (22%)	-
Economic & Community Development	8 (73%)	1 (9%)	2 (18%)
Governance & Support Services	5 (71%)	2 (29%)	-

Notes:

i: The measure for Water Supply non-urgent response not available currently

ii: The measure for crematorium consent compliance not available currently

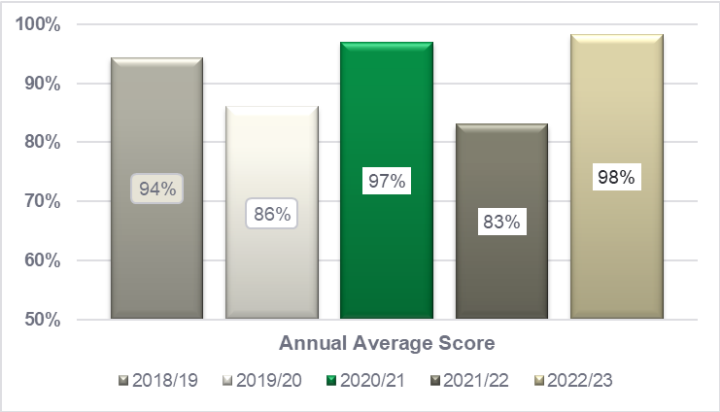
#### CUSTOMER EXPERIENCE (8 MEASURES)

Group of activities	Fully achieved	Substantially achieved (98.5%-99%)	Not achieved
Governance and Support Services	1 (50%)	-	1 (50%)
Safe, Healthy & Liveable Communities	1 (17%)	1 (17%)	4 (66%)

**Customer Service Centre: Mystery Shopping**

A mystery shopper programme continues with 'shoppers' visiting Council to measure the service delivered against a set of pre-determined criteria. The assessment focuses on the surroundings in the centre, wait times, interaction with the customer and subject knowledge. The standards are high, staff strive to create a welcoming environment and ensure all customers are able to easily access the services or information required.

**YEARLY COMPARATIVE PERFORMANCE –  
CUSTOMER SERVICE CENTRE MYSTERY SHOPPER RESULTS**



**Contact Centre: Mystery Shopping**

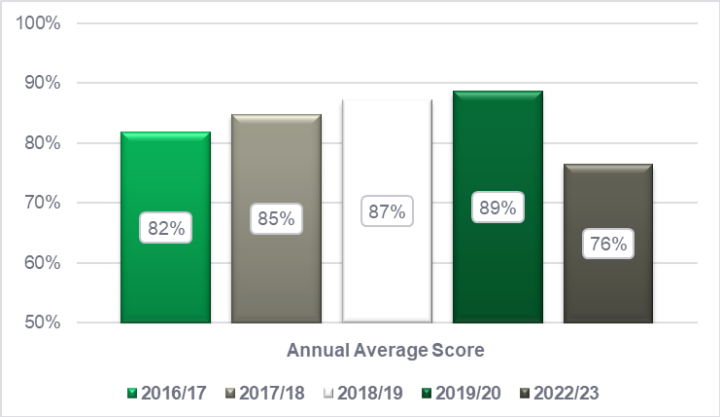
Following a two-year hiatus due to a mix of COVID and operational pressures, the mystery shop calling partnership with the Palmerston North City Council resumed this year.

The independent "shops" measure the service delivered for some of the regular call topics against a set of key performance indicators. The focus being the level of subject knowledge displayed and the overall customer experience provided.

Internal call assessments and staff coaching complement the mystery shop programme to ensure a consistent high-quality service is provided.

Note: The service level percentage was consistently in the mid-80s up until Cyclone Gabrielle. Post the Cyclone the average has been below 80% for a sustained period due to higher call volumes and longer handling times.

**YEARLY COMPARATIVE PERFORMANCE –  
CONTACT CENTRE MYSTERY SHOPPER RESULTS**



**LEVEL THREE: SMART BUSINESS**

**Asset improvement plans**

A significant amount of Council's expenditure is allocated to maintaining the core assets for the community. The Council's detailed Asset Management Plans set out what we know about our assets and the future needs in terms of renewal, maintenance and new capital requirements.

The focus during 2022/23 was the ongoing implementation of improvement items as identified within those plans which were adopted as part of the 2021-2031 Long Term Plan.

Since February 2023 however the Council's focus has been on response and now the recovery from Cyclone Gabrielle.

## LEVEL ONE – FUTURE ASPIRATIONS

### ROADS & FOOTPATHS

FUTURE ASPIRATIONS	BASELINE PERFORMANCE	FUTURE TARGET	PROGRESS
<b>FG01</b> Modal shift to walking/cycling.	11% predicted 20/21.	7% annual increase over 20/21 baseline – more than 12% in 2021/22.	<ul style="list-style-type: none"> <li><b>Not Measured</b> – National reporting against this measure commences in 2023</li> </ul>
<b>FG02</b> Walking and cycling trips.	5,500 (2018 baseline).	10% annual increase – more than 6,000 in 2021/22.	<ul style="list-style-type: none"> <li><b>Not Measured</b> – National reporting against this measure commences in 2023</li> </ul>
<b>FG03</b> Greenhouse gas emissions from transport.	313,500 tonnes carbon dioxide equivalent (predicted 20/21).	Less than 285,600 in 2022/23.	<ul style="list-style-type: none"> <li><b>Substantially On Track</b> – 290,533 tonnes carbon dioxide equivalent in 2022/23 which represents a decline from the estimated 20/21 baseline. Note: this measure is not under direct Council control but acknowledges Council's contribution to this overall goal.</li> </ul>
<b>FG04</b> Network inaccessibility	% of network inaccessible to Class 1 and 50 Max vehicles. 11.18% (predicted 20/21).	2.50% in 2022/23.	<ul style="list-style-type: none"> <li><b>Achieved</b> - 0.5% of network inaccessible to Class1 and 50 Max vehicles</li> </ul>
<b>FG05</b> Network availability	% of network available to HPMV vehicles. 17.5% (predicted 20/21)	25.9% in 2022/23.	<ul style="list-style-type: none"> <li><b>Substantially On Track</b> - 22.1% of network available to HPMV which represents an increase from the estimated 20/21 baseline.</li> </ul>
<b>FG06</b> Unplanned road closures	Journeys affected due to unplanned road closures. Not more than 500,000 pa.	Less than 500,000.	<ul style="list-style-type: none"> <li><b>Not Measured</b> – Will be tracked via new maintenance contracts .</li> </ul>

#### SAFE, HEALTHY & LIVEABLE COMMUNITIES

FUTURE ASPIRATIONS	BASELINE PERFORMANCE	FUTURE TARGET	PROGRESS
<b>FG07</b> Public buildings meet minimum earthquake standards (34% of new building standard).	62.04%	100% by 2033 meeting future legislative standards.	<ul style="list-style-type: none"> <li><b>On Track – 94.2%</b></li> </ul> <p>Note: the legislation is covered under the Building Act 2004 (<i>Subpart 6A—Special provisions for earthquake-prone buildings</i>) and applicable Regulations.</p> <p>The legislation sets specific timeframes for remediation of earthquake-prone buildings. All earthquake-prone buildings in Hastings District are required to be remediated by 1 July 2037 (unless they are buildings which are not captured under the legislation and identified as earthquake-prone at a later time).</p> <p>The legislation determines which buildings within the Hastings district are captured and these buildings are then profiled against certain criteria using the EPB Methodology.</p> <ul style="list-style-type: none"> <li>345 buildings have been profiled within the profile categories of the EPB Methodology and are/were therefore potentially earthquake-prone.</li> <li>Of the 345 buildings, 253 are now excluded because they have been assessed or strengthened to ≥34% NBS or are timber frame buildings.</li> <li>Of the remaining 92 buildings: <ul style="list-style-type: none"> <li>14 buildings have been identified as <u>potentially</u> earthquake prone (building owners are required to have seismic assessments completed), and</li> <li>78 buildings have been determined as <u>earthquake-prone</u> and owners must remediate the buildings within a specified timeframe.</li> </ul> </li> <li>Of the buildings currently identified as earthquake-prone, there are currently 3 building consents for strengthening (with work at various stages).</li> <li>To date within the Hastings district there have been a total of 580 buildings assessed or strengthened &gt;34% NBS (this includes multiple buildings which are not captured under the legislation).</li> </ul>
<b>FG08</b> Increased recyclables diverted from landfill.	9,800 tonnes diverted.	≥ 11,760 tonnes per annum by 2024 (20%).	<ul style="list-style-type: none"> <li><b>Substantially On Track</b> – 5,147 tonnes diverted via Hastings District Council services, NCC to report their tonnages separately.</li> <li>The recycling tonnage collected by HDC services had previously increased in the two years following the adoption of the Joint Waste Management and Minimisation Plan by 12.5%. However, due to the impact of COVID-19 and associated level of service disruptions, recycling tonnages fell below the baseline rate, they have since increased slightly but remained static over the past three years</li> </ul>
<b>FG09</b> Decreased organic waste going to landfill.	28,580 tonnes	≤ 19,150 to landfill by 2024 (30%).	<ul style="list-style-type: none"> <li><b>On Track</b>, some progress made - 30,816 indicative tonnes (33.5%).</li> </ul> <p>There has been a 60% decrease in green waste disposed of to landfill since 16/17, 13,499 tonnes to 5,616 tonnes per annum. Food waste volumes have increased</p>

SAFE, HEALTHY & LIVEABLE COMMUNITIES

FUTURE ASPIRATIONS	BASELINE PERFORMANCE	FUTURE TARGET	PROGRESS
			<p>resulting in an overall increase in the volume of organic waste disposed of to landfill (28.8% to 33.5% for all organic waste). These figures include waste from Napier City Council. The organic waste reduction target is monitored through the Solid Waste Analysis Protocol surveys. These surveys are completed every three years and the survey was undertaken in 2022.</p> <ul style="list-style-type: none"><li>• The total waste to Ōmarunui landfill increased to 112,226 from 91,903 tonnes in the 2021/22 year. This increase is solely due to the large volume of waste created by Cyclone Gabrielle which continues to be received by the landfill.</li><li>• Diversion services at the Henderson Road Refuse Transfer Station saw 2,252 tonnes of green (garden) waste and 482 tonnes of timber diverted to reuse.</li></ul>



LEVEL TWO – TODAY’S COMMITMENTS

(A) LEVELS OF SERVICE

WATER SERVICES

Detailed Mandatory Non-Financial Performance Measures (Department of Internal Affairs)

The performance measures in the tables below are required to be reported in accordance with section 261B of the Local Government Act 2002.  
The baseline performance is based on 2021/22 actual information (unless otherwise stated).

STORMWATER

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
COUNCIL OBJECTIVE <ul style="list-style-type: none"><li>The natural environment is enhanced and protected</li><li>Council services are green and healthy</li></ul>	Council will provide a safe and reliable stormwater service and ensure that service interruptions are kept to a minimum.	<b>DIA Non-Financial Performance Measure 1 – System Adequacy</b>  The number of flooding events that occur in the Council’s district. For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the Council network).	0 (zero)	0 (zero) floors affected per 1,000 connections up to a 1 in 50 year ARI storm event.	<b>Achieved</b> - Note: Cyclone Gabrielle records are excluded from this number due to that storm event being greater than the 50-year event and less used as the basis for this achievement target.
		<b>DIA Non-Financial Performance Measure 2 – Discharge Compliance</b>  Compliance with Council’s resource consents for discharge from its stormwater system measured by the number of:	0		<b>Achieved</b> -As per below
		a) Abatement notices	0	0 (zero) Abatement notices	0
		b) Infringement notices	0	0 (zero) Infringement notices	0
		c) Enforcement orders	0	0 (zero) Enforcement orders	0
		d) Convictions	0	0 (zero) Convictions	0

#### STORMWATER

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
		<b>DIA Non-Financial Performance Measure 3 – Response Times</b>  The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.	58 mins	1 hour	<b>Not Achieved</b> – 1 hour 33 minutes. There was a reduction in response times due to Cyclone Gabrielle and the significant call volumes, and trees and flood waters blocking access to properties and infrastructure.
		<b>DIA Non-Financial Performance Measure 4 – Customer Satisfaction</b>  The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the Council's stormwater system.	8.97	15 complaints per 1,000 connections.  NB: This is a baseline figure for stormwater-related complaints received in the past 8 years.	<b>Achieved</b> – 13.08 per 1,000. There was an increase in complaints over the 2021/22 year due to the wettest year in 50 Years of records and Cyclone Gabrielle.

#### SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
<b>COUNCIL OBJECTIVE</b> <ul style="list-style-type: none"> <li>The natural environment is enhanced and protected</li> <li>Council services are green and healthy</li> </ul>	Council will provide a safe and reliable wastewater service and ensure that service interruptions are kept to a minimum.	<b>DIA Non-Financial Performance Measure 1 –</b>  Number of dry weather sewerage overflows from the Council's wastewater system, expressed per 1000 sewerage connections to that sewerage system.	0.46	5 per 1,000 connections per annum	<b>Achieved</b> - 0.45 per 1,000 connections.
		<b>DIA Non-Financial Performance Measure 2 –</b>  Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:	0 check re HBRC		
		(a) Abatement notices	0	0 (zero) Abatement notices	<b>Achieved</b> - nil
		(b) Infringement notices	0	0 (zero) Infringement notices	<b>Achieved</b> - nil
		(c) Enforcement orders	0	0 (zero) Enforcement orders	<b>Achieved</b> - nil

SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
		(d) Convictions	0	0 (zero) Convictions	<b>Achieved</b> - nil
		<b>DIA Non-Financial Performance Measure 3 –</b> Where the Council attends to sewerage overflows resulting from a blockage or fault in the Council's sewerage system, the following median response times are measured:			
		(a) Attendance time: From the time that the Council receives notification to the time that service personnel reach the site, and	41 minutes	1 hour response time to site (attendance time)	<b>Not Achieved</b> - 1 hour 8 minutes response time.
		(b) Resolution time: From the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault reach the site.	3.08 hours	1 day permanent repair completed (resolution time)	<b>Achieved</b> - 2 hours 34 minutes
		<b>DIA Non-Financial Performance Measure 4 –</b> Total number of complaints received by the Council about any of the flowing: (a) Sewage odour (b) Sewerage system faults (c) Sewerage system blockages (d) The Council's response to issues with its sewerage system Expressed per 1,000 connections to the Council's sewerage system.			
			20.81	30 complaints – Count expressed per 1,000 connections per annum.	<b>Achieved</b> - 18.79 complaints per 1,000 connections

## WATER SUPPLY

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT				
<b>COUNCIL OBJECTIVE</b> <ul style="list-style-type: none"><li>Water and land resources are used wisely</li><li>The natural environment is enhanced and protected</li><li>Council services are green and healthy</li></ul>	Water Supply – Ensuring healthy drinking water through the provision and effective management of water services.	<b>DIA Non-financial performance Measure 1 (safety of drinking water)</b>			
		The extent to which the local authority's drinking water supply complies with:			
		(a) Part 4 of the drinking-water standards (bacteria compliance criteria); and			
		(b) Part 5 of the drinking-water standards (protozoal compliance criteria).			
		Baseline performance	<b>Part A – Not Achieved</b>	<b>Part B – Not Achieved</b>	
		2022/23 target	Percentage compliance – 100%		Target 100%
		2022/23 Achievement (Key: <b>Green</b> – compliant. <b>Orange</b> – partially compliant. <b>Red</b> – Non-compliant)			
		<b>Water supply area</b>	<b>Part 4 – bacterial compliance</b>	<b>Part 5 – protozoal compliance</b>	
		Waimārama		<b>Compliant</b>	U.V and Cartridge Filtration
		Haumoana/Te Awanga		<b>Compliant</b>	U.V
Ōmāhu		<b>Compliant</b>	U.V and Cartridge Filtration		
Clive		<b>Compliant</b>	<b>Ferry Road WTP</b> – Secure under DWSNZ & Interim Class 1 under DWQAR/Not used in reporting period.		
			<b>Clive WTP</b> – U.V		
	Hastings Urban Supply (Hastings, Havelock North, Flaxmere, Bridge Pa, Paki Paki)	All sites compliant under DWSNZ – Waipatu compliant under DWQAR. All other sites non-compliant under DWQAR due to not having sufficient treatment infrastructure, scheduling issues against the new rules and a single loss of FAC incident at Omaha.	<b>Partially Compliant</b>	<b>Compliant:</b> <ul style="list-style-type: none"><li><b>Wilson WTP</b> – U.V</li><li><b>Brookvale WTP</b> – U.V and Cartridge Filtration</li><li><b>Portsmouth WTP</b> – Secure under DWSNZ/Interim Class 1 under DWQAR until new WTP (U.V) installed 24/25.</li></ul> <b>Non-compliant:</b> <ul style="list-style-type: none"><li><b>Frimley WTP</b> – Non-compliant due to insufficient treatment infrastructure. A new WTP is due to be operational in the 23/24 compliance year.</li><li><b>Eastbourne WTP</b> – Non-compliant due to insufficient treatment infrastructure. Waiaroha WTP is due to be operational in the 23/24 compliance year.</li></ul>	

## WATER SUPPLY

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	2022/23 Achievement (Key: <b>Green</b> – compliant. <b>Orange</b> – partially compliant. <b>Red</b> – Non-compliant)		
		<b>Part 5 – Protozoal Compliance</b>	<b>Part 5 – Protozoal Compliance</b>	<b>Part 5 – Protozoal Compliance</b>
		<b>Te Pōhue</b>	<b>Non-Compliant</b>	Non-compliant primarily due to damage sustained from Cyclone Gabrielle.
		<b>Whirināki/Esk</b>	<b>Non-Compliant</b>	Non-compliant primarily due to damage sustained from Cyclone Gabrielle.
		<b>Waipātiki</b>	<b>Non-Compliant</b>	Non-compliant due to insufficient treatment infrastructure. A new WTP with cartridge filtration and U.V treatment operational end of 2022.
		<b>Waipatu</b>	<b>Non-Compliant</b>	Non-compliant due to not meeting monitoring requirements under DWSNZ. Compliant from December 22 under DWQAR. Supply will be connected to the Hastings Urban supply in the future.
		<b>Whakatu</b>	<b>Non-Compliant</b>	Non-compliant due to not meeting monitoring requirements under DWSNZ. Compliant from December 22 under DWQAR. Supply will be connected to the Hastings Urban supply in the future.

## WATER SUPPLY

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
COUNCIL OBJECTIVE	Water Supply – Ensuring healthy drinking water through the provision and effective management of water services.	<b>DIA Non-Financial performance Measure 2 – (maintenance of the reticulation network)</b> The percentage of real water loss from the local authority's networked reticulation system. (including a description of the methodology used to calculate this).	Not Achieved	20% Percentage real losses or other recognised industry standard as specified in the Hastings District Council's 'Water Conservation and Demand Management Strategy'.	<b>Not Achieved</b> - Council have been unable to produce a statistically reliable result for this measure due to insufficient water meters across the network.  Council completed installation of 2,000 smart meters in the 22/23 year. Data from these meters will improve the reliability of this measure for 23/24 reporting.

#### WATER SUPPLY

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
<ul style="list-style-type: none"> <li>Council services are green and healthy</li> </ul>		<b>DIA Non-Financial performance Measure 3 – (fault response times)</b>  Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:		95% achievement rate.	
		(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	52 minutes	Urgent – 1 hour response time to site.	<b>Achieved – 55 Minutes</b>
		(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	1.43 hours	Urgent – 2 hour restoration of service.	<b>Achieved – 59 Minutes</b>
		(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	2.15 days	Non-urgent – 3 days response time to site (Note i).	<b>Achieved – 23.35hrs</b>
		(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	3.97 days	Non-urgent – 7 days call resolution.	Not Yet Available
		<b>DIA Non-Financial performance Measure 4 – (customer satisfaction)</b>  The total number of complaints received by the local authority about any of the following: <ul style="list-style-type: none"> <li>(a) drinking water clarity</li> <li>(b) drinking water taste</li> <li>(c) drinking water odour</li> </ul>	186 complaints	3 Count expressed per 1,000 connections per annum.*	<b>Not Achieved – 202.91 complaints per 1,000 connections per annum.</b>

#### WATER SUPPLY

COMMUNITY OUTCOMES	LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	2022/23 ACHIEVEMENT
		(d) drinking water pressure or flow (e) continuity of supply, and (f) the local authority's response to any of these issues expressed per 1,000 connections to the local authority's networked reticulation system.			
		<b>DIA Non-performance Measure 5 – (demand management)</b>  The average consumption of drinking water per day per resident within the territorial authority district.	633.6	410 litres per day per resident.	<b>Not Achieved</b> – 647.7 litres per day per resident  This value reflects district wide usage and includes usage, network losses and customer side losses. It does not reflect seasonal population change only base resident population estimates. A comprehensive re-write of the Water Conservation and Demand Management Strategy is due for completion in 2023. Network wide pressure reduction to reduce network losses will be implemented as part of a multi-tiered approach to demand management.

## ROADS AND FOOTPATHS

### Detailed Mandatory Non-Financial Performance Measures (Department of Internal Affairs)

The performance measures in the tables below are required to be reported in accordance with section 261B of the Local Government Act 2002.

The baseline performance is based on 2021/22 actual information unless otherwise stated.

COMMUNITY OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	2022/23 TARGET	ACHIEVEMENT 2022/23
COUNCIL OBJECTIVE  The transport network links people, goods and opportunities.	<b>DIA Non-Financial Performance Measure 1 –</b>  <b>Road safety</b>  The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	39	Reducing trend of fatality and serious injury from previous year.  (Base level = 40 fatalities and serious crash injuries on the local road network) based on 2017-19 average. 2021/22 target 38.	<b>Not Achieved</b> - 39 (6 Fatal, 33 Serious)
	<b>DIA Non-Financial Performance Measure 2 –</b>  <b>Condition of the sealed road network</b>  The average quality of ride on a sealed local road network, measured by smooth travel exposure.	91%	90% smooth travel exposure. (Average quality of ride)	<b>Achieved</b> - 91% smooth travel exposure in 2022/23.
	<b>DIA Non-Financial Performance Measure 3 –</b>  <b>Maintenance of a sealed local road network</b>  The percentage of the sealed local road network that is resurfaced.	6.4%	6.0% of sealed local road network is resurfaced per annum.	<b>Not Achieved</b> - 4.9% sealed in 2022/23, the programme was significantly interrupted by Cyclone Gabrielle
	<b>DIA Non-Financial Performance Measure 4 –</b>  <b>Condition of footpaths within the local road network</b>  The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works programme or Long Term Plan).	0.26%	No more than 1.5% of footpaths classified poor or worse as measured by Council's condition rating system.	<b>Not Achieved</b> - 4.6%. Note the condition rating survey methodology has changed – a new target in the 2020-2034 LTP will reflect this.
	<b>DIA Non-Financial Performance Measure 5 –</b>  <b>Response to Service Requests</b>  The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the timeframe specified in the Long Term Plan.	99%	95% of customer service requests relating to roads and footpaths responded to within 28 days.	<b>Achieved</b> - 97% of customer service requests responded to within 28 days



SAFE, HEALTHY AND LIVEABLE COMMUNITIES

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASLINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
COUNCIL OBJECTIVE: Council services are green and healthy.	Hours of operation at refuse transfer station.	Achieved	7 days per week.	<b>Achieved</b> – There were no closures to the Henderson Road Refuse Transfer Station or Blackbridge Refuse Transfer Stations during the year. The Henderson Road Refuse Transfer Station was however limited to essential and flood waste only following Cyclone Gabrielle for a brief time (3 days) .
	Hours of operation at recycling depots.	7 days per week (Achieved)	7 days per week.	<b>Achieved</b> – All rural recycling depots were fully operational during the year. Following a 12-month trial period a new permanent recycling depot established was at Waipātiki.
	Hours of operation at landfill.	Substantially Achieved	1 landfill (limited weekend opening)	<b>Substantially Achieved</b> – Operations at the landfill were temporarily paused for 5 days following Cyclone Gabrielle. Due to road closures the site could not be accessed, and repairs to the site also had to be undertaken during that time. The landfill was open 100% of its scheduled opening hours outside of the Cyclone Gabrielle closure. Ōmarunui Landfill also operates on Saturday mornings.
	% of urban dwellings serviced by kerbside refuse and recycling services.	Achieved 100% urban collection	Weekly collection to 98% of urban dwellings within the collection areas.	<b>Substantially Achieved</b> – All properties in the collection zones received these services throughout the year. Due to the impact of Cyclone Gabrielle, four collection days of refuse were missed, and ten collection days of recycling were missed.
	% compliance with Landfill conditions	Not Achieved (50%) – Of the four consents; 2 received a low risk non-compliance	100%	<b>Achieved</b> – The landfill believes it was fully compliant during the last reporting period. However, compliance reports are still to be received from the Hawke's Bay Regional Council to confirm this, or otherwise. Previously the landfill was graded as Fully Compliant for two of its four consents with the other two receiving a low-risk non-compliance and moderate non-compliance respectively. The

SAFE, HEALTHY AND LIVEABLE COMMUNITIES

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
				moderate non-compliance related to an odour complaint that was upheld by the Hawke's Bay Regional Council.
COUNCIL OBJECTIVE: <ul style="list-style-type: none"> <li>Sustainable development is encouraged and carbon emissions are reduced</li> <li>The natural environment is enhanced and protected</li> <li>Water and land resources are used wisely.</li> </ul>	A District Plan current at all times within statutory timeframes.	Achieved	Achieved	<b>Achieved</b> – District Plan fully operational
COUNCIL OBJECTIVE: Communities are safe and resilient	% compliance with swimming pool fencing regulations.	99.9%	98%	<b>Achieved</b> - 99.7% compliance in 2022/23
	Number of public cemeteries.	4 cemeteries at Hastings, Havelock North, Puketapu, Mangaroa.	4	<b>Achieved</b> – 4 cemeteries operational during 2022/23
	Compliance level with crematorium consent conditions.	32 out of 34 met.	All conditions met.	Not Yet Available
	% of public buildings with current warrant of fitness.	100%	95%	<b>Substantially Achieved</b> – 94% compliance achieved in 2022/23.
	% of dog registrations of known dogs.	98.3%	98%	<b>Achieved</b> – 98% registration of known dogs
	% release rate of impounded dogs suitable for release.	100% – all dogs suitable were home placed (79% release rate).	100%	<b>Substantially Achieved</b> – 98% of all dogs suitable for release were home placed (overall 78.9% release rate)
	Number of after hour compliance operations on licensed premises per year.	4	4	<b>Achieved</b> – 4 after hour compliance operations undertaken.
	CCTV camera downtime.	2%	<5%	<b>Achieved</b> – CCTV camera downtime 2%.

SAFE, HEALTHY AND LIVEABLE COMMUNITIES

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASLINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
	CCTV live monitoring.	83%	>70% of running time.	<b>Achieved</b> – 75% live monitoring achieved. Performance was impacted by loss of staff member.
COUNCIL OBJECTIVE: There are great spaces for all people.	Number of public swimming pools that meet Pool Safe water quality standards.	4	4	<b>Achieved</b> – 4 pools meet Pool Safe water quality standards
	Days of operation of public libraries.	3 public libraries	3 public libraries (6 day service Flaxmere/ Havelock North, 7 days Hastings)	<b>Achieved</b> - (6 day service Flaxmere/ Havelock North, 7 days Hastings)
	% of urban properties within 500m radius (walking distance) of a park.	93%	87%	<b>Achieved</b> – 92% of urban properties within walking distance to a park.
	% of urban properties within 500m radius (walking distance of a playground).	61%	60%	<b>Achieved</b> – 64% of urban properties within walking distance to a playground.
	Number of elderly housing units and average occupancy.	220 units with occupancy of 95%.	95% average occupancy.	<b>Achieved</b> – 95% average occupancy in 2022/23.
	Number of Art Gallery exhibitions per annum.	14	12	<b>Substantially Achieved</b> – 11 exhibitions held.
	Opera House Qualmark Rating.	Not measured	No measure	<b>Achieved</b> – Gold Qualmark rating. Note the Qualmark classification system has changed since the LTP was adopted. Gold is the highest rating under the new classification system.
	% of Indoor Sports Centre available booking hours booked.	66%	50%	<b>Achieved</b> – 57% of available hours booked.
	Days of operation of Splash Planet.	Closed due to Covid-19 pandemic	Mid November to Waitangi Day. (7 days a week)	<b>Achieved</b> – Mid November to Waitangi Day (7 days a week), exception of 3 days closure due to extreme weather events.

#### ECONOMIC AND COMMUNITY DEVELOPMENT

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASLINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
COUNCIL OBJECTIVE:	% of vacant industrial land.	<b>Achieved</b> Industrial land vacancy 32.5%.	A minimum of 20% of industrial land is vacant.	<b>Achieved</b> 2021/22 vacancy was 208 ha and there was a 6.5ha uptake in 2022/23 leaving 201.5ha from a total of 640ha of industrial zoned land. Vacancy rate is 31.5%
<ul style="list-style-type: none"> <li>We enable employment and growth</li> <li>Housing supply matches need</li> </ul>	Number of hectares of vacant greenfield land.	<b>Achieved</b> – 30% vacant greenfield land.	A minimum of 20% vacant greenfield land.	<p><b>Achieved</b> 2021/22 Vacancy was 56.4 ha comprising Lyndhurst 13.2, Waingakau 7.2 and Brookvale 36</p> <p>The vacancy rates as at 2022/23 are now Lyndhurst 4.65, Waingakau. 0.72 and Brookvale 33 giving a total vacancy of 38.37ha</p> <p>Vacancy rate is 21.3%</p> <p>Howard and the first stage of Iona are soon to come on stream</p>
	Number of significant strategies completed per annum.	1	1	<b>Not Achieved</b> – no significant strategies completed in 2022/23.
	Number of structure plans completed per annum.	0	1	<b>Achieved</b> – structure plan completed for Wairatahi site.
COUNCIL OBJECTIVE:	Opera House ( Toi Toi Qualmark Rating).	Not measured	Five star	<b>Achieved</b> – Gold Qualmark rating. Note the Qualmark classification system has changed since the LTP was adopted. Gold is the highest rating under the new classification system.
There are great spaces for all people.	Number of visitors to i-Site visitor centres per annum.	19,906 – lockdown disruption impacted numbers	73,000	<b>Not Achieved</b> – 31,494 visitors. Note: Cyclone Gabrielle disrupted tourism during peak season (Feb – Apr)
	Total financial support to events.	\$652,047	\$832,000	<b>Achieved</b> - \$887,785 – includes marketing support, grants and sponsorship \$306,690 – HDC-owned and delivered events
	Total visitors to Splash Planet.	Closed due to covid-19.	100,000 total 45% from outside Hastings.	<b>Achieved</b> - 100,522 total visitors to Splash Planet.
COUNCIL OBJECTIVE:	Number of completed Place Based Plans.	1	1 Place Based plan completed per annum.	<b>Achieved</b> – Completion of the Maraekakaho Community Plan.

#### ECONOMIC AND COMMUNITY DEVELOPMENT

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
<ul style="list-style-type: none"> <li>Communities are safe and resilient</li> <li>There are pathways for youth</li> </ul>	Number of Social Development Reviews completed.	1	1 Social Development Review completed per annum.	<b>Achieved</b> – Youth Strategy completed.

#### GOVERNANCE AND SUPPORT SERVICES

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
COUNCIL OBJECTIVE:	% Compliance with statutory planning processes.	100%	100%	<b>Achieved</b> – 100% compliance
Smart innovation connects citizens and services.	Council and Committee agendas are available within statutory timeframes.	100%	100%	<b>Achieved</b> – 100% compliance
	Complete Annual Report and audit within statutory timeframes.	Achieved	Achieved	<b>Achieved</b> – All statutory timeframes complete
	Budgets are set within Financial Strategy limits.	Achieved	Achieved	<b>Achieved</b> – Achieved as per 2022/23 Annual Plan
	Calls to Council's main number are always answered by a person rather than an answer phone service.	Achieved (94% of calls answered within 60 seconds)	90% of calls answered within 60 seconds.	<b>Substantially Achieved</b> – 88% of calls answered within 60 seconds. Cyclone Gabrielle has resulted in higher call volumes since February 2023 and the more complex calls take longer, thus increasing the average wait times for callers
	% of calls to Council's main number answered within 20 seconds.	87%	80%	<b>Substantially Achieved</b> – 78% of calls answered within 20 seconds. The service level percentage was consistently in the mid-80s up until Cyclone Gabrielle. Post the Cyclone the average has been below 80% for a sustained period due to higher call volumes and longer handling times.
	Usage of Council website.	45,845 unique visitors per month.	15,000 unique visitors per month.	<b>Achieved</b> – 61,581 unique visitors per month.

## (B) CUSTOMER EXPERIENCE

### CUSTOMER EXPERIENCE – SAFE, HEALTHY AND LIVEABLE COMMUNITIES

COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
<b>COUNCIL OBJECTIVE:</b> <ul style="list-style-type: none"> <li>Communities are safe and resilient</li> <li>There are great spaces for all people</li> </ul>	Time taken to process a building consent.	72% within 20 working days.	100% within 20 working days.	<b>Not Achieved – 59%</b>  A number of factors impacted on the processing team during the 2022/23 year including under resourcing for several months due to staff movements, significant interruption due to Covid sickness and as a result of Cyclone Gabrielle no consents were processed for a period as staff assisted with the recovery.
	Time taken to process code of compliance.	95% within 10 days.	100% within 20 days.	<b>Not Achieved – 94%</b>  A number of factors impacted on the inspection team during the 2022/23 year including under resourcing for several months due to staff movements, significant interruption due to Covid sickness and as a result of Cyclone Gabrielle no inspections were carried out for a period as staff assisted with the recovery. Given the disrupted year an achievement of 94% was still a good result.
	Time taken to process a resource consent.	84% within statutory timeframe. (20 working days)	97% within statutory timeframe. (20 working days)	<b>Not Achieved – 91%</b>  A number of factors impacted on the resource consents area during the 2022/23 year. The introduction of the National Policy Statement – Highly Productive Land has added complexity to resource consents as has many comprehensive residential developments.  Cyclone Gabrielle also had a significant impact both in terms of staff assisting with cyclone recovery duties and the added complexity of assessing resource consents post the cyclone event.
	Time taken to respond to noise complaints.	Achieved – 100%	Zone 1 (<30 minutes) – 80%	<b>Substantially Achieved – 99.9% compliance</b>

CUSTOMER EXPERIENCE – SAFE, HEALTHY AND LIVEABLE COMMUNITIES				
COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
			(<40 minutes) – 20%	
			Zone 2 (<1 hour) – 100%	<b>Achieved</b> – 100% compliance
	Parks user satisfaction.	Not measured 21/22	97%	<b>Not Achieved</b> – 88% Note: reduced surveys undertaken due to Cyclone Gabrielle.
CUSTOMER EXPERIENCE – GOVERNANCE AND SUPPORT SERVICES				
COUNCIL OUTCOMES	PERFORMANCE MEASURE	BASELINE PERFORMANCE 2021/22	TARGET 2022/23	ACHIEVEMENT 2022/23
COUNCIL OBJECTIVE:	Quality of customer service.	Not measured 21/22.	85%	<b>Not Achieved</b> – average score of 76%in mystery shopper calls to the contact centre.
Smart innovation connects citizens and services.	(contact centre)			
	Quality of customer service.	Average score of 83% in mystery shopper visits.	85%	<b>Achieved</b> – average score of 98% in mystery shopper visits to the customer service centre
	(customer service centre)			

## LEVEL TWO – TODAY’S COMMITMENTS

### (C) KEY ACTIONS

#### WATER & ROADS

KEY ACTION	ACHIEVEMENT
<b>Water Services</b>	
<b>KA01</b> Implement final stages of water security and optimisation programme.	<ul style="list-style-type: none"> <li>• <b>On Track</b></li> <li>• Frimley Water treatment facility complete and entering commissioning. Waiaroha Water treatment facility substantively complete with both programmed for completion in the 23/24 year.</li> <li>• All Small Community Water treatment facilities are now operational including Haumoana, Waimārama, Te Pōhue, Whirināki, Clive, Waipātiki and Whakatū.</li> <li>• Reservoir investigations and upgrades underway at Waipātiki, Havelock North and Waimārama. Whirināki reservoir replacement programmed for 23/24 year.</li> <li>• Focus shifting to demand management programme and initiatives.</li> </ul>
<b>KA02</b> Enhancements to Havelock North streams.	<ul style="list-style-type: none"> <li>• <b>Under Review</b> - Consideration of enhancements and management of the five main Havelock North streams are now under review following Cyclone Gabrielle</li> </ul>
<b>KA03</b> Rollout stormwater quality improvement programme.	<ul style="list-style-type: none"> <li>• <b>On Track</b> - Project is progressing but is on hold whilst data is collected from those quality improvements made, such that the ongoing role out can be optimised.</li> </ul>
<b>KA04</b> Rollout of wastewater rising main and trunk main renewal programme.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Inland trunk renewals and investigation term contracts in place. Delivery in 2022/23 was impacted by cyclone. Design for rising mains underway and budgets being worked through.</li> </ul>
<b>KA05</b> Implement critical Wastewater Treatment Plant renewals.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Programme has been identified and investigations, design, budget, procurement, and installation are currently being worked through.</li> </ul>
<b>Roads and Footpaths</b>	
<b>KA06</b> Strengthen key bridges to allow continued heavy vehicle access.	<ul style="list-style-type: none"> <li>• <b>On Track</b> - however a report before council seeking increase in budgets due to increase in scope and costs to complete the remainder of the programme</li> </ul>
<b>KA07</b> Completion of approved walking and cycling projects within the iWay network.	<ul style="list-style-type: none"> <li>• <b>On Track</b></li> </ul> <p><u>The following projects were completed:</u></p> <ul style="list-style-type: none"> <li>• Clifton Rd Pathway – Kuku St to path end</li> </ul> <p><u>The following projects were designed:</u></p> <ul style="list-style-type: none"> <li>• Southern Cycle Link – Akina to Mayfair</li> <li>• Beach Rd Pathway – Springfield Rd to path end</li> <li>• Portsmouth Rd Shared Path – Stock Rd to Wilson Rd</li> <li>• Tauroa Rd Pathway – Stage 2</li> <li>• Pakowhai Rd Pathway – Omaha Rd to Evenden Rd</li> </ul>



#### WATER & ROADS

KEY ACTION	ACHIEVEMENT
<b>KA08</b> Implement safety treatments on high risk rural routes and urban intersections.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Programmed safety interventions have been completed, and new interventions have been identified and designed for the upcoming LTP.</li> </ul>
<b>KA09</b> Road pavement renewal programme in both urban and rural areas.	<ul style="list-style-type: none"> <li>• <b>On Track</b> - MT Erin Road AWPT completed (length 2km completed over two years)</li> </ul>

#### SAFE, HEALTHY & LIVEABLE COMMUNITIES

KEY ACTION	ACHIEVEMENT
<b>KA10</b> Advance actions within Hastings City Centre revitalisation plan.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Albert Square upgrade complete, Hospitality improvements in Heretaunga Street 100 block.</li> </ul>
<b>KA11</b> Complete Civic Square and Central Mall flagship projects.	<ul style="list-style-type: none"> <li>• <b>Delayed</b> – Deferred until completion of Opera House/Municipal works.</li> </ul>
<b>KA12</b> Rollout 10 year streetscape strategy.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Eastbourne Street East 300 and minor upgrade of Joll Rd completed. Planning for King Street 100 North and South underway</li> </ul>
<b>KA13</b> Advance future cemetery space capacity.	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>KA14</b> Complete earthquake strengthening on remaining identified public buildings.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Opera House completed - Duart House, Hastings Clocktower and Flaxmere Park Changing Rooms are in design phase.</li> </ul>
<b>KA15</b> Complete strategic assessment on future of Heretaunga House.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Demolition of building currently in progress as is a proposal for future use of the site being taken to the market.</li> </ul>
<b>KA16</b> Enhancements on key reserves (Cornwall, Windsor, Havelock North Village Green and other various reserves).	<ul style="list-style-type: none"> <li>• <b>On Track</b> - Cornwall Park Kiosk, Aviary and disabled playground completed. Playground enhancements at Havelock Village Green and Ron Giorgi Park complete, new skate park at Flaxmere Park complete, new playgrounds at Laurie Cooke, Ngaruroro Avenue Reserve complete.</li> </ul>
<b>KA17</b> Complete strategic review into elder housing provision.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – Strategic review well underway and scheduled for presentation to Council in September 2023.</li> </ul>
<b>KA18</b> Advance remaining Reserve Management Plans.	<ul style="list-style-type: none"> <li>• <b>On Track</b> - Frimley RMP adopted, Havelock Hills and Eskdale Park reporting on hold due to Cyclone Gabrielle damage to reserves affecting key park elements.</li> </ul>
<b>KA19</b> Complete planned toilet enhancements from Sanitary Services Assessment.	<ul style="list-style-type: none"> <li>• <b>On Track</b> – New toilet for Te Awanga designed but awaiting community agreement, new toilet at St Leonards underway. New Akina toilet integrated into softball clubrooms complete.</li> </ul>

#### SAFE, HEALTHY & LIVEABLE COMMUNITIES

KEY ACTION	ACHIEVEMENT
<b>KA20</b> Provision of community education programmes on waste minimisation.	<ul style="list-style-type: none"> <li><b>On Track</b> – A number of waste minimisation programmes have been delivered over the year including; the local contestable waste minimisation fund, establishment of an event waste minimisation trailer, construction and demolition waste advisory role and supporting the Sustainable is Attainable project for business.</li> </ul>
<b>KA21</b> Complete landfill valley development.	<ul style="list-style-type: none"> <li><b>On Track</b> – Development work required to maintain available workspace at the landfill is ongoing. Area D development work will continue each year until late 2025 when the area is estimated to be full (i.e. no remaining airspace). The landfill has obtained new consents to extend the landfill into Area B of the site. This area will last approximately 30 years at current filling rates. Construction work has started on this extension, and it's expected to be in a position to accept waste from mid-2025 onwards.</li> </ul>
<b>KA22</b> Implement remaining actions within the Waste Management and Minimisation Plan.	<ul style="list-style-type: none"> <li><b>Achieved</b> – Completed and operational.</li> </ul> <p>The services provide a 120 litre wheelie bin collection service (weekly) for rubbish and a 3 crate system for kerbside recycling collection (weekly) for urban households. Overall this services is working well and the RFID technology has allowed Council to provide rates remission to low waste producing households as indicated in the Joint Waste Management and Minimisation Plan. Work continues to implement other actions identified in the WMMP.</p>
<b>KA23</b> Complete Hastings and Havelock North strategic parking acquisition and development.	<ul style="list-style-type: none"> <li><b>Ongoing</b> - A recent parking study indicates Hasting's parking assets are currently adequate, however more lease space could be utilised.</li> <li>There are currently no acquisitions pending in Havelock North.</li> </ul>
<b>KA24</b> Complete strategic review into aquatics provision (including Splash Planet).	<ul style="list-style-type: none"> <li><b>On Track</b> – Refresh of 2018 masterplan for Splash Planet in progress.</li> <li><b>On Track</b> – The aquatics facilities have been included into the Sport &amp; Active Recreation Facilities Plan that is due for completion approximately October 2023.</li> </ul>
<b>KA25</b> Advance actions to meet National Policy statement on Indigenous Biodiversity.	<ul style="list-style-type: none"> <li><b>Delayed</b> - Agreed to keep engagement with rural community on hold post cyclone.</li> </ul>

#### ECONOMIC & COMMUNITY DEVELOPMENT

KEY ACTION	ACHIEVEMENT
<b>KA26</b> Support industrial land uptake at Irongate, Omāhu and Whakatū.	<ul style="list-style-type: none"> <li><b>On Track</b> – Strong demand continued to develop in the industrial zones of Irongate, Omāhu and Whakatū. The Council is working with landowners in Whakatū on a potential stormwater upgrade which would unlock more industrial land in the area.</li> </ul>
<b>KA27</b> Promote inner city living opportunities.	<ul style="list-style-type: none"> <li><b>On Track</b> - Resource consent obtained by Council for 20 apartments at 206 Queen Street West</li> </ul>
<b>KA28</b> Advance various HDC housing initiatives and housing partnership agreements.	<ul style="list-style-type: none"> <li><b>On Track</b> – Founding of the Integrated Hub, a collaboration between Hastings District Council, the Connect Community Trust (the social arm of the Hastings church) and Anglican Care Waiapu.</li> </ul>

#### ECONOMIC & COMMUNITY DEVELOPMENT

KEY ACTION	ACHIEVEMENT
<b>KA29</b> Progress of various youth futures programmes.	<ul style="list-style-type: none"> <li><b>On Track</b> – 5 Annie Aranui scholarships awarded via the Hawke's Bay Youth Futures Trust</li> <li><b>On Track</b> – Pre-Employment event successfully completed</li> <li><b>On Track</b> – Hawkes Bay Youth Services Database – soft launch completed</li> </ul> <a href="#">HDC Youth Employment Programme</a> <ul style="list-style-type: none"> <li><b>On Track</b> – 2020-2022 He Poutama Rangatahi MSD contract completed successfully exceeding target numbers of rangatahi in employment or further education. 2023-2025 He Poutama Rangatahi MSD contract awarded and started.</li> </ul>
<b>KA30</b> Implementation of Heretaunga Plains Urban Development Strategy (HPUDs) sub strategies.	<ul style="list-style-type: none"> <li><b>On Track</b> - Project Co-ordinator for Local Area Plans appointed and investigations begun.</li> </ul>
<b>KA31</b> Advance business attraction and job creation initiatives.	<ul style="list-style-type: none"> <li><b>Ongoing</b> – Continuing to work with partners as opportunities arise, specific examples include Eastern Screen Alliance, Foodeast-haumako.</li> </ul>
<b>KA32</b> Economic Development delivery model review.	<ul style="list-style-type: none"> <li><b>On Track</b> – Regional Economic Development Agency (REDA) have appointed a Board and CEO. KPI's for the first year have been agreed.</li> </ul>
<b>KA33</b> Rollout the Heretaunga Ararau action plan.	<ul style="list-style-type: none"> <li><b>On Track</b> - This last year has also seen the continued implementation by Council of <b>Heretaunga Ararau Te Reo Māori Action Plan</b>, to support the place and use of te reo Māori across the whole Council and its facilities; including new facilities that have been revamped and or built anew, new bilingual road signage, internal te reo Māori signage and working with Te Kauwaka Ltd and other local registered te reo Māori translators/interpreters to ensure the accuracy and integrity of te reo Māori is maintained.</li> </ul>
<b>KA34</b> Undertake HPUD's review (explore spatial plan creation).	<ul style="list-style-type: none"> <li><b>On Track</b> - Future Development Strategy commenced with 'call for opportunities' process completed</li> </ul>
<b>KA35</b> Development of various place based plans.	<ul style="list-style-type: none"> <li><b>On Track</b> – Maraekakaho Community Plan draft completed</li> </ul>
<b>KA36</b> Explore Rangatahi co-lab initiative.	<ul style="list-style-type: none"> <li><b>On Track</b> – Business case 80% completed and stakeholder group established.</li> </ul>

