

Thursday, 30 September 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Operations and Monitoring Committee Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Thursday, 30 September 2021**

Te Wā:
Time: **11.00am**

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

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

Te Āpiha Matua:
Responsible
Officer: **Group Manager: Corporate - 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
TE KAUNIHERA Ā-ROHE O HERETAUNGA

Operations and Monitoring Committee – Terms of Reference

Fields of Activity

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

Membership

- (Mayor and 14 Councillors).
- Chair appointed by Council.
- Deputy Chair appointed by Council.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council.

Quorum – 8 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;
 - the matter is of such urgency that it requires to be dealt with
 - 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) Writing off outstanding accounts for amounts exceeding \$6,000 and the remission of fees and charges of a similar sum.
- 12) Settlement of uninsured claims for compensation or damages where the amount exceeds the amounts delegated to the Chief Executive.
- 13) Guarantee loans for third parties such as local recreational organisations provided such guarantees are within the terms of Council policy.
- 14) 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.
- 15) Grant of easement or right of way over Council property.
- 16) Approve insurance – if significant change to Council's current policy of insuring all its assets.

Thursday, 30 September 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Operations and Monitoring Committee Meeting

Kaupapataka

OpenAgenda

<i>Mematanga:</i> Membership:	<i>Koromatua</i> Chair: Councillor Geraldine Travers
	<i>Ngā KaiKaunihera</i> Mayor Sandra Hazlehurst Councillors: Councillors Bayden Barber, Alwyn Corban, Malcolm Dixon, Damon Harvey, Tania Kerr (Deputy Chair), Eileen Lawson, Simon Nixon, Henare O’Keefe, Peleti Oli, Ann Redstone, Wendy Schollum, Sophie Siers and Kevin Watkins Mike Paku - Heretaunga Takoto Noa Māori Standing Committee appointee
<i>Tokamatua:</i> Quorum:	8 members
<i>Apiha Matua</i> Officer Responsible:	Group Manager: Corporate – Bruce Allan (Lead) Group Manager: Asset Management - Craig Thew Group Manager: Strategy & Development – Craig Cameron Financial Controller – Aaron Wilson Chief Information Officer – Andrew Smith
<i>Te Rōpū Manapori me te Kāwanatanga</i> Democracy & Governance Services:	Christine Hilton (Extn 5633)

Te Rārangī Take

Order of Business

1.0 Opening Prayer – *Karakia Whakatūwheratanga*

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

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

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.

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

Minutes of the Operations & Monitoring Committee Meeting held Tuesday 27 July 2021.
(Previously circulated)

5.0 Requests Received under the Local Government Official Information and Meetings Act (LGOIMA) Update 7

6.0 Horse of the Year (HB) Ltd Draft Financial Statements for year ended 31 May 2021 13

7.0 Exemption of Council Controlled Status for Hawke's Bay Local Authority Shared Services Limited and the Te Mata Park Trust Board 15

8.0	Draft Financial Year End Results - 30 June 2021	19
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9.0	Update on Building Consent Processing	41
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10.0	Non-Financial Performance Report for the Year Ended 30 June 2021	47
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11.0	Minor Items – <i>Ngā Take Iti</i>	
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12.0	Urgent Items – <i>Ngā Take Whakahihiri</i>	
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13.0	Recommendation to Exclude the Public from Items 14, 15 and 16	49
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14.0	Foodeast Directors' Fees	
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15.0	Horse of the Year (Hawke's Bay) Limited Director Appointment	
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16.0	Update on Building Consent Processing	
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Thursday, 30 September 2021

Item 5

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Louise Stettner, Manager, Democracy & Governance Services

Te Take:
Subject: Requests Received under the Local Government Official
Information and Meetings Act (LGOIMA) Update

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to inform the Committee of the number of requests under the Local Government Official Information Act (LGOIMA) 1987 received in July and August 2021.
- 1.2 This issue arises from the provision of accurate reporting information to enable effective governance.
- 1.3 This is an administrative report to ensure that the Council is aware of the number and types of information requests received and to provide assurance the Council is meeting its legislative obligations in relation to the (LGOIMA).
- 1.4 This report concludes by recommending that the LGOIMA requests be noted.

2.0 Recommendations – Ngā Tūtohunga

- A) That the Operations and Monitoring Committee receive the report titled Requests Received under the Local Government Official Information and Meetings Act (LGOIMA) Update dated 13 May 2021.
- B) That the LGOIMA requests received in July and August 2021, as set out in Attachment 1 (CG-16-4-00146) of the report be noted.

3.0 Background – *Te Horopaki*

- 3.1 The LGOIMA allows people to request official information held by local government agencies. It contains rules for how such requests should be handled, and provides a right to complain to the Ombudsman in certain situations. The LGOIMA also has provisions governing the conduct of meetings.

Principle of Availability

- 3.2 The principle of whether any official information is to be made available shall be determined, except where this Act otherwise expressly requires, in accordance with the purposes of this Act and the principle that the information shall be made available unless there is good reason for withholding it.

3.3 Purpose of the Act

- 3.4 The key purposes of the LGOIMA are to:

- Progressively increase the availability of official information held by agencies, and promote the open and public transaction of business at meetings, in order to:
- enable more effective public participation in decision making;
- promote the accountability of members and officials;
- enhance respect for the law and promote good local government;
- protect official information and the deliberations of local authorities to the extent consistent with the public interest and the preservation of personal privacy.

- 3.5 City, district and regional councils, council controlled organisations and community boards are subject to LGOIMA and official information means any information held by an agency subject to the LGOIMA.

- 3.6 It is not limited to documentary material, and includes material held in any format such as:

- written documents, reports, memoranda, letters, notes, emails and draft documents;
- non-written documentary information, such as material stored on or generated by computers, including databases, video or tape recordings;
- information which is known to an agency, but which has not yet been recorded in writing or otherwise (including knowledge of a particular matter held by an officer, employee or member of an agency in their official capacity);
- documents and manuals which set out the policies, principles, rules or guidelines for decision making by an agency; and
- the reasons for any decisions that have been made about a person.

- 3.7 It does not matter where the information originated, or where it is currently located, as long as it is held by the agency. For example, the information could have been created by a third party and sent to the agency. The information could be held in the memory of an employee of the agency.

What does a LGOIMA request look like?

- 3.8 There is no set way in which a request must be made. A LGOIMA request is made in any case when a person asks an agency for access to specified official information. In particular:

- a request can be made in any form and communicated by any means, including orally;
- the requester does not need to refer to the LGOIMA; and
- the request can be made to any person in the agency.

- 3.9 The Council deals with in excess of 14,000 service requests on average each month from written requests, telephone calls and face to face contact. The LGOIMA requests dealt with in this report are specific requests for information logged under formal LGOIMA procedures, which sometimes require collation of information from different sources and/or assessment about the release of the information requested.

Key Timeframes

- 3.10 An agency must make a decision and communicate it to the requester 'as soon as reasonably practicable' and no later than 20 working days after the day on which the request was received.
- 3.11 The agency's primary legal obligation is to notify the requester of the decision on the request 'as soon as reasonably practicable' and without undue delay. The reference to 20 working days is not the de facto goal but the maximum unless it is extended appropriately in accordance with the Act. Failure to comply with time limit may be the subject of a complaint to the ombudsman.
- 3.12 The Act provides for timeframes and extensions as there is a recognition that organisations have their own work programmes and that official information requests should not unduly interfere with that programme.

4.0 Discussion – *Te Matapakitanga*

Current Situation

- 4.1 Council has requested that official information requests be notified via a monthly report.

5.0 Options – *Ngā Kōwhiringa*

Not applicable.

Attachments:

- 1 [↓](#) LGOIMA Report July and August 2021 to Operations CG-16-4-00146
and Monitoring Committee 14 September 2021

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

N/A

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - Te Toitūtanga

N/A

Financial considerations - Ngā Whakaarohanga Ahumoni

N/A

Significance and Engagement - Te Hiranga me te Tūhonotanga

N/A

Consultation – internal and/or external - Whakawhiti Whakaaro-ā-roto / ā-waho

N/A

Risks: Legal - Ngā Tūraru: Ngā Ture

N/A

Rural Community Board – Te Poari Tuawhenua-ā-Hapori

N/A

IRB-2-01-21-2497

LGOIMA – Report to Operations & Monitoring Committee – July and August 2021

	Requests Received	Responses to requests	Responses with information fully released	Responses with information partially withheld	Responses with information fully withheld	Average number of working days to respond	Requests resulting in a complaint to Ombudsman
July & August 2021	18	12	9	3	0	8	0

Requests received since last reported to Council

Completed		
Outstanding		
Month	From	Subject
July	R Horton	Sea Wall, Clifton
	J Stockley	Subdivision Fees – Development Contributions
	A McDonough	Resealing of Middle Road
	R McIntosh	Copy of Sister and Friendly City Agreements
	J Armstrong	Amount collected in parking fines in last 12 months
	C O'Mannin	Illegal vegetation clearance – number of cases
	Federated Farmers	Distribution of Council's general and targeted rates and use of uniform annual charges
	W Breustedt	Cost effective solutions to reduce GHG emission
	J Finnigan	State of road surface – Napier Road

Month	From	Subject
August	Radio NZ	Council communications staffing and expenses
	Responsible Campers Assn	Information on use of NZS;5465:2001 as a restriction on a 'right'
	University of Otago	Copies of Human Resources Strategy and Policy documents
	J Hassel	Payments by HDC over \$5,000 for 2020 for goods & services
	D McPherson	Property Information
	NZ Taxpayers' Union	Three Waters Position
	R Stokes	Unpaid Infringement Notice Fees
	F Barnes	Copy of Resource Consents
	P Southwell	Information regarding pensioner housing in the region

Thursday, 30 September 2021

Item 6

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā: **Bruce Allan, Group Manager: Corporate**
From:

Te Take: **Horse of the Year (HB) Ltd Draft Financial Statements for year**
Subject: **ended 31 May 2021**

1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to update the Committee on the performance of the Horse of the Year (Hawke's Bay) Limited (HOYHB) for the year ended 31 May 2021, **Attachment 1**, and present to Council the Company's draft Statement of Intent for 2021/22.

2021 Financial Result

- 1.2 HOYHB was prepared to deliver a very successful 2021 event, the first since bringing the event management in-house but unfortunately had to make the very difficult decision to cancel the show with COVID Level 3 restrictions in Auckland and Level 2 restrictions elsewhere in New Zealand in place.
- 1.3 The Chair of HOYHB and the Hastings District Council appointed director, Mr Tim Aitken, will be in attendance at the meeting to present the Statement of Intent and year end result and answer any questions.
- 1.4 Despite the cancellation of the 2021 show, HOYHB has experienced significant goodwill from competitors, trade exhibitors and sponsors which has enabled them to post an event surplus primarily due to sponsors and equestrian participants not requesting refunds but instead leaving their money in for the 2022 show. This has equated to a revenue retention from sponsors of \$360k and \$314k from equestrian participants. The impact of this will be felt in the 2022 event financial results.
- 1.5 The 2021 show also had the benefit of receiving a one off \$187k grant from the Domestic Event Fund which enabled the HOYHB to post a \$49k surplus despite not running the 2021 event.

1.6 This is an extremely good financial result in the circumstances, however, it must be reiterated that this surplus was only due to the generosity of sponsors and event participants which will have a negative impact on the 2022 show and the one off contribution from the Domestic Event Fund.

1.7 Also attached as **Attachment 2** is the 2021 Show report.

2021/22 Statement of Intent

1.8 The Statement of Intent (SOI) is the first SOI prepared with the event to be delivered in-house and forecasts an improved financial result primarily due to reduced operational costs. The draft SOI meets the needs as set out in the Shareholders Agreement. It notes the impact financially from the income carried over from the 2021 show not delivered and specifically makes mention of the risks associated with COVID-19 and any potential COVID-19 restrictions that could be in place. Attached as **Attachment 3** is the 2021/22 Statement of Intent.

1.9 The Board has requested that the timing of the delivery of the draft statement of intent be reviewed. Currently the shareholders agreement states that a draft statement of intent be provided to shareholders three months prior to the start of each financial year which is 28 February each year, just before the current year's event. The Board has requested that this be changed to one month after the end of the financial year with shareholders given one month to provide any comments with the final statement of intent to be adopted at the Company's AGM in August/September.

1.10 This requested change enables the HOYHB Board time to reflect learnings from the show just completed in the new statement of intent and is a much more practical timeline for the approval of a statement of intent. This request was raised at the Company's AGM on 15 September and representatives from the other shareholders; Show Jumping Hawke's Bay and Equestrian Sport New Zealand were both supportive of this request.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Operations and Monitoring Committee receives the report titled Horse of the Year (HB) Ltd Draft Financial Statements for year ended 31 May 2021.
- B) That the Committee receives the Horse of the Year (Hawke's Bay) Limited Financial Statements for the year ended 31 May 2021.
- C) That the Committee receives the Horse of the year (Hawke's Bay) Limited draft 2021/2022 Statement of Intent with and feedback or requested changes delivered back to the Horse of the Year (Hawke's Bay) Limited Board.
- D) That the Committee approve the request to alter the timing of the statement of intent and for the draft statement of intent to be made available by 1 July each year.

Attachments:

1⇒	HOY (HB) Ltd Financial Statement and Overview for year ended 31 May 2021	EXT-10-20-21-111	Under Separate Cover
2⇒	HOY (HB) Ltd - 2021 Show Report	EXT-10-20-21-110	Under Separate Cover
3⇒	Statement of Intent 2021/22 - HOY	EXT-10-20-21-119	Under Separate Cover

Thursday, 30 September 2021

Item 7

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Operations & Monitoring Committee Meeting

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: **Jess Noiseux, Financial Improvement Analyst**

Te Take:
Subject: **Exemption of Council Controlled Status for Hawke's Bay Local Authority Shared Services Limited and the Te Mata Park Trust Board**

1.0 Purpose and Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to seek decisions in regards to exempting Hawke's Bay Local Authority Shared Services Limited (HBLASS) and the Te Mata Park Trust Board from being a Council Controlled Organisation (CCO) under the Local Government Act.
- 1.2 The exemption will continue to allow a reduced reporting requirement for both the Te Mata Park Trust Board and HBLASS.
- 1.3 The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and the future.
- 1.4 This report concludes by recommending that both the Te Mata Park Trust Board and HBLASS continue to have exemption from being a CCO under the Local Government Act 2002.

2.0 Background

- 2.1 Te Mata Park Trust Board has been granted exemption since May 2018, and HBLASS since March 2018, from the requirements imposed on CCOs under section 7 of the Local Government Act (LGA). Section 7(6) (a) of the LGA stipulates that Council must review any exemptions granted under section 7 within 3 years after it was first granted.
- 2.2 The LGA allows a Local Authority to exempt organisations from being CCOs. The following are the relevant sections of the LGA:

"7 Exempted organisations

(3) A local authority may, after having taken account of the matters specified in subsection (5), exempt a small organisation that is not a council-controlled trading organisation, for the purposes of section 6 (4)(i).

(4) An exemption must be granted by resolution of the local authority.

(5) The matters are –

(a) the nature and scope of the activities provided by the organisation; and

(b) the costs and benefits, if an exemption is granted, to the local authority, the council-controlled organisation, and the community.”

- 2.3 The LGA identifies monitoring and requirements for CCOs which include half yearly and annual reports plus an annual Statement of Intent.
- 2.4 The Te Mata Park Trust Board is a charitable trust that owns and manages Te Mata Peak.
- 2.5 The Trust Board is a CCO due to the fact that under the trust deed the Hastings District Council appoints all the trustees. This means that the Council has effective control of the Trust Board and its assets, however in practical terms the Trust Board is allowed to get on with the maintenance and development of Te Mata Park.
- 2.6 HBLASS is a dormant company whose shareholders are the five Hawke's Bay Councils. It was first incorporated in 2012 with a purpose of identifying functions and analysing opportunities for shared services and joint procurements across the Hawke's Bay Councils.
- 2.7 In 2018 the five Councils proposed an alternative structure to save time and resources, the Chief Executive Forum. The purpose of which continues to be to work together on improving Service and Value for the Hawke's Bay region through collaboration. Subsequently HBLASS was made a dormant company in 2018 and exempted from the requirements imposed on CCOs under section 7 of the LGA.

3.0 Current Situation

- 3.1 The Te Mata Trust Board is a small entity with limited turnover. For the year ended 30 June 2020 the Trust Board generated income of \$169,339 before donations and other fundraising income related to capital projects. Income received included rental income, grants and interest.
- 3.2 HBLASS is a dormant company with no plans to reactivate it at this stage.

4.0 Options

- 4.1 Council can resolve to continue the exemption for both the Te Mata Park Trust Board and HBLASS or it can revoke the exemption, requiring the entities to report as required under the LGA.

5.0 Recommendations - Ngā Tūtohunga

- A) That the Operations and Monitoring Committee receive the report titled Exemption of Council Controlled Status for Hawke's Bay Local Authority Shared Services Limited and the Te Mata Park Trust Board dated 30 September 2021.
- B) That the Committee approve pursuant to Section 6(4)(i) and Section 7 of the Local Government Act 2002, the Te Mata Park Trust Board be exempted from being a Council Controlled Organisation for three years to 30 June 2024.
- C) That the Committee approve pursuant to Section 6(4)(i) and Section 7 of the Local Government Act 2002, the Hawke's Bay Local Authority Shared Services be exempted from being a Council Controlled Organisation for three years to 30 June 2024.

Attachments:

There are no attachments for this report.

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

N/A

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whakaarohanga Ahumoni*

N/A

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being not of significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

N/A

Risks

Opportunity: N/A

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
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[State the benefit, opportunity, innovation of the outcome & whether it benefits; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]

[State the significant risks or threats (4 or 5 max) to the objective & whether they affect; Safety (public/ staff/ contractors), Finances, Service Delivery, Legal compliance, Reputation.]

Rural Community Board – *Te Poari Tuawhenua-ā-Hāpori*

N/A

Thursday, 30 September 2021

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
**Hastings District Council: Operations &
Monitoring Committee Meeting**

Item 8

Te Rārangi Take

Report to Operations and Monitoring Committee

Nā:
From: Aaron Wilson, Financial Controller

Te Take:
Subject: Draft Financial Year End Results - 30 June 2021

1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to inform the Committee of the unaudited accounting and rating result for the year ended 30 June 2021 and for the Council to approve the allocation of the rating result. It also seeks the approval from Committee to carry forward project budgets. The Hastings District Rural Community Board has approved the recommendations submitted to it on 6th September 2021 relating to the year-end rating result for Rating Area 2 (RA 2)
- 1.2 The **rating result** is a surplus to budget. The result in RA1 is a consequence of higher than budgeted revenue and interest rate savings and offset by increasing cost pressures within areas of Council along with a number of approved but unbudgeted spends in the financial year. RA2 has benefited in addition from favourable budgeted rates remissions, penalties and rates revenues.
- 1.3 The unaudited rating result for the 2020/21 year is as follows:

Rating Area 1	\$443,366	<i>Surplus</i>
Rating Area 2	\$422,655	<i>Surplus</i>
Total for the District	\$866,021	<i>Surplus</i>

- 1.4 In addition to the Rating Result, Council also generated a surplus from the Landfill operation, the report recommends that these surpluses be allocated as follows:

Rating Result			
	Total	Rating Area 1	Rating Area 2
Surplus/(Deficit) on General Rate	866,021	443,366	422,655
Landfill Surplus	1,997,339	1,745,874	251,465
	2,863,360	2,189,240	674,120
Recommended Allocation			
Allocation on General Rate			
Contingency Reserve	554,207	443,366	110,841
RA2 Flood Reserve	311,814		311,814
	866,021	443,366	422,655
Landfill Surplus			
Landfill Reserve	1,997,339	1,745,874	251,465
	1,997,339	1,745,874	251,465
Total Allocation	2,863,360	2,189,240	674,120

- 1.5 The report also recommends that budget allocations proposed to be carried forward from 2020/21 to 2021/22 to enable project completion be approved.
- 1.6 Council is provided with quarterly financial reports during the year with the unaudited year-end result presented annually at the September Finance and Risk Committee meeting.
- 1.7 Officers 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 is also affected by the extent of rates-funded carry forwards that are approved. 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 2021
Attachment 2 – Dash Board Summary of Financial Performance
Attachment 3 – Draft Unaudited Financial Statements
Attachment 4 – Carry Forwards 2020/21
- 1.10 The financial reports contain summarised information. **Please feel free to contact the report writer or the Group Manager: Corporate 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 CURRENT SITUATION

- 2.1 The start of the 2020/21 financial year saw a continuation of a strong Hawke's Bay economy, with a number of Council areas that experienced operational cost pressures in responding to those strong economic conditions.
- 2.2 This financial year saw a strong bounce back from the first COVID 19 lockdown in April/May 2020. This has been shown by favourable revenues to budget lines, in particular in Fees & Charges along

with Subsidies and Grants. Some areas due to the strength of the Hawke's Bay economy still continue to be under pressure, with adequate resourcing to meet demand still a challenge.

- 2.3 The net effect was revenues were higher to budget, somewhat offset by higher expenditure due to the strong demand for services along with some approved but unbudgeted spend. In light of the environment and challenges faced the rating result \$866k was a good outcome.

3.0 THE RATING AND LANDFILL RESULT

- 3.1 Council adopts strong financial management practices and prepares a balanced budget to deliver Council's desired programme, including high levels of fiscal tensioning and stretch targets.
- 3.2 This year the overall general rating result for 2020/21 is a surplus to budget as shown below by rating area.

Rating Area 1	\$443,366	<i>Surplus</i>
Rating Area 2	\$422,655	<i>Surplus</i>
Total for the District	\$866,021	<i>Surplus</i>

- 3.3 In addition to the general rating result, the Council's share of the available surplus from the Landfill operations is \$1.997m.
- 3.4 It should be noted that the Landfill operates on a "whole of life" cost recovery model, that is based on recovering all costs associated with the landfill from development to operations being recovered over the landfills life which includes care after it has been fully utilised. The cost recovery model utilises assumptions to inform gate rates to reach that full cost recovery. The higher volumes and changes to the composition of waste including special waste types means that in some years a surplus is made and development of new valleys may come on earlier than anticipated.
- 3.5 Council resolved last year to apply the 2019/20 landfill surplus of \$1.64m to the repayment of the Landfill Gas Plant debt (\$646k), with the balance allocated to the General Purpose reserve in RA1 (\$869k). In RA 2 the balance was allocated to the Capital reserve (\$125k). This now leaves the Council with a decision on how to allocate the 2020/21 Landfill surplus.
- 3.6 In addition to the above, which is after all necessary reserve transfers have been made, there are a number of significant activities where surpluses or deficits are ring fenced and/or transferred to reserves and include water supply, waste water and refuse & recycling.
- 3.7 In allocating surpluses and reserves, Council's prudent financial policy approach has traditionally focused on debt repayment or borrowing reduction. In Rating Area 2, priority has been given to replenishing the Rural Flood and Emergency Event Reserve.
- 3.8 The total of the 2020/21 Landfill Surplus is recommended to be put to the Landfill Development Reserve, with significant capital spend about to start with resource consent hearings and development of the next valley to follow. Carry forwards of \$6m along with \$30m budgeted spend in the LTP for the development of Valley B is expected to total \$36m over the next 10 years.
- 3.9 It should however be noted and considered, Council has embarked on an ambitious programme of delivery in 2021/22 and the impacts of Covid-19 are creating many uncertainties for the delivery of that programme and on the operations of the organisation. It is recommended that whilst allocating the Landfill surplus to the Landfill Development Reserve is the right thing to do, it would be prudent to allow for Council to access these funds for operational matters should Council require additional funding to deliver the 2021/22 programme and meet any unforeseen operational impacts from the Covid-19 alert level lockdowns.

- 3.10 In determining priorities for the Rating Area 2 general rate surplus and Council's share of the Landfill surplus, the Rural Community Board have recommended the following allocations:

2020/21 RA2 Rating Surplus	Surplus
RA2 Surplus on General Rate	\$422,655
- Contingency Reserve	\$110,841
- Allocation to Rural Flood & Emergency Event Reserve	\$311,814

2020/21 Landfill Operating Surplus	Surplus
RA2 Surplus on Landfill Operations	\$251,465
- Allocation to Landfill Development Reserve	\$251,465

4.0 THE UNAUDITED ACCOUNTING RESULT

- 4.1 Draft Unaudited Operating Accounting Result compared to Annual Plan
- 4.2 Set out below is a summary of the 2020/21 financial year. Please note that this is not the same as the rating result.

Unaudited Operating Accounting Result	Budget Council \$'000	Actual Council \$'000	Variance
Operating Revenue	151,190	168,857	17,667
Less: Operating Expenditure	136,330	142,040	5,710
Net Surplus/(Deficit)	14,860	26,817	11,957
Unrealised movement on Swaps	-	(8,010)	(8,010)
Net Surplus/(Deficit) after Swaps	14,860	34,827	19,967
Gain/(Loss) on Revaluations	49,224	101,345	52,121
Net Surplus after accounting gains and losses	64,084	136,172	72,088

- 4.3 The draft unaudited financial result for the year ended 30 June 2021 before gains or losses on revaluations and losses on interest rate swaps is a surplus of \$26.8m with a favourable variance to the budget of \$11.9m.
- 4.4 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 previous year.
- 4.5 The unrealised gain on interest rate swaps of \$8m is an accounting entry and reflects the potential cost to Council of replacing all of its interest rate swaps at the prevailing swap interest rates on 30 June 2021. Council is, however, extremely unlikely to do this and the gain is therefore recognised as an 'unrealised gain'.
- 4.6 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.
- 4.7 In addition to this there were three main revaluations this year. These were roading, land and buildings, and parks. The total increase in asset value for these three classes was \$101m.

5.0 REVENUE

- 5.1 Revenue has a favourable variance to revised budget of \$11.2m, prior to the non-realised gain on interest rate swap movements of \$8m. The large favourable variance in revenue has driven by three main areas, additional funding received in terms of Grants and Subsidies, Fee and charges, along with higher than budgeted vested assets and assets sold.
- 5.2 Fees and Charges finished the year above budget by \$2.3m. The main drivers for this increase in revenue have been:
- Splash Planet Revenue is \$944k favourable with significantly higher volumes of people through the gate along with higher than budgeted revenue in sales of food and gifts.
 - Council's share of Landfill revenue is \$1.563m favourable to budget due to higher volumes.
 - Higher than budgeted connection fees revenue in wastewater \$357k along with higher than budgeted water meter charges of \$284k.
 - Planning and Regulatory services are unfavourable to budget by \$608k driven by lower than budgeted building control consent fees (\$753k) offset by higher LIM fees (\$60k) along with higher infringement revenue of \$128k in parking. It should be noted that whilst the revenue is lower than budget in building control, the expenditure was also lower than budget.
 - Heretaunga House is \$398k unfavourable to budget due to its earthquake prone closure and ensuing loss of lease revenue.
- 5.3 Subsidies and grants are \$4.9m favourable to revised budget with the main drivers being unbudgeted government funding received for 3 Waters infrastructure of \$7.7m, offset by lower than budgeted capital grants for the Municipal project (\$3m).
- 5.4 Development contributions are unfavourable to YTD budget by \$841k. Phasing of budgets in relation to when contributions occur is difficult, and creates timing differences as it is not always known in advance in what month a developer will make payments and when it will occur when the budget is being set
- 5.5 Interest revenue earned is favourable to budget by \$519k due to investment of funding held for capital projects and prefunding of maturing debt.
- 5.6 Infrastructure vested assets are above budget by \$1.6m. Vested assets are infrastructure assets that have been constructed by developers and then vested to Council at the completion of the development.
- 5.7 Summary of additional revenues received:

Additional revenue received from the government sources is as follows:

PGF Funded Projects	Govt Funding per agreements	Funding Received as at 30 June 2021
Tarbet Street	\$2m*up to	\$1.847m
Jobs for Heretaunga	\$9.3m	\$9.3m
3 Waters projects	\$15.3m	\$7.681m

6.0 EXPENDITURE

- 6.1 Overall operational expenditure is tracking higher than budget by \$3.2m. Note that Council have received additional revenues along with releasing contingencies where approved, offsetting these higher levels of expenditure. Key drivers are:

- 6.2 Finance costs are favourable by \$1.5m which is a reflection of lower levels of debt than phased in the budget and lower actual interest rates compared with those assumed in the budget. Additional funding received from the Government for water infrastructure in advance of it being required has delayed the requirement for additional debt funding.
- 6.3 Plant maintenance and asset costs are \$511k above budget driven by higher than budgeted plant hire costs (\$265k), along with vehicle R&M costs (\$208k). Both of these costs are HDC's share of Landfill expenditure and relate to major maintenance costs relating to the Compactor.
- 6.4 Contracted, expert and consultancy advice services are \$1.5m above budget. This is primarily in the areas of infrastructure where there have been and are large capital projects underway, along with operational impacts from approved but unbudgeted projects such as the move from Heretaunga House, security contract increase, and new lease costs (Warren Street). It should be noted that there have been a number of contingencies released to offset some of the impact of unbudgeted but approved expenditure. This is summarised in the section below.
- 6.5 The negative variance to budget for non-cash entries in terms of depreciation (\$2.5m) are driven by higher asset values due to prior year revaluations in 3 Waters, along with increased spend in infrastructure projects in water, roading, and with buildings.

Summary of areas of unbudgeted but approved spend in the current financial year:

- 6.6 In the 2020/21 financial year, it is important to be aware of what unbudgeted expenditure has already been approved by Council.

Municipal Building:

- 6.7 Council has approved an additional \$5.5m spend in order to complete the Municipal building project. A significant portion of this unbudgeted expenditure will be incurred in the 2021/22 financial year.

Heretaunga House

- 6.8 Due to the unexpected earthquake prone status of Heretaunga House, Council has been faced with unbudgeted expenditure to quantify the cost involved to strengthening the building, and provide alternative accommodation for staff displaced from the building. In addition to these extra costs, there has been a loss of revenue from tenants that there were leasing space in Heretaunga House.
- 6.9 In order to understand the work required to strengthen Heretaunga House, Officers have commissioned consultant reports through The Building Intelligence Group who are providing project management support. The approach has been to spend sufficient to achieve the necessary level of confidence on the estimated works and costs to make sound future decisions. As a result the total estimate cost of approximately \$50k. This work has been peer reviewed in the 2021/22 financial year.
- 6.10 Revenue for the full year is below budget by \$383k due to the loss of tenants that were leasing space. Operational expenditure excluding depreciation is \$346k above budget due to the additional unbudgeted but approved costs associated with moving to 100 Warren Street. These costs include the setup and establishment costs including partitioning, data and electrical work.
- 6.11 As can be seen in the general contingency summary below, \$250k contingency was released for Heretaunga House in addition to \$150k for the lease of Warren Street.

Summary of Contingencies

- 6.12 As was noted in paragraph 6.4 there were a number of contingencies approved and released to offset the impact of decisions taken during the financial year.
- 6.13 The following table is a summary of the three contingency funds, their closing balances and any commitments currently held against them. At the start of the financial year there is contingency balances of \$482,870 which are exclusive of those allocations or commitments in place. The most

significant of those commitments is the remaining funding of \$364,556 for the Hastings Spatial Plan which was allocated from the Covid-19 Recovery Contingency.

HDC Contingency Funds Summary	Closing Balance	Allocated Funding still to be spent	Contingency Available
General Contingency	43,443	8,703	34,740
Covid-19 Operational Contingency	448,130	0	448,130
Covid-19 Recovery Contingency	391,012	391,012	-
	882,585	399,715	482,870

- 6.14 The following table details those three contingencies and how allocations have been made from them during the year to fund activities and unforeseen events and opportunities and where those future commitments lie.
- 6.15 Those remaining contingency balances may be required during the 2021/22 financial year with the current risks being presented through the Covid-19 Alert Level restrictions and the need to resource up and respond to an ambitious programme of delivery this year and going forward.

	2020/21 Contingency allocations	Future commitments
<u>General Contingency</u>		
Opening Balance	50,000	
2019/20 Landfill Surplus allocation	869,652	
Total General Contingency	919,652	
Activities and projects funded		
Security Upgrades	111,912	
Guthrie Smith	50,000	
HB Winegrowers	5,000	
Legacy Landfill investigations	60,000	
Heretaunga House	250,000	
Warren Street Lease	150,000	
Events Support	168,000	
Hastings Brand Strategy & delivery	51,297	8,703
The Night of Us	30,000	
	876,209	8,703
Remaining Contingency available	34,740	
<u>Covid-19 Operational Contingency</u>		
Allocation of Orchard Rd Sale	500,000	
Total Operational COVID-19 Contingency	500,000	
Activities and projects funded		
Sport fields Fee waivers	11,870	
Indoor Court hire - waivers	40,000	
	51,870	
Remaining Contingency available	448,130	
<u>Council Covid-19 Recovery Contingency</u>		
Allocation of Orchard Rd Sale	1,000,000	
Total COVID-19 Recovery Contingency	1,000,000	
Activities and projects funded		
Arts Culture & Events Recovery Strategy	273,544	26,456
Urban Centres Recovery Contribution	150,000	
HB Business Hub - Hastings	70,000	
Hastings Spatial plan	115,444	364,556
	608,988	391,012
Remaining Contingency available	-	

7.0 SUMMARY BY AREAS OF ACTIVITY OF COUNCIL

Strategy and Development

- 7.1 The Strategy and Development Group had an overall rating requirement group result of \$148k unfavourable to budget. The key drivers were in a number of projects that were unbudgeted but approved and were then offset by contingency reserve funding. In addition, the unbudgeted initial capital contribution of \$200k in Food East was approved by Council.

Corporate Services

- 7.2 Corporate services had a deficit in terms of rate requirement of \$268k. In terms of cost, this is driven by the impact of moving out of Heretaunga house along with the move into the Warren street offices. In addition, there was a cessation of lease revenue from Heretaunga house.

Community Facilities & Programmes

- 7.3 This group of activities has a favourable rating requirement of \$1.26m primarily driven by very strong revenue in Splash Planet of \$944k. Operational costs for the group overall were higher personnel costs particularly in Splash Planet (\$180K), however, this is a reflection of the “busyness” and high traffic volumes over the summer period.

Planning & Regulatory Services

- 7.4 Planning and Regulatory Services had an overall rating result of (\$283k) favourable to budget. Revenue was \$611k unfavourable to budget. Building control consent fees were \$753k unfavourable offset by higher LIMs (\$60k) and infringements (\$121k).
- 7.5 Revenues from consents have not reached budgeted levels partly due to vacancies within the building team unable to be filled. This has meant a corresponding drop in operational expenses related to the processing of consents. In addition, this area has absorbed additional unbudgeted costs of \$122k related to compliance and investigation costs. With continued high demand and pressure on limited resources challenges remain in this area for the medium term.

Asset Management

- 7.6 Landfill revenue was favourable to budget by \$1.569m, with higher volumes contributing to the favourable revenue variance. This increased revenue has translated into a HDC share of the surplus of \$1.97m.
- 7.7 The surpluses generated from the Landfill are released to the shareholding Councils and it is up to the two Councils as to what they decide to do with those funds. In previous years, HDC has previously repaid landfill debt with those surpluses, however, with all landfill debt now repaid Council can decide how it wishes to allocate those funds. It is recommended that with the Valley development imminent, that surplus funds are set aside in a Landfill Development Reserve as a contribution to those significant development costs.
- 7.8 Parks revenue was favourable to budget by \$462k, this is mainly due to a capital grant from Waka Kotahi in relation to the CBD. Operational expenditure was \$69k unfavourable across a wide range of expense lines. Overall, Parks have a favourable rating requirement of \$923k, with carry forwards applied for.
- 7.9 Water Services: Council continues to respond to the water change programme with elevated expenditure supply activity through 2020/21 including both capital and operational expenditure. This activity is funded by way of a targeted rate and accounted for in a separate water 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.

8.0 CAPITAL EXPENDITURE

- 8.1 Council's total capital revised budget (including carry forwards, renewals, new works, and growth projects) for 2020/21 was \$146m. This level of expenditure is a significant increase on what had been delivered previously by Council and there was risk associated with the ability of Council to deliver on this programme.
- 8.2 The large capital budget was made up of :
- Annual Plan \$102m
 - PGF funding for Jobs for Heretaunga \$9m (added into Annual Plan)
 - Carry forwards from 2020 \$30m
 - Tarbet Street Project \$2m
 - HB Museum Storage \$3m
- 8.3 Additionally there will be further government funding received through 2020/21 and 2021/22 totalling \$29m for housing infrastructure and three waters that is not currently included in the Annual plan.
- 8.4 Of the 3 Waters \$15.3m government funding, Council has already received \$7.3m in the first tranche with the remaining funds to be received as expenditure is incurred and claimed back. It is likely that projects relating to this funding will start in the 2021/22 financial year.
- 8.5 Capital spend for the year to date is \$94.8m, against year to date budget of \$146m. Capital spend was forecasted to be \$93.9m by year end and represents the largest ever delivery of capital works by Council. Whilst there are a large number of projects out to tender a significant number of those projects were not completed by year end.
- 8.6 It needs to be noted that there have been a significant number of factors impacting on Council's ability to complete what is in the plan. The Government's need to provide stimulus to support the COVID-19 recovery has led to significant funding for Council to embark on projects outside of the original Annual Plan. The PGF funding for Jobs for Heretaunga was for \$9m and was added to the Annual Plan at a very late stage, giving officers no time to consider delaying other projects and adjusting the budgets accordingly.
- 8.7 Whilst the Jobs for Heretaunga project was to be completed in May, like some of the other government funded projects, this has placed pressure on resources where other projects had already been budgeted within the programme.

Capital Year End Report 2020/2021

	YTD Actuals	YTD Budgets	YTD variance
COUNCIL CAPITAL			
Renewals	37,066,995	54,786,584	17,719,589
New Works	53,356,025	78,125,342	24,769,316
Growth	4,385,161	14,021,383	9,636,223
	94,808,181	146,933,309	52,125,128
SUMMARY			
RENEWALS			
Stormwater Services	773,982	1,425,000	651,018
Wastewater Services	4,765,080	10,177,000	5,411,920
Water Services	3,549,057	4,288,329	739,272
Transportation RA 1	13,575,231	15,421,500	1,846,269
Parks	1,338,949	1,293,653	(45,296)
Building services	3,045,037	5,049,295	2,004,258
Rest of Council	10,019,658	17,131,807	7,112,149
	37,066,995	54,786,584	17,719,589
NEW WORKS			
Stormwater Services	1,110,706	7,127,000	6,016,294
Wastewater Services	709,988	1,552,000	842,012
Water Services	22,936,260	26,887,125	3,950,865
Transportation	16,362,575	15,991,130	(371,445)
Parks	3,994,249	7,462,666	3,468,417
Building services	200,785	1,551,000	1,350,215
Rest of Council	8,041,462	17,554,421	9,512,959
	53,356,025	78,125,342	24,769,316
GROWTH			
Stormwater Services	244,085	3,339,000	3,094,915
Wastewater Services	233,786	2,477,000	2,243,214
Water Services	1,504,365	3,430,000	1,925,635
Transportation RA 1	2,378,814	4,068,000	1,689,186
Parks	24,110	707,383	683,273
	4,385,161	14,021,383	9,636,223
Total Capital	94,808,181	146,933,309	52,125,128

9.0 CARRY FORWARD SCHEDULE

- 9.1 Included in **Attachment 4** is a Schedule of Projects and budget amounts that officers have requested to be carried forward to the 2020/21 year
- 9.2 As noted in the previous section on capital, total Capital spend was \$94.8m against the revised budget of \$146.9m. This leaves a balance of budget not spent of \$52m. Officers have reviewed the 2020/21 unspent capital of \$52m and also compared them to project budgets in the 20/21 year to ensure that the appropriate amount is being carried forward.

- 9.3 The budget for the 2021/22 year is set at \$127.9m and is a challenging budget in itself without adding the 2020/21 capital underspend of \$52m. Particularly in the current environment with supply chain and workforce issues.
- 9.4 It must be remembered that Council are working in an extremely “tight” market where resources are concerned in terms of personnel and contractors along with the challenges of the current supply chain constraints. Level four lockdown within the Auckland region has already made access to materials an additional factor.
- 9.5 However, the carrying forward of budget is the accepted mechanism to allow those capital projects to be delivered and reported on, in the following year or to enable re-budgeting in future years.
- 9.6 Of the 2020/21 carry forward of \$52m officers believe that \$31m will go ahead in the 2021/22 as many of these projects are either underway or about to start. This leaves the remaining carry forwards of \$20m to be re-budgeted into the 2022/23 Annual Plan.
- 9.7 The level of carry forwards from rates funding is \$1.69m (\$1.31m last year). While the table provides a summary of the major carry forward items, the \$213k of rates carry forwards classified as other is made up of a number of smaller carry forward projects across Council groups.
- 9.8 Included in the Loan Funded carry forwards is \$3.1m for the major drinking water project. In addition, there is a range of carry forwards across a number of Council activities, from the Municipal Strengthen (\$4.3m) through to the CBD redevelopments of \$619k.
- 9.9 Below is a table of the analysis split out by capital type:

2020-21 Carry Forward Summary					
Growth	Criticality	Status	Completion date if known	\$	\$
Howard street		Developer driven		9,681,000	
Lyndhurst		Developer driven		2,572,000	
Iona/Middle		Developer driven		1,506,000	
Omahu industrial		Developer driven		1,871,000	
Medium density		Developer driven		452,000	
Brookvale		Developer driven		94,000	
Arataki		Developer driven		26,500	
Other		Developer driven		375,000	
					16,577,500
Rate Funded					
Social Development				126,000	
Strategic Culture & Heritage				107,000	
Marketing				53,000	
Splash planet				217,000	
Parks projects				799,150	
Security review				177,850	
Other				213,000	
					1,693,000
Loan & Reserve funded					
Municiple Strengthen	High	Underway	Jun-22	4,317,105	
Major Drinking water project	High	Underway	Jun-22	3,139,000	
Lowes Pit	High	Design underway with T&T		2,030,000	
Trunk Sewers	High	Contract awarded	Sep-21	1,966,000	
		Being constructed with Warwick Road	Sep-21	1,254,000	
Eastern Inteceptor	High	Not started		1,100,000	
Martin Place Recycling		Not started		880,000	
Heretaunga House Cemetery	High	Not started		875,000	
Hastings Library Building project		Part of Civic square		872,000	
Food Hub				800,000	
Sewer Rising Mains	High	Design Underway		754,000	
Civic square		To be re-consulted on	Jun-22	750,000	
Urban Reticulation re-line	High	Contract awarded	Mar-22	654,000	
		Underway. Multi year project		619,000	
CBD Re-Development	Medium	Planning work underway	Jun-22	510,000	
Cornwall Park RMP				500,000	
Cranford Hospice				475,000	
Hastings City Art gallery HVAC upgrade				400,000	
Town Clock	Medium	Being re tendered	Jun-22	365,000	
Spatial Plan development				300,000	
Splash Planet					
		Design underway for Waimarama and Te Awanga		291,000	
New Toilets	Low			290,000	
Camberley & Flaxmere master plans				11,584,413	
Other					34,725,518
Total Carry Forwards					52,996,018

10.0 EXTERNAL DEBT

- 10.1 Total net borrowing as at the end of June 2021 is \$165.7m, an increase from last year (\$150.2m). This is in line with projected debt in the 2018-28 Long Term Plan (LTP) which had forecast debt levels of \$162.5m at this time. Committed borrowing facilities in place are \$220.7m, along with \$38m in term deposits, providing headroom of \$53.7m. The liquidity ratio is at 126% in line with the policy minimum of 110%.

	30 June 2021 (\$000)
Borrowing at start of year	150,740
New Loans Drawn	75,000
Loan Repayments	(20,000)
Gross borrowings at end of period	205,740
Plus unutilised facilities	15,000
Total borrowing facilities available	220,740
Funds held on deposit	38,000
Total Net borrowings	165,740
<i>Liquidity Ratio</i>	<i>126%</i>

11.0 ALLOCATION OF RATING SURPLUS

11.1 Council's Treasury Policy states the following on the allocation of surpluses:

"The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use."

11.2 There is still a great deal of uncertainty with regards the ongoing impact on Council by COVID-19 and there is considerable pressure on Council to deliver an ambitious programme of works and programmes. It is therefore recommended that in both Rating Area 1 (RA 1) and Rating Area 2 (RA 2) the surplus be transferred to the Contingency reserve, while maintaining the appropriate rating splits for this activity. Officers believe this is in keeping with a prudent financial management approach.

11.3 The total recommended transfer to the Contingency Reserve is \$554,204, being all of the RA 1 surplus of \$443,366 and \$110,814 from RA 2 representing 20% of that transfer in line with the rating split for that activity.

11.4 Whilst RA 2 currently has debt of \$2.453m, incurred for capital works, the recommendation of the Rural Community Board and supported by a resolution of Council to build the Rural Flood and Emergency Event Reserve up to a level of \$2m is considered a prudent one.

11.5 In determining priorities for the RA 2 general rate surplus, the Rural Community Board recommends to Council that the RA 2 Rating Surplus of \$422,655 be allocated as follows:

2020/21 RA 2 Rating	Surplus
RA2 Surplus on General Rate	\$422,655
- Allocation to the Council General Contingency Reserve	\$110,841
- Allocation to Rural Flood & Emergency Event Reserve	\$311,814

Landfill additional surplus allocation

11.6 Last year the Landfill surplus was in the first instance applied to repaying debt associated with the Landfill Gas to Energy Plant with the balance of RA 2 share of the Landfill surplus put towards the RA 2 Capital Reserve (\$125,259) with the RA 1 share put towards the Council Contingency Reserve (\$869,652).

11.7 The allocation of both the RA 1 and RA 2 share of the 2020/21 Landfill Surplus of \$1.997m is recommended to be put to the Landfill Development Reserve, with significant capital spend about to start with resource consent hearings and development of the next valley to follow. Carry forwards of \$6m along with \$30m budgeted spend in the LTP for the development of Valley B is expected to total \$36m over the next 10 years.

11.8 As mentioned earlier in the report, Council has embarked on an ambitious programme of delivery in 2021/22 and the impacts of Covid-19 are creating many uncertainties for the delivery of that

programme and on the operations of the organisation. It is recommended that whilst allocating the Landfill surplus to the Landfill Development Reserve is the right thing to do, it would be prudent to allow for Council to access these funds for operational matters should Council require additional funding to deliver the 2021/22 programme and meet any unforeseen operational impacts from the COVID-19 alert level lockdowns.

- 11.9 The recommendation of this report, taking into consideration the recommendations to the Hastings District Rural Community Board, is to allocate the rating surplus/deficit as per the table below:

Rating Result			
	Total	Rating Area 1	Rating Area 2
Surplus/(Deficit) on General Rate	866,021	443,366	422,655
Landfill Surplus	1,997,339	1,745,874	251,465
	2,863,360	2,189,240	674,120
Recomended Allocation			
Allocation on General Rate			
Contingency Reserve	554,207	443,366	110,841
RA2 Flood Reserve	311,814		311,814
	866,021	443,366	422,655
Landfill Surplus			
Landfill Reserve	1,997,339	1,745,874	251,465
	1,997,339	1,745,874	251,465
Total Allocation	2,863,360	2,189,240	674,120

12.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Operations and Monitoring Committee receives the report titled Draft Financial Year End Results - 30 June 2021.
- B) That the funds arising from the Rating Area 2 surplus for the 2020/21 financial year, as recommended by the Hastings Rural Community Board, be allocated as follows:

2020/21 RA2 Rating Surplus	Surplus
RA2 Surplus on General Rate	\$422,655
- Contingency Reserve	\$110,841
- Allocation to Rural Flood & Emergency Event Reserve	\$311,814



2020/21 Landfill Operating Surplus	Surplus
RA2 Surplus on Landfill Operations	\$251,465
- Allocation to Landfill Reserve	\$251,465

- C) That the rating allocation be allocated as per the following table:

Rating Result	Total	Rating Area 1	Rating Area 2
Surplus/(Deficit) on General Rate	866,021	443,366	422,655
Landfill Surplus	1,997,339	1,745,874	251,465
	2,863,360	2,189,240	674,120
Recommended Allocation			
Allocation on General Rate			
Contingency Reserve	554,207	443,366	110,841
RA2 Flood Reserve	311,814		311,814
	866,021	443,366	422,655
Landfill Surplus			
Landfill Reserve	1,997,339	1,745,874	251,465
	1,997,339	1,745,874	251,465
Total Allocation	2,863,360	2,189,240	674,120

- D) Noting that while the Landfill surplus is allocated to the Landfill Development Reserve, it is acknowledged that for the balance of the 2021/22 financial year this landfill surplus is available for Council to meet any requirements to meet the delivery of the 2021/22 budget and any unforeseen Covid-19 related impacts.
- E) That the budgets as per the schedule of Carry Forwards funded by rates and loans be approved to be carried forward to the 2021/22 financial year.

Attachments:

- 1  Rating Surplus 2021 RA1 & RA2
2  Quarterly Dashboard June 2021

FIN-09-01-21-198
FIN-09-01-21-200

Under Separate
Cover

3↓ Draft Unaudited Financial Statements
4⇒ Carry Forwards 2021

FIN-09-01-21-199
FIN-09-01-21-201

Under Separate
Cover

Item 8

GENERAL RATE 2020/21 YEAR-END ANALYSIS BY RATING GROUPS		Rating Area One		
Activity	Budgeted Net Cost	Actual Net Cost	C/Forwards to 21/22	2021 Result Surplus(deficit)
Corporate and Customer Services	4,997,137	5,293,778	99,810	-396,450
Rural Community Board	5,207	4,742	0	465
Finance Services	909,626	904,118	0	5,508
Community Facilities and Programmes	13,649,667	12,516,936	511,464	621,266
Marketing & Communication	1,983,014	1,986,340	46,327	-49,654
Planning and Regulatory Services	3,974,908	3,728,753	88,000	158,154
Economic Growth & Organisation Improvement	2,968,178	3,096,430	19,918	-148,170
Parks and Property Management	11,389,579	10,523,132	745,447	121,000
Transportation	10,359,562	9,963,193	0	396,369
Landfill	0	-75,917	0	75,917
Stormwater	2,523,284	2,837,508	0	-314,224
Water Services	1	2	0	-1
Recycling Depot & Trsftr Stn	426,823	512,556	21,454	-107,188
Contingency Fund	-3,838	26,893	0	-30,731
Gross Requirement	53,183,148	51,318,467	1,532,421	332,260
Surplus on General Rate				332,260
<u>Plus Other Revenue & Expenditure Adjustments</u>				
Other Expenditure	42,200	375,979	0.00	-333,779
General Purpose Reserve (Surplus Allocation)	0	-564,687	0.00	564,687
Petrol Tax	-444,016	-502,435	0.00	58,419
Wastewater Levy to Reserves (UAGC)	0	0	0.00	0
Wastewater Targeted Rate to Reserves	0	0	0.00	0
Wastewater Levy to Reserves	0	0	0.00	0
Brought Forwards	-924,424	-924,424	0.00	0
	-1,326,240	-1,615,567	0.00	289,326
<u>Rates Revenue Surplus</u>				
Provn for Doubtful Debts	0	0	0.00	0
Rates Penalties	-269,400	-417,253	0.00	147,853
Rate Remissions	146,278	294,762	0.00	-148,484
Rates Revenue (after Remissions)	-75,401,906	-75,508,198	0.00	106,292
Less extra rates levied for Separate Rates & UAC's	0	0	0.00	-283,882
Rates Revenue Surplus	-75,525,028	-75,630,689	0.00	-178,221
Total General Rates Surplus				443,366

GENERAL RATE 2020/21 YEAR-END ANALYSIS BY RATING GROUPS		Rating Area Two		
Activity	Budgeted	Actual	C/Forwards to 21/22	2021 Result Surplus(deficit)
	Net Cost	Net Cost		
Corporate and Customer Services	622,599	668,740	7,190	-53,331
Rural Community Board	45,393	41,339	0	4,054
Finance Services	126,218	125,425	0	793
Community Facilities and Programmes	1,368,340	1,287,995	40,386	39,959
Marketing & Communication	285,621	286,100	6,673	-7,152
Planning and Regulatory Services	1,034,815	1,011,322	22,000	1,493
Economic Growth & Organisation Improvement	709,599	725,402	9,082	-24,885
Parks and Property Management	820,519	758,099	53,703	8,717
Transportation	6,753,281	6,494,221	0	259,060
Landfill	0	-10,935	0	10,935
Stormwater	95,578	29,145	20,000	46,432
Water Services	0	0	0	0
Recycling Depot & Trafir Sin	30,749	36,925	1,546	-7,722
Contingency Fund	-959	6,723	0	-7,683
Gross Requirement	11,891,752	11,460,502	160,580	270,670
Surplus on General Rate				270,670
<u>Plus Other Revenue & Expenditure Adjustments</u>				
Other Expenditure	0	81,334	0	-81,334
General Purpose Reserve (Surplus Allocation)	0	-81,334	0	81,334
Petrol Tax	-75,984	-85,981	0	9,997
Wastewater Levy to Reserves (UAGC)	0	0	0	0
Wastewater Targeted Rate to Reserves	0	0	0	0
Wastewater Levy to Reserves	0	0	0	0
Brought Forwards	-418,540	-418,540	0	0
	-494,524	-504,521	0	9,997
<u>Rates Revenue Surplus</u>				
Provn for Doubtful Debts	35,000	-11,561	0	46,561
Rates Penalties	-30,600	-91,592	0	60,992
Rate Remissions	71,722	7,843	0	63,879
Rates Revenue (after Remissions)	-11,508,413	-11,588,210	0	79,797
Less extra rates levied for Separate Rates & UAC's	0	0	0	-109,241
Rates Revenue Surplus	-11,432,291	-11,683,520	0	141,988
Total General Rates Surplus				422,655

ACTUAL COUNCIL \$'000	Notes	BUDGET COUNCIL \$'000	ACTUAL COUNCIL \$'000
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE			
<u>Revenue</u>			
81,814 Rates, excluding metered water supply charges	3	87,919	87,303
28,198 Fees, charges and metered water supply charges (i)		28,620	32,472
21,772 Subsidies and Grants (ii)		27,702	38,187
4,281 Development and financial contributions		5,408	4,567
90 Donations		3	295
478 Interest revenue (iii)	4	0	519
746 Other revenue (iv)	5	537	2,852
5,098 Vested infrastructural assets (v)		1,000	2,662
142,477 TOTAL REVENUE		151,190	168,857
<u>Expenses</u>			
96,113 Operational costs (vi)	6	94,681	99,432
34,944 Depreciation and amortisation expense	7	34,936	37,502
4,991 Finance Costs (vii)		6,703	5
136,048 TOTAL EXPENSES		136,330	142,040
5,196 Unrealised Loss/(Gain) on Swaps (viii)			(8,010)
Share of associate surplus/deficit			-
1,232 Surplus/ (deficit) before tax		14,860	34,827
- Income Tax expense	8	-	-
1,232 Surplus/(deficit) after tax		14,860	34,827
<u>Other comprehensive revenue and expense:</u>			
Impairment - fixed assets			
41,152 Gain/loss on infrastructural revaluations	19	49,224	(20,524)
(5,223) Gain/Loss on land and building revaluations	19	-	121,265
(30) Gain/Loss on other revaluations	19	-	605
- Financial assets at fair value through other comprehensive revenue	19	-	(-)
35,898		49,224	101,345
37,131 Total other comprehensive revenue and expense		64,084	136,172
<u>Net Surplus /(Deficit) attributable to:</u>			
1,232 Hastings District Council		14,860	34,827
- Minority Interest		-	-
1,232		14,860	34,827
<u>Total comprehensive revenue and expense attributable to:</u>			
37,131 Hastings District Council		64,084	136,172
- Minority Interest		-	-
37,131		64,084	136,172

ACTUAL COUNCIL 2020 \$'000			BUDGET COUNCIL 2021 \$'000	ACTUAL COUNCIL 2021 \$'000
	Notes			
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021				
ASSETS				
Current assets				
-			1,265	38,675
13,241	Receivables (i)	9	12,095	15,512
106	Inventory	10	108	76
1,693	Non-current assets held for sale		-	-
14,180	Short Term Investments		-	-
29,220	Total current assets		13,468	54,263
Non-current assets				
-	Derivative financial instruments	16	-	-
1,063	Investments in associates	11 (a)	1,066	1,063
Other financial assets				
15	Investments in COO's and similar entities	11 (b)	1,063	15
3,172	Investment in other entities	11 (b)	1,568	4,727
-	Other non-current assets		-	388
4,251	Total other financial assets		3,697	6,194
250,837	Plant, property and equipment	12	242,116	385,449
2,019,005	Infrastructural assets	12	1,941,999	2,044,471
60	Biological Assets	12	-	60
294	Intangible assets		205	604
2,274,447	Total non-current assets		2,188,017	2,436,778
2,303,667	Total assets		2,201,485	2,491,041
LIABILITIES				
Current liabilities				
254	Bank Overdraft		0	-
23,710	Payables and deferred revenue (ii)	13	17,991	30,441
3,398	Employee entitlements	14	2,241	3,159
699	Derivative financial instruments	16	-	501
20,000	Borrowings and other financial liabilities (iii)	15	16,970	20,000
48,060	Total current liabilities		37,202	54,101
Non-current liabilities				
1,640	Provisions & Other Non-current Liabilities	13	659	1,559
333	Employee entitlements	14	480	460
18,063	Derivative financial instruments	16	13,500	10,251
132,815	Borrowings and other financial liabilities (iii)	15	152,732	185,741
152,851	Total non-current liabilities		167,371	198,011
200,911	Total liabilities		204,573	252,112
2,102,756	Net assets (assets minus liabilities)		1,996,912	2,238,929
Equity				
1,238,788	Accumulated funds	17	1,148,483	1,274,974
3,935	Restricted Reserves	18	2,615	3,577
859,033	Revaluation Reserves	19	845,814	960,378
2,102,756	Total equity		1,996,912	2,238,929

ACTUAL COUNCIL 2020 \$'000		BUDGET COUNCIL 2021 \$'000		ACTUAL COUNCIL 2021 \$'000	
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021					
<u>Cash flows from operating activities</u>					
<i>Cash was provided from:</i>					
81,548	Receipts from rates revenue		87,919		87,547
43,033	Receipts from customers		34,565		36,921
477	Interest received		-		513
126	Dividends and commissions received		-		-
21,772	Subsidies and grants received		27,706		38,187
	GST (net)		-		-
146,955			150,190		163,168
<i>Cash was applied to:</i>					
102,443	Payments to suppliers and employees		94,691		95,586
5,009	Interest paid		6,703		5,058
394	GST (net)		-		413
107,846			101,394		101,057
39,109	Net cash flows from operating activities (note 20)	A)	48,796		62,111
<u>Cash flows from investing activities</u>					
<i>Cash was provided from:</i>					
(1,811)	Receipts from sale of property, plant and equipment (i)		2,055		2,642
-	Maturing/sale of investments		-		14,000
-	Losses and impairment / revaluation prior year and investments withdrawn		-		-
(1,811)			2,055		16,642
<i>Cash was applied to:</i>					
72,915	Purchase of property, plant & equipment and infrastructural assets		110,855		91,195
14,149	Purchase of investments		383		-
87,064			111,238		91,195
(88,875)	Net cash flows to investing activities	B)	(109,183)		(74,553)
<u>Cash flows from financing activities</u>					
<i>Cash was provided from:</i>					
46,574	Proceeds from borrowings		66,016		71,371
<i>Cash was applied to:</i>					
	Repayment of borrowings		5,629		20,000
46,574	Net cash flows from financing activities	C)	60,387		51,371
(3,192)	Net increase (decrease) in cash, cash equivalents and bank overdraft	(A+B+C)	-		38,929
2,939	Cash, cash equivalents and bank overdraft at the beginning of the year		1,265		(254)
(253)	Cash, cash equivalents and bank overdraft at the end of the year		1,265		38,675
<u>Cash at end of year comprises</u>					
(254)	Cash and cash equivalents		1,265		38,675

Thursday, 30 September 2021

Item 9

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga***Hastings District Council: Operations & Monitoring Committee Meeting***Te Rārangi Take*

Report to Operations and Monitoring Committee

Nā:
From: John O'Shaughnessy, Group Manager: Planning & Regulatory

Te Take:
Subject: Update on Building Consent Processing

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to provide Council with an update report on the Building Consent activity.
- 1.2 The Building Control area of Council presently reports its performance quarterly to Council's Operations & Monitoring Committee. Additionally, the Building Control area is required under the Building Act, to have a system to run and maintain a quality assurance regime for its performance of its building control functions including policies, procedures and systems. This includes meeting the statutory timeframes for consent processing.

However the focus of this report is on the processing of Building Consents.

- 1.3 Currently our building consents are running behind our statutory (and ideal) processing timeframes. While there are a number of contributing factors, the two main reasons for this are firstly, the sheer growth in volume of consents (a 20% increase in consent numbers between 2019/20 and 2020/21) and secondly, we continue to struggle to employ additional staff, which means these increasing consent numbers have to be absorbed by existing staff. This has resulted in the processing times and inspection timeframes increasing. Unlike other businesses, Council cannot turn away consents of an acceptable standard, as Council is required by law to process these.

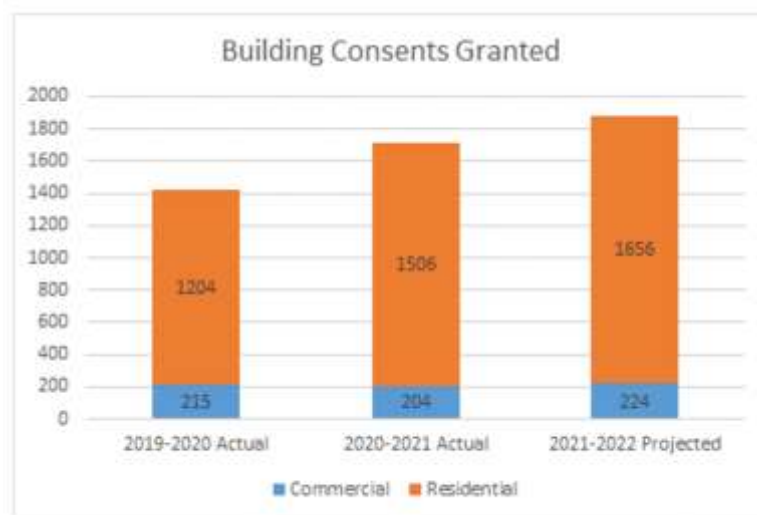
2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Operations & Monitoring Committee Meeting receive the report titled Update on Building Consent Processing dated 30 September 2021.

- B) That another update report on the Building Consent area be provided to Council in early 2022.

3.0 Background – Te Horopaki

- 3.1 The graph below outlines actual building consent numbers for the 2019/20 and 2020/21 years with a forecast for the 2021/22 year (+10% increase).



Graph 3.1.1

The number of commercial building consents for 2020/21 reduced from the 2019/20 year, however the complexity and scale of these increased this last year (as an example two hospitals and a number of large scale horticultural cool stores / industrial buildings were processed).

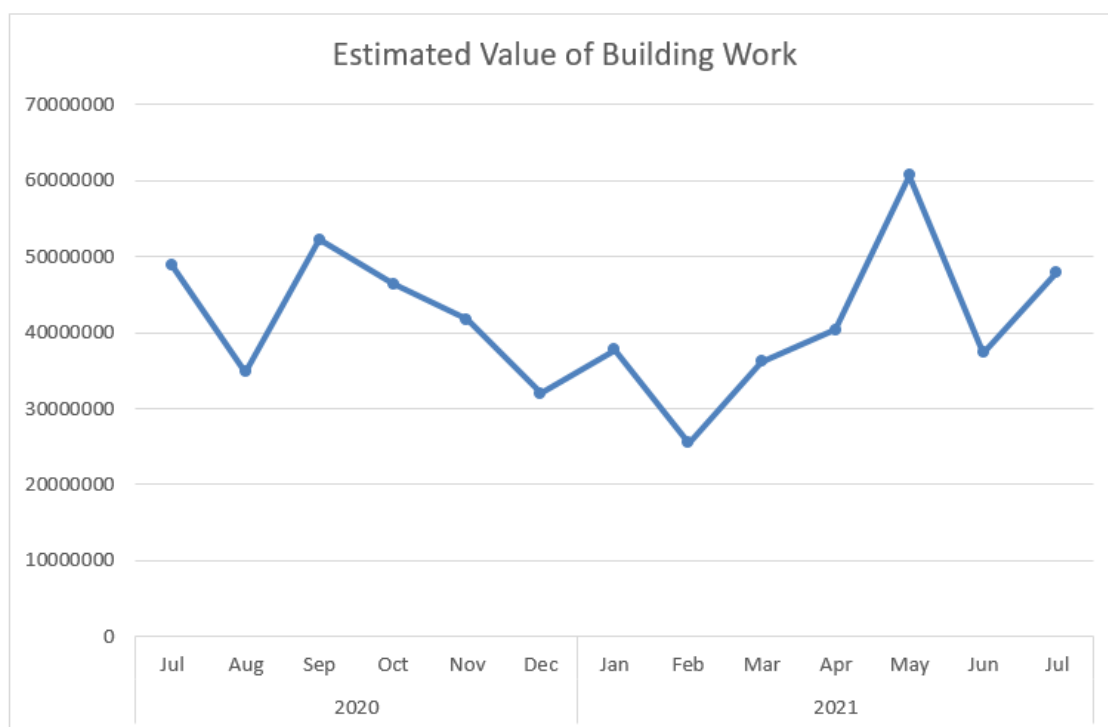
For the 2021/22 year, we have forecast a 10% increase in consent numbers, with the majority being residential consents. This is considered appropriate with what Council know from subdivision / resource consent approvals.

The graph below demonstrates that we had particular peaks in consent numbers that in many ways we are still working hard to recover from.



Graph 3.1.2

In addition to fluctuating consent numbers, a standout feature of the past 12 months has been an increase in consent complexity on a scale that, historically, Hastings has not seen.



Graph 3.1.3

3.2 Consent Processing Timeframes

These features have unfortunately had an impact on our ability to consistently comply with October statutory timeframes as the chart below demonstrates.



Graph 3.4.1

As a regulatory authority, HDC do not have the ability to turn away work like most businesses, it has to process all consents submitted to it of an acceptable standard. As can be seen from Graph 3.1.1, we have been experiencing growth year on year in volume. Additionally, we have seen an increase in complex consents.

3.3 Initiatives

The Building Consent Team have looked at ways to increase productivity involving streaming internal reviews, updating checklists, reduction of manual entries, a Building Bulletin, an online tracking application (The Progression Bar), and other technologies such as remote inspections.

Additionally, the Council has established a Building Advisory Group which is looking at a number of initiatives in the building consenting area.

These initiatives, plus maintaining an active recruiting presence, show Council is endeavouring to reduce building consent processing times.

Attachments:

There are no attachments for this report.

Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

The employment of additional resources in the Building Consent area will help with the processing and inspections of papakainga housing and other iwi led housing developments like Waingākau in Flaxmere.

Sustainability - *Te Toitūtanga*

Not applicable:

Financial considerations - *Ngā Whakaarohanga Ahumoni*

Not applicable:

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy and as an update report, it does not trigger any Significance or Engagement Policy.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

The Council were updated on the performance of the building consent area in May this year and we have sent out a newsletter informing the industry of delays occurring in processing and inspections.

Risks

REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
Service Delivery, Legal compliance, Reputation	Service Delivery, Legal compliance, Reputation

Rural Community Board – *Te Poari Tuawhenua-ā-Hāpori*

These proposed changes identified in this report will go to the next Rural Community Board meeting.

Thursday, 30 September 2021

Item 10

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Operations & Monitoring Committee Meeting

Te Rārangi Take

Report to Operations and Monitoring Committee

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

Te Take: **Non-Financial Performance Report for the Year Ended 30 June**
Subject: **2021**

1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to update the Committee on achievement against its non-financial performance management framework as contained within the 2018-2028 Long Term Plan.
- 1.2 The performance management framework forms part of the 2018-2028 Long Term Plan which the Council is legally required to report against annually. This is the third and last year of reporting against the 2018-2028 plan. Note: The 2021/22 financial year represents Year 1 of the newly adopted 2021-2031 Long Term Plan which will be reported against in 2022.
- 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 2020.
- 1.4 A summary of Council performance is contained at the beginning of **Attachment 1**, and provides a high level overview of performance. Generally the Council performance has met its targets as set out in its performance framework, and in some cases such as the Water Supply activity, the rollout of the Council's drinking water capital programme is on target to fully comply with the mandatory performance measures.
- 1.5 The Council's Performance Management Framework has 3 levels as follows:
 - **Future Aspirations** (what we are trying to achieve over time – trends and shifts)
 - **Today's Commitments** (levels of service we have committed to the community)
 - **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:
- 1) Levels of Service
 - 2) Customer Experience
 - 3) Key Actions
- 1.7 In regard to the 65 levels of service measures within the Long Term Plan, 81% of those able to be measured in 2020/21 were either fully or substantially achieved. Of those not achieved the key reasons were:
- Impacts of the new water operating and legislative environment on some measures (i.e. Protozoa treatment) which will be fully addressed upon completion of Council's water investment and upgrade programme;
 - An extended summer with drought conditions influencing water consumption figures; and an abatement notice in the stormwater activity;
 - Ongoing disruption due to the Covid-19 pandemic;
 - Some measures which span financial years.
- 1.8 In regard to the 7 customer experience measures 3 were fully achieved, 2 were not measured and the 2 measures not achieved being the result of growth pressure in the consenting area.
- 1.9 In regard to the 27 key actions contained in the Long Term Plan these are either 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 Operations and Monitoring Committee receive the report titled Non-Financial Performance Report for the Year Ended 30 June 2021 dated 30 September 2021.

Attachments:

1⇒	Annual Report for Operations and Monitoring Committee	CP-02-21-351	Under Separate Cover
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HASTINGS DISTRICT COUNCIL

OPERATIONS AND MONITORING COMMITTEE MEETING

THURSDAY, 30 SEPTEMBER 2021

Item 13

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

14 Foodeast Directors' Fees

15 Horse of the Year (Hawke's Bay) Limited Director Appointment

16 Update on Building Consent Processing

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
14 Foodeast Directors' Fees	Section 7 (2) (a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. To protect the privacy of the individual directors.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
15 Horse of the Year (Hawke's Bay) Limited Director Appointment	Section 7 (2) (a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. To protect the privacy of individuals.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
16 Update on Building Consent Processing	Section 7 (2) (h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. To protect the disclosure of commercially sensitive information of other entities from the public.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.

