

Quarterly Performance Report

Quarter 1


1 July to 30 September 2023



Section one

Community wellbeing update

This section provides an overview of our city with data on population, education, employment, health, and housing

The bottom right corner of the page features a decorative graphic consisting of several thick, light blue wavy lines that flow from the bottom left towards the right edge, creating a sense of movement and modern design.

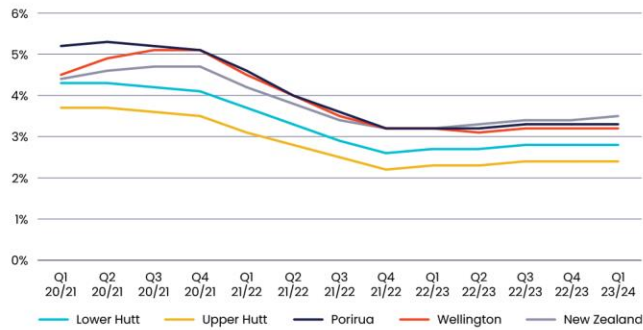
Quarterly wellbeing update

Te Awa Kairangi Lower Hutt

Employment



Unemployment Rate

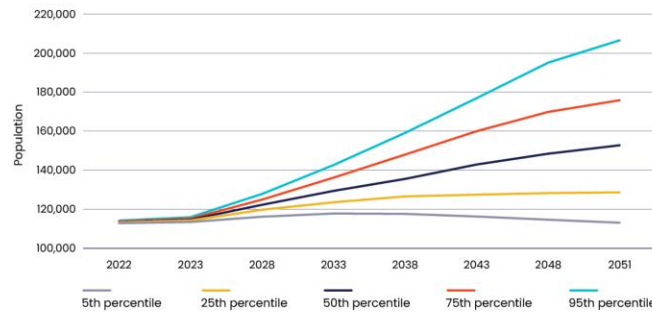


Source: Infometrics

Population



Population Projection

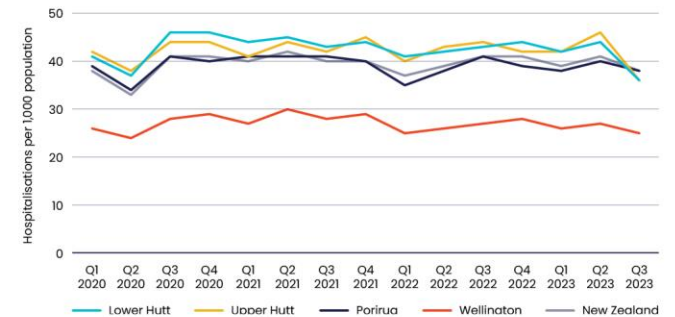


Source: Sense Partners
 Percentile: the probability that the actual result is lower than the percentile. For example, the 75th percentile indicates an estimated 75% probability that the actual result will be lower, and a 25% probability that the actual result will be higher.

Health

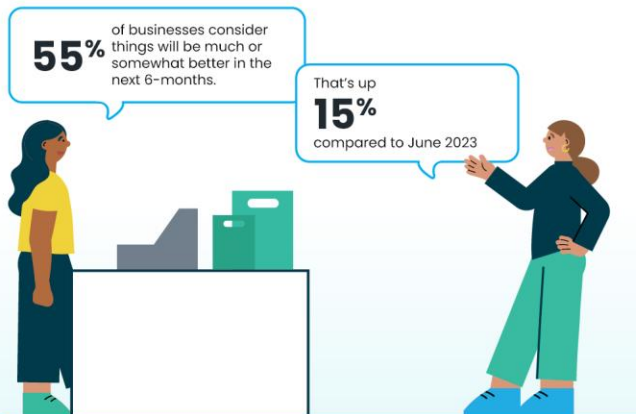


Hospital admissions



Source: Health NZ Capital Coast and Hutt Valley District, Hutt hospital

Business confidence as of September 2023

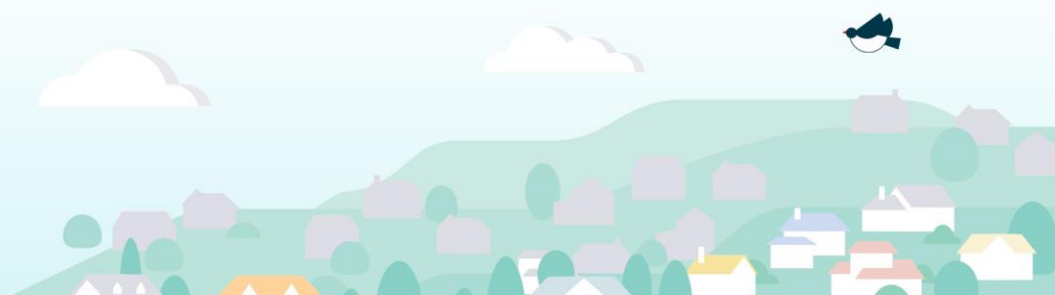


Source: Hutt Valley Chamber of Commerce

Ethnicity



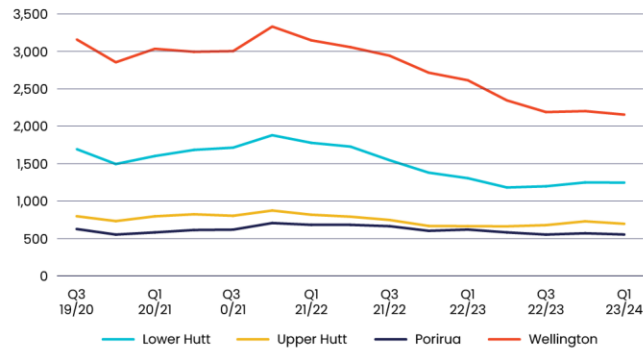
MELAA: Middle Eastern, Latin American, and African.
 Total % is more than 100% as people can identify as more than one ethnicity.
 Source: Stats NZ, Census 2018



Housing

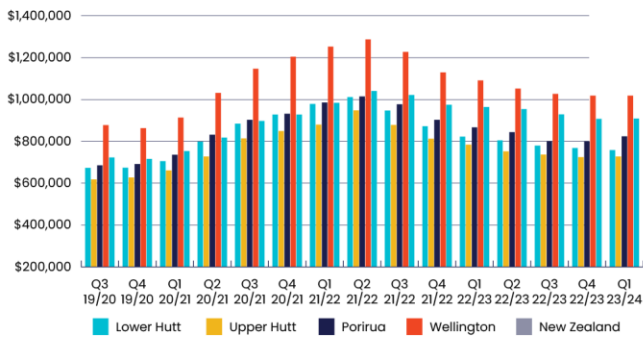


House sales



Source: Infometrics

House values



Source: Infometrics

Wā Kāinga Tākiri Mai te Ata

July - September 2023

November 2019 - September 2023

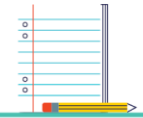
Whānau/households who have been supported under the Homelessness Prevention Service

17

315*

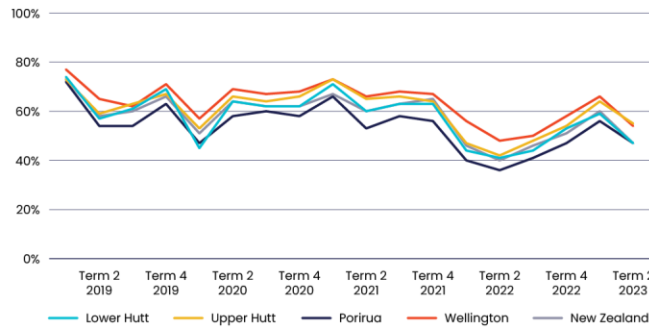
*Total number of people supported since the service began.

Education



Attendance rate

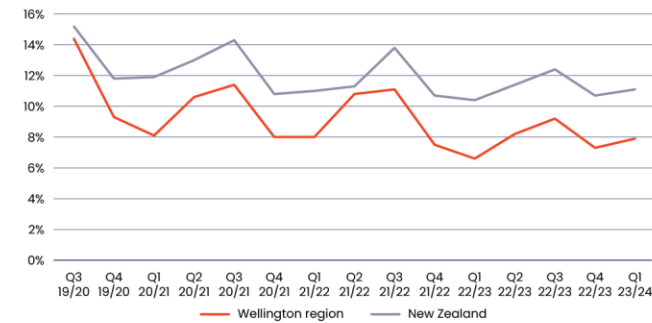
State primary and secondary schools
Percentage of students attending 90% or more of the time



Source: Education Counts (Ministry of Education)

NEET Rate

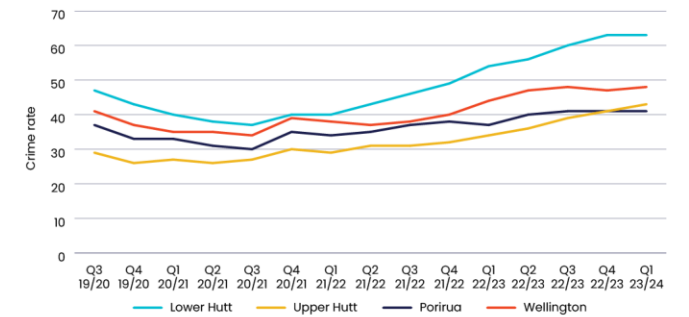
Percentage of 15-24 year olds not in education or employment



Source: Stats NZ

Other

Crime rate



Crime rate = average victimisations per 10,000 population over the last 12 months
Source: NZ Police via DOT Loves Data

Deprivation index

An area-based measure of socioeconomic deprivation based on nine Census variables



Source: DOT Loves Data as of September 2023



Contents

This quarterly performance report provides a summary of Hutt City Council's progress made against the Long Term Plan, Annual Plan and Chief Executive's KPIs/strategic focus areas for Quarter 1, 2023/24.


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Section one

Highlights and challenges

This section summarises our performance, with a focus on things we achieved, key highlights, and challenges we're facing

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Highlights

Progressing the 2024–34 Long term plan

Early engagement was undertaken in quarter 1 which highlighted that council is heading in the right direction in terms of our strategic approach for the 2024–34 LTP.

Officers completed budget reviews in September and October 2023 and included assessment and alignment to Council's strategic priorities. Initial budget decision by elected members were progressed on 30th October 2023, with further decisions planned for 27 November 2023. The draft plan is scheduled for formal public consultation in April 2024.

Activity Management plans were completed and a process was established to review the KPIs against strategic priorities. A first draft of KPIs were developed and tested with senior leadership in September.

CE Performance Objectives

At the end of July, the Chief Executive's Performance Review Subcommittee met and unanimously signed off on the CE's performance objectives for 2023/24.

The objectives are being used to inform team planning and in the development of individual performance goals for the year ahead.

Recognition for wellbeing

Hutt City Council (HCC) was the recipient of Vitae's (our EAP provider) 'Company Award' for wellbeing, which is one of two annual awards they give out. HCC received this award for "our energy and commitment to a range of inclusive and comprehensive staff wellbeing initiatives, for living our stated values, and understanding and responding to the wellbeing needs of our staff in meaningful ways." Vitae has a client base of around 700 organisations, so this was special recognition and a great achievement.

Demonstrating tangible outcomes for Māori

An initial framing of the Māori strategy was completed, including mapping current and planned actions across Council. This was presented to Mana Whenua groups in October. An initial update on the strategy work will go to the Communities, Culture and Partnerships Committee on 6 November 2023, followed by a more detailed paper to the Committee in Quarter 3.

Te Ao Māori organisation

HCC delivered 1 Te ao Māori capability (TAM) cohort this quarter, with 50 staff graduating from the programme.

Highlights

Improving customer experience and outcomes

Work to replace our legacy customer service systems continued this quarter. An RFP to purchase core systems for a CRM, bookings and facilities management, and request for service was released in July.

Eight proposals have been received and a decision on the preferred suppliers is expected in early November 2023.

Quality Management System (QMS) for National Programme Accreditation

In September, our environmental health team passed an audit of our quality management system for recognition to verify national programme businesses.

This accreditation means that our Food Act Verifiers can undertake verifications of National Programmes, which cover a sector of food business, including dairies, coffee roasters, and manufacturers of alcohol beverages, among others.

The team was recognised for exceptional reporting by the auditor, with one aspect of the report being described as a leading example among other Councils.

Staff health and safety

This quarter, we have held various health and safety training courses including Leader Inductions, GoodYarn Workshop, Situational Awareness and Safeguarding Children training, with good attendance across all sessions.

This training ensures we meet our legal obligations and build capabilities across the workforce.

Non-financial KPIs

- While Huia pool did not meet target, visitor numbers increased by 21,982 compared to Q1 22/23.
- 65% of the council vehicle fleet is electric.
- Total visitors to Community Hubs exceeded target by 93,633.

Challenges

Water Supply Issues

- New compliance rules took effect in November 2022, and we are no longer able to report against the prior standards.
- Reporting moving forward is against the Bacteriological and Protozoal requirements of the Drinking Water Quality Assurance Rules.
- The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households. This rule requires either a substantial increase in chlorine concentration at the treatment plant, potentially affecting water taste and skin irritation, or extensive network upgrades to enhance chlorine-water contact time before reaching Lower Hutt customers.
- Wellington Water have advised that water is still safe to drink.

Non-financial KPIs

- Average drinking water consumption missed target by 37 litres per resident per day. This is due to leakage and high residential use relative to other cities in NZ. We continue to invest in water loss activities, network renewals, universal smart metering, and additional capacity to better manage increasing supply and demand.
- Attendance time for non-urgent callouts (Water Supply) missed target by 195 hours. Leaks are assessed based on risk to the public and the quantum of leakage, as opposed to age. The number of leaks continues to exceed available funding and resources. We anticipate that we will reach a record number of open leaks this summer
- Sewerage system attendance time missed target by 1,036 minutes due to increased work volume, and funding and resource constraints.
- 69% of Community Resilience Plans were more than 24 months old in Q1 (target = 0%).
- An increase in applications for building consents (prior to legislated changes that came into effect in Q4) resulted in consents processed within timeframes to drop from 91% in Q3 22/23 to 54% in Q4 22/23, and 58% in Q1 23/24.
- The number of days grass sport fields were closed missed target by 11 days due to substantial rainfall and poor drainage.

Challenges

Project challenges

- Tupua Horo Nuku has experienced some delays to on-site works this quarter due to penguin fatalities at Te Ara Tupua. This resulted in work being stopped on Ma Koromiko and Sunshine Bay on the 28 August 2023,. This was resolved and work commenced a week later.
- The Te Wai Takamori o Te Awa Kairangi (RiverLink) project is currently facing affordability challenges and leadership teams are reviewing options for advanced works. There is a collective focus on defining an affordable project for all partners in the IPAA (Interim Project Alliance Agreement) phase.
- The HRIS/Payroll Project within Te Kōhao (Go Digital) has been paused. There is a delay in the release of a new feature that Council requires, and we are still waiting on confirmation the software is compliant with the NZ Holidays Act. This has resulted in the implementation date being pushed out. Discussions are ongoing with the vendor on the next steps to resume the project.

Section two

Strategic focus areas

This section provides a progress summary on council's strategic focus areas



Pou Tāhū

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

Focus area	Quarter 1 update (1 July – 30 September 2023)
<p>Our delivery of key LTP 2024–34 initiatives</p>	<p>Climate action and waste reduction</p> <ul style="list-style-type: none"> • A draft business case for Food Waste Collection and Processing was completed in August, with the plan expected to be finalised in late October. • A formal report back to Council's Climate and Sustainability Committee is scheduled for 14 November 2023. <p>Māori Strategy</p> <ul style="list-style-type: none"> • Work has commenced to develop an initial framing of the Māori strategy, including mapping current and planned actions across Council. This will be presented to Mana Whenua groups in October 2023. <p>Maintaining of Standard and Poor's credit rating</p> <ul style="list-style-type: none"> • Reporting on the Standard and Poors credit rating outcome in August 2023 was presented to the Audit and Risk Subcommittee and Policy, Finance and Strategy Committee in September 2023. • The outcome of the review was an adjustment to the rating from AA Stable outlook to an AA Negative outlook. The LTP process continues to include assessment of the risks related to future S&P rating. <p>Leadership and planning for the government's reforms</p> <ul style="list-style-type: none"> • Transition planning is ongoing with Council input to National Transition Unit workstreams for the transfer of assets, data and staff to the new water entity, which has an indicative start date of 1 October 2024. • Agreement for the debt settlement with the transfer of the activity and assets has been confirmed by DIA. While there is a strong possibility that the affordable waters reform will be reviewed by the new government, until such time as this has been determined, transition planning with NTU is proceeding in accordance with current legislation.
<p>Our collaboration on key regional priorities</p>	<p>Partnerships with housing providers</p> <ul style="list-style-type: none"> • Urban Plus Limited (UPL), in collaboration with HCC and local mana whenua, is actively advancing housing development ventures in both Stokes Valley and Wainuiomata. • Conversations are ongoing about the potential of forming a partnership with Kainga Ora. There's an expectation of more definitive progress on this front, especially after the central government election results are finalised. • The first meeting of the Inaugral City Steering Group took place in September 2023. This group's mission is to foster a unified approach among central and local government bodies, as well as key partners such as Mana Whenua. The primary goal is to facilitate favourable housing outcomes within Hutt City.

Pou Tuarongo

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

Focus area	Quarter 1 update (1 July – 30 September 2023)
<p>Our customer & regulatory services</p>	<p>BCA Accreditation</p> <ul style="list-style-type: none"> • A multi phased IANZ (International Accreditation NZ) readiness programme has been developed and improvement actions are being implemented. • The IANZ accreditation visit is scheduled for February 2024. <p>Food Accreditation</p> <ul style="list-style-type: none"> • A JasAnz (Joint Accreditation System Australia & NZ) surveillance assessment was undertaken in September, with a favourable outcome. Only 3 observations/areas for improvement were noted. These will be checked at the next assessment in approximately 12-18 months. <p>District planning</p> <ul style="list-style-type: none"> • Electronic Plan (Eplan) for Operative and Draft District Plans has been implemented. Eplan for Proposed District Plan is scheduled to take place in 2024. • The HCC draft District Plan is going to the District Plan Review Committee on 18th October for approval to consult. <p>Territorial Authorities (TA) function</p> <ul style="list-style-type: none"> • An initial review has identified prioritised areas for improvement. External resources have been contracted and improvement work is commencing.
<p>Our improvements to Customer experience</p>	<p>Improving our core systems</p> <ul style="list-style-type: none"> • Work to replace our legacy customer service systems continued this quarter. An RFP to purchase core systems for a CRM, bookings and facilities management, and request for service was released in July. • Eight proposals have been received and a decision on the preferred suppliers is expected in early November 2023. <p>Short term improvements to our customer services</p> <ul style="list-style-type: none"> • We've continued to progress customer service improvements to enhance both the services we provide and the experience of our customers. • Workshops were held across key services to map existing customer processes. Through this we resolved some immediate concerns; applied short term fixes and gathered vital information to support how we embed the technology to be delivered through the CCX Project (Go Digital).

Pou Tuarongo & Whenua

Our communities and our Mana Whenua partners, their voices and priorities are at the core of our work, our policies and practices.

Focus area	Quarter 1 update (1 July – 30 September 2023)
Our relationship with Mana Whenua	Kāhui Mana Whenua & Hui <ul style="list-style-type: none">• 3 Kāhui Mana Whenua hui have been held. A quarterly hui was also held with Mana Whenua, where the programme of work was provided including the opportunity for feedback. Mana whenua engagement for council projects <ul style="list-style-type: none">• Discussions are underway to develop a new process to ensure Mana Whenua engagement is considered at the planning stages of council projects.
Our relationships with stakeholders	Partnerships and engagement <ul style="list-style-type: none">• Worked with Love Wainuiomata to complete the installation of the Welcome to Wainuiomata sign.• Co funded a Future of Hutt Valley Business project to articulate a ten-year business vision for the Hutt Valley and actions that Council, the business community and agencies can take together to achieve it.• New local business group Destination Eastbourne have met twice. A discussion paper was published capturing insight and aspiration from local businesses on future tourism, placemaking and economic wellbeing opportunities.

Pou Tokomanawa

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

Strategic focus area	Quarter 1 update (1 July – 30 September 2023)
Our culture and leadership	<p>Growing our people and capability</p> <ul style="list-style-type: none"> • The final leadership webinar of the series to grow our people and capability was delivered and centred around coaching, giving feedback and having difficult conversations. • This was delivered in direct response to feedback from our people leaders looking for capability development and support in these areas. • 122 people leaders attended one or more webinars throughout the series. • Our Waiora Pulse Survey is scheduled to be run from 30 October, measuring employee engagement.
Our enhanced employee experience	<p>A focus on employee satisfaction</p> <p>A number of key areas identified in the organisational action plan have been delivered. These include:</p> <ul style="list-style-type: none"> • Workload and time management webinars with author/leadership coach, Suzi McAlpine • Enhanced business planning process undertaken with org priorities linked to individual performance goals • Introduction of Mana Korero Framework to support our move towards a more agile and continuous performance development approach and our focus on improving the quality of conversation.
Our systems & processes	<p>HRIS and Payroll</p> <ul style="list-style-type: none"> • The HRIS/Payroll Project has been paused. • There is a delay in the release of a new feature that Council requires, and we are still waiting on confirmation the software is compliant with the NZ Holidays Act. This has resulted in the implementation date being pushed out. • Discussions are ongoing with the vendor on the next steps to resume the project <p>Business Process Optimisation</p> <ul style="list-style-type: none"> • Phase 1 of the Business Process Optimisation (BPO) project to improve corporate services processes has been completed. • The project is taking a phased approach to implementing a new CRM and is initially focusing on delivering a new Request for Services ticketing system and a new Bookings and Facilities Management system. Procurement commence in August 2023 with the aim of implementing a solution in 2024.

Section three

Programme and project summary

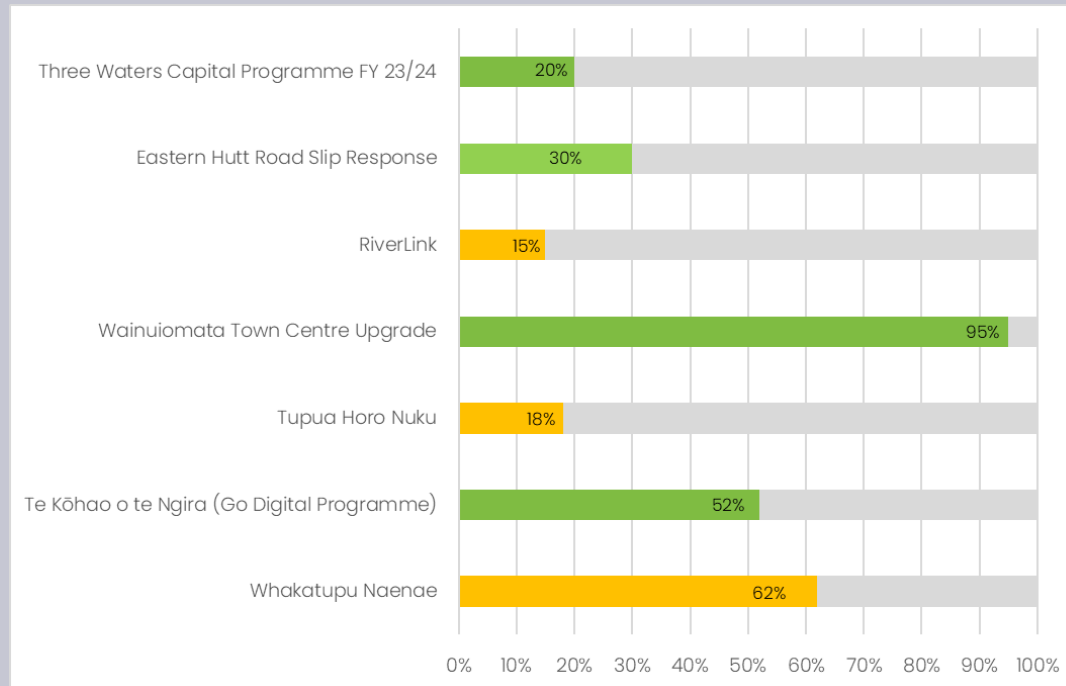
This section provides an overview of the major programmes and projects currently delivering services, assets or improvements across the organisation and wider community

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Major Projects in Hutt City

As at 30 September 2023

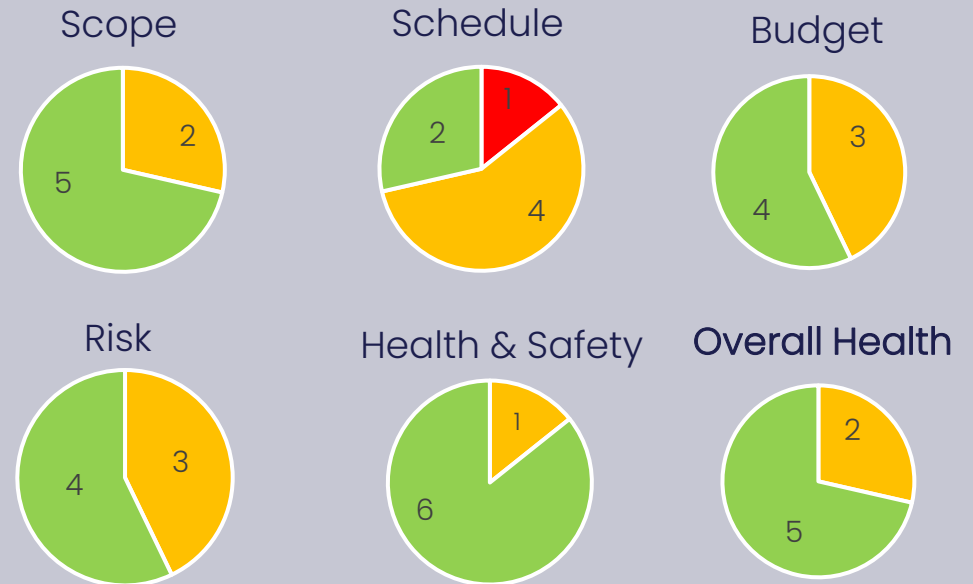
Overall Project Health and Percentage (%) complete



Overall Portfolio Health

A

Project RAG indicators



The overall portfolio health is reporting AMBER this reporting period for the seven major projects being delivered across council. A detailed summary for each project is provided on pages 15-18.

Project RAG Status Key:

R = Red
A = Amber
G = Green

On track: minimal or no significant risk

Delayed/at risk: some challenges, actively monitor

Off track: significant risk, escalation required

PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 30 September 2023					
Project title	Strategic alignment	Upcoming Milestones over the next 12-18 months:		Indicator	RAG	Progress update			
Three Waters Capital Programme	Environmental wellbeing	<ul style="list-style-type: none"> Eastern Hills Storage Reservoir consents lodged. 	Dec 2023	Scope	➔	The 3 waters capital delivery programme for the 2023/24 financial year has a total budget of \$76.7M of which Wellington Water Limited (WWL) is responsible for \$68.6M. The remaining balance is for IAF funded projects. Wellington Water is forecasting a small favourable variance for the full year for its programme of works with a medium confidence level. This is an early indication based on contracts that have been awarded or are shortly to be awarded.			
				Schedule	➔				
				Budget	➔				
		<ul style="list-style-type: none"> Petone Collector Sewer detailed design completed. 	Jun 2024	Risk	➔				
				Health & Safety	➔				
				Overall Confidence	➔				
						Budget	Actual spend	Forecast	Variance
					Total	\$76.7m	\$14.6m	\$75m	\$1.7m
Eastern Hutt Road Slip Response	Economic wellbeing	<ul style="list-style-type: none"> Physical works completion 	Q1 2024	Scope	➔	The project overall health has seen improvements as a result of the completion of Whitechapel Street and ongoing progress being made at both sites of Holborn Drive. An incident involving a rock that slipped down the slope face occurred and recorded, however there were no injuries. Variations have been submitted to allow for the additional scope that was identified during construction. The costs of these variations fall within the contingency budget for phase 2. The budget remaining after the completion of phase 2 will be utilised in the next phase of the project.			
				Schedule	⬆				
				Budget	➔				
				Risk	➔				
				Health & Safety	⬇				
				Overall Confidence	⬆				
						Budget	Actual spend	Forecast	Variance
					Total	\$27.5m (excl recovery costs)	\$2.2m (excl recovery costs)	\$27.5m	\$0m

Project RAG Status Key:

R = Red
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On track: minimal or no significant risk

Delayed/at risk: some challenges, actively monitor

Off track: significant risk, escalation required

⬆ Improvement
➔ No Change
⬇ Decline

PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 30 September 2023												
Project title	Strategic alignment	Upcoming Milestones over the next 12-18 months:		Indicator	RAG	Progress update										
Te Wai Takamori o Te Awa Kairangi (RiverLink)	Economic wellbeing	<ul style="list-style-type: none"> Completion of IPAA - scope and price setting phase 	Dec 2023	Scope	➔	<p>Overall health reported AMBER at the end of Q1. The Alliance team have completed the design work ready for programming and pricing. The alliance team have been progressing more slowly than expected due to the complexity of the project and lack of resource availability. There are some affordability challenges and leadership teams are reviewing options for advanced works. There is a collective focus on defining an affordable project for all partners in the IPAA phase.</p> <p>The consenting phase is now complete and work to meet consent conditions are underway. Management plans for the demolition works were approved by regulators.</p> <table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual spend</th> <th>Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>\$143.3m</td> <td>\$38.6m</td> <td>\$143.3m</td> <td>\$0m</td> </tr> </tbody> </table>		Budget	Actual spend	Forecast	Variance	Total	\$143.3m	\$38.6m	\$143.3m	\$0m
				Budget	Actual spend		Forecast	Variance								
		Total	\$143.3m	\$38.6m	\$143.3m		\$0m									
		Late 2023	Schedule	⬇												
			Budget	➔												
			Risk	➔												
			Health & Safety	➔												
Overall Confidence	➔															
Wainuiomata Town Centre Upgrade	Economic wellbeing	<ul style="list-style-type: none"> Project closure report 	Nov 2023	Scope	➔	<p>Overall project health remains GREEN at the end of Q1. The project has reached practical completion for all four stages with minor tasks (seating installation and pavement clean and sealing) to be completed. Seating installation has been delayed due to the supplier going into receivership. The project team are working to fabricate and install remaining seating elements by December 2023. An additional \$0.5m has been made available through the Parks & Reserves fund for development contributions.</p> <table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual spend</th> <th>Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>\$10.7m</td> <td>\$9.7m</td> <td>\$10.7m</td> <td>\$0m</td> </tr> </tbody> </table>		Budget	Actual spend	Forecast	Variance	Total	\$10.7m	\$9.7m	\$10.7m	\$0m
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PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 30 September 2023																
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Tupua Horo Nuku (Eastern Bays Shared Path)	Economic wellbeing	<ul style="list-style-type: none"> Construction complete – Ma Koromiko/Windy Point 	Nov 2023	Scope	➡	<p>Overall health, budget and risk indicators have all decreased to AMBER at the end of Q1. Project controls are established, however there are a number of key areas around planning and bird protection consent conditions that are still currently under review.</p> <p>Three kororā fatalities at the Ngauranga ki Pito-One project in late August caused all work on the two projects to stop. Work on Ma Koromiko and Sunshine Bay was stopped on the 28 August and recommenced on the 4th of September at Ma Koromiko and on the 11th of September at Sunshine Bay.</p> <table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual spend</th> <th>Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>\$79.95m</td> <td>\$18.5m</td> <td>\$79.95m</td> <td>\$0m</td> </tr> </tbody> </table>		Budget	Actual spend	Forecast	Variance	Total	\$79.95m	\$18.5m	\$79.95m	\$0m				
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Overall Confidence	⬆																			
Te Kōhao o te Ngira (Go Digital Programme)	Economic wellbeing	<ul style="list-style-type: none"> CCX Business Case sign off for CRM booking and facilities management 	Mar 2024	Scope	⬆	<p>Overall confidence in the programme reported GREEN to reflect the completion of several key projects and the work that has been done in the Customer Service Excellence project.</p> <p>To date 22 projects have been completed. Currently there are four live projects within the Te Kōhao/Go Digital Programme, two of these projects are in the project closure phase. Three new projects – Hybrid Cloud, Enterprise Cash Receipting and Payment Gateways are currently being scoped.</p> <table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual spend</th> <th>Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>\$14.57m</td> <td>\$6.34m</td> <td>\$14.57m</td> <td>\$0m</td> </tr> </tbody> </table>		Budget	Actual spend	Forecast	Variance	Total	\$14.57m	\$6.34m	\$14.57m	\$0m				
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PROGRAMME AND PROJECT INFORMATION				QUARTERLY UPDATE – as at 30 September 2023																	
Project title	Strategic alignment	Upcoming Milestones over the next 12-18 months:		Indicator	RAG	Progress update															
Whakatapu Ngaengae (Naenae Pool & Community Centre)	Economic wellbeing	Naenae Pool				<p>The overall health at the end of Q1 continues to report AMBER. Overall, the project is still on track for practical completion at the end of July 2024. There have been no major changes to the project scope, although some additions have been made possible through the careful management of project contingencies e.g. an additional hydro slide and 2nd bulkhead for the main pool.</p> <p>Naenae Pool and Fitness Centre: The roof membrane to the main pool hall is at 90% completion and work continues inside to install pool water services and pool tank walls. Overall, the Naenae Pool and Fitness Centre is on track to complete construction according to schedule.</p> <p>Te Ngaengae Community Centre The refurbishment of the Naenae Post Office and conversion to Community Centre is in the construction stage and the building is due open in Apr/May 2024.</p> <p>Both projects have contingency reserves that are considered adequate to manage residual risks.</p> <table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual</th> <th>Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Pool & Fitness</td> <td>\$68m</td> <td>\$42.36m</td> <td>\$68m</td> <td>\$0m</td> </tr> <tr> <td>Town Centre</td> <td>\$9m</td> <td>\$3.3m</td> <td>\$9m</td> <td>\$0m</td> </tr> </tbody> </table>		Budget	Actual	Forecast	Variance	Pool & Fitness	\$68m	\$42.36m	\$68m	\$0m	Town Centre	\$9m	\$3.3m	\$9m	\$0m
			Budget	Actual	Forecast		Variance														
		Pool & Fitness	\$68m	\$42.36m	\$68m		\$0m														
		Town Centre	\$9m	\$3.3m	\$9m		\$0m														
		• Foundations and structure	Sep 2023	Scope	→																
		• Internal works	Apr 2024	Schedule	→																
		• Fit out and commissioning	Jul 2024																		
		• Practical completion	Jul 2024	Budget	→																
• Pool operational	Jul -Dec 2024	Risk	→																		
Community Centre		Health & Safety	→																		
• Building services & internal finished	Feb 2024	Overall Confidence	→																		
• Practical completion	Mar 2024																				
• Community centre opening	Apr 2024																				

Section four

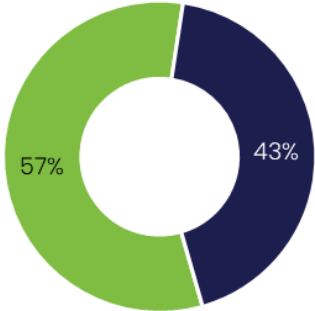
Non-financial key performance indicators

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

The bottom right corner of the slide features several thick, light blue wavy lines that flow from the bottom left towards the right edge, creating a dynamic, abstract graphic element.

Overview

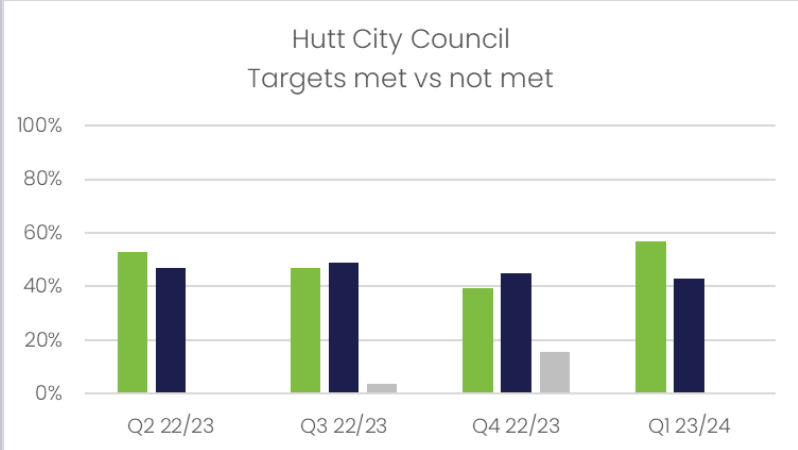
Hutt City Council
Targets met vs not met
Q1 23/24



Quarter 1

- 51 Annual Plan KPIs
- 29 met
- 22 not met

Trends



Legend for the tables

Target columns	
≥	Target is greater than or equal to the number specified
≤	Target is less than or equal to the number specified
Variance columns	
45%	Numbers in green indicate the target was met or exceeded
45%	Numbers in red indicate the target was not met

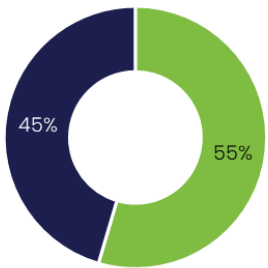
Legend for the charts

■	Targets met
■	Targets not met
■	Data unavailable

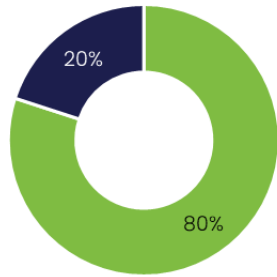
Note: There are 86 indicators in the Annual Plan/LTP, 51 of these are reported on quarterly. The remaining 35 are reported on annually and are included in year-end figures and charts

Overview

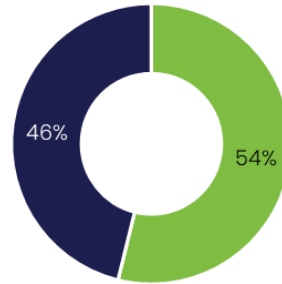
Environmental wellbeing
Targets met vs not met
Q1 23/24



Economic wellbeing
Targets met vs not met
Q1 23/24



Social & cultural wellbeing
Targets met vs not met
Q1 23/24



Environmental wellbeing

- 33 Annual Plan KPIs
- 18 met
- 15 not met

Economic wellbeing

- 5 Annual Plan KPIs
- 4 met
- 1 not met

Social & cultural wellbeing

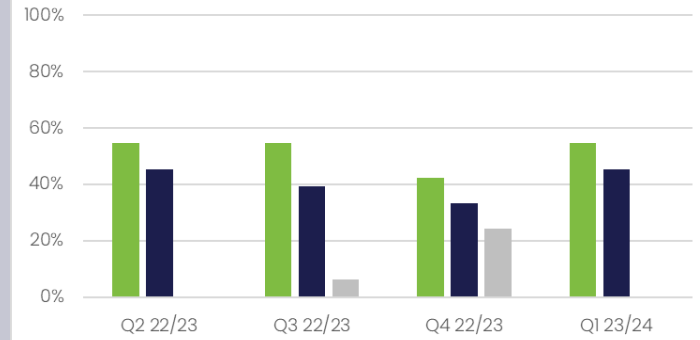
- 13 Annual Plan KPIs
- 5 met
- 4 not met

Legend

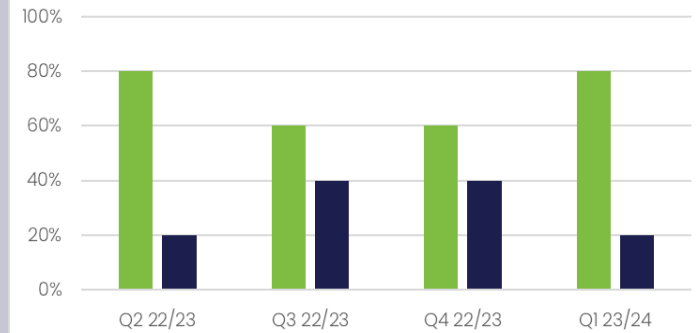


Trends

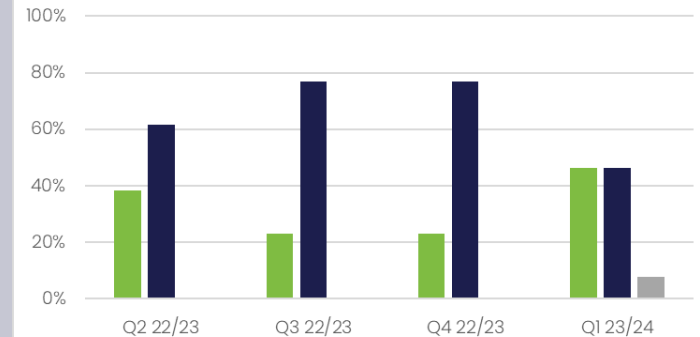
Environmental wellbeing
Targets met vs not met



Economic wellbeing
Targets met vs not met

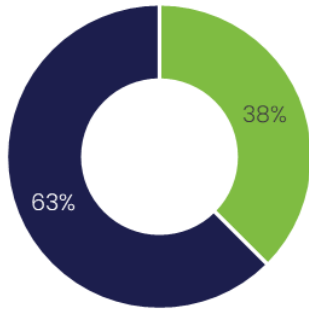


Social & cultural wellbeing
Targets met vs not met

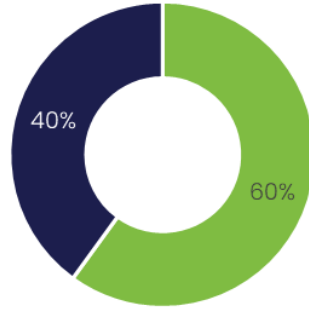


Three waters

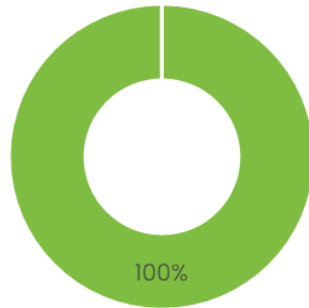
Water Supply
Targets met vs not met
Q1 23/24



Wastewater
Targets met vs not met
Q1 23/24



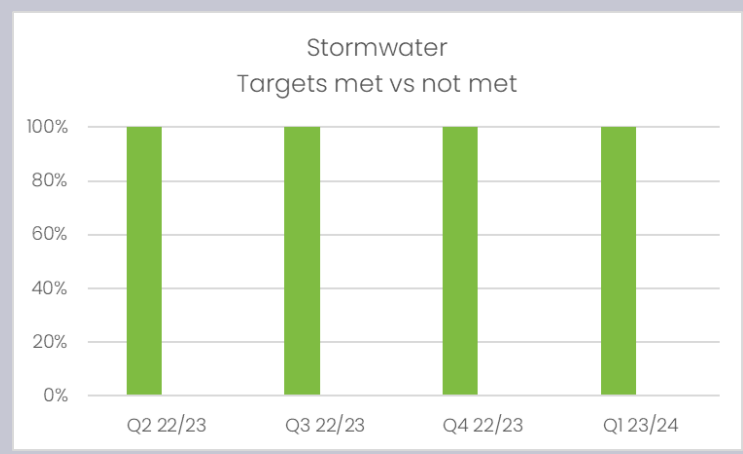
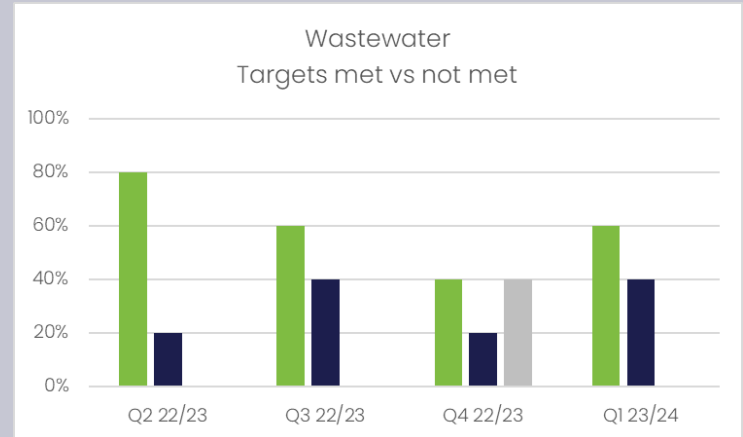
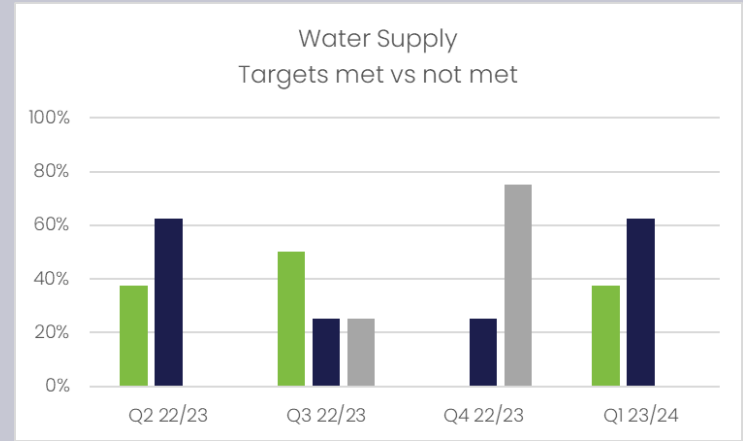
Stormwater
Targets met vs not met
Q1 23/24



Legend



Trends



Water supply

Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Not available	100%	100%	0%	-100%	Target not met. New compliance rules took effect in November 2022 and reporting moving forward is against the Drinking Water Quality Assurance Rules. The change means water supplied from Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households. Wellington Water advise the water is safe to drink
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Not available	100%	100%	0%	-100%	Target not met. New compliance rules took effect in November 2022 and reporting moving forward is against the Drinking Water Quality Assurance Rules. The change means water supplied from Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households. Wellington Water advise the water is safe to drink
Number of complaints for drinking water per 1000 connections	24.3	26.1	≤20	≤5	6.6	1.6	Target not met due to the aging network and increase in volume of faults
Attendance for urgent callouts: from the time the local authority receives notification to the time that service personnel reach the site	66 mins	Not available	≤90 mins	≤90 mins	70 mins	-20 mins	
Resolution of urgent callouts: from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	3 hrs	Not available	≤8 hrs	≤8 hrs	3 hrs	-5 hrs	

Water supply

Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Attendance for non-urgent callouts: from the time the local authority receives notification to the time that service personnel reach the site	92.4 hrs	Not available	≤72 hrs	≤72 hrs	267 hrs	195 hrs	We continue to target leaks based on risk to the public and the quantum of leakage, as opposed to age. The number of leaks continues to exceed available funding and resources. We anticipate that we will reach a record number of open leaks this summer
Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	3 working days	Not available	≤20 working days	≤20 working days	10 working days	-10 working days	
Average drinking water consumption (litres per resident per day)	381 litres	410 litres	≤385 litres	≤385 litres	422 litres	37 litres	Consumption continues to increase due to leakage and high residential use relative to other cities in NZ. Continued investment in water loss activities, network renewals, universal smart metering, and additional capacity to better manage increasing supply/demand

Wastewater

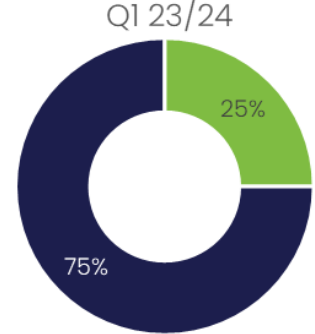
Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Dry weather wastewater overflows per 1000 connections	3.6	5.3	≤20	≤5	0	-5	
Number of complaints per 1000 connections	20.6	22.1	≤30	≤7.5	5.4	-2.1	
Sewerage system attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	196 mins	Not available	≤90 mins	≤90 mins	1,126 mins	1,036 mins	Target not met due to increased work volume and funding and resource constraints
Sewerage system resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	20.3 hrs	Not available	≤8 hrs	≤8 hrs	22 hrs	14 hrs	Target not met due to increased work volume and funding and resource constraints
Compliance with resource consents for discharges from wastewater system	3	6	0	0	0	0	(0 = no enforcement action)

Stormwater

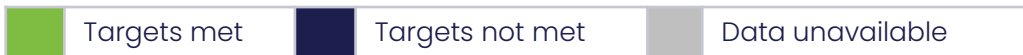
Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Number of flooding events (where stormwater enters a habitable floor)	2	0	≤2	≤0.5	0	-0.5	
Number of habitable floors affected by flooding events (per 1000 connections)	0.27	0	≤0.24	≤0.06	0	-0.06	
Number of complaints about stormwater system performance (per 1000 connections)	14.3	18.2	≤20	≤5	3.1	-1.9	
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (hours)	71 hrs	0 hrs	≤8 hrs	≤8 hrs	0	-8 hrs	
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions)	0	0	0	0	0	0	(0 = no enforcement action)

Solid waste

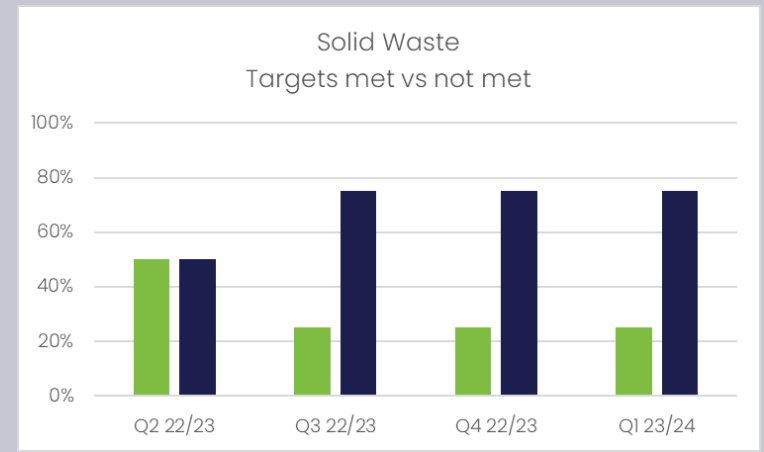
Solid Waste
Targets met vs not met
Q1 23/24



Legend



Trends

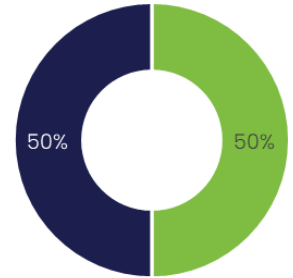


Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Tonnes of waste to landfill (tonnes per person) *	19,735 / 113,559 = 0.17*	21,431 / 113,559 = 0.19*	≤19,735 / 113,559 = 0.17*	≤4,933 / 113,559 = 0.04*	9,857 / 113,559 = 0.08*	4,924 / 113,559 = 0.04*	Target not met due to increase in houses and additional waste created by contaminated recycling
Percentage of kerbside recycling that is contaminated and diverted to landfill	18%	16%	≤10%	≤10%	15%	5%	Target not met; however, contamination rate is coming down as a result of our education programme and bin inspectors
Tonnes of kerbside recycling collected	5,778	5,865	≥6,011.9	≥1,503	1,204	-299	Target not met. Contaminated recycling bins are not collected, causing a reduction in the total amount collected
Number of litter incidents resulting in a complaint	405	372	<328.5	<82	72	-10	

* Tonnes per person

Sustainability and resilience

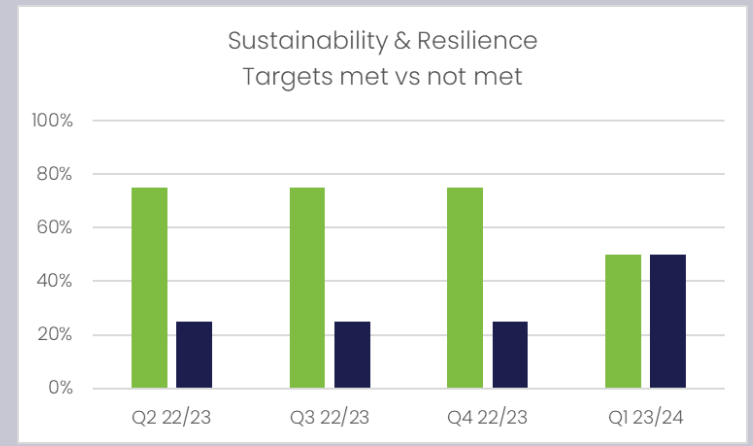
Sustainability & Resilience
Targets met vs not met
Q1 23/24



Legend



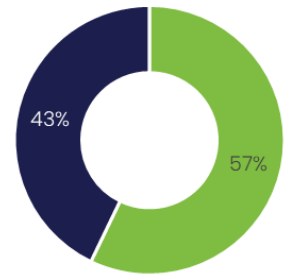
Trends



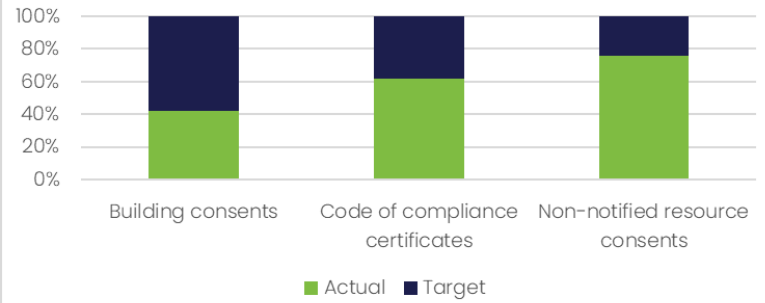
Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Percentage of Community Resilience Plans that are more than 24 months old	60%	60%	0% (none)	0% (none)	69%	69%	Review of community hub plans is outsourced to WREMO and is dependent on collaboration with the public. Process of live tracking is on its way to better understand the status.
Emissions from council owned facilities (tCO2-e)	2,698	2,230	≤2,233	≤573	649.4	76.4	Target not met. Data is based on amount of electricity and natural gas used, multiplied by the most recent emission factor available. Emission factors for electricity are not available for the latest quarter. Results will be updated retrospectively when the latest emission factors have been made available by the Ministry for the Environment.
Percentage of council owned vehicle fleet that is electric	42%	58%	≥64%	≥64%	65%	1%	
Emissions from council owned fossil fuel vehicles (tCO2-e)	106	79	≤94.2	≤23.5	18.5	-5	

Regulatory services

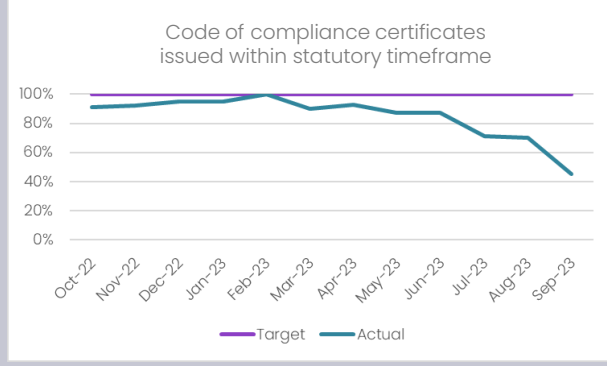
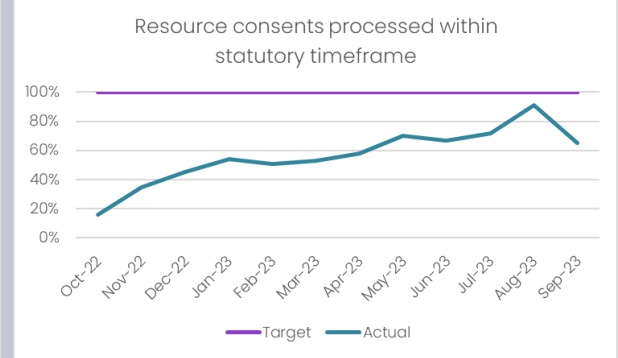
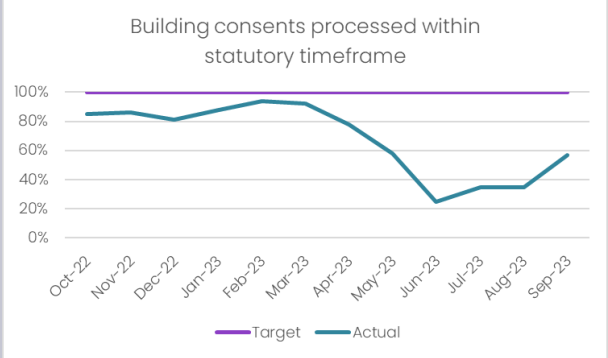
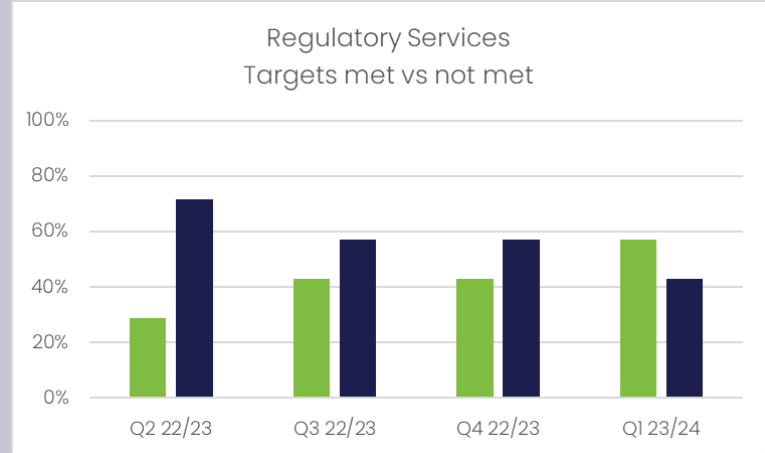
Regulatory Services
Targets met vs not met
Q1 23/24



Percentage of regulatory services processed within statutory timeframes
Q1 23/24



Trends

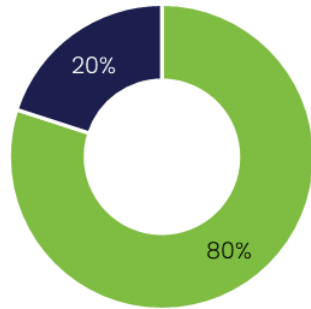


Regulatory services

Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Percentage of building consents processed within statutory timeframe	65%	77%	100% within 20 days	100% within 20 days	42%	-58%	Target not met due to capacity and an increase in applications for the new H1 code clause
Code of compliance certificates issued within the statutory timeframe	88%	91%	100% within 20 days	100% within 20 days	62%	-38%	Target not met due to capacity and clearing of historical certificates
Percentage of non-notified resource consents processed within statutory timeframes	28%	42%	100% within 20 days	100% within 20 days	76%	-24%	Target not met due to capacity and an increase in consents received
Existing food premises verified within time frames	7%	47%	95% by due date	95% by due date	100%	5%	
Sale and supply of liquor (high risk premises) inspected	99%	100%	95% checked	95% checked	100%	5%	Achieved 100% of the Q1 23/24 target
Noise control complaints (%) investigated within 45 minutes	94%	79%	≥85%	≥85%	95%	10%	
Number of animal management community education programmes carried out	17	38	≥17	≥4.25	5	0.75	

Transport

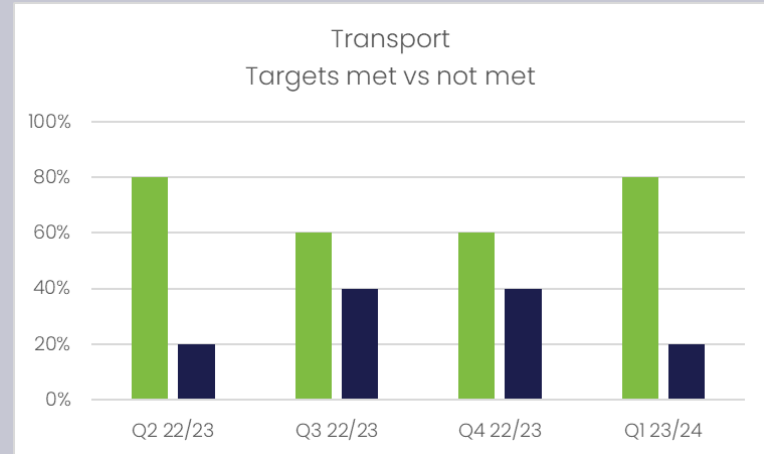
Transport
Targets met vs not met
Q1 23/24



Legend

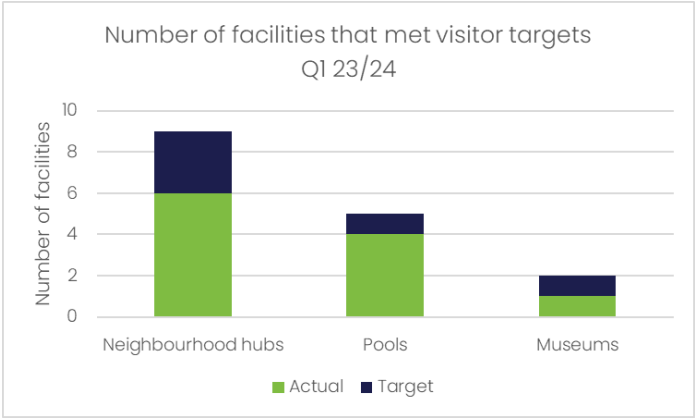


Trends

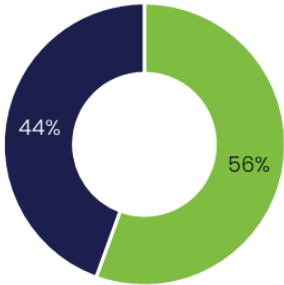


Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
The number of fatalities and serious injury crashes on the local road network	25	24	≤26	≤6.5	8	1.5	Target not met. Variable numbers after previous downward trend
Audit of contracts – physical work (number of contracts audited this quarter)	90%	5	≥7	≥7	7	0	
Audit of contracts – percentage of contracts meeting contractual obligations	90%	79%	≥90%	≥90%	100%	10%	
Total length of cycleways	Not available	21.3 km	21.3 km	21.3 km	21.3 km	0 Km	
Total length of shared paths	Not available	71.4 km	71.4 km	71.4 km	71.4 km	0 km	

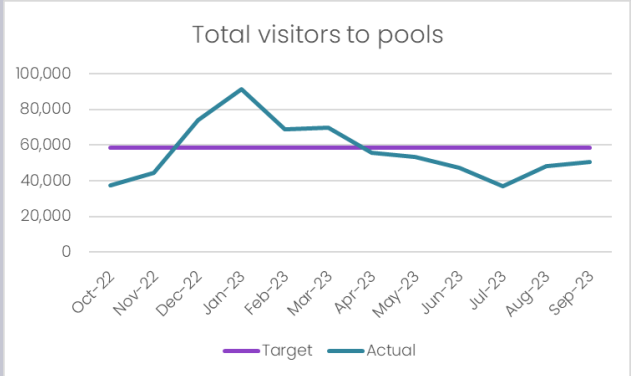
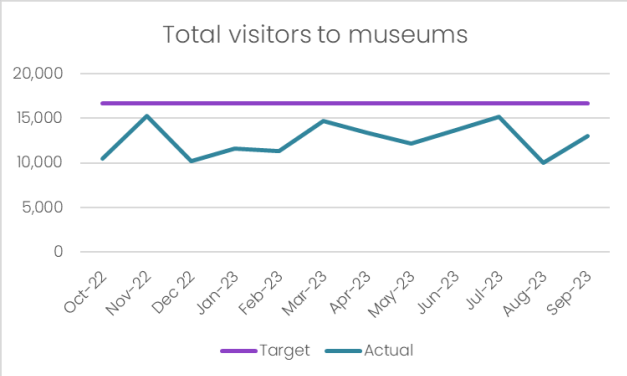
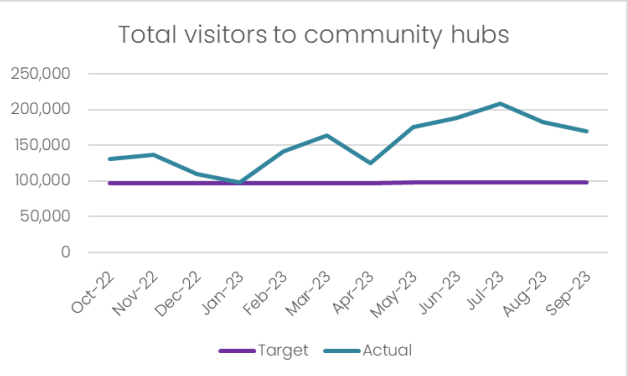
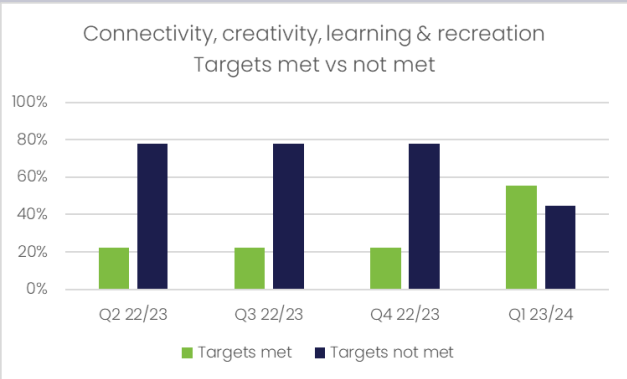
Connectivity, creativity, learning and recreation



Connectivity, Creativity, Learning & Recreation
Targets met vs not met
Q1 23/24



Trends



Connectivity, creativity, learning and recreation

Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
* Number of sites that met visitor number targets	1 of 7	1 of 8	9 of 9	9 of 9	8 of 9	1 of 9	War Memorial neighbourhood hub did not meet target – closure of the café at Little Theatre has had a negative impact on visitors which are 92% of target
Number of physical loans from libraries	712,932	715,127	≤575,000	≥143,750	184,858	41,108	
Number of physical loans from libraries via the home delivery service	4,390	4,602	≤4,700	≥1,175	889	-286	Target not met due to cyclical nature of home library services users
Number of electronic loans from libraries	157,187	177,361	≥123,000	≥30,750	44,686	13,963	
Number of people using the wifi at libraries and community hubs	233,944	253,364	≥234,000	≥58,500	93,280	34,780	
Use of council computers at libraries and community hubs	52,412	63,791	≥60,000	≥15,000	21,907	6,907	
Number of pools that met visitor number targets	0 of 5	2 of 5	5 of 5	5 of 5	4 of 5	1 of 5	Huia pool did not meet visitor targets, however Q1 23/24 saw an increase of 21,982 visitors compared to Q1 22/23
Number of fitness suite members	1,232	1,569	≥1,400	≥1,400	1,715	315	
Number of museums that met visitor number targets	0 of 2	1 of 2	2 of 2	2 of 2	1 of 2	1 of 2	Dowse museum did not meet visitor targets due to 2 weeks with no exhibitions and adverse weather conditions

* Duplicate KPI under Community Partnering & Support. Libraries and Community Hubs have been merged into Neighbourhood Hubs (9 sites) and data is combined

Connectivity, creativity, learning and recreation

Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
* Total number of visitors to neighbourhood hubs	1,420,180	1,872,106	≥1,868,500	≥467,125	560,758	93,633	
* Number of visitors to Eastbourne neighbourhood hub	52,388	62,661	≥62,000	≥15,500	17,918	2,418	
* Number of visitors to Wainuiomata neighbourhood hub	312,911	224,480	≥240,000	≥60,000	70,160	10,160	
* Number of visitors to Moera neighbourhood hub	18,771	29,519	≥12,500	≥3,125	7,853	4,728	
* Number of visitors to Petone neighbourhood hub	111,440	134,778	≥145,000	≥36,250	38,312	2,062	
* Number of visitors to Walter Nash/Taita neighbourhood hub	530,101	875,293	≥829,000	≥207,250	266,839	59,589	
* Number of visitors to Naenae neighbourhood hub	69,795	77,164	≥87,000	≥21,750	26,678	4,928	
* Number of visitors to War Memorial neighbourhood hub	191,904	312,534	≥322,000	≥80,500	74,092	-6,408	Closure of the café at Little Theatre has had a negative impact on visitors which are 92% of target
* Number of visitors to Koraunui/Stokes Valley neighbourhood hub	112,870	155,677	≥155,000	≥38,750	54,264	15,514	
* Number of visitors to Maungaraki neighbourhood hub	N/A	4,046	≥16,000	≥4,000	4,642	642	

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

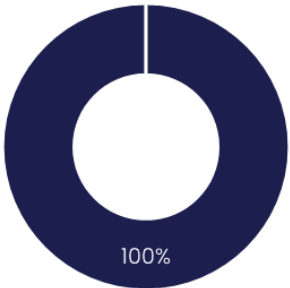
Connectivity, creativity, learning and recreation

Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
* Total number of visitors to council swimming pools	490,857	646,578	≥702,500	≥175,625	136,021	-39,604	Huia pool did not meet visitor targets, however Q1 23/24 saw an increase of 21,982 visitors compared to Q1 22/23
* Number of visits to Stokes Valley Pool	66,794	93,863	≥90,500	≥22,625	27,442	4,817	
* Number of visits to Huia Pool	348,611	452,539	≥500,000	≥125,000	108,599	-16,401	Target not met, however, Q1 23/24 saw an increase of 21,982 compared to Q1 22/23
* Number of visits to Eastbourne Summer Pool	13,360	17,334	≥17,920	0	0	0	
* Number of visits to McKenzie Summer Pool	21,083	33,106	≥31,360	0	0	0	
* Number of visits to Wainuiomata Summer Pool	41,009	49,726	≥62,720	0	0	0	
* Total number of visitors to council museums	125,180	143,337	≥200,000	≥50,000	38,205	-11,795	Dowse museum did not meet visitor targets due to 2 weeks with no exhibitions and adverse weather conditions
* Number of visitors to the Dowse Museum	116,605	130,212	≥193,000	≥48,250	34,895	-13,355	Exhibition changeover occurred this quarter, resulting in 2 weeks with no exhibitions. Also impacted by adverse weather conditions
* Number of visitors to the Petone Settlers Museum	8,575	13,125	≥7,000	≥1,750	3,310	1,560	

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

Community partnering and support

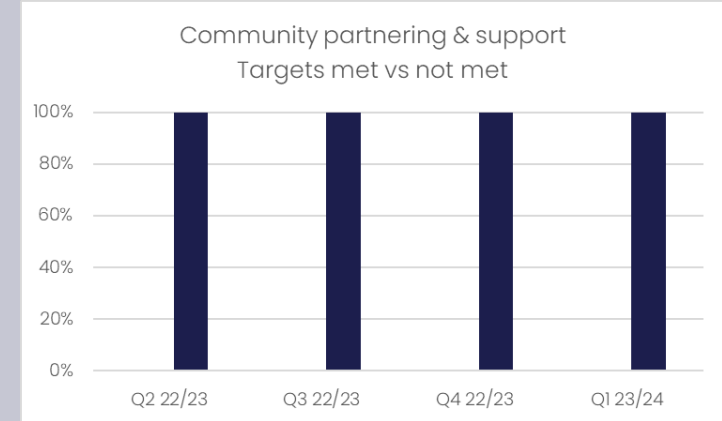
Community partnering & support
Targets met vs not met
Q1 23/24



Legend



Trends

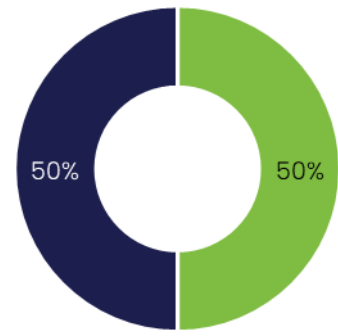


Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
* Number of sites that met visitor number targets	0 of 3	0 of 3	9 of 9	9 of 9	8 of 9	1 of 9	War Memorial neighbourhood hub did not meet target (92% of target) – visitor numbers are increasing but have not yet gone back to pre-Covid-19 rates

* Duplicate KPI under Connectivity, Creativity, Learning & Recreation. Libraries and Community Hubs have been combined into Neighbourhood Hubs (9 sites) and data is combined

Open spaces, parks and reserves

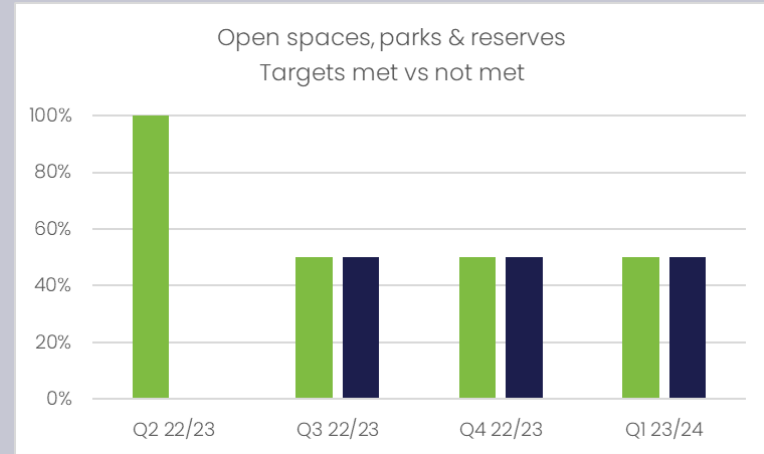
Open spaces, parks & reserves
Targets met vs not met
Q1 23/24



Legend



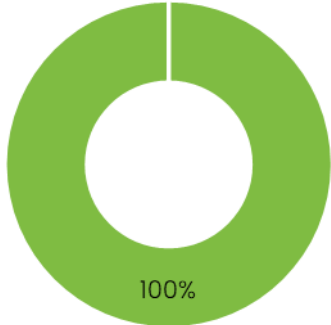
Trends



Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Number of days council grass sport fields are closed (due to maintenance or drainage issues)	15 days	23 days	≤20 days	≤5 days	16 days	11 days	Target not met due to substantial rainfall and poor drainage
Number of days council owned/maintained artificial turf sports fields are closed (due to maintenance or drainage issues)	0 days	3 days	≤10 days	≤2.5 days	0 days	-2.5 days	

City Governance

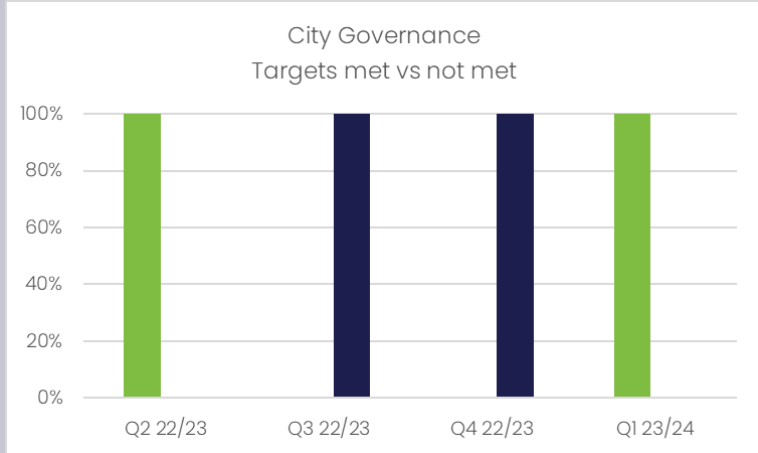
City Governance
Targets met vs not met
Q1 23/24



Legend



Trends




Indicator	21/22 Actual	22/23 Actual	23/24 Target	Q1 23/24 Target	Q1 23/24 Actual	Q1 Variance	Commentary
Meeting and committee agendas made available to the public within statutory time frames	100%	99%	100%	100%	100%	0%	

Section five

Financial summary

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

The bottom right corner of the slide features several thick, light blue wavy lines that create a sense of movement and depth against the dark blue background.

Executive summary

Operating performance results

The year-end forecast net operating result including rates is \$0.8M (1.9%) favourable compared to revised budget.

Key favourable variances are:

\$1.8M in Solid Waste mainly due to additional revenue

Key unfavourable variances are :

\$0.3M in Corporate service mainly due higher resourcing costs in Go Digital

\$0.5M in Connectivity, Creativity, Learning and Recreation, mainly due additional resourcing costs in Aquatics

Capital investment performance results

Year to date capital spend is \$35.9M. This is 15.3% of the revised budget of \$225.7M

Most projects are forecast to be on budget by year end, noting that most of the capital expenditure is expected to occur during dryer months.

The Three Waters capital forecast remains unchanged and is pending review by Wellington Water.

Financial performance results

Detail financial performance results to 30 September 2023

\$Million	YTD Actual	YTD Budget	Variance	%		Year-end Forecast	Revised Budget	Variance	%		Annual Plan Budget
Operating Revenue	21.2	20.2	1.0	5.0%	●	79.9	77.4	2.5	3.2%	●	75.9
Operating Expenditure	(62.5)	(69.3)	6.8	9.8%	●	(278.3)	(275.9)	(2.4)	(0.9%)	●	(267.9)
Net Operating Before Rates Income	(41.3)	(49.1)	7.8	15.9%	●	(198.4)	(198.5)	0.1	0.1%	●	(192.0)
Rates Income	157.0	155.6	1.4	0.9%	●	156.3	155.6	0.7	0.4%	●	155.6
Net Operating	115.7	106.5	9.2	8.6%	●	(42.1)	(42.9)	0.8	1.9%	●	(36.4)
Capital Contributions	6.1	8.3	(2.2)			75.1	73.5	1.6			71.9
Net Surplus/(Deficit)	121.8	114.8	7.0			33.0	30.6	2.4			35.5
Other Adjustments*	2.9	0.1	2.8			0.2	0.4	(0.2)			0.4
Net Surplus/(Deficit) After Gains/(Losses)	124.7	114.9	9.8			33.2	31.0	2.2			36.0

Key:

- Favourable or minimal variance
- Moderate variance
- High variance

Note: other non operating adjustments include accounting (non-cash) gains/(losses) on the revaluation of financial instruments and gains/(losses) on the disposal of assets.

Net operating results

Net operating results by activity (excludes rates income, internal rates, support costs and capital contributions)

\$Million	YTD Actual	YTD Budget	Variance	%		Year-end Forecast	Revised Budget	Variance	%		Annual Plan Budget
Environmental Wellbeing											
Water Supply	(6.7)	(7.2)	0.5	6.9%	●	(28.6)	(28.6)	-		●	(28.6)
Wastewater	(4.5)	(7.3)	2.8	38.4%	●	(28.8)	(28.8)	-		●	(28.8)
Stormwater	(3.6)	(2.9)	(0.7)	(24.1%)	●	(10.9)	(10.9)	-		●	(10.9)
Solid Waste	2.0	0.1	1.9	1900.0%	●	2.1	0.3	1.8	600.0%	●	0.3
Sustainability & Resilience	(0.1)	(0.3)	0.2	66.7%	●	(0.9)	(1.1)	0.2	18.2%	●	(1.1)
Regulatory Services	(0.1)	0.3	(0.4)	(133.3%)	●	(2.4)	(2.1)	(0.3)	(14.3%)	●	(2.1)
Environmental Wellbeing	(13.0)	(17.3)	4.3	24.9%	●	(69.5)	(71.2)	1.7	2.4%	●	(71.3)
Economic Wellbeing											
Transport	(6.0)	(7.6)	1.6	21.1%	●	(30.1)	(31.1)	-	-	●	(29.8)
City Development	(3.0)	(4.1)	1.1	26.8%	●	(17.4)	(16.5)	(0.9)	(5.5%)	●	(13.0)
Economic Wellbeing	(9.0)	(11.7)	2.7	23.1%	●	(48.5)	(47.6)	(0.9)	(1.9%)	●	(42.7)

Key:

- Favourable or minimal variance
- Moderate variance
- High variance

Net operating results

Net operating results by activity (excludes rates income, internal rates, support costs and capital contributions)

\$Million	YTD Actual	YTD Budget	Variance	%		Year-end Forecast	Revised Budget	Variance	%		Annual Plan Budget
Social & Cultural Wellbeing											
Community Partnering & Support	(2.0)	(2.2)	0.2	9.1%	●	(8.9)	(8.9)	-	-	●	(8.5)
Open Spaces, Parks & Reserves	(5.0)	(5.1)	0.1	2.0%	●	(20.1)	(20.2)	0.1	0.5%	●	(18.8)
Connectivity, Creativity, Learning & Recreation	(4.8)	(4.6)	(0.2)	(4.3%)	●	(18.6)	(18.1)	(0.5)	(2.8%)	●	(18.1)
Governance Strategy & Partnerships	(0.6)	(0.8)	0.2	25.0%	●	(3.1)	(3.1)	-	-	●	(3.1)
Corporate Services	(7.0)	(7.4)	0.4	5.4%	●	(29.6)	(29.3)	(0.3)	(1.0%)	●	(29.5)
Social & Cultural Wellbeing	(19.4)	(20.1)	0.7	3.5%	●	(80.3)	(79.6)	(0.7)	(0.9%)	●	(78.0)
Totals	(41.3)	(49.1)	7.8	15.9%	●	(198.4)	(198.5)	0.1	0.1%	●	(192.0)

Key:

- Favourable or minimal variance
- Moderate variance
- High variance

Net operating results (before rates income and capital contributions):

Year-end forecast compared to revised budget is favourable by \$0.8M 1.9%

Key variance explanations:

Favourable

- Solid Waste is forecast to be \$1.8M favourable to budget at year end, mainly due to increased volumes from special waste, construction and demolition waste \$1.9M, offset by higher resourcing costs \$0.1M.
- Open Spaces Parks & Reserves is forecast to be \$0.1M favourable to budget at year end, mainly due to vacancies.

Unfavourable

- Regulatory Services is forecast to be \$0.2M unfavourable to budget at year end, mainly due to additional processing costs for resource and building consents.
- City Development is forecast to be \$0.9M unfavourable to budget at year end, mainly due to high resourcing costs in the Urban Development Team.
- Connectivity Creativity Learning & Recreation is forecast to be \$0.5M unfavourable to budget at year end, mainly due to anticipated living wage cost increases within Aquatics.
- Corporate Services is forecast to be \$0.3M unfavourable to budget at year end, mainly due higher resourcing costs in the Go Digital project.

Net operating results (before rates income and capital contributions cont'd)

Neutral

- Three Waters is not forecasting any variance at this stage. Year to date there is underspend of \$2.6M compared to budget. Wellington Water is reviewing the 2023-24 workplan and budgets and is expected to revise the forecasts following this review
- Transport is forecast to be on budget at year end. Although year to date has an underspend, expenditure is expected to accelerate over summer and high repairs and maintenance costs are forecast to reduce year to date underspend.

Rates Income

- Rates income is forecast to be \$0.7M higher than budget mainly due to greater than expected growth in the rating base.

Capital Contributions

- Capital contributions are forecast to be over budget by \$1.6M mainly due an increase in Reserve Contributions.

Capital investment results

Capital results by activity

\$Million	YTD Actual	YTD Budget	Variance	%	Year-end Forecast	Revised Budget	Variance	%	Annual Plan Budget
Environmental Wellbeing									
Water Supply	5.0	6.4	1.4	21.9%	25.8	25.8	-		25.8
Wastewater	9.1	10.2	1.1	10.8%	40.8	40.8	-		40.8
Stormwater	0.8	2.5	1.7	68.0%	10.2	10.2	-		10.2
Solid Waste	1.0	0.9	(0.1)	(11.1%)	11.8	11.8	-		10.7
Sustainability & Resilience	-	-	-		-	-	-		-
Regulatory Services	-	-	-		-	-	-		-
Environmental Wellbeing	15.9	20.1	4.2	20.9%	88.9	88.9	-		87.5
Economic Wellbeing									
Transport	5.7	10.1	4.4	43.6%	65.2	65.1	(0.1)	(0.2%)	66.5
City Development	5.2	6.9	1.7	24.6%	32.4	32.4	-		30.6
Economic Wellbeing	10.9	17.0	6.1	35.9%	97.6	97.5	(0.1)	(0.1%)	97.0

Capital investment results

Capital results by activity

\$Million	YTD Actual	YTD Budget	Variance	%	Year-end Forecast	Revised Budget	Variance	%	Annual Plan Budget
Social & Cultural Wellbeing									
Community Partnering & Support	-	0.3	0.3	100.0%	1.1	1.2	0.1	8.3%	1.1
Open Spaces, Parks & Reserves	0.6	1.8	1.2	66.7%	7.3	7.3	-		5.5
Connectivity, Creativity, Learning & Recreation	7.8	8.6	0.8	9.3%	35.1	34.4	(0.7)	(2.0%)	30.7
Governance Strategy & Partnerships	-	-	-		-	-	-		-
Corporate Services	0.7	1.2	0.5	41.7%	4.7	5.0	0.3	6.0%	4.0
Social & Cultural Wellbeing	9.1	11.9	2.8	23.5%	48.2	47.9	(0.3)	(0.6%)	41.2
Totals	35.9	49.0	13.1	26.7%	234.4	234.3	(0.1)	(0.0%)	225.7

Capital results by expenditure type

Capital expenditure is sorted into three categories to consider the renewal or replacement of assets, the improvements in service levels and to respond to the growth of the city.

\$Million	YTD Actual	YTD Budget	Variance	%	Year-end Forecast	Revised Budget	Variance	%	Annual Plan Budget
Replacements	12.5	14.7	2.2	15.0%	68.1	68.4	0.3	0.5%	66.9
Improvements	22.9	30.0	7.1	23.6%	147.8	147.3	(0.4)	-0.3%	139.5
Growth	0.5	4.5	4.0	88.6%	18.4	18.4	0.0	0.0%	19.3
Totals	35.9	49.2	13.1	26.7%	234.3	234.2	(0.1)	0.0%	225.7

Capital results

Year-end capital spend is forecast to be over budget by \$0.1M

Underspend

- Corporate Services is forecast to be underspent by \$0.3M mainly due to savings in building capital renewal projects as works are being completed without drawing down on budgeted contingency.

Overspend

- Transport is forecast to be underspent by \$0.1M at year end, mainly due to cost overruns in the Micromobility programme. The rest of the workplan is forecasting to be on budget and are expected to revise forecasts during the summer works window based on favourability of weather conditions.
- Connectivity, Creativity, Learning & Recreation is forecast to be overspent by \$0.7M at year end, mainly due to Naenae Pool & Fitness Rebuild which is ahead of its workplan. Any overspend in this project will reduce future years budget to ensure the project does not exceed its total budget.

Neutral

- Three Waters is not forecasting any variance at this stage. Year to date the work programme is underspent by \$4.2M compared to budget. Wellington Water is reviewing the 2023-24 workplan and budgets and is expected to revise the forecasts following this review.
- Solid Waste is forecast to be on budget at year end. Year to date is underspent by \$0.1M.
- City Development is forecasting to be on budget at year end. This is mainly Te Wai Takamori o Te Awa Kairangi, and Naenae Town Centre projects. Neither of these projects are forecasting delays based on current progress.

Annual Plan vs Revised Budget

The Long Term Plan 2021-2031 was approved by Council on 30 June 2021. The budgets included in the 2023/24 Annual Plan were based on the latest financial information and estimates available at the time of preparation of the Annual Plan, which was approved by Council on 30 June 2023.

A revised budget for 2023/24 was created to reflect the budget updates required to improve the accuracy of budgets and the associated reporting of variances. Like 2022/23, the focus of performance monitoring is on financial results compared to the revised budget, as this is the most meaningful from a performance perspective.

The following table provides a summary view of the budget changes made to date and includes decisions made at various Council meetings. These changes are now reflected in the revised budgets.

\$Million	Net Surplus 2023/24	Capital investment 2023/24	Meeting date reference
Annual Plan 2023/24	36.0 Surplus	225.7	
Hutt Valley Tennis Funding	(1.2)	-	Council meeting 30 Jun 2023
Transport Contract Changes	(1.4)	-	Council meeting 30 Aug 2023
Carryovers including Transport, Riverlink, Waka Kotahi Subsidies, Naenae Pool, Parks Capital works and other minor project's	(2.4)	8.6	Council meeting 30 Aug 2023
Revised budget 2023/24	31.0 Surplus	234.3	

Balanced Budget

The Long Term Plan 2021-2031 includes a financial strategy that outlines important principles that provide the foundation for prudent sustainable financial management. Included here is achieving a balanced budget and ensuring that everyday costs are paid for by everyday income. The LTP projected that a balanced budget would not be achieved until 2028-29.

The Hutt City Council balanced budget target is defined as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude from the definition of revenue Waka Kotahi's capital improvement subsidies, Infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku.


With the forecast variances as reported above, the forecast balanced budget position for 2023/24 has been changed compared to what was in the 2023/24 Annual Plan, as reflected in the table below.

\$Millions	Year-end forecast	Revised Budget	Variance	Annual Plan Budget
Balanced budget (projected deficit)	(36.6)	(37.4)	0.8	(-31.6)

Section six

Treasury management summary

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



Treasury Report

Treasury Report for the three months ending 30 September 2023

The focus of treasury management activity has been on:

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

Key highlights include:

- An average cost of funds of 4.2% has been achieved year to date, which is above budget by 0.23%. This is a result of market conditions and borrowing completed during the quarter.
- Interest costs are unfavourable to budget by \$0.13M, mainly due to higher debt levels during the period (pre-funding) and higher market interest rates. This however is offset by interest earned as detailed below.
- Interest earned on cash holdings is favourable to budget by \$0.5M, due to higher cash holdings from pre-funding activities and higher market interest rates.

	Actual YTD	YTD Budget	Variance
Average cost of funds	4.18%	3.95%	(0.23%)
Interest expense – borrowings	(\$4.40M)	(\$4.26M)	(\$0.13M)
Interest earned	\$1.31M	\$0.81M	\$0.50M
Fair value gain on derivatives	\$2.89M	-	-

Debt portfolio performance

- Net debt* increased from \$306.8M (30 June 2023) to \$340.9M as at 30 September 2023, whilst gross debt increased from \$370.7M to \$440.7M over the same period.
- We completed \$70M of debt issuance in the three months to 30 September 2023:
 - \$30M maturing September 2030 to fund Council's capital investment programme,
 - \$20M maturing September 2025 to pre-fund water services related debt maturing in April 2024, and
 - \$20M maturing September 2029 to fund Council's capital investment programme.
- Funds received from pre-funding activities have been placed on term deposit, until 15 April 2024, at rates between 6.40% and 6.55%
- No debt matured during the three month period to 30 September 2023.
- Both revolving credit facilities, LGFA (\$35M) and Westpac (\$10M), remained undrawn as at 30 September 2023.

Council has a range of interest rate swap agreements in place to manage interest rate risk and to provide some certainty of future interest costs. Due to fluctuations in the interest rate market the overall mark-to-mark value of these agreements is constantly changing.

The fair value gain of the swap portfolio (derivatives) year-to-date, to 30 September 2023, was \$2.89M. This is an accounting adjustment required to be recorded and there are no cash flow implications.

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

Policy compliance and risk controls

Policy compliance

<u>Measures</u>	<u>Policy</u>	<u>Actual</u> <u>30 September 2023</u>	<u>Compliant</u>
Net external debt/total revenue	Maximum 250%	129.46%	Yes
Net interest on external debt/total revenue	Maximum 10%	6.71%	Yes
Net interest to annual rates income	Maximum 20%	7.64%	Yes
Liquidity ratio	Minimum 110%	114.81%	Yes

Funding risk control limits

<u>Period</u>	<u>Minimum %</u>	<u>Maximum %</u>	<u>Actual gross debt</u> <u>Not including</u> <u>Revolving Credit</u> <u>Facility (\$45M)</u>	<u>Actual %</u> <u>30 September 2023</u>	<u>Compliant</u>
0 to 3 years	15%	60%	\$170.0M	39%	Yes
3 to 7 years	25%	85%	\$255.7M	58%	Yes
7 years plus	0%	60%	\$15M	3%	Yes
		<u>Total</u>	<u>\$440.7M</u>	<u>100%</u>	

Funding maturity and interest rate risk

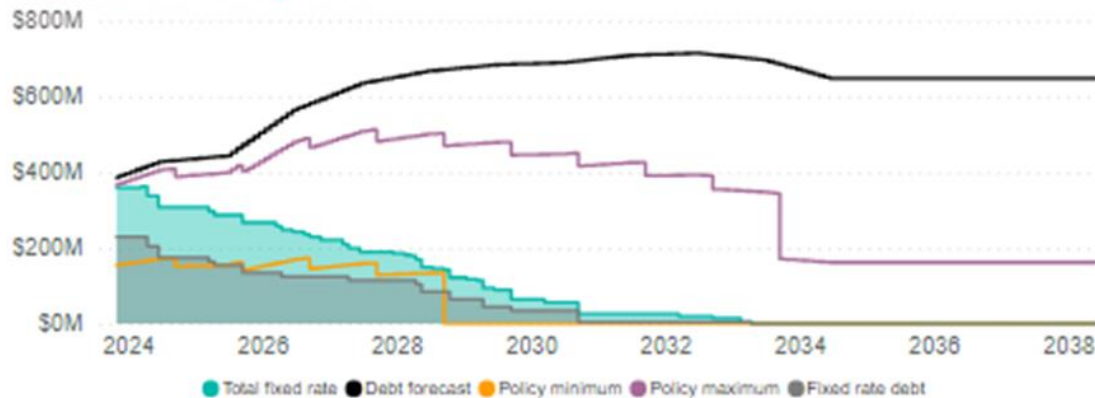
Funding maturity profile



Interest rate risk control limits

Interest rate risk is managed through the risk control limits. The graph that follows shows the level of fixed rate cover in place within the minimum and maximum limits of the treasury risk management policy.

Interest rate risk profile



After overlaying interest rate swaps, the split between fixed and floating debt is as follows:

