

**Horowhenua District
Council Interim
Organisation Performance
Report June 2023**



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About this report

We're on a journey on being transparent on how our organisation is performing with Elected Members and our Community, this report is the first step. The report is a great opportunity to share our stories, our successes, our concerns and where we need to improve. This report is just a snapshot of the great work we do across our community.

This report will be prepared for every full Council meeting, each time you will see refinements, improvements, additions and deletions. We will always be working towards keeping Elected Members and our community fully informed and up to date.

Due to the work required to produce a Full Organisation Performance Report (OPR) the Full OPR will now be presented at every second full Council meeting. The next Full OPR will be presented at the 19 July full Council meeting. An Interim OPR will be presented at each meeting in between starting with the 21 June full Council meeting.

The reporting period for Top 10 Priorities Updates and Capital Projects Overview and Lifecycle Report is

4 April 2023 – 31 May 2023

Financial and performance measure reporting is **30 April 2023 Year to Date.**

The Interim OPR includes the following:

Dashboard

This dashboard contains key summarized financial and performance measure information. This will be provided in the Interim and Full OPR

Top Ten Priorities Updates

A brief update is provided for the Interim OPR and a fuller update will be provided in the next Full OPR

Capital Projects Overview and Lifecycle

This report is the same that is provided in the Full OPR

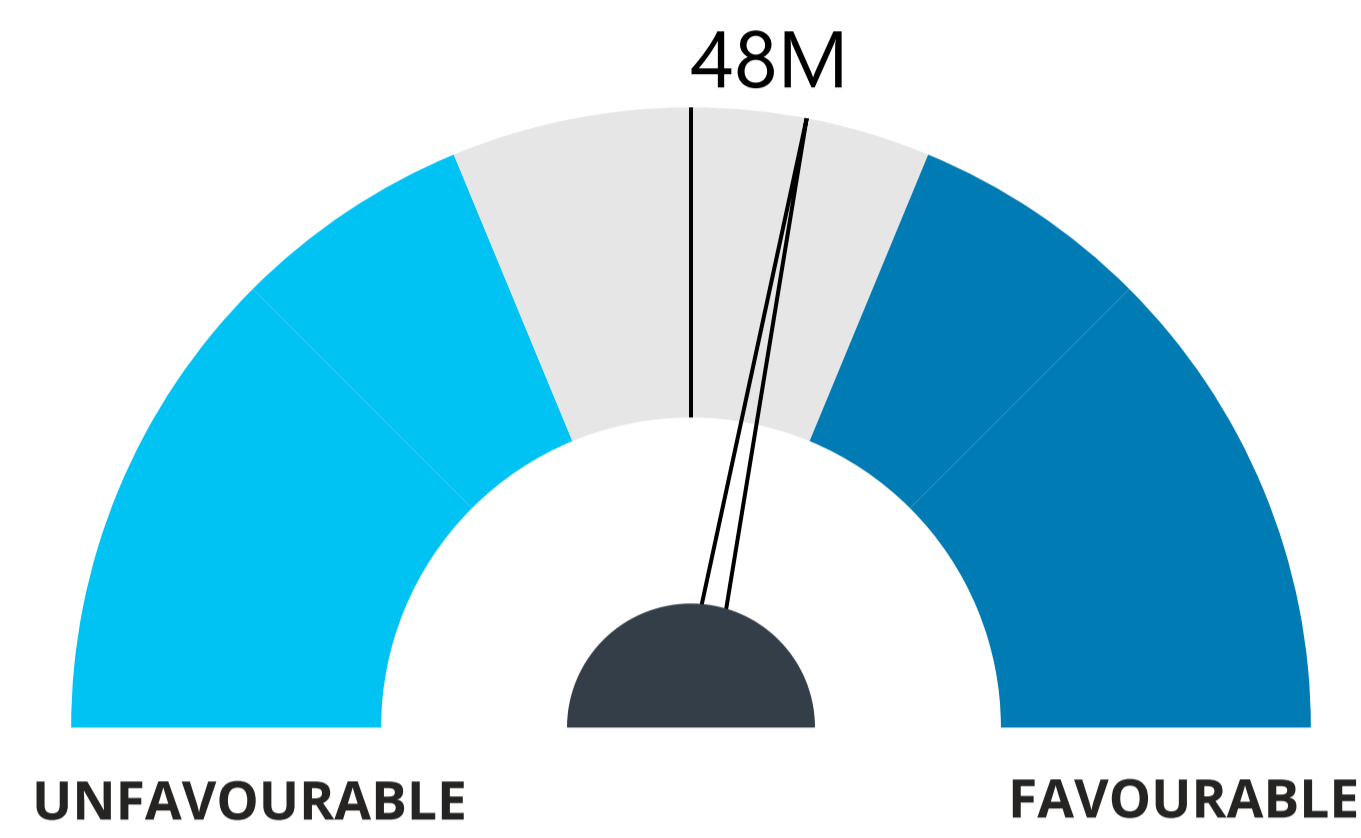
Organisational Performance

YTD Ending 30th April 2023

This dashboard shows a snapshot of how we are tracking against our performance measure targets, our financial performance overall and activity financial information.

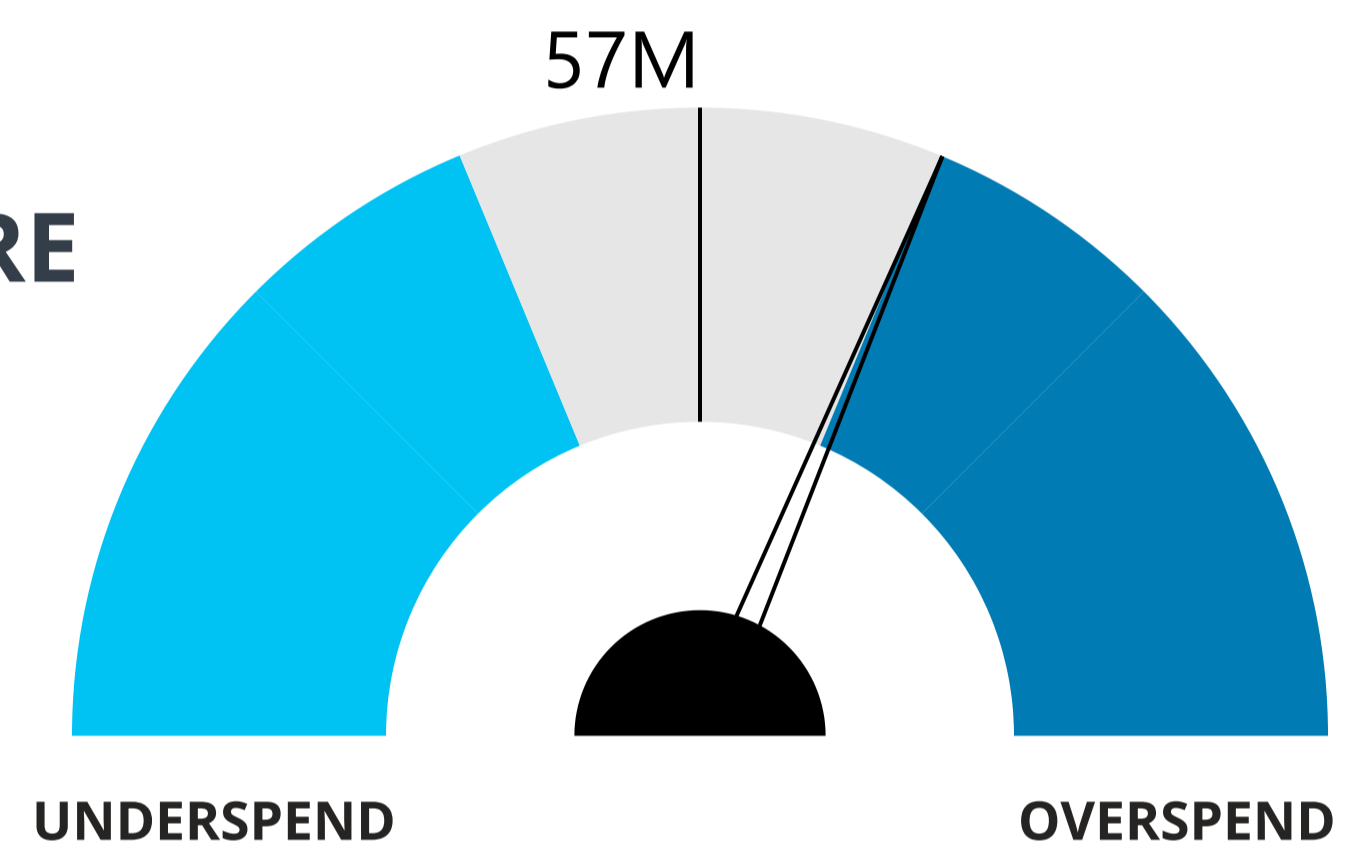
Financial Performance

INCOME



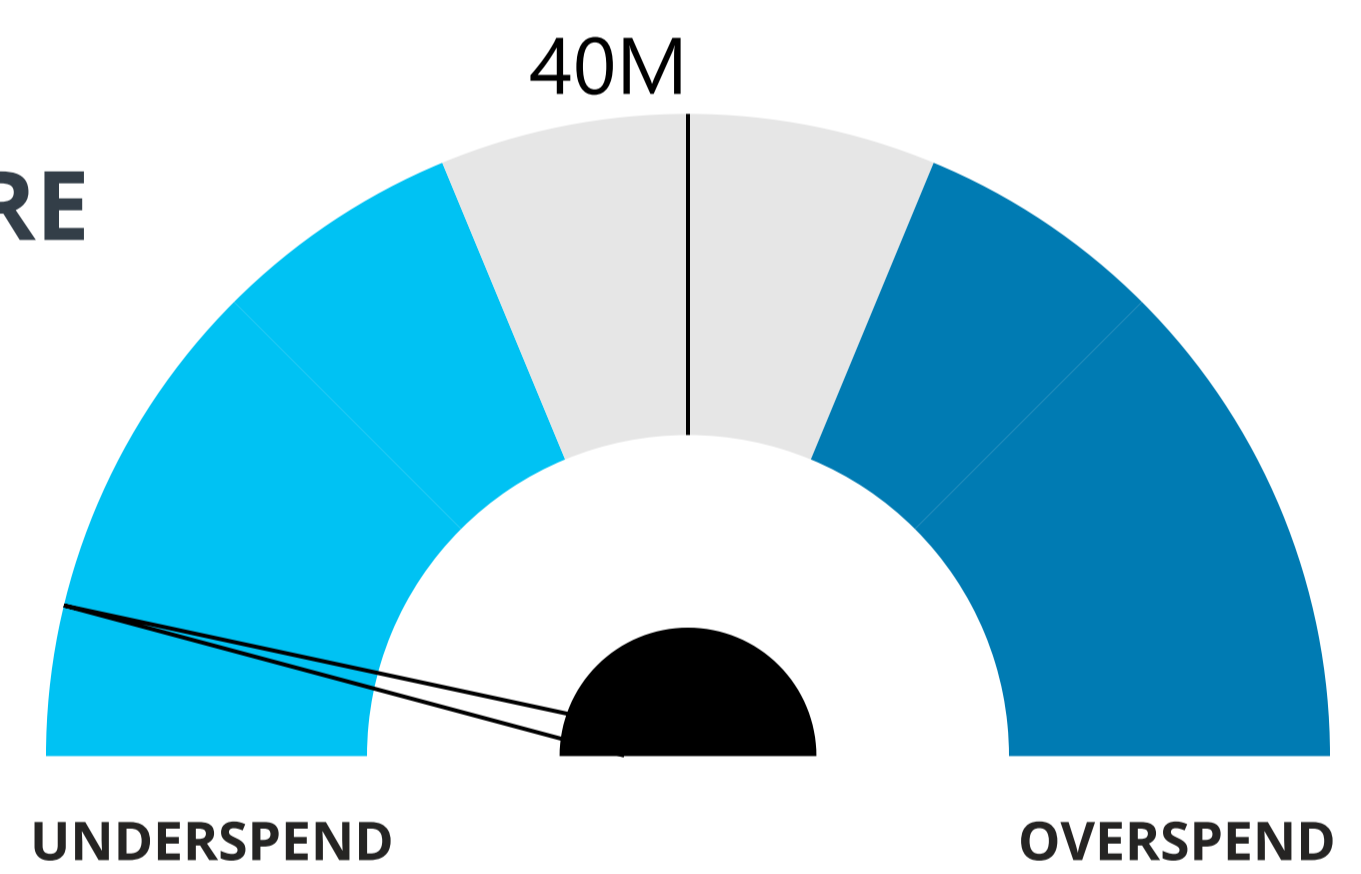
| | |
|------------------|------------------|
| Actual: | \$50.25M |
| Budget: | \$47.96M |
| Variance: | \$2.29M, 4.8% |
| | on target |

OPERATING EXPENDITURE



| | |
|------------------|------------------|
| Actual: | \$63.24M |
| Budget: | \$57.44M |
| Variance: | \$5.80M, 10.1% |
| | overspend |

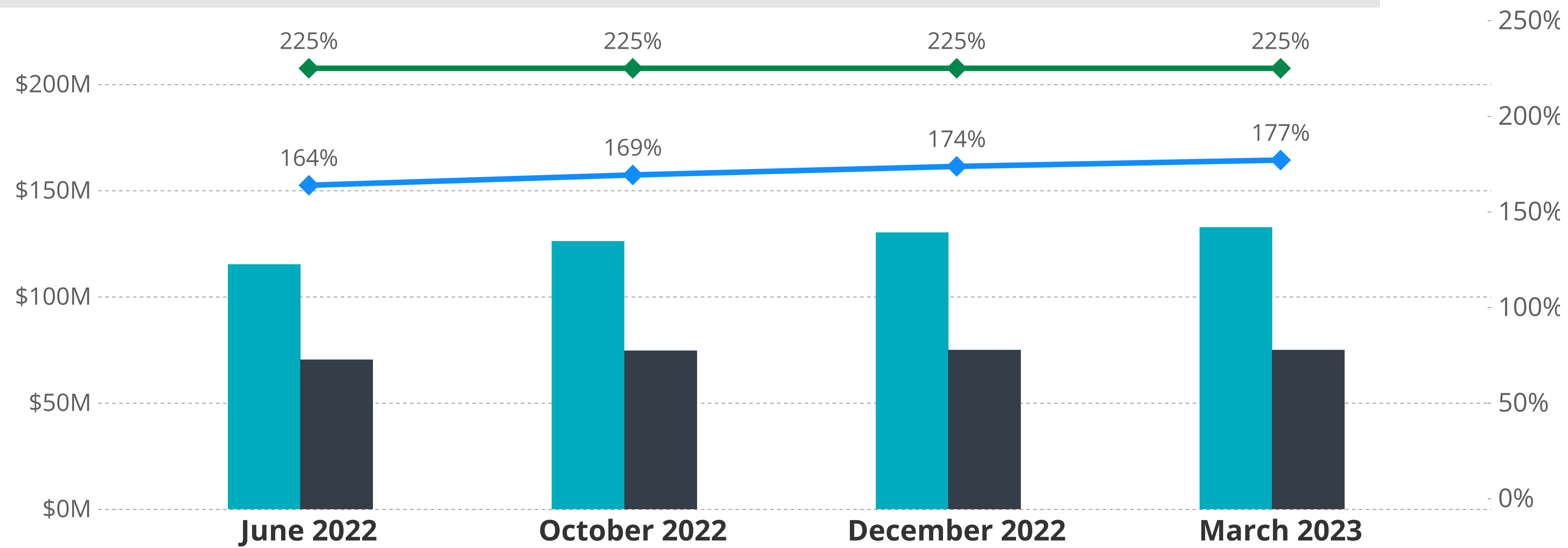
CAPITAL EXPENDITURE



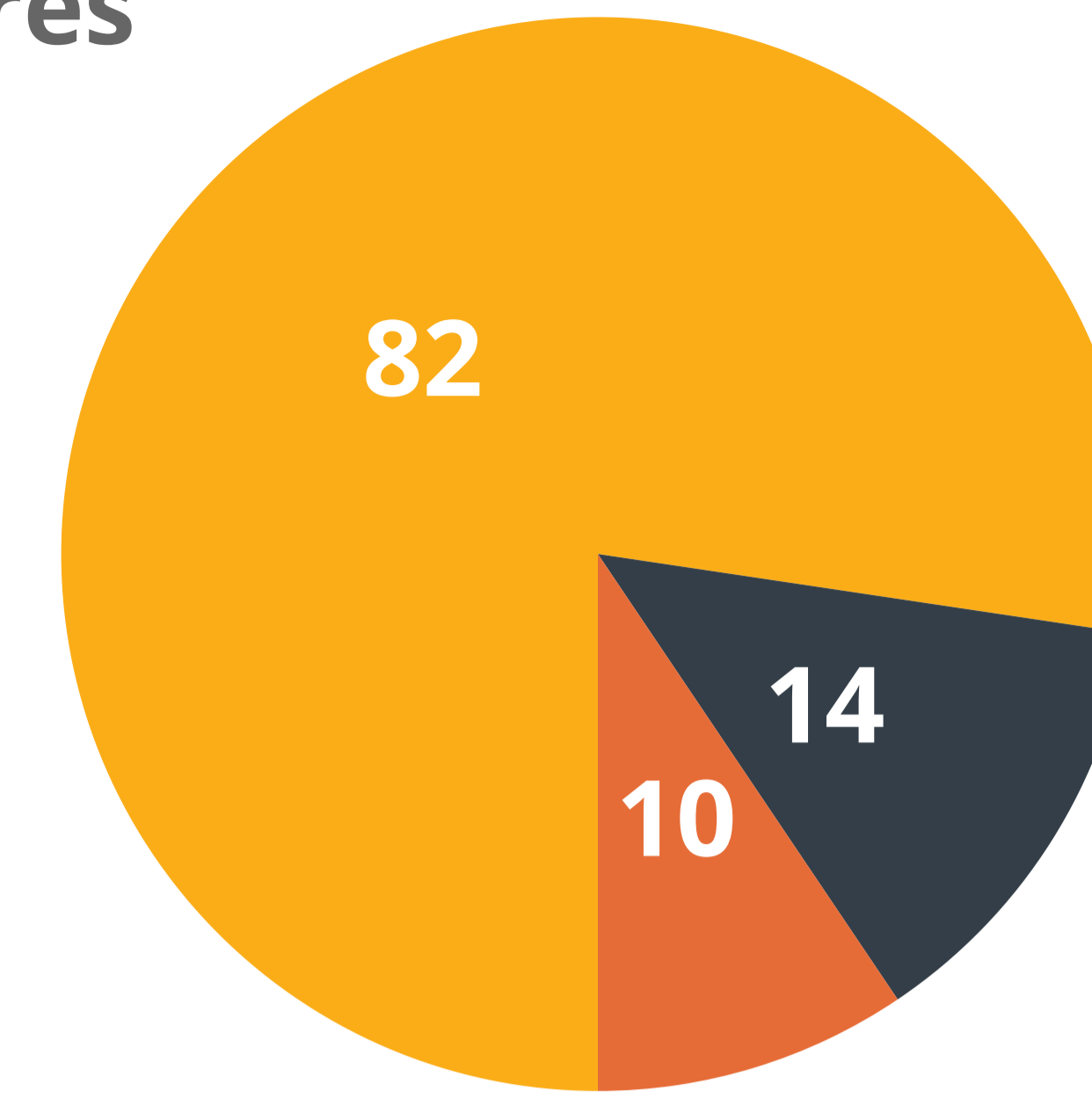
| | |
|------------------|--------------------|
| Actual: | \$26.11M |
| Budget: | \$39.54M |
| Variance: | -\$13.43M, -34.0% |
| | under spend |

Net Debt to Operating Revenue

● Net Borrowings ● Total Revenue ◆ %Ratio of net debt to operating income ◆ %Net Debt Limit

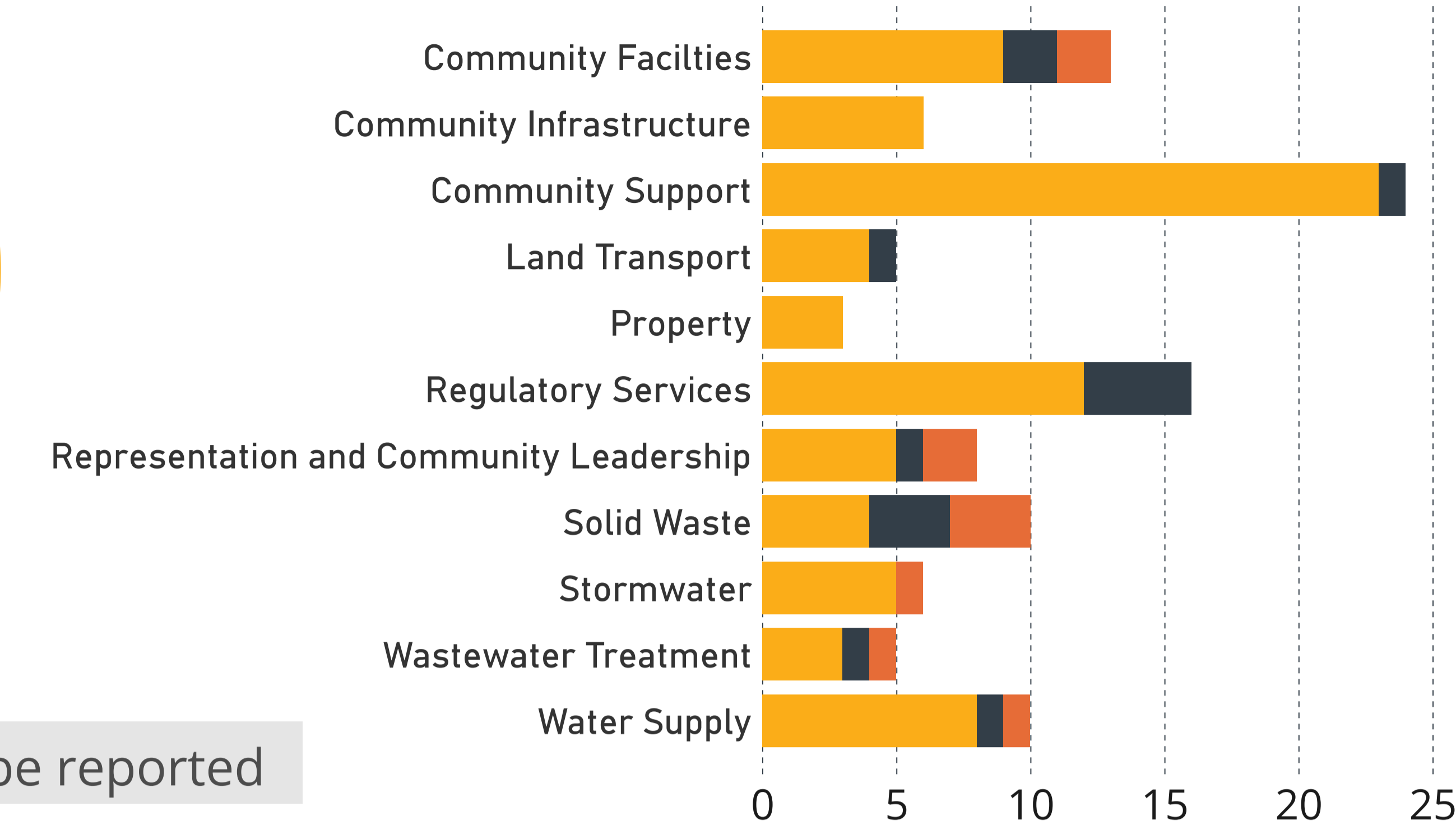


Overall Performance Measures



● On Track ● Not On Track ● Unable to be reported

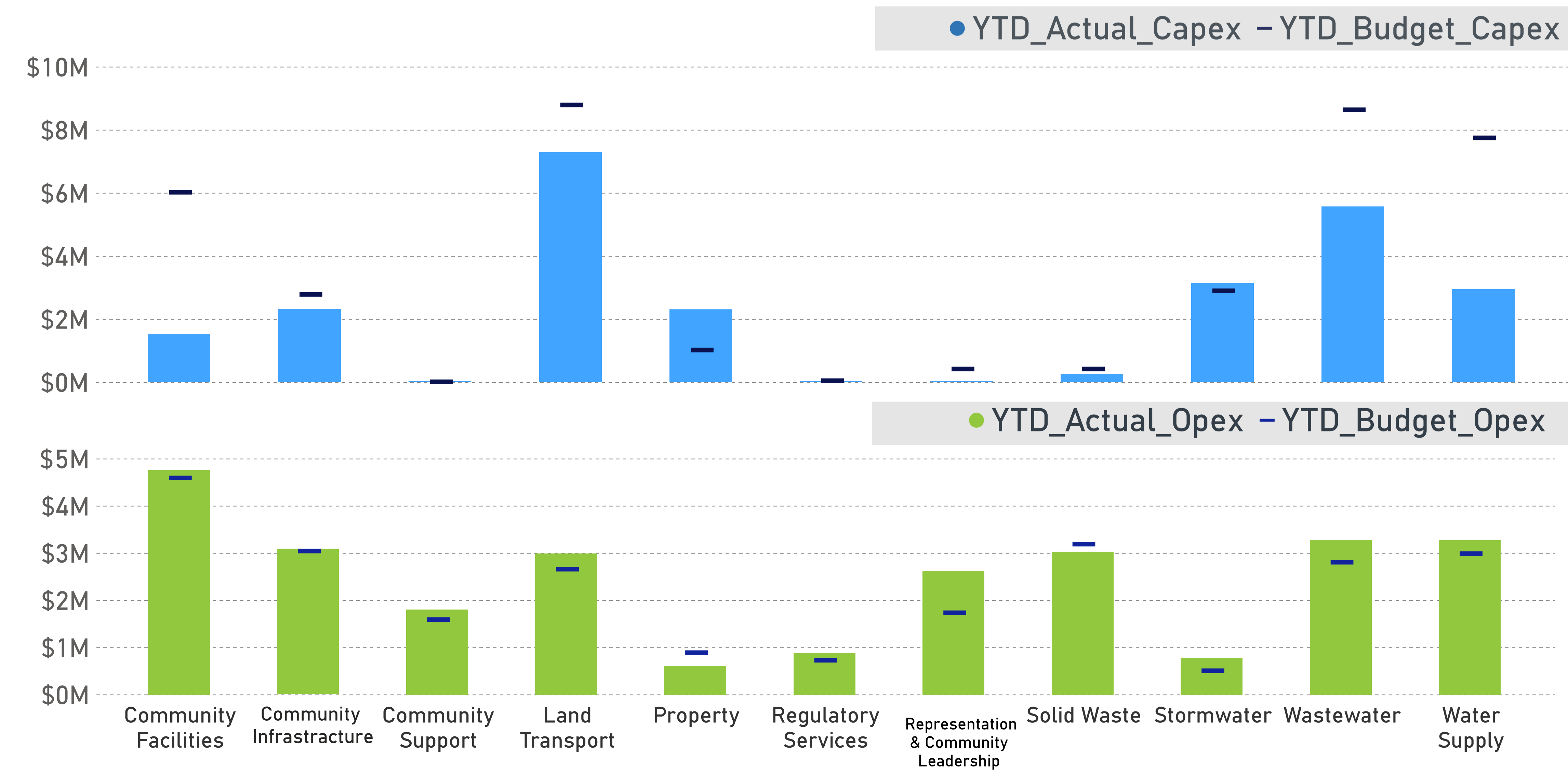
Performance Measures By Activity



Council has completed \$26.1m towards the \$35m capital programme as at the end of April 2023 for 2022/23. The 2022-2023 Annual Plan had a total capital programme of \$56.2m but \$35m budgeted to be spent. The level of capital grants is also lower than budgeted due to the timing of the capital programme changing from what was originally planned. This is largely due to the Tara-Ika Programme moving out to future years. The level of operating income is \$2.2m higher due to higher levels of Operational Grants and Subsidies (\$590k) from first tranche of unbudgeted Mayors' Taskforce for Jobs (MTF) funding and first tranche of transition support package (\$1.1m) from the Department of Internal Affairs (DIA).

The level of operation expenditure is \$5.8m higher than the level set in the Annual Plan which is primarily due to Maintenance spend variance of \$1.36m, higher finance costs of \$1.3m due to higher interest rates, professional fees of \$726k. Labour recoveries is \$1.18m less than budget partly due to less capital spend year to date and also due to all time recording not yet reflected in the results. This is currently being worked on. At the end of April, council was forecasting a full year operating deficit of \$2.9m. Work has been completed in May to identify ways to reduce the deficit. As at the time of writing this report, the council is forecasting a full year operating deficit of \$1.9m, this is largely due to increased interest costs of \$1.6m as a result of higher interest rates.

Operating Expenditure and Capital Expenditure By Activity



Capital Projects Overview and Lifecycle Report



| Key | → a move to the right | ← a move to the left | * If changed colour | # project added since last report | |
|--|--------------------------------------|--|--|---|--|
| Project Lifecycle | | | | | |
| Development | Consent | Plan and Procure | Deliver - 22/23 FY | Deliver - ongoing | Close and Evaluate |
| <i>Scope and approvals</i> | <i>Consent process</i> | <i>Implementation planning</i> | <i>Implementation</i> | | <i>Monitor benefits</i> |
| Foxton East Drainage Scheme | Foxton Beach SW planning and consent | # Foxton Water Renewal 23/24 | Minor Road Improvements | Foxton WWTP | Gladstone Road Realignment |
| # Lake Horowhenua water quality improvements and Queen St SW consent | Tokomaru WW disposal | * → Levin WWTP renewals | Footpath Renewals | Foxton Aquatic Centre | # Levin Landfill - Old dump capping |
| Levin Pot - Strategic upgrade | Poads Rd Reservoir | *Tara-Ika - Queen St Stg.1 SW | North East Levin SW - SW Trunk and Coley Pond works | *Waitārere Beach Surf Club | # Jubilee Park Splash Pad |
| Shannon WWTP | | *SH57/Tararua Road Roundabout | Levin NE WW Renewals | Foxton Beach WWTP | # Public toilet – Major renewals |
| Tokomaru WWTP | | *Foxton WW Renewals | #Donnelly Park Netball Court resurfacing, lighting and fencing | *Old Dump remedial works - Leachate investigation | # Sealed Road Resurfacing annual programme |
| Foxton Beach WTP | | * Foxton Water renewal | Levin Water renewal- Liverpool Street | #Pot WW discharge development and renewals | |
| Levin WTP renewal | | *Levin New Landfill - Additional capping | Cycle Facilities | Tara-Ika - Tararua Road WW | |
| Shannon WTP renewal | | * Levin Water Supply Fluoridation | Shannon - Mangahao Water Renewal - Stg1 | Levin WW Renewals - Kings Drive | |
| Foxton Beach WTP renewal | | *Foxton Beach Water renewal | Tara-Ika - Trunk Watermain (Tararua) | | |

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|---|--|---|--|--|--|
| Tokomaru WTP renewal | | # Tararua Road/SH57 roundabout enabling works | # Stormwater new including Ramona Ave, Waitarere Beach | | |
| # Waikawa Beach Access | | # Weararua/York St WW upgrade | # Sealed pavement rehabs | | |
| # Levin Adventure Park playground renewals | | # Mangahao Water Stage 2 | Waitarere WWTP | | |
| Levin WWTP Master Plan | | # Macarthur Wastewater and Water | # Reserve renewals | | |
| Levin WTP Master Plan | | | Road improvements | | |
| Horowhenua Transport Investment - PBC | | | | | |
| # Okarito SW connection | | | | | |
| <p>Foxton East Frainage Scheme - HDC is a stakeholder and funding partner. Risk around scope and delivery have been identified. working with Horizons (owners of the project) to understand revised plan and implications for funding contributions to date</p> | | | | | |

Top Ten Priorities Updates



| Top 10 Priority | Update |
|--|---|
| <p>Enabling affordable housing that meets the needs of a growing population through the implementation of the Housing Action Plan</p> | <p>Several development opportunities are currently being worked through which consider the additional supply of both affordable, social, and general housing supply.</p> <p>Kianga Ora has some builds underway in the district and discussions continue around extending this programme.</p> <p>An internal consenting process review is underway with the aim to reduce consenting times for those wishing to add to the districts housing stock. The Housing Action Plan will also be the subject of a refresh to ensure the intent remains in touch with the current needs of our community.</p> <p>The market has slowed, however several projects are underway and continuing, notably the new social housing development on Hinemoa Street.</p> |
| <p>Achieve the best outcome for Horowhenua in the face of Three Waters Reform Transition</p> | <p>On 13 April 2023, the Government announced a reset of the Water Services Reform. The major change was moving from 4 entities to 10 smaller entities, with their boundaries established roughly along the lines of New Zealand's 16 regional councils. Horowhenua is to become part of the Manawatū/Whanganui entity.</p> <p>HDC staff who have been identified as potential future employees of the new entity have had their first formal engagement. Consultation on their position and transition pathway was between 4-18 May 2023.</p> <p>Any requests for information from the National Transition Unit due during this reporting period have been completed.</p> <p>On 26 May 2023, Mayor Bernie Wanden and Chief Executive Monique Davidson wrote to the Minister of Local Government, Hon Kieran McNulty requesting an audience to discuss the Water Services Reform.</p> |
| <p>Deliver on the Levin Town Centre Transformation Strategy</p> | <p>Positive discussions have been had with The Horowhenua Company Limited and officers are continuing to work closely with the Company on engaging the local retailers and Town Centre Building Owners.</p> <p>Expression of interest process undertaken for the Levin Courthouse in the Rose Gardens. This process is seen as an opportunity to be a catalyst for bringing new activity into the Town Centre.</p> <p>The We Are Horowhenua placemaking work is progressing towards the Rangatahi photoshoots. Some positive responses from Town Centre businesses to hosting the portraits. Would be great to get some additional businesses on board so we could profile even more rangitahi from our district.</p> |

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| | <p>Following the last Levin Town Centre Taskforce meeting a dedicated Elected Member session will be held to confirm the direction and next priorities for the Levin Town Centre transformation.</p> |
| <p>Complete a Rates review as part of the Long-Term Plan Amendment, to ensure a rating system that is fair and equitable</p> | <p>The rates review has been completed and the rates will be set on 28 June 2023. Further work will be completed on the rates remission policy during the first quarter of 2023/24.</p> <p>A decision is due to be made just after the reporting period for this report.</p> |
| <p>Provide advocacy and leadership to Ōtaki to North Levin expressway project</p> | <p>It is great to be able to advise that the ongoing advocacy and leadership of this Council has been successful. Since the last update to Council there have been key announcements made in May by the current Government supporting the construction of O2NL.</p> <p>This Waka Kotahi project has felt the impact of escalating costs Minister Woods has publicly confirmed that road will be built and built on time. The Minister has ruled out any delays. Construction on the road is scheduled to start 2025 and be completed 2029.</p> <p>The project is currently in the pre-implementation phase with the Notice of Requirement (NoR) on track for hearings later this year. Council has a regulatory role in assessing and responding to the NoR proposal.</p> <p>Council officers and Elected Members will be working with Waka Kotahi and contributing to the Legacy Outcomes Framework through a workshop to be held late June.</p> |
| <p>Get the basics right and support the customer focused delivery of core services</p> | <p>Leveraged community feedback to redesign event notification form, event section of website and provide a free series of event workshops. https://www.horowhenua.govt.nz/News-Events/Events/Organising-An-Event.</p> |
| <p>Deliver the capital infrastructure programme, and achieve an increase in the percentage of completed works</p> | <p>Please refer to the Capital Projects Lifecycle and Confidence Report. Update on year-end forecasts and 2023/24 programme overview to be provided at June Capital Programme Steering Group.</p> |
| <p>Reset our engagement and partnership approach, and work more with and for the community</p> | <p>Utilised Let's Kōrero to provide an online Long Term Plan Amendment presence. This coupled with a significant social media, radio and print campaign and new Citizens Panel focus groups led to a 37% increase in online traffic compared to the LTP 2021-2041.</p> <p>Council provided input and direction in terms of the development of a Māori Engagement framework.</p> |

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|---|--|
| <p>Enable the rebuilding of the Horowhenua District Council organisation, with a focus to empower a culture of excellence, service, and continuous improvement</p> | <p>The organisation continues to embrace change, with a focus on implementing the key commitments outlined in the Organisation Roadmap.</p> <p>Highlights from the reporting period include:</p> <ul style="list-style-type: none"> • Launch of Pay and Performance Policy • Launch of Tuhono Cultural Toolkit • Streamlining the recruitment process through maximising the use of our cloud-based systems and eliminating manual work • Insurance Strategy – Reviewing how and what we insure to create efficiencies for the organisation • Bringing the Alliance team back in house • Development of a Digital Action Plan with the Data & Reporting Action plan business case currently being developed • Maximising the use of our core enterprise systems to create efficiencies in process (Accounts Payable and Financial Reporting & Forecasting). • As part of an effort to build a positive, accepting and inclusive culture HDC celebrated pink shirt day with ELT dressing in matching pink shirt t-shirts and staff being encouraged to sign an anti-bullying pledge. Staff were also asked to participate in a survey about bullying to help the organisation understand how staff feel about bullying. |
| <p>Make a decision on the Future of the Levin Landfill and follow through on the review of our WMMP</p> | <p>Submissions on LTPA were received for future outcome of New Levin Landfill. Officer background information has been tabled for elected members to consider.</p> <p>A decision is due to be made just after the reporting period for this report. Initial steps for review of WMMP are commencing</p> |