

Horowhenua District Council Interim Organisation Performance Report

12 June 2024



Mō tēnei pūrongo

About This Report

This Interim Organisation Performance Report (OPR) is provided to Council and the community as part of the agenda for every second Council meeting, as an assessment of the overall performance against goals and priorities. A full report is provided every other Council meeting.

The interim report provides an analysis of financial performance, an update on Council's Top Ten Priorities, a Capital Projects report and an outline of the Statement of Service Performance (SSPs).

Together this information provides a clear picture of the organisation's current status and progress towards its goals. The report serves multiple purposes, including being a mechanism for openness and transparency with the community and for identifying areas for improvement.

Organisation Performance Dashboard

This dashboard provides a snapshot of key financial and performance measure information. This is provided in both the Interim and Full OPR.

The reporting period is: Year to date April 2024.

Statement of Service Performance (SSPs)

SSPs were set following consultation with the community during the 2021-2041 Long Term Plan process. They are important measures of 'business as usual' work. It is noted as to whether each SSP is on track or not expected to achieve the target for the financial year.

Top 10 Priorities

This section provides updates on each of the 10 priorities identified in the Council Plan on a Page.

The reporting period is: 11 April – 22 May 2024.

Capital Projects Lifecycle and Confidence Report

This report provides an overview of some of our capital projects, where they sit in the lifecycle of the projects and our level of confidence in the delivery of the project at this point in time.

The reporting period is: 11 April – 22 May 2024.

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Ngā Ihirangi

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Organisation Performance Dashboard

Organisation Performance
Dashboard

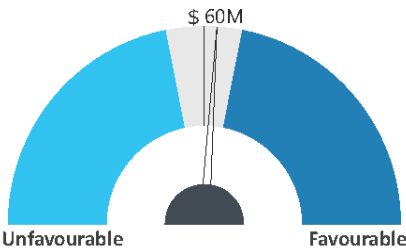


Organisational Performance

YTD Ending 30 April 2024

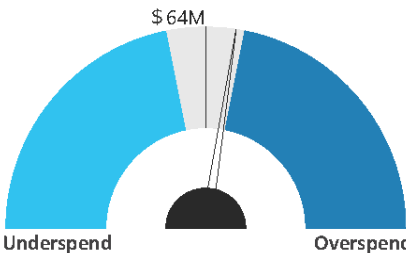
This dashboard shows a snapshot of how we are tracking against our performance measure targets, our financial performance overall and activity financial information.

Financial Performance



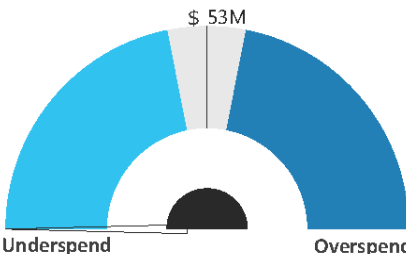
INCOME

YTD Actual:	\$61.15M
YTD Budget:	\$60.17M
Full Year Forecast:	\$76.48M
Full Year Budget:	\$72.69M
Variance:	\$0.98M, 1.6%
	on target



OPERATING EXPENDITURE

YTD Actual:	\$66.29M
YTD Budget:	\$63.82M
Full Year Forecast:	\$82.52M
Full Year Budget:	\$77.25M
Variance:	-\$2.48M, (3.9%)
	on target



CAPITAL EXPENDITURE

YTD Actual:	\$28.15M
YTD Budget:	\$52.92M
Target Full Year Budget:	\$38.17M
Full Year Budget:	\$61.70M
Variance:	\$24.77M, 46.8%
	below target

below target	< -5%
on target	>= -5% to <= +5%
above target	> +5%

Council have forecast a \$6.0m full year operating deficit (this includes rates, debt funded operating costs, capital related income and depreciation) compared to a budgeted operating deficit of \$4.6m. The difference of \$1.4m is largely driven by the forecast additional depreciation costs of \$1.2m. We are also expecting additional net interest of \$1.6m, which is partially offset by additional rates of \$1.1m which was due to higher than expected growth.

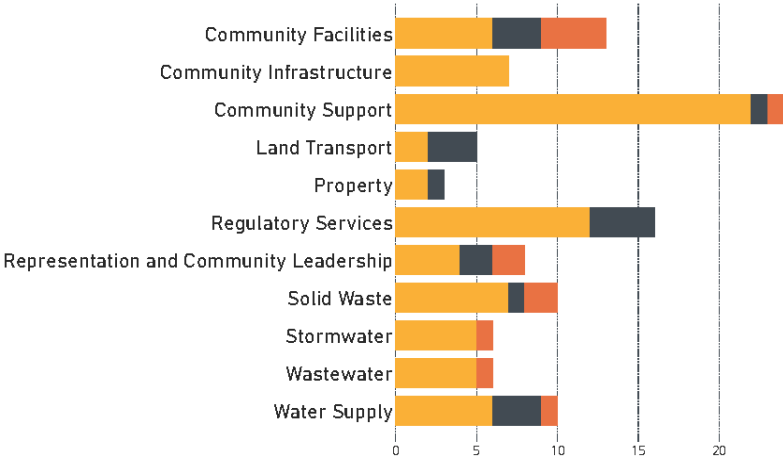
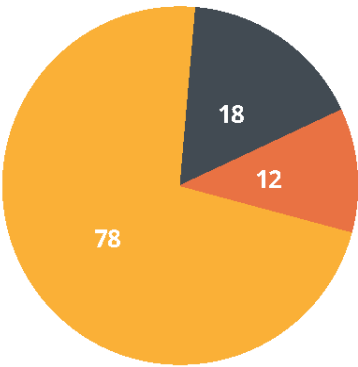
Although the overall financial position is showing additional net spending of \$1.4m, the full year underlying savings target of \$1m which excludes capital items, depreciation, rates and interest was reported as on track in February and is still forecast to be reached.

The \$2.6m change in position since February includes reduced Capital Grants and Subsidies revenue of \$2.6m due to the reprioritisation of our capital expenditure programme following Council direction, with projects being deferred to the next financial year. Capital Grants and Subsidies revenue and associated expenditure for deferred capital projects have been included in the 2024/25 budgets as part of the Long Term Plan process.

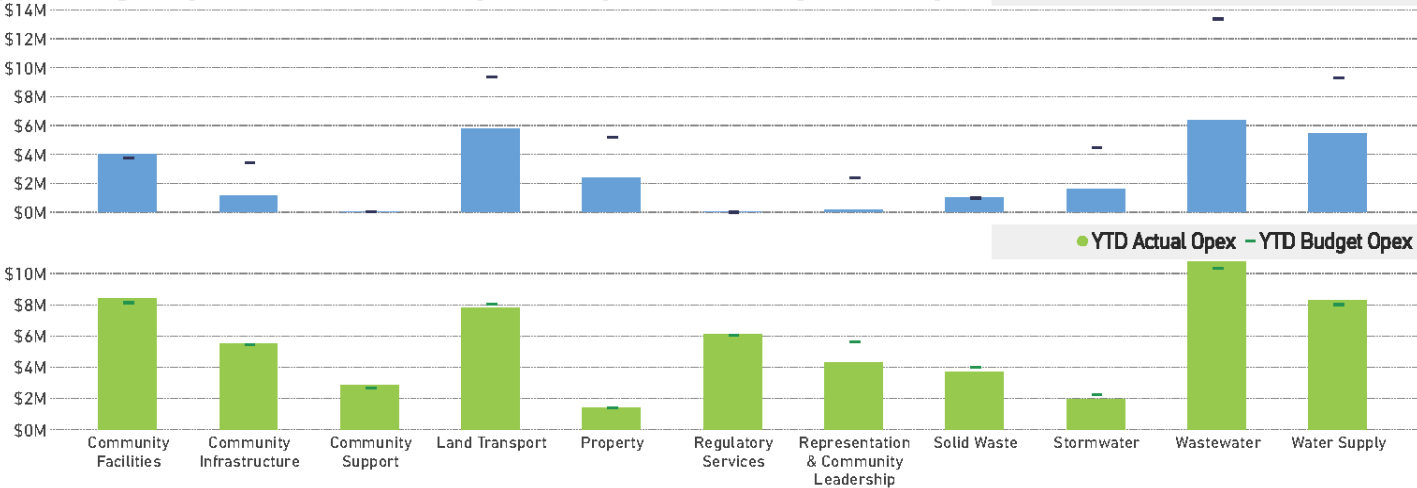
The recent capital reprioritisation exercise carried out by Council resulted in a full year forecast of \$38m which includes \$10m expenditure for the remainder of the financial year.

Overall Performance Measures

- On Track
- Not On Track
- Unable to be reported



Operating Expenditure and Capital Expenditure By Activity



Ngā Whāinga Matua 10

Plan on a Page – Top 10 Priorities



Ngā Whaingā Matua

Top 10 priorities



Enabling affordable housing that meets the needs of a growing population through the implementation of the Housing Action Plan

The market remains weak on the demand side and consenting for building activities continues to remain low. There is a solid underlying base that has been built in 2024 and it is hoped the growth projection trend for the Horowhenua on the housing front will be maintained this year.

The Council recently agreed to continue with the revocation process for Green Avenue Reserve which in time will free this land up for future development, in line with the Housing Action Plan.

There are some signs that the demand for consenting activities is improving slightly, however it is a little too early to tell if this shift is material as this low point is still expected to run well into 2025.

Our focus remains on the affordable housing aspect of the Housing Action Plan. Work in this space continues through consideration of opportunities currently on the drawing board with the Ministry of Housing & Urban Development, Kainga Ora, Community Housing Providers, Community Groups and developers across the community.

The good news is, there are already a good number of houses under construction that will directly benefit the community, and there are certainly more in front of us which are yet to come out of the ground.



Achieve the best outcome for Horowhenua in the face of Local Waters Done Well initiative

Measures to be introduced through new legislation in mid-2024 will establish the Local Water Done Well framework and the transitional arrangements for the new water services system. The measures include requirements for councils to develop Water Services Delivery Plans, steps towards future economic regulation, and streamlined processes for setting up water services council-controlled organisations (water services CCOs).

Through the development of these plans, councils will provide an assessment of their water infrastructure, how much they need to invest, and how they plan to finance and deliver it through their preferred service delivery model.

Ringfencing of water services and revenue from other council activities is a key feature of the plans. The plans will be a way for councils to provide transparency to their communities about the costs and financing of water services and empower them to make decisions about managing and delivering high-quality water services that reflect their local needs and circumstances. The plans can also be prepared jointly, and so provide an opportunity for councils to have conversations with other councils about joint arrangements for water services delivery.

HDC is currently working with the Wellington Region in developing a Water Services Delivery Plan that will provide a:

- stronger central government oversight
- economic and quality regulation

- financially sustainable delivery models.

Officers will continue to work through information as it becomes available from Te Tari Taiwhenua (DIA).



Deliver on the Levin Town Centre Transformation Strategy

Work continues to progress the property acquisition strategy, and while it is nearing completion, ongoing work is being done to identify further earthquake-prone buildings and strategic buildings of interest.

The nomination process for applications to the Reference Group Members was completed and resulted in many high-caliber individuals expressing interest in being involved. The Reference Group is expected to be confirmed once recommendations made to the Steering Group are endorsed.

The Programme Delivery Team presented an update on the Levin Town Centre Strategy to the Levin Domain Users Group and took the opportunity to take feedback for opening the Domain for public access during the day. While several considerations were shared, there was support shown for the proposed opening of the grounds. Officers also spent time at the Basin Reserve in Wellington and talked to staff in order to understand how they manage public access and movement through their international sports facility.

The Levin War Memorial Hall, Village Green and Skatepark Expressions of Interest process closed on 17 May 2024, with nine high quality responses provided. The Programme Delivery team is collating these to present to the Steering Committee for consideration and recommendations as to which will be presented to Council.

Kiwirail have been commissioned to provide a report outlining the options for alternative railway platform placement in Levin, this is a key piece of work to help the Town Centre planning for future transport and transport hub options. The report is expected in June 2024.

The Programme Delivery Team has been engaging with groups to present updates on the Levin Town Centre Strategy and to collect feedback. Groups that have been presented to include: Horowhenua District Council staff, Levin Intermediate School and Levin Historical Society.

Officers met with Muaūpoko Tribal Authority to provide an update on the decisions and direction of Council. An invitation was extended for a representative to be a member of the Reference Group.

The Youth Voice campaign on the We are Horowhenua placemaking portraits continue to be on display within the town centre.



Council committed to undertake a Rates Review after the Annual Plan 2022/2023 to consider how rates and costs are shared across the district

A rates review was completed as part of the Long Term Plan Amendment and some rates changes were also consulted on as part of the 2024-44 Long Term Plan. This also involved updating the rates remission and postponement policy. A further review of water rates will be completed during 2024/25.



Provide advocacy and leadership to Ōtaki to North Levin expressway project

During the reporting period, alongside other project partners, Council Officers have regularly attended and contributed to the following: Ō2NL project meetings; Project Steering Committee; Integrated Owner Team; Strategic Communications; Legacy Outcomes; East West Arterial; Consent System Team.

Regular and new communication has been had and sought with New Zealand Transport Agency Waka Kotahi staff.

Internal Alignment meetings are regularly being held to align the organisation with the project milestones and ready Council for strategic input and management of regulatory and compliance obligations.



Get the basics right and support the customer focused delivery of core services

Information Services

Our Data programme is going well with the final testing currently being completed for the development of the Civica Data Warehouse and, prioritisation of business reporting requirements for the future when we transition into Power BI reporting. The review and documentation of our current ICT environment is well underway with recommendations for improvements being made along the way.

We have also implemented a staff driver register and staff conflict of interest capture and management tool. All staff have completed their initial conflict of interest registration and are now working through their management plans as required.

Energy

April energy consumption checks against 23/24 projections showed:

- Electricity use tracking 8% less than projected; and
- Gas use tracking 7% higher than projected.

Finance

We recently updated our direct debit form which will be going online in July. We have also redesigned rates and water billing invoices which will be used from the start of the next financial year.

Customer Excellence Action Plan

Loading content into Kbase continues to make good progress with content from all areas of the organisation being loaded, along with a renewed focus on what is being loaded into and what is outstanding in our Customer Request Management system, CRM.

Managers of activity portfolios were provided with lists of outstanding customer requests in the first stages of closing and resolving active service requests that appear to have been outstanding for some time.



Deliver the capital infrastructure programme, and achieve an increase in the percentage of completed works

The overall programme of works is on track for the 2023/24 financial year following a reforecast of the capital programme to \$40M for 2023/24, \$40M for 2024/25 and \$47M for 2025/26.

A workshop was held in May as a continuation of the March workshop. This workshop briefed Council further on the prioritisation framework and the current preparations and progression of the capital project review.



Reset our engagement and partnership approach, and work more with and for the community

Waikawa Beach Vehicle Access

Council staff have recently engaged with local user groups to foster community collaboration in identifying a viable solution for vehicle access to Waikawa Beach. Officers updated all submitters on the progress, emphasising ongoing efforts to protect private property that has previously been used for access. This issue is challenging and emotive for the community due to differing perspectives and officers are working to navigate this matter and present options for Council to consider in order to re-establish beach access.

Foxton War Memorial Hall

The recent consultation on the future of the Foxton War Memorial Hall closed during this reporting period with a total of 63 submissions received. Council will consider the submissions and next steps at the 12 June Council meeting.

Voice of the customer

Work has begun on analysis of the data from the Resident Satisfaction surveys, which will be presented to Council at the 12 June workshop. Initial results show positive movement in overall Net Promoter Score and Customer Satisfaction. A total of 3,053 responses were received across 11 surveys, with a second and final survey sent to Levin Aquatic Centre users to ensure sufficient data to benchmark against last year's results. Hardware has been purchased for community centres, with insitu surveys going through a final round of approvals, before devices and surveys go live by 30 June 2024.

LTP engagement

Post community consultation and deliberations, efforts turn towards the Long Term Plan 2024-2044 proper and developing the 600+ page Long Term Plan document for adoption on 26 June. A letter (mailout/email) will be sent to ratepayers to summarise key decisions and what this will mean for ratepayers.



Enable the rebuilding of the Horowhenua District Council organisation, with a focus to empower a culture of excellence, service and continuous improvement

Our journey to build a high performing organisation continues and we are still heading in the right direction. Staff turnover continues to decrease with overall turnover down from 36% to 32% and excluding internal moves from 22% to 21%.

All staff have now completed a declaration of interest. Work will continue on an ongoing basis to ensure management plans are in place where required.

Results from the all staff pulse survey focusing on Performance Matters show an improvement across the majority of benchmark questions, specifically:

- Council has a culture of empowerment that maximises the performance of staff – from 61% to 64%
- Poor performance is managed effectively in our organisation- from 50% - 58%
- I have regular performance reviews and receive effective feedback – from 66% - 74%.

During the change proposal staff were consulted on the new leave policy and guidelines on working from home to help drive efficiency and consistency across the organisation. Both processes were implemented effective 10 May 2024 with work ongoing around approval for working from home arrangements using a similar online tool to the conflict of interest.

Proposed changes to the Individual Employment Agreement (IEA) have been postponed, with consultation planned to begin in September following the completion of the Performance and Pay Review.

Sick leave taken increased to 1,373 hours end of March from 996 hours in February and then decreased in April to 1,109 hours. Sick leave without pay however, has increased over this period from 38 hours in February to 168 hours at the end of April.

Considerable work has been undertaken on the accuracy of our annual leave reporting. Annual leave liability is tracking up to \$1,420,713 (29,986 hours) from \$1,365,971 (28,315), however down from \$1,550,543 (30,424 hours) 12 months prior at end April 2023.



Make a decision on the Future of the Levin Landfill and follow through on the review of our WMMP

Council approved the Best Practical Option (BPO) 3 on 8 May 2024 with the associated capital spend of \$2M. The next stage of work is to apply for an extraction consent from Horizons Regional Council. An offer of service has been provided from Good Earth Matters as a preliminary to begin the consenting process.

At the Long Term Plan Deliberations meeting on 22 May, Council resolved to accept the vision of the Waste Management & Minimisation Plan and to accept the list of goals with the associated priority settings.

Tiro Whānui **Hinonga Matua**

Capital Projects Overview



Capital Projects Lifecycle and Confidence Report

Successful delivery of the project against its project parameters appears on track as planned, and there are no major outstanding issues or risks that appear to threaten delivery.

Successful delivery of the project against its project parameters appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun or loss/delay of benefits.

Successful delivery of the project against its project parameters appears to be unachievable. There are major issues with schedule, budget, resource, quality and/or benefits delivery, which at this stage does not appear to be solvable. The project may need rescoping and/or its overall viability reassessed.

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
	Scope and approvals		Implementation planning	Implementation		Monitor benefits
	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	Foxton Beach Water renewal	Footpath Renewals	Levin WW Renewals - Kings Drive	Levin Landfill - Old dump capping – 100% Completed
	Levin Pot - Strategic upgrade	Poads Rd Reservoir	SH57/Tararua Road Roundabout	Stormwater new including Ramona Ave, Waitarere Beach	Foxton Beach WWTP	Public toilet – Major renewals
	Shannon WWTP		Foxton WW Renewals	Waitarere WWTP	Old Dump remedial works Leachate investigation, consent process	Sealed Road Resurfacing annual programme
	Tokomaru WWTP		Foxton Water renewal	Sealed Pavement rehabs	Pot WW discharge development and renewals	Donnelly Park Netball Court resurfacing, lighting and fencing
	Foxton Beach WTP		→ → Levin Wastewater Treatment Plant - Inlet pipe Upgrade	Cycle Facilities	Levin New Landfill - Final capping - Jan 29. Final work is connection of gas heads	→ → Tara-Ika Tararua Road Stage 3 WW

Waikawa Beach Access	Tara-Ika - Queen St Stg.1 SW	North East Levin SW - SW Trunk and Coley Pond works	→ Shannon Water Renewal - Stafford
Levin WTP Renewal	Road Improvements	Levin NE WW Renewals	Foxton Pools
Shannon WTP renewal	Weraroa/York St Wastewater Upgrade	→ → Levin WWTP renewals	→ Shannon - Mangahao Water Renewal - Stg1
Foxton Beach WTP renewal	Tara-Ika - Tararua Road Wastewater - Stage 4		
Tokomaru WTP renewal	Levin Water Supply Fluoridation		
Levin WWTP Master Plan	Shannon Water Renewal - Treatment Plant inlet/outlet		
Levin WTP Master Plan			
Horowhenua Transport Investment PBC			
Okarito SW connection			
Macarthur Wastewater and Water			