



HAWKES BAY
REGIONAL COUNCIL

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

HAWKE'S BAY REGIONAL COUNCIL Organisational Performance Report

Quarter 2: 1 October to 31 December 2020

Prepared on 24 February 2021

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Executive Summary

This Organisation Performance Report provides Council with information to understand the situation-specific factors affecting performance. It reports on how well we are performing across a number of corporate-wide measures and uses the Groups of Activities from the current 2018-28 Long Term Plan to present actual non-financial and financial performance using a traffic light reporting approach.

Its secondary purpose is to provide the Chief Executive, Executive team and staff with information to ensure alignment of council's work programmes across different groups and teams to achieve the Council's Strategic Plan outcomes and to ensure a steadfast focus on performance and accountability.

This report covers the period of 1 October to 31 December 2020. The report covers:

- Significant events and programmes this quarter
- Business improvement metrics
- Groups of Activities

Highlights

- A climate action marketing campaign was run across the region over six weeks
- An Enviroschools Camp was held at Guthrie Smith Arboretum & Education Centre with the theme of climate change using Tūtira Lake as a case study
- Combined the Heatsmart and Sustainable Homes programmes delivered 866 packages in Q1 & Q2
- The first base-line assessment of corporate carbon footprint was received and communicated through social media and press releases
- An IT project is underway to improve the video conferencing functionality at Council sites to encourage uptake, improve video quality and the ease of use of this facility in meeting rooms. The end goal is to reduce air travel. This project should be finished by end of 20/21 FY
- 124 hectares of highly erodible land was planted and 2.6km of streams were fenced in this quarter
- A major investigative report reviewing groundwater monitoring needs was completed and approved in December 2020. Results of this report are the basis for field work planned in the next two quarters
- In Quarters 1 and 2, the draft Open Spaces Asset Management Plan was developed for the first time, bringing a more planned to the activity, including national best practice of Parks & Reserves
- Successful enforcement action was taken in the Environment Court where two companies convicted/fined for dairy discharge to stormwater – one fined \$20,000, the other fined \$17,000. Also a company was convicted/fined \$14,000 for spray drift.
- Land was acquired from a neighbouring property owner at Tūtira in order to establish an access road for logging trees on the Tūtira Regional Park.
- The Whakaki Catchment Pilot project was concluded with a workshop to discuss the outcomes of the economic impact assessment work
- The Land Science team are developing a new methodology to assess shelter belt state and distribution across the region using satellite imagery. The team also engaged in high resolution photography (2.5 cm resolution) of 217 riparian sites that will give us statistical coverage of our region and allow riparian statistical modelling to take place that will reveal riparian zone condition across the region (statistically)
- A compliment was received expressing thanks to our Total Mobility staff for a quick, caring and professional response to an enquiry about the total mobility scheme

Lowlights

- Our annual ISO 9001:2015 quality assurance review by Telarc was completed 19-20 October 2020. The auditor's findings were 1 major and 1 minor non-conformance. Major non-conformance was for documentation not available for verification to support the activities of the Harbourmaster. Minor non-conformance was for no evidence of a calibration/validation for two measuring/sampling units, currently deployed offshore
- Recruitment for positions in Catchment Implementation team was delayed to help overall financial impact for council in this constrained year. This resulted in a delay to planned work in priority Tukituki and TANK sub-catchments (now underway)
- A shortage of fencers resulted in delays to fencing five new Ecosystem Prioritisation sites for the Catchment Services team
- Some of our navigation aids, particularly around Mahia Beach and Onepoto (Taylor's Bay) needed repairs. This resulted in greater contractors cost than what had been budgeted
- The CDEM Group office staff were heavily involved in the Napier flood response in November and the subsequent NCC recovery. Due to the urgency of the Napier flood and COVID-19 responses, and resurgence planning a number of lesser priority work in this area have been placed on hold
- The bus fare recovery has not recovered to pre lockdown levels, despite the lower flat fare
- More road deaths so far this calendar year than full year last year

PART 1: SIGNIFICANT EVENTS AND PROGRAMMES THIS QUARTER

1.1 Long Term Plan 2021 – 31

Q2 was a busy time in the development of the Long Term Plan culminating with several workstreams presenting material to the council workshop in December 2020. Budget holders completed detailed budgeting for the 10 years of the plan (30 years for asset management) using the new financial system TechOne. New staff, new programmes and material changes to existing programmes could only be included if they had been supported by Council during the level of service review workshops held in September and October. The headline financial impacts were presented to Council in December. The provision of more detailed financial information was postponed until late January. The first ever Corporate Plan was developed and also presented to Council in December. The Corporate Plan describes the priorities and resources that the internal support services need over the next three years to ensure the activities and services funded through the Long Term Plan are delivered effectively and efficiently. Staff from across the organisation were involved in reviewing non-financial service level performance measures. The set of measures along with an early draft of the Consultation Document were also presented to Council in December. Independent advice was sought on investment returns.

1.2 Financial Upgrade Systems and Efficiencies (FUSE)

Work continued on the project to replace our current finance systems with TechnologyOne OneCouncil. Long Term Plan budgets have been completed using the Enterprise Budgeting module within the solution and work is now progressing on remaining streams which include Payroll, Supply Chain Management, Finance and Work Orders, Job Costing and Billing - these are all to be delivered during 2021.

1.3 Climate Change

In this quarter the Comms team launched and ran a significant climate action marketing campaign for six weeks. The campaign promoted the local impact of the climate crisis, the work the Regional Council is doing, and actions people can take. The campaign aligns with the Council's 2020-2025 Strategic Plan.

The campaign involved:

- Using the community perceptions survey of climate change in Hawke's Bay to launch the campaign, distributed to key media
- Promoting the NIWA report on climate impacts <https://www.hbrc.govt.nz/assets/Document-Library/Reports/Climate-change-projections-and-impacts-for-Tairawhiti-and-Hawkes-Bay.pdf>
- Receiving the Council's first base-line assessment of its corporate carbon footprint, and communicated this to the public through social media + press releases
- Running pop-ups in Wairoa, Napier, Hastings and Waipukurau to engage community about climate change
- Organising a series of opinion pieces from councillors for publication in the Hawke's Bay Today
- Launching climate crisis website on climate change impacts, what the Council is doing and case studies <https://www.hbrc.govt.nz/environment/climate-actionhb/>
- Producing three case-study videos covering farming/business/community with a call to action
- Running comprehensive social media campaign with daily posts about climate change over the six week campaign period

1.4 Risk Management

On 10 June 2020, the Corporate and Strategic Committee endorsed a roadmap to mature HBRC's risk management system. The longer-term vision for maturity of HBRC's risk system is to establish value creation risk intelligent decision making that is embedded consistently throughout Council.

To achieve the longer term risk vision a risk maturity roadmap was developed and split into four distinct phases. The first three phases involve appropriately positioning the risk system within HBRC and then strengthening the risk governance reporting and business oversight. The final phase of the roadmap is partnering with the business to systematically strengthen embedded risk practices in the operational business.

At the August 2020 Finance Audit and Risk Sub-committee (FARS) meeting revised enterprise risks and a 'new look' enterprise risk report was presented to, and then endorsed by, the Sub-committee. With FARS endorsement of the revised enterprise risks the next step in risk maturity was to strengthen the risk scope and understanding of the critical control environment for each enterprise risk. To achieve this 'bowtie analysis' being the recommended methodology within HBRC's approved risk management framework was undertaken. For the quarter to 31 December 2020 of the 13 revised enterprise risks the following six enterprise risks had bowtie analysis applied:

- Information Management and Security
- Business Interruption
- People Capability
- Fraud
- Health Safety and Wellbeing, and
- Infrastructure an Asset Management

It is proposed that over the next quarter all enterprise risks will have bowtie analysis undertaken, with the enterprise risk report updated to reflect the improved understanding of the risk scope and critical control environment from the bowtie analysis.

1.5 Drought

It was agreed during the period that the remaining \$48,688.70 in the Drought Relief Fund (of which HBRC contributed \$200,000) would be utilised for the development of a regional drought resilience strategy. This process has been scoped and a consultant engaged, with workshops beginning in February 2021.

1.6 Regional Business Partners (RBP)

The Hawke's Bay Regional Business Partners (RBP) programme issued all their 2020/21 funds and will have access to no additional funding until 1 July 2021. RBP has issued the following to HB businesses.

- COVID Business Advisory funding pool for HB of \$2,056,128.00

- Tourism Transition Fund \$135,755
- Capability Voucher funding (50% co-funding for business leader capability training) \$350k, which is \$120k more than the BAU regional annual funding pool.

With a sizable pipeline of businesses still seeking funds (there is a value of \$250k of funds on the waiting list to date), this will be a challenging next few months as there is still a strong appetite in the market for training.

The RBP team has resumed the BAU 2.1 FTE (of which 0.6FTE is subcontracted to the HB Chamber of Commerce). With the RBP contract end date of 30 June 2021, MBIE are working through options with the Minister for Economic Development regarding a contract rollover, or a full RFP - the latter is unlikely given the tight timeline.

Callaghan Innovation is a government partner in the recently launched Industry Transformation Plan (ITP) for the Agritech sector and has employed 2 new people to lead the (1) Robotics and Automation Catalyst workstream and (2) Innovation and Technology Adoption workstream. The Hawke's Bay Innovation Specialist (HBRC RBP employee) has commenced discussions with both programme leads to ensure Hawke's Bay Hort and Agri businesses are at the forefront of the roll out.

1.7 Hawke's Bay Tourism

Given current border restrictions and the global COVID-19 environment, Hawke's Bay Tourism (HBT) continued to focus on domestic tourism marketing throughout the period. Funding has been invested into three key categories – destination management & planning, industry capability building & product development and domestic marketing.

Interest for Hawke's Bay in particular, remains high - this has seen many events sell out or up last year's sales. There is a range of standout events throughout the summer months that HBT are supporting. HBT continues to strengthen the Food and Wine offering of the region as part of its branding and communications.

There was nervousness about the holiday period, with spend usually heavily propped up by international tourists and this will be the first summer for a lot of businesses that this market has not existed. Although local tourism helps and record domestic spend numbers are expected, it is unlikely to completely fill the economic void.

1.8 Matariki – Hawke's Bay Regional Development Strategy for economic, inclusive & sustainable growth

HBRC has representatives across both the governance and working group levels of Matariki.

Prioritised recovery actions and focus areas for the region continue to be progressed, as well as an integrated approach for a regional performance story across Matariki and the Regional Social Sector leads workstreams.

A regional workforce and skills plan is underway with the Interim Regional Skills Leadership Group – falling under Matariki Pou 2, and there has been good progress made on the construction & infrastructure pipeline.

The councils' section 17A Economic Development review has also been tabled and workshopped with members.

PART 2: BUSINESS IMPROVEMENT MEASURES

2.1 People & Capability

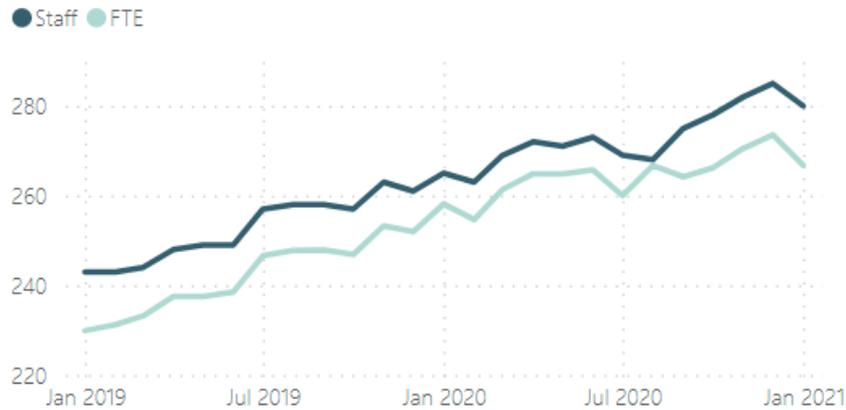
FTEs have increased by 1.63% in Q2 (Oct-Dec 2020). Turnover was sitting at 0.7% as of Dec 2020, down from 2.18% at end of Q1 (Sept 2020)

Employee Count

Data updated on a monthly basis



Staff Count and FTE by Month



Turnover (2020)

Data updated on a monthly basis



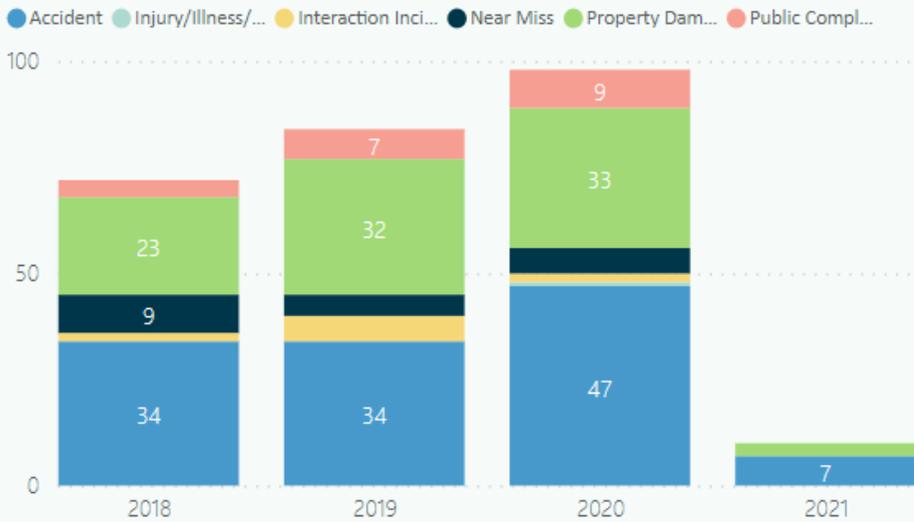
Employee Turnover



2.2 Health & Safety (H&S)

Incidents Reported

Data updated on a quarterly basis



22 incidents were recorded during the quarter;

- 2 accidents with no time off work
- 1 accident required time off work
- 4 near misses
- 3 public complaints
- 12 property related damage

There were 2 sprain/strain incidents.

With the addition of a full time Health & Safety Coordinator a full review of Health & Safety systems and procedures is underway.

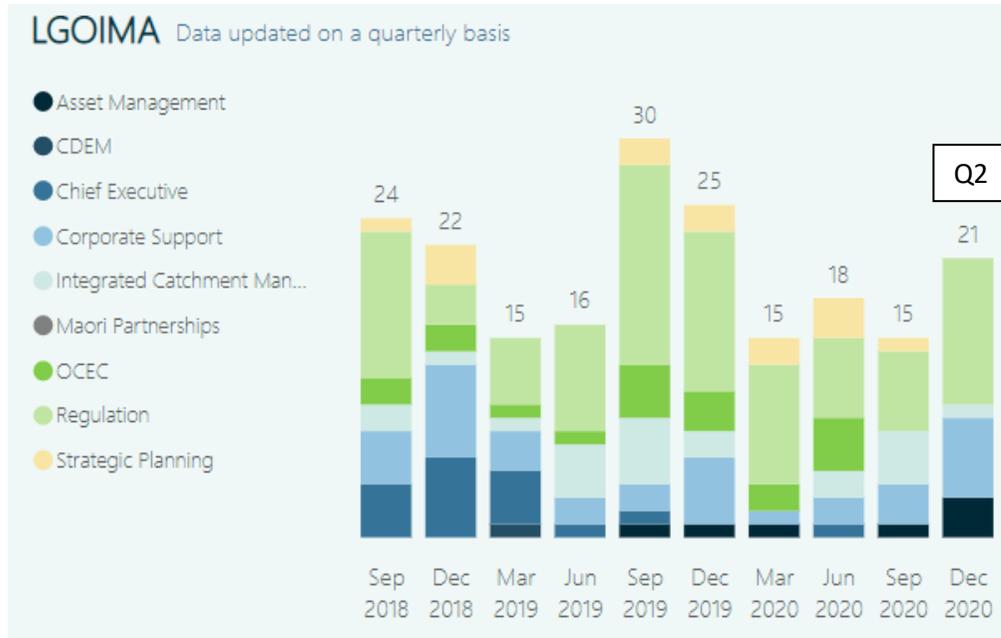
Accidents Reported by Time Off Work

Data updated on a quarterly basis

● No Time Off Work ● Time Off Work



2.3 Communications and Customer Experience



All LGOIMA requests received were responded to within the required timeframes, including 4 instances where "due particularity" was sought and subsequently 2 were sent an estimate of costs for providing information. Of those assessed for cost recovery, neither paid the deposit to enable Council to provide the information. There was one complaint made to the Office of the Ombudsman against a response from the Compliance Section advising information would be withheld under s6(a) because making available of that information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial

A total of 42 items of feedback were received through online feedback channels in Q2 (Oct – Dec 2020):

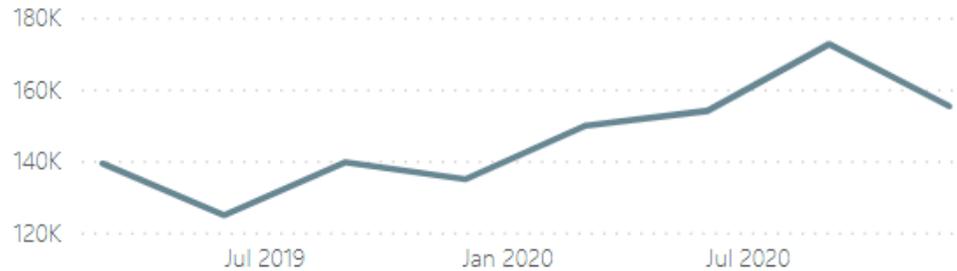
- 37 comments were received, there were no obvious common themes to the feedback received, however there were a few comments relating the bus service and new Bee Card process.
- 4 complaints were received concerning riverbank and trail maintenance, representation on Regional Council Committee and suggested edits to HBRC pest hub website.
- 1 compliment was received.

64% were completed within timeframe, compared to 61% last quarter.



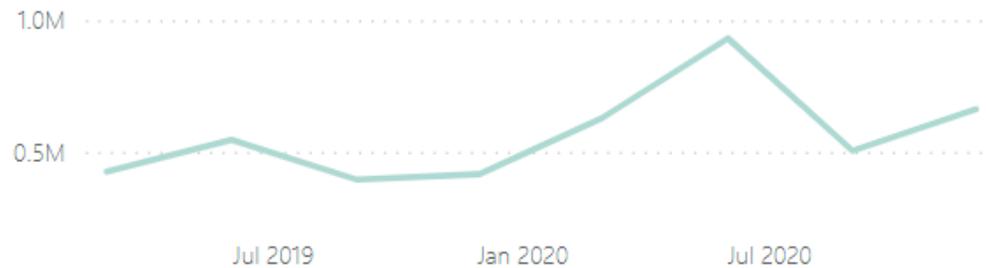
Website Data updated on a quarterly basis

Number of HBRC Website Visits



Social Media Data updated on a quarterly basis

Total Reach on Facebook



Media Log Data updated on a daily basis

Number of Enquiries by Status and Month

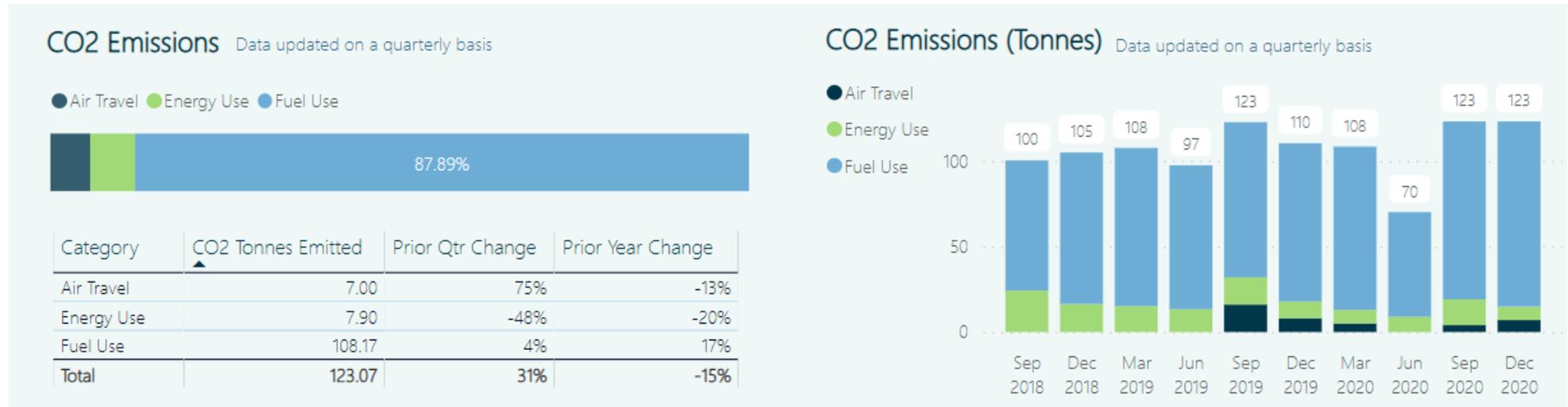


Most media queries from October 2020 were from local journalists, with interest in the climate action campaign, NCC wastewater pipe repairs, WDC wastewater issues, illegal burning prosecutions, the Napier flood, air quality, water safety and Swim Through Summer.

There were 21 queries from Hawke's Bay today, 11 from Wairoa Star, 9 from Stuff (Dom Post) and 8 from Radio NZ.

Many of the calls were following up on media releases we had sent out including the climate action campaign, Chilean needle grass, prosecutions for illegal burning, discharges and spraying, toxic algae, Maori representation on Council and Jobs for Nature grant. Please note that the number of calls does not reflect the number of media releases that were published.

2.4 Corporate Carbon Footprint

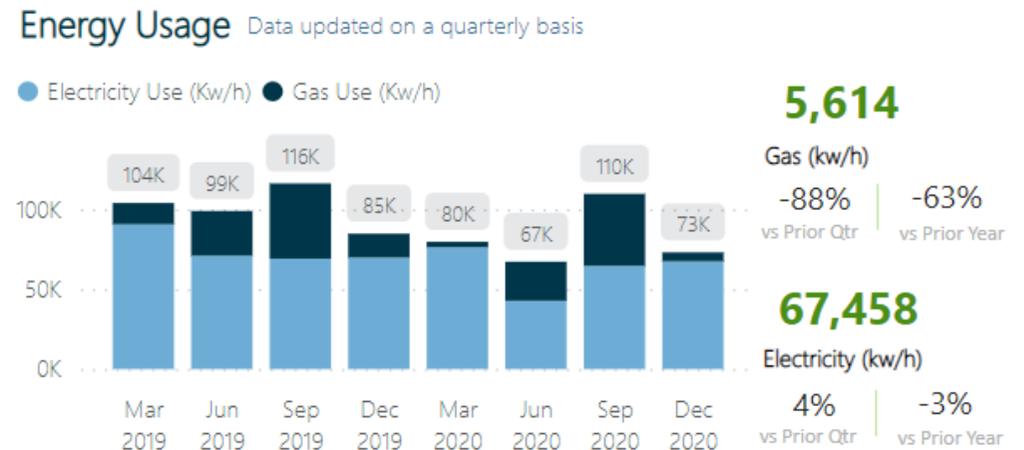


Emissions were lower than Q3 from FY20 but still slowly increasing to the pre lockdown norms.

108.17 tonnes of CO2 were produced from Council fleet fuel use. Electric vehicles and bikes are introduced in to the fleet as the opportunity arises through annual replacement schedules to combat our fuel emissions profile.

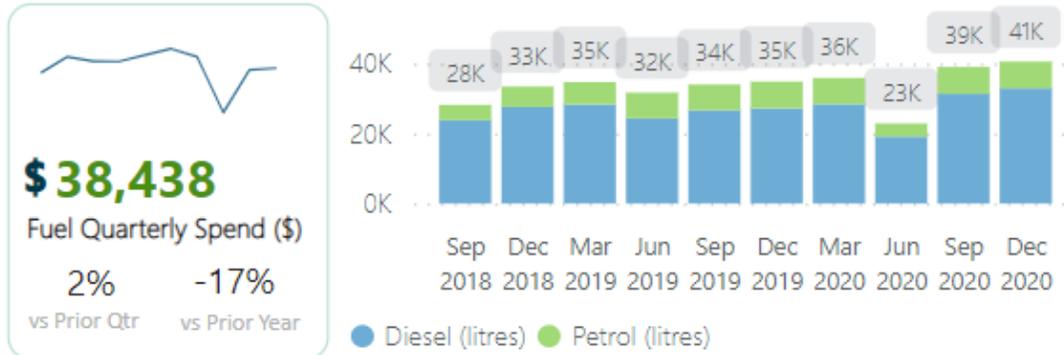
The total CO2 emissions relating to energy use at Council's main office building at 159 Dalton St, equated to 7.9 tonnes CO2.

A total of 6.96 tonnes of CO2 can be attributed to air travel related emissions.



A total of 67,458 kw/h of electricity were consumed in Q2.

Fuel Usage Data updated on a quarterly basis



Data relates to Dalton Street vehicles only (not Guppy Rd vehicles). Plant not included.

On track to meet the requirements of the organisation, but there is potential for fewer vehicles in the fleet moving forward.

Reduction of the PHEV numbers to occur as better fuel economy from Hybrids is being recorded so more Hybrids and EVs required in the fleet. N.B. 2 intended vehicles were being incorrectly included in the Hybrid list for the previous quarters.

Total petrol –

91 - 7498 Litres (\$12,358.64)

95 or above - 127 litres (\$232.77)

The introduction of two electric motorcycles in the new year should be able to bring this down (assuming they prove fit for purpose). We are also seeking electric quadbikes.

Vehicles Data updated on a quarterly basis



A total of 28,763 km's were travelled by air in Q2.

Air Travel Data updated on a quarterly basis

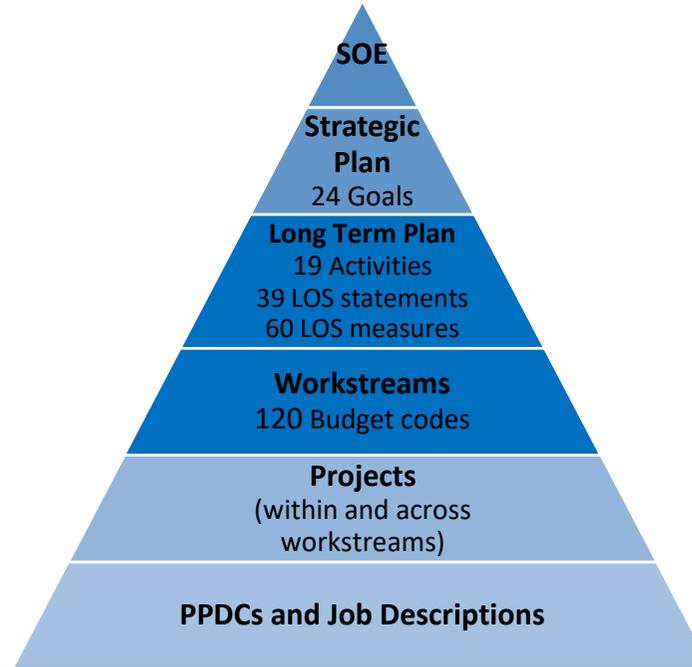


PART 3: LEVELS OF SERVICE BY GROUP OF ACTIVITIES

Under the Local Government Act 2002 the Regional Council is required to present its financial and non-financial information in groups of activities for ease of understanding. In the 2018-28 Long Term Plan the Regional Council aggregated its activities into seven Groups of Activities (GOAs), being:

1. Governance and Partnerships
2. Strategic Planning
3. Integrated Catchment Management
4. Asset Management
5. Consents and Compliance
6. Emergency Management
7. Transport

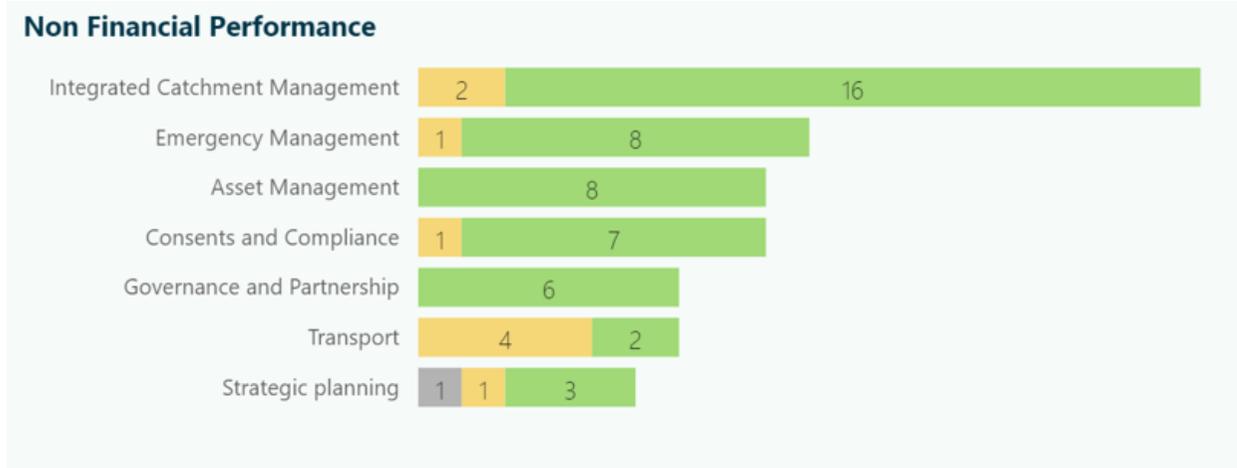
The seven GOAs are made up of 19 activities, 39 levels of service, 60 levels of service measures and 120 budget codes (as per Opal3). This report covers the activities within the LTP.



A traffic light reporting approach is used to show financial and non-financial results.

Non-financial status	●	Achieved or On Track
	●	Off Track or at risk of not being achieved
	●	Not Achieved or Off Track
	●	Result not provided
Financial status	●	Actual results are > 10% or \$30,000 over or under budget
	●	Actual results are within 5-10% and \$15,000-\$30,000
	●	Actual results are within 5% and \$15,000

3.1 Level of Service Measure Reporting Summary



3.2 Level of Service Measure Exception Reporting

The exception reporting below provides commentary regarding measures that are currently off track, or forecasted to be 'at risk' of not being achieved. Council monitors the measures throughout the year to enable proactive action to improve performance.

Group Of Activity	LOSM	Status	Non-financial comments / explanations
2. Strategic planning	Planning managers from HBRC and territorial authorities meet at least twice each year to discuss and identify integration issues; and improvements to content and/or processes for regional and district plans.	●	During 2020/21 Q2, no meeting held of HB Council Planning Managers. However, regular communications with the TLAs' planning managers is maintained via various other channels such as HPUDS discussions.
3. Integrated Catchment Management	Additional area of highly erodible land planted in trees (ha).	●	Expected to be off target but steadily improving as shown below. Available budget, plants/fencers will be limiting factors to continued growth. Quarters 2 and 3 are the quiet periods, either side of Xmas. CRM data: 124 ha of erodible land in trees this quarter Q2, 916 ha first two quarters of 20/21. 124 ha of erodible land in trees (3rd year Q2) 667 ha of erodible land in trees (2nd year of ECS, includes covid period) 94 ha of erodible land in trees (1st year of ECS)
3. Integrated Catchment Management	Additional kilometres of riparian margin protected annually to reduce sediment, nutrient and/or bacterial contamination of water	●	Expected to be off target but steadily improving - Protected = both sides of the stream Q2 and Q3 are the quiet periods either side of Xmas. 2.6 km of stream protected in Q2 24 km total (3rd year Q1 & Q2) 27 km total (2nd year of ECS) 8 km total (1st year of ECS)
5. Consents and Compliance	Percentage of programmed inspections/reports completed each year as per the adopted risk-based Compliance Monitoring Strategy.	●	8829 consents are currently held within the HBRC database for active consents. Of these consents many are bore permits or structures that are no longer monitored. For FY21, there are 1258 active discharge consents and 2253 water take consents that are programmed as per the adopted risk-based Compliance Monitoring Strategy. To Q2 FY21, All water take consents are monitored through telemetry in real time, an additional 335 monitoring actions have been made against these watertake consents. These additional inspection relate predominantly to meter verifications (118), bore security (66), and site inspections (53). To Q2 FY21, the compliance team has made 1130 monitoring observations against 480 discharge consents representing 38% of all discharge consents requiring monitoring. Of these observations there were, Report/plan assessments (367), review of environmental data (294), compliance reporting (265), and site site inspections (152). Not at 50% due to high enforcement and permitted activity monitoring.

6. Emergency Management	An operative Group Plan under the CDEM Act 2002 is in place, reported on annually and reviewed within statutory timeframes by the Joint Committee.	<p>A project plan to review existing Group Plan was developed and agreed to by the CEG and Joint Committee in late 2019. Work had commenced on hazard risk review as per the agreed project plan. However due to the COVID-19 response commencing in February and current work on planning for COVID-19 re-emergence, the CEG and the Joint Committee had determined that the review is not priority at this time and the current plan is fit for purpose.</p> <ul style="list-style-type: none"> It is also noted that the National Emergency Management Agency has also placed the review of the National Plan on hold. Whatever the priority, this project will need to be re-evaluated and project plan adjusted. The current Plan remains operative until replaced. <p>A paper will be presented to the February CEG meeting seeking guidance on this project. It is intended that work will recommence on the hazard risk review in April.</p>
7. Transport	Annual patronage on the Hawke's Bay bus services.	<ul style="list-style-type: none"> Bus patronage is tracking about the same or slightly less for the previous three months with the monthly average so far this year being 49,303. The monthly average over the past 5 years has been 53,462.
7. Transport	Incidence of fatal and injury crashes in our region (5 year rolling average).	<p>Statistics for the five year rolling average of fatal and injury crashes are no longer being updated by Ministry of Transport and NZTA. Therefore reporting is on the five year average of deaths and serious injuries in road crashes (combined). still awaiting data from NZTA. More deaths so far this calendar year than full year last year</p> <ul style="list-style-type: none"> Five Year Rolling Average - Deaths and Serious Injuries <ul style="list-style-type: none"> 2011-15 93 2012-16 100 2013-17 105 2014-18 112 2015-19 113 In 2020 - 19 deaths and 84 serious injuries (103)
7. Transport	Percentage of residences and businesses within 500m (under normal conditions) and 600m (in low density/outer areas) walking distance of a bus stop within existing bus routes.	<ul style="list-style-type: none"> The 2020 transport study has calculated 69.2% of households are within a 400 metre walk of a bus route. However, providing coverage can mean meandering routes and longer journey times, making bus journeys less attractive and slower than driving. Many of the local bus routes in Napier and Hastings offer limited hours and days of operation, and low frequency services that provide a poor alternative to the convenience of driving. Only 20.1% of households are within a 400 metre radius of a frequent route (30 minute frequency or less). Based on current urban growth rates, this performance indicator is unlikely to change significantly. There are no bus services in rural townships.
7. Transport	Proportion of total service costs that is covered by fares.	<ul style="list-style-type: none"> Fare recovery for 2016/17 was 38.5% Fare recovery for 2017/18 was 36.5% Fare recovery for 2018/19 was 33.6% Fare recovery for 2019/20 was 23.5% <p>Average monthly fare recovery so far is 17%</p>

PART 4: ACTIVITY REPORTING BY GROUP OF ACTIVITIES

4.1 Activity Reporting Summary¹



¹ Many of the variances shown as red in the financial reporting are the result of the current financial systems inability to phase budgets through the year. The current budget is pro rata'd evenly across the 12 months which does not reflect the actual timing of work programme delivery. The new financial system due to be implemented from 1 July 2021 will address this.

Group Of Activity	Activity	Non Financial Status	Financial Status
1. Governance and Partnership	Tangata Whenua Partnerships and Community Engagement	●	●
7. Transport	Transport Planning and Road Safety	●	●
6. Emergency Management	Hawke's Bay CDEM Group	●	●
5. Consents and Compliance	Maritime Safety	●	●
2. Strategic planning	Strategy	●	●
3. Integrated Catchment Management	Biodiversity and Biosecurity	●	●
3. Integrated Catchment Management	Catchment Management	●	●
4. Asset Management	Coastal Hazards	●	●
1. Governance and Partnership	Community Representation and Leadership	●	●
5. Consents and Compliance	Compliance and Pollution Response	●	●
5. Consents and Compliance	Consents	●	●
4. Asset Management	Flood Protection and Control Works (Rivers, Drainage and Small Schemes)	●	●
4. Asset Management	Flood Risk Assessment and Warning	●	●
6. Emergency Management	HBRC Emergency Management	●	●
4. Asset Management	Open Spaces	●	●
7. Transport	Passenger Transport	●	●
2. Strategic planning	Planning	●	●
3. Integrated Catchment Management	Science and Information	●	●
2. Strategic planning	Sustainable Regional Development	●	●

4.2 Governance and Partnerships

Below are the non-financial and financial reporting (operating only) for the two activities within Governance and Partnerships Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
1. Governance and Partnership	Community Representation and Leadership		This quarter was a busy time for Councillors and staff with several workshops to develop the 2021-31 Long Term Plan. An unresolved issue relating to how Council's subsidiary, Port of Napier Limited (PONL) values its land resulted in missing the December statutory deadline for adoption of the 2019-20 Annual Report. Adoption is now scheduled for February 2021.
1. Governance and Partnership	Tangata Whenua Partnerships and Community Engagement		Strategic Relationships with Tangata Whenua (TW) expanded through Q1 and Q2 beyond just formal committees (Regional Planning Committee (RPC), Maori Standing Committee (MSC)) to representatives from both committees sitting on almost all of Council's committees (not Financial Audit & Risk sub committee (FARS) including Regional Council Committee. As a result TW contribution has increased exponentially. Water Storage, Three Waters, Long Term Planning, Hot Spot, FIF, TriPartite, Whakatipu Mahia, Plan Changes have been specific areas of engagement with tangata whenua relevant to geographic or catchment locations. Whilst TW and representation is a key activity and feature of the majority of HBRC business, the impact on TW capability and capacity to maintain the level of representation and engagement has been severe and costly. This will require management over the balance of the year.

Group of Activity	Activity	F Status	Comments
1. Governance and Partnership	Community Representation and Leadership		External Costs are over budget mainly due to consultancy costs related to Long Term Plan (LTP) development and an unbudgeted \$100,000 donation to the Napier City Council (NCC) Mayoral Flood Relief Fund.
1. Governance and Partnership	Tangata Whenua Partnerships and Community Engagement		The EOY forecast to 30 June 2021 is projected to be \$22k over-budget. This is attributable to normal RPC & MSC BAU (and director costs) but in addition, greater representation of RPC & MSC on all of Council's committees and remuneration accordingly. Expansion of TW representation was a resolution of Council with consequential unbudgeted cost increase for directors fees, travel and incidental cost. The 5% underspend is attributable to a reconciliation issue around coding practices between Governance Group and Māori Partnerships Group. These will be resolved over Q3 & 4.

4.3 Strategic Planning

Below are the non-financial and financial reporting (operating only) for the three activities within Strategic Planning Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
2. Strategic planning	Planning		Q2 has been a very busy period for the Policy & Planning Team with significant amount of staff time and resource focused around delivering our programmed work - TANK (Tutaekuri, Ahuriri, Ngaruroro, Karamu) plan change, submissions and further submissions and Outstanding Water Bodies (OWB) plan change hearings. The team has commenced the review of the Regional Resource Management Plan (RRMP) and Regional Coastal Environment Plan (RCEP) through the Kotahi programme development which has been socialised with staff, RPC and MSC. Co-design of the Mohaka chapter has also been a focus this quarter. Within the Statutory Advocacy space preparation for the Water Conservation Order (WCO) and Marine and Coastal Area Act (MACAA) hearings has dominated. All work programmes are on track. It should be noted that the Manager Policy and Planning was also Acting Group Manager Strategic Planning and the Senior Planner for TANK was Acting Manager Transport during this quarter.
2. Strategic planning	Strategy		The major focus for the Strategy and Performance teams this quarter was LTP development. Other highlights included the creation of dashboard for organisational performance reporting, running Project Management Essential training and successful recruitment for Senior Project Manager due to start on 11 January 2021.
2. Strategic planning	Sustainable Regional Development		The Regional Business Partner Programme has provided an expanded level of service following the receipt of Covid-19 related Government funding for additional staff and grants for business advice. HB Tourism has also received additional funding for expanded domestic tourism marketing.

Group of Activity	Activity	F Status	Comments
2. Strategic planning	Planning		The YTD pro rata budget is underspent for this quarter as there will be significant costs in Q3 of the financial year associated with WCO, MACAA and OWB hearings. The majority of the TANK hearing costs will fall in Q4. This will mean that the Statutory Advocacy budget will likely be overspent and the Strategy and Planning budget will be spent.
2. Strategic planning	Strategy		Slightly under budget for the first six months due to staff vacancies. Budget on track for FY end.
2. Strategic planning	Sustainable Regional Development		The project is expected to be fully funded from targeted rates and government grants. Contributions to our partners is on schedule and the project is ahead of budget due to the increased funding received for the additional resources to support the Covid-19 response provided through the regional business partner programme

4.4 Integrated Catchment Management (ICM)

Below are the non-financial and financial reporting (operating only) for the three activities within Integrated Catchment Management Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
3. Integrated Catchment Management	Biodiversity and Biosecurity		The Catchment Services teams focus has completed 472 possum monitoring lines within the Possum Control Area programme, managed 13 different pest plant programmes, has progressed the Whakatipu Mahia possum eradication and predator control work, has completed the regional rook control programme, is preparing to deliver works at five additional Ecosystem Prioritisation sites and is undertaking a full review of the Possum Control Area programme.
3. Integrated Catchment Management	Catchment Management		Busy work programs with some projects well ahead of anticipated position for the time of year. The Erosion Control Scheme (ECS) is looking to be well ahead in terms of project delivery/Level of Service and costs for this time of year and most other projects are on track.
3. Integrated Catchment Management	Science and Information		Workstreams in the Science and Information activity are delivered by the Science, Consenting, Environmental Information, Catchments Policy Implementation, Procurement and GIS sections of HBRC. Highlights include: <ul style="list-style-type: none"> - State of the Environment (SoE) monitoring data captured and stored, as planned, to rigorous standards for climate, air quality, surface water, groundwater, land science, marine and coastal sites; - Progressed planning for 3-year SoE synthesis report (2018-21) that meets requirements of new National Policy Statement for Freshwater (2020); - Science resources heavily focussed on supporting policy/planning functions, including Ngaruroro Water Conservation Order, TANK, Mohaka and broader regional Kotahi plan changes; - Resource consents secured for Tukipo constructed wetland case-study to manage nitrogen and support Tukituki plan implementation; - Percentage of consent holders delivering water meter data via telemetry or web has increased to 84%; - Combined the Heatsmart and Sustainable Homes programmes delivered 866 packages in Q1 & Q2
Group of Activity	Activity	F Status	Comments
3. Integrated Catchment Management	Biodiversity and Biosecurity		The Biosecurity and Biodiversity budgets are currently on track for financial year end. Pro rata forecasts do not accurately reflect programme expenditure. The majority of works happen over summer with many contracts being completed and paid for in May 2021. Please note we are aiming for an underspend in the pest animal budget this financial year, in agreement with the finance team, to start rebuilding the Biosecurity reserve fund which has been depleted.
3. Integrated Catchment Management	Catchment Management		Variance of pro rata budget is due to greater uptake of the ECS in the 1st half of the year, including Jobs4Nature, and the timing differences for Farm Environmental Management Plans (FEMPS) and future farming. The Environment Integrated Catchments Committee (EICC) has approved bringing borrowing forward to cover the increased cost due to improved uptake and momentum in the ECS and Jobs4Nature projects.
3. Integrated Catchment Management	Science and Information		Total budget is underspent by approximately 25% because many science programmes have large seasonal components. Outstanding budget is expected to be spent by end of financial year on services that are currently underway.

4.5 Asset Management

Below are the non-financial and financial reporting (operating only) for the four activities within Asset Management Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
4. Asset Management	Coastal Hazards		The Engineering team have been progressing the Joint Coastal Strategy design work stream. The Westshore nourishment work is completed and under budget due to some savings in sourcing material. Awaiting contribution from NCC.
4. Asset Management	Flood Protection and Control Works (Rivers, Drainage and Small Schemes)		The assets under the flood protection control work are being maintained as per the Maintenance Contract. There is a delay in provisional work under the maintenance contract due to other priority work being undertaken. The additional work (outside of maintenance work) is under planning and programmed to be delivered in this financial year.
4. Asset Management	Flood Risk Assessment and Warning		Engineering team working on catchment reviews, hydrodynamic modelling for flood hazard planning, mapping. This is part of the Capital work (Heretaunga Plains Flood Control Scheme (HPFCS) Level of Services).
4. Asset Management	Open Spaces		The Open Space activities under the maintenance contract are being undertaken and no delay is to be reported. The work outside of the maintenance contract is over budget, some of these cost are affected by COVID 19. (resources required for planting as no volunteers available). New Asset Management Plan (AMP) has been developed. New brochures with HBRC parks has been completed for comms.

Group of Activity	Activity	F Status	Comments
4. Asset Management	Coastal Hazards		The Westshore nourishment budget under due to savings in sourcing material. The consultancy cost for coastal strategy is still to be accounted for. Delay in receipt of some other consultancy invoices.
4. Asset Management	Flood Protection and Control Works (Rivers, Drainage and Small Schemes)		Under budget due to phasing. Additional work outside of the maintenance contract is still in progress and will be delivered in a next quarter.
4. Asset Management	Flood Risk Assessment and Warning		Expenditure is under spent due to staff time being coded to Capital work. Ngaruroro and Tutaekuri analysis is being funded through the capital project.
4. Asset Management	Open Spaces		Currently over budget due to AMP delivery and additional assistance/backfill by consultant during Team Leader Open Spaces off sick for an extended period. Some unplanned work has been undertaken and the team will look into savings in the second half of the FY.

4.6 Consents and Compliance

Below are the non-financial and financial reporting (operating only) for the three activities within Consents and Compliance Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
5. Consents and Compliance	Compliance and Pollution Response		Increased enforcement work across both the monitoring & pollution teams as well as a greater requirement for permitted activity monitoring (i.e. Forestry National Environmental Standards (NES)) has resulted in a number of successful prosecutions and the issue of a significant increase in abatement notices and infringement fines. Two new environmental compliance officers have joined the team (replacements) and appointment of a senior investigator will enable a greater enforcement workload. Currently recruiting for a compliance manager
5. Consents and Compliance	Consents		Consents Team are processing consents consistent with Resource Management Act (RMA) requirements. 273 consents issued over the first half of the year. The Team are organised to continue in this manner.
5. Consents and Compliance	Maritime Safety		School Education continues to be very rewarding, and we have spent a lot of time in addition doing boat ramp interventions at the weekends to ensure the public know their obligations when afloat. Once again we are part of the MNZ funded "No Excuses" campaign, the weather this summer to date has kept many people on shore so encounters at sea have been limited

Group of Activity	Activity	F Status	Comments
5. Consents and Compliance	Compliance and Pollution Response		Less recoverable time (permitted activity monitoring) in conjunction with a necessary requirement for increased enforcement action has put pressure on the income received and required a greater legal spend. Total compliance budget short by approximately \$90k resulting from under recovery of compliance monitoring charges.
5. Consents and Compliance	Consents		Project is close to budget in terms of total costs. It has over recovered in terms of income to date. Therefore net funding requirement is currently less than budgeted.
5. Consents and Compliance	Maritime Safety		We are slightly over budget due to some unforeseen repair work to navigation aids in Mahia and Onepoto.

4.7 Emergency Management

Below are the non-financial and financial reporting (operating only) for the two activities within Emergency Management Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
6. Emergency Management	Hawke's Bay CDEM Group		<p>Approximately 40% of staff time in this area is committed to ongoing COVID-19 resurgence planning and post the first response claims. On top of this significant time was commitment to the November Napier flood event and the post event activities (eg after action reviews) and supporting NCC recovery.</p> <p>The work programme in this area is likely to be directed into the next 12 months.</p> <p>The work programme will continue to be reported and to and be reprioritised with the Coordination Executives Group (CEG) and Civil Defence Emergency Management (CDEM) Joint Committee.</p>
6. Emergency Management	HBRC Emergency Management		No significant issues in the work programme in this area. However COVID-19 resurgence and other events will potentially impact.

Group of Activity	Activity	F Status	Comments
6. Emergency Management	Hawke's Bay CDEM Group		On track
6. Emergency Management	HBRC Emergency Management		The significant driver of the overspend in this area is the HBRC staff time spent on the COVID-19, drought and Napier flood responses. This should be balanced by underspends in staff time on other HBRC projects.

4.8 Transport

Below are the non-financial and financial reporting (operating only) for the two activities within the Transport Group of Activities (GOA):

Group of Activity	Activity	NF Status	Comments
7. Transport	Passenger Transport		Patronage is not increasing as hoped with the low fares, although now back to pre-lockdown levels. The transport study indicated that bus services are probably not meeting the needs of the community.
7. Transport	Transport Planning and Road Safety		The Regional Land Transport Plan (RLTP) is being consulted on with hearings due to be held 12 March. The Regional Public Transport Plan (RPTP) requires updating as a consequence of the new RLTP and work will commence on that soon.

Group of Activity	Activity	F Status	Comments
7. Transport	Passenger Transport		Bus patronage is getting back to pre lockdown levels, however, the flat fare low cost bus fare structure is resulting in reduced fare revenue.
7. Transport	Transport Planning and Road Safety		Not all income streams have been received, including NZTA claims and contributions by other councils. We expect to be on budget by year end.