



Organisational Performance Report

Quarter 4: 1 April to 30 June 2021

Prepared on 10 August 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 April to 30 June 2021. The report covers significant events and programmes this quarter to year end, business improvement metrics and Groups of Activities.

Highlights

- Our staff were involved in reporting, providing evidence and supporting the Commissioners in respect of the 3-week TANK plan change hearing held in May/June.
- Our staff worked closely with the Panel on the Outstanding Water Bodies plan change, a decision was released in June classifying 15 waterbodies to be regionally outstanding.
- Our staff have been involved in the Water Conversation Order (WCO) Environment Court Hearings with regards to the appeals to the Special Tribunals recommendations to the application for a WCO on the Ngaruroro and Clive Rivers.
- Tukipo wetland was constructed and planted with excellent reception from our community; and will provide a case study for nitrogen management and Tukituki implementation.
- 86 groups are signed up to receive funding through the Catchment Services team managed Te Uru Rākau fund for planting this winter and/or planned planting for next winter.
- Road Safe 2021 Youth Expo was successfully delivered.
- The Regional Land Transport Plan was agreed by the Regional Land Transport Committee and subsequently adopted by Council on 26 May for lodging with Waka Kotahi NZ Transport Agency.
- Two days of hearings were held on 3-4 May, culminating in a council decision to establish Māori Constituencies for the next election.
- A successful, multi-channel Long Term Plan (LTP) campaign was coordinated (1 April - 2 May) resulting in 791 submissions and verbal hearing on 17 May.
- The final 2021-2031 Long Term Plan was adopted unanimously on 30 June with an unmodified audit opinion.
- The first stage of logging at Tutira was completed with no environmental or health and safety issues; and with low logging costs and high log prices.
- An East Coast school roadshow was successfully completed with focus on earthquake and tsunami risk to build awareness and resilience.
- The cultural digital app, Te Kupenga, achieved 1,100 downloads.
- We have acquired the Kia Maia cultural learning development framework comprising 14 self-paced and assessed modules, which will be offered to all staff and councillors.
- No exceedances of the National Environmental Standards (NES) for PM10 were recorded in the Napier and Hastings airsheds.
- 478 consents have been issued over the year to date.
- Over 82% of residents recorded 'acceptable to very good' value for their rates in the June 2021 survey result. This is our highest rating since the survey began in 2005.
- The heatsmart and sustainable homes programme provided 1550 packages to the value of \$6,761,876 during 2020-21 FY.

Lowlights

- A large swell in June required an additional renourishment to protect the Napier City Council reserve area.
- Very poor return from the Tūtira mānuka plantation, well below initial estimates.
- 10 exceedances in the Awatoto airshed. The sulphur dioxide (SO₂) 1 hour standard was also breached in Awatoto.
- A lack of availability in Port and Harbour Safety Code panel members meant the Maritime New Zealand accredited Hazard Identification/Risk Assessment and Safety Management System for the Napier Pilotage Area audit scheduled for quarter four was not completed as expected. This will be carried over into 2021-22 and will be completed in quarter one.

PART 1: SIGNIFICANT EVENTS AND PROGRAMMES THIS QUARTER

1.1 Long Term Plan (LTP) 2021 – 31

The final 2021-2031 Long Term Plan was adopted unanimously by Council on 30 June with an unmodified audit opinion. This followed a comprehensive engagement process including formal consultation on the Consultation Document “Time to Act – Kia Rite!” from 1 April to 2 May 2021 during which 791 submissions were received. Hearings and Deliberations were held on 17 May and 26 May 2021 respectively. Our next steps are to strike the rates scheduled to occur at the Council meeting on 28 July, respond to all submitters with Council’s decisions and complete a Project Closure Report including lessons learnt.

1.2 Financial Upgrade Systems and Efficiencies (FUSE)

The Payroll component of our TechnologyOne (TechOne) solution was implemented in May with the first live pay run being conducted on the 26 May. The remaining, Finance, Inventory, Work Orders and Job Costing modules are to be implemented on 5 July. Once all modules are implemented, we will have an Enterprise Resource Planning solution focussing on delivering the financial aspects of the platform which can then be further built on with additional modules over the upcoming years. The months of July and August will see the FUSE team focus on support of the solution and enhancing functionality to ensure it delivers the best outcomes.

1.3 Climate Change

Efforts have continued to focus on embedding earlier climate action campaign learnings into resource allocations for the 2021-31 Long Term Plan. Our staff continue engagement with representatives of the Climate Change Commission following the Commission’s recommendations to Government, and representatives of various Government ministries (for example, Ministry

for the Environment which is leading preparation of the first National Climate Change Adaptation Plan due in 2022).

In late April, an internal working group made up of the Corporate Operations team, Works Group Manager and an external Senior Carbon Analyst, discussed possible actions to reduce our operational footprint. An initial reduction report was developed for our staff to align with, taking a step change approach to reducing environmental impacts. These potential emission reduction opportunities start with ideas, technologies and services that are available now and typically require limited investment, then move to plans and audits that can help with future planning.

The reduction plan highlighted that we should consider using a ‘long road of offsetting’ to get to net zero quicker and to reduce our immediate impact in terms of vehicle use. This was not recommended as an ultimate solution but instead to work alongside measures to chip away at reducing the overall fleet footprint, while improving efficiencies and reducing the amount of offsetting required year by year as economical 4WD technology becomes accessible.

Given fuel use is our highest source of emissions, areas of focus included policy and process changes for company vehicles which ranked as the top priority along with quick energy efficiency measures. Along with targeting operational ‘low hanging fruit’ initiatives, discussions to undertake fleet and energy audits are underway, funded through the Corporate Response to Climate Change provision.

1.4 Risk Management

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

The risk maturity roadmap is made up of four phases. We are currently working towards completing phase three of the roadmap. Due to our Risk Manager role being vacant throughout quarter 4 there was a delay with completing phase three of the roadmap, including finalising:

- Council’s risk appetite statement, and
- Council’s critical control environment through the systematic completion of enterprise risk bowties.

The risk maturity programme and underpinning project plan is currently being reviewed to reset milestones to pick up the momentum for maturing our risk management system.

1.5 Regional Development Activity

We continued involvement in regional development is via three key programmes: Hawke’s Bay Tourism (HBT), Regional Business Partners Programme (RBP) and Matariki Hawke’s Bay Regional Development Strategy for Economic, Inclusive & Sustainable Growth (Matariki).

Hawke’s Bay Tourism (HBT)

HBT’s six-monthly update was presented to the Corporate & Strategic Committee on 19 May 2021. The funding focus continues to be on domestic marketing and destination management; and an application is in progress for additional funding from Ministry of Business, Innovation and Employment (MBIE), as the Strategic Tourism Asset Protection Programme (STAPP) evolves into “*Support, Recovery and Re-set (SRR) Investment Plan*”. Sector performance this quarter has continued to top prior year results with visitor spending for the year tracking 22% ahead of last year. This is the fifth largest growth rate across 31 Regional Tourism Organisations (RTOs) and second

largest across 16 regions. Local operators are optimistic about the continued spend increases particularly across accommodation, retail and hospitality. However, skill shortages, as a result of continued border closures, remain a key concern. EIT is looking to offer fast-tracked pathways to tourism but this may not fill gaps that arise. Participation in this year’s Winter F.A.W.C! was extremely high with most experiences selling out. Summer F.A.W.C! programme will be launched in early September.

Regional Business Partnerships (RBP)

RBP has worked with 987 businesses through the 2020-21 year which is 450% above the key performance indication of 220. The significant increase showed the demand for our business support services post-COVID quarantine. Although all the RBP capability development funds have now been fully allocated, the team continues to provide support and recommendations by leveraging existing business support mechanisms and initiatives. New funds are due 1 July 2021. The transition of the RBP contract into MBIE is underway with the current RBP contract now extended to 31 December 2021. RBP is actively working with 108 companies on Research and Development (R&D) providing Callaghan Innovation support.

Hawke’s Bay Regional Development Strategy for Economic, Inclusive & Sustainable Growth (Matariki)

Our CEO and Chair attended Matariki meetings over the quarter. In the absence of an Economic Development Agency, Matariki is playing a significant role in ensuring Hawke’s Bay has a clear set of aligned regional priorities for any new funding opportunities come 1 July 2021.

The review of economic development delivery for Hawke's Bay continues and Business Hawke’s Bay formalised its wind-up on 30 June 2021.

PART 2: BUSINESS IMPROVEMENT MEASURES

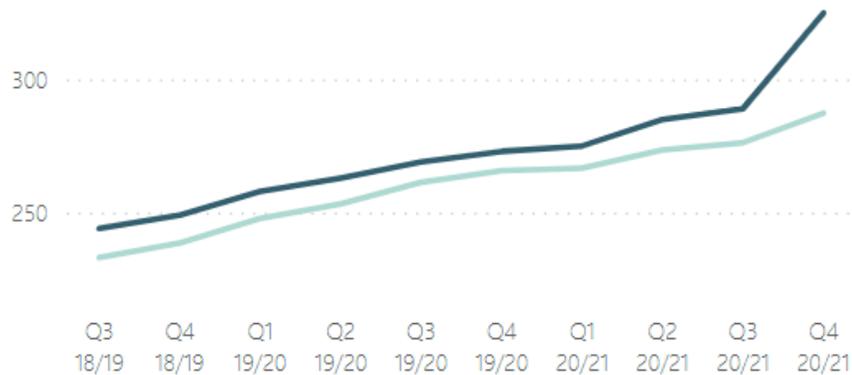
2.1 People & Capability

Employee Count



Staff Count and FTE by Quarter

● Staff ● FTE



FTE

This is the first quarter using data exported from the new TechOne system. FTE count has increased by 11.2 FTEs or 4% compared to last quarter, which may be a combination of better data quality alongside organisational growth. This figure counts part-time and full-time employees including fixed term staff but not casuals who do not have a set FTE.

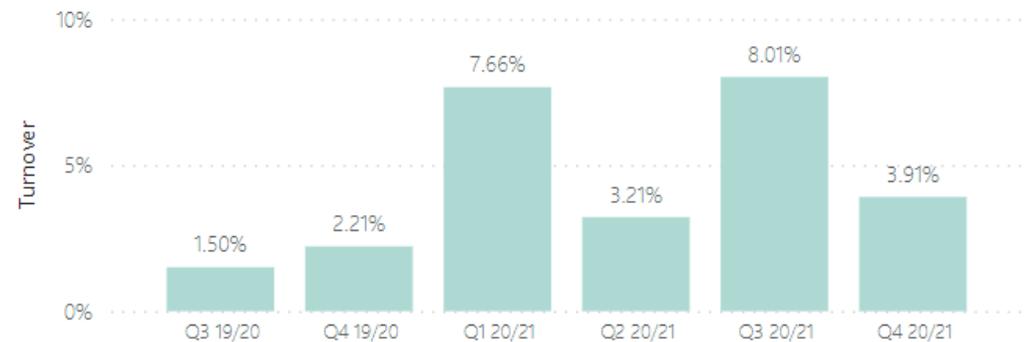
RESIGNATIONS

Several staff have left to pursue career advancement opportunities. We are also in a very competitive employment market where vacancies exceed the number of available candidates which is leading to staff being approached and offered alternative employment. The difficulty bringing in talent from overseas with the current immigration restrictions is also having an effect.

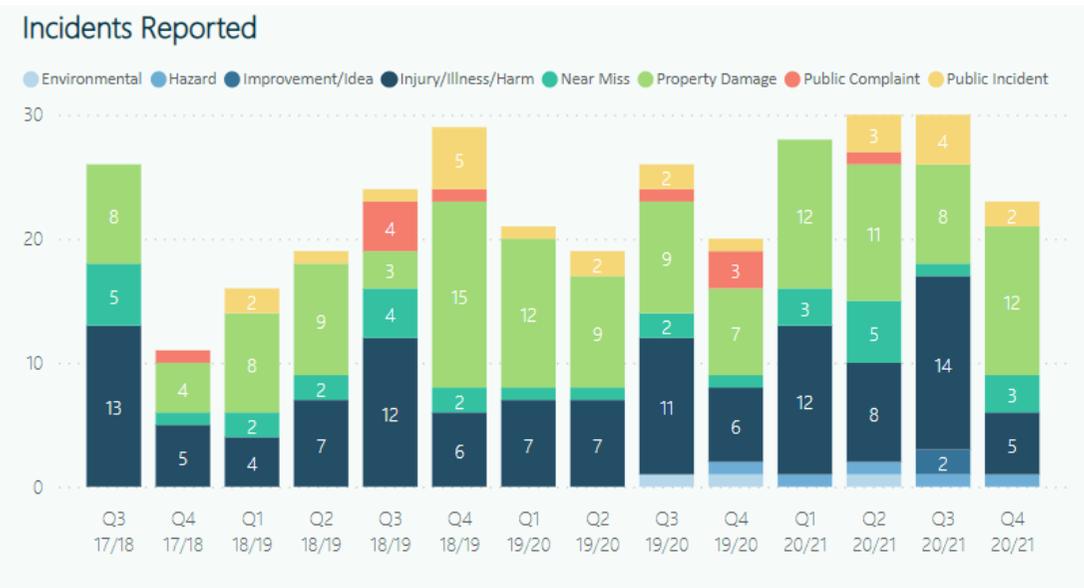
Turnover (2020)



Employee Turnover



2.2 Health & Safety (H&S)



HEALTH & SAFETY

In total, 23 Incidents were reported during the quarter:

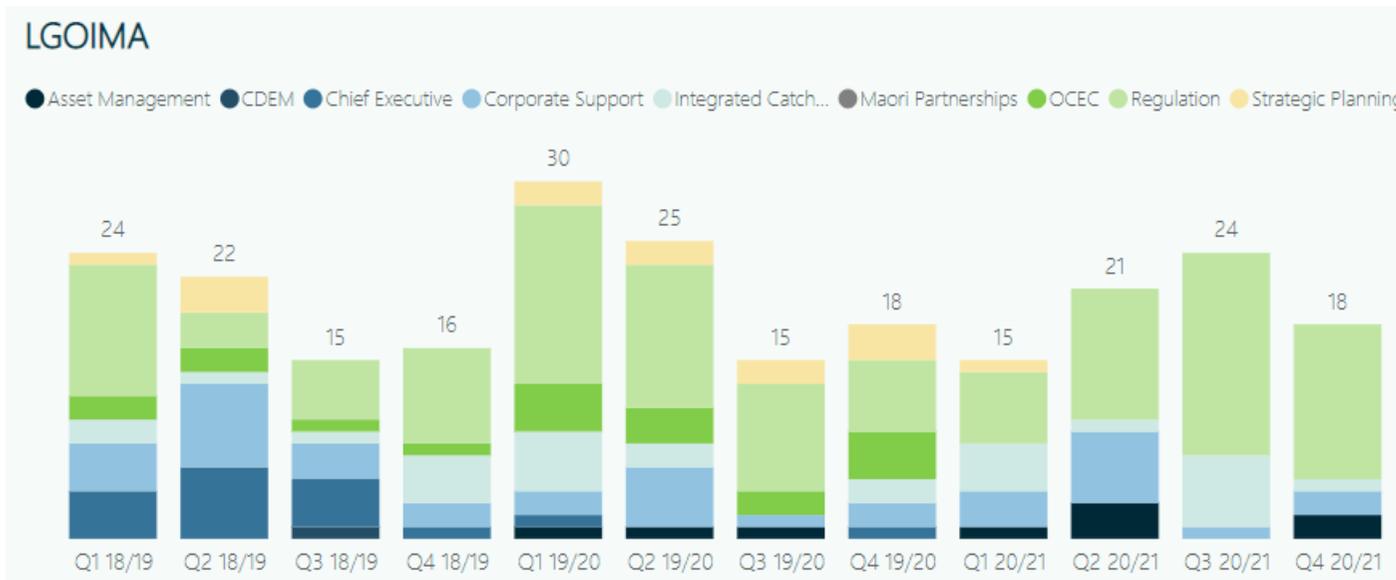
- 12 property damage
- 5 injury/illness
- 3 near misses
- 2 public incidents
- 1 hazard

In this quarter the Health and Safety team delivered flu vaccinations, 4WD river crossing training, dealing with aggressive people training and first aid training.

The team also attended organisational group health and safety meetings and chaired the Health and Safety Committee meeting.

Improvement to daily safety plans are under development.

2.3 Customer Experience



LGOIMA

All 24 LGOIMA requests received during quarter four were responded to, and the information provided within the required timeframes.

CUSTOMER FEEDBACK

Feedback received through our website totalled 49 entries. Of the feedback entries received:

- 45 were comments
- 3 were complaints
- 1 compliment was received.

Feedback was responded to within required timeframes: 85% in April, 76% in May and 67% in June. This equates to 76% over the quarter, compared to 85% last quarter.

Currently, we are limited to reporting on feedback that is received via the HBRC website only, however staff are working on the implementation of a better reporting system to bring more visibility to interactions across various customer touchpoints including emails, Facebook and calls. The new reporting solution is planned to be introduced by the end of 2021 which will help to influence proactive communication to the community and help staff monitor performance.

Customer Feedback

Expected response time is 5 days, excluding complaints which is a 10 day response time.

Feedback Received with % Completed Within Due Date



2.4 Communications

Number of enquiries received by Marketing and Communications Team

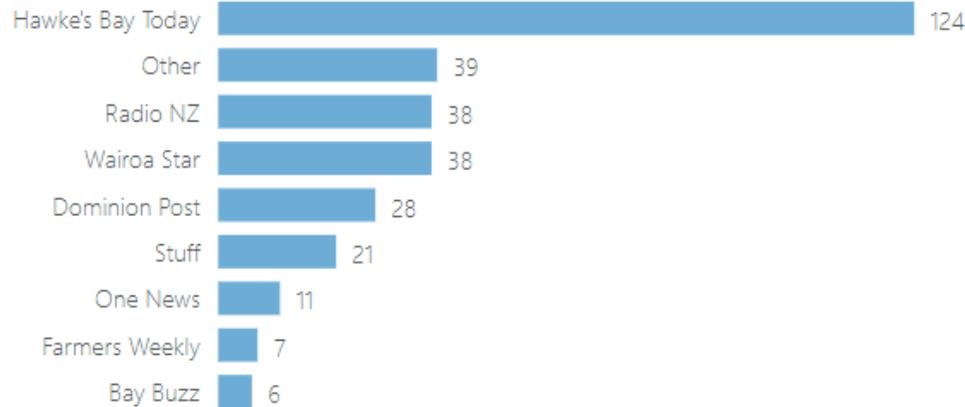


Website

Number of HBRC Website Page Views

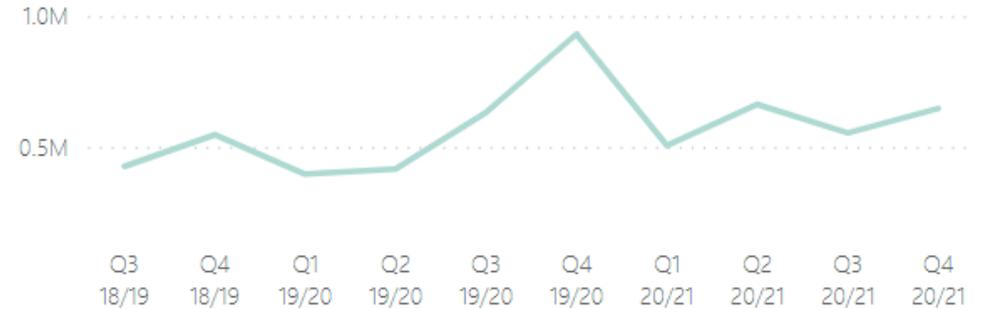


Media Queries



Social Media

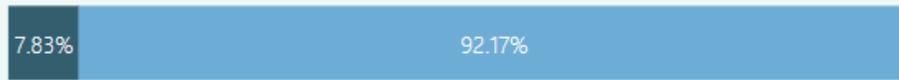
Total Reach on Facebook



2.5 Corporate Carbon Footprint

CO2 Quarterly Emissions

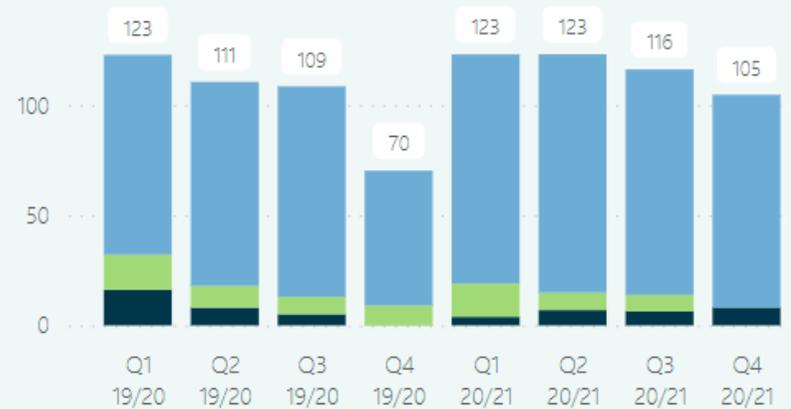
● Air Travel ● Fuel Use



Category	CO2 Tonnes Emitted	Prior Qtr Change	Prior Year Change
Air Travel	8.20	28%	5757%
Fuel Use	96.48	-6%	58%
Total	104.68	22%	5815%

CO2 Emissions (Tonnes)

● Air Travel
● Energy Use
● Fuel Use



CARBON EMISSIONS

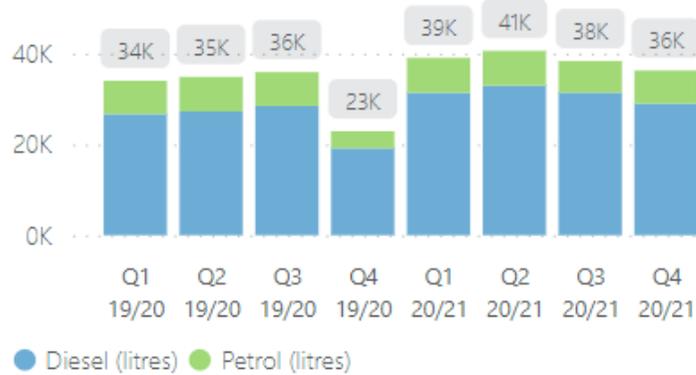
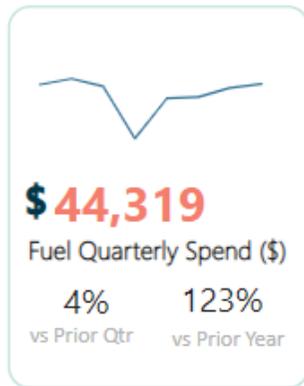
We have been unable to provide energy reporting for quarter four due to a change of supplier (part of an All of Government (AoG) initiative) and have not yet set up correct regular reporting.

A total of 8.2 tonnes of CO₂ can be attributed to air travel in quarter four, compared to 3.0 tonnes last quarter.

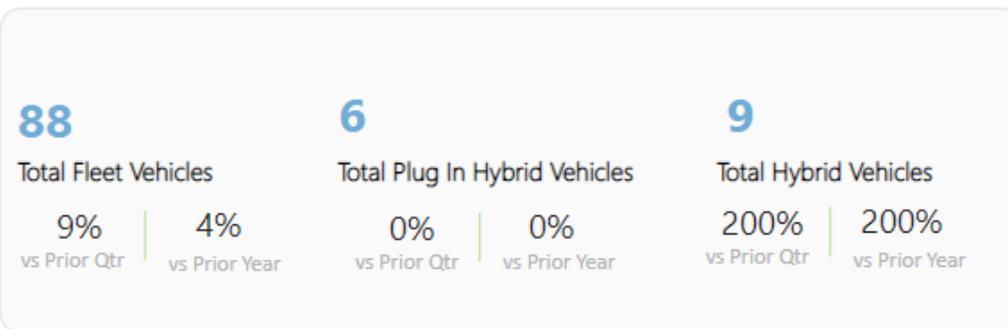
Throughout quarter four, a total of 96.48 tonnes of CO₂ can be attributed to fuel use (excluding Works Group*). In total, 78.76 tonnes of CO₂ can be associated with diesel consumption and 17.72 tonnes can be pinned to petrol use. This coming financial year, Works Group fuel reporting will be included into the organisational report figures.

*For the 21/22 FY this report would be all encompassing including Works Group fuel and energy use and other sites energy use.

Fuel Usage



Vehicles



VEHICLES & FUEL

The 4% increase in quarterly fuel spend is due to the increase in fleet size and use by staff. As we increase our hybrid vehicles the overall petrol usage will increase, however we should see a reduction in diesel as the hybrids replace them where it is operationally possible.

There are a few vehicles over our normal amount waiting for EROAD devices to arrive for the newer fleet and four vehicles being retained for student work in the summer and additional roles. They are being retained now to combat the delay in new fleet vehicles experienced with all suppliers due to COVID-19 backlog issues.

The number of plug-in Hybrid Electrics is set to reduce as we convert more to electric vehicles (EV) and non-plugin hybrids. This is returning the same fuel savings with reduced infrastructure costs. With new legislation, the total number of hybrids will increase as we seek non-diesel options to achieve our goals.

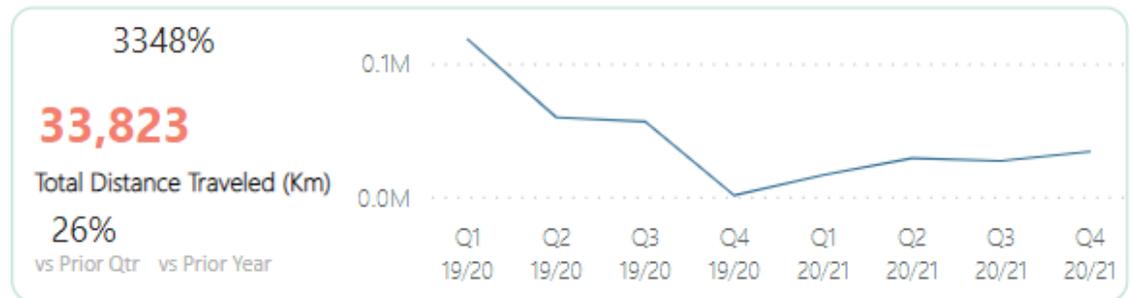
We will continue to increase the number of full EV where possible and when technology allows for the platforms to achieve what is required. Greater buy-in from users will be required and different methods of providing for some users may provide for an increase in the future.

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

AIR TRAVEL

A total of 33,823 kms were travelled via air in quarter four. This is a 26% increase on the previous quarter but still well below pre-COVID levels. This reflects increased staff awareness of the benefits of virtual workshops and meetings. With an additional EV added into our pool fleet, an education piece will be undertaken to promote this as an alternate choice to air travel also.

Air Travel

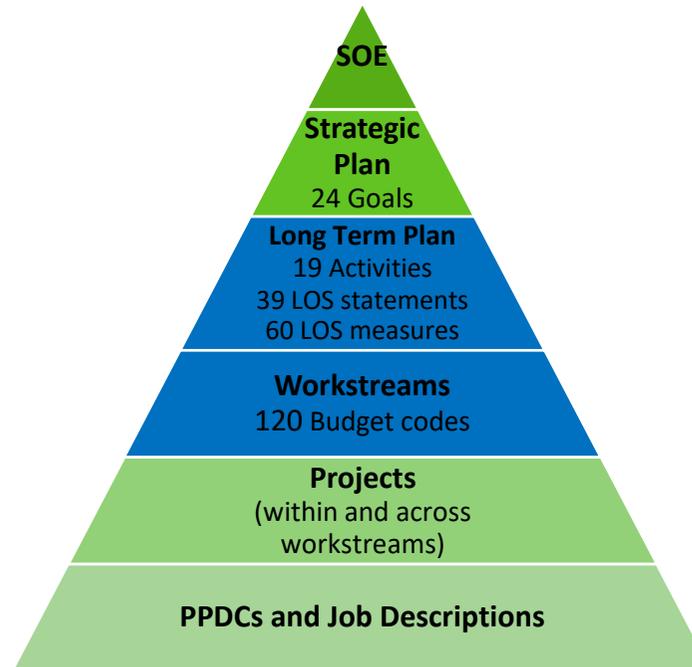


PART 3: LEVELS OF SERVICE BY GROUP OF ACTIVITIES

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 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 statements, 60 levels of service measures and 120 budget codes (as per Opal3). This report covers the activities within the 2018-28 Long Term Plan.

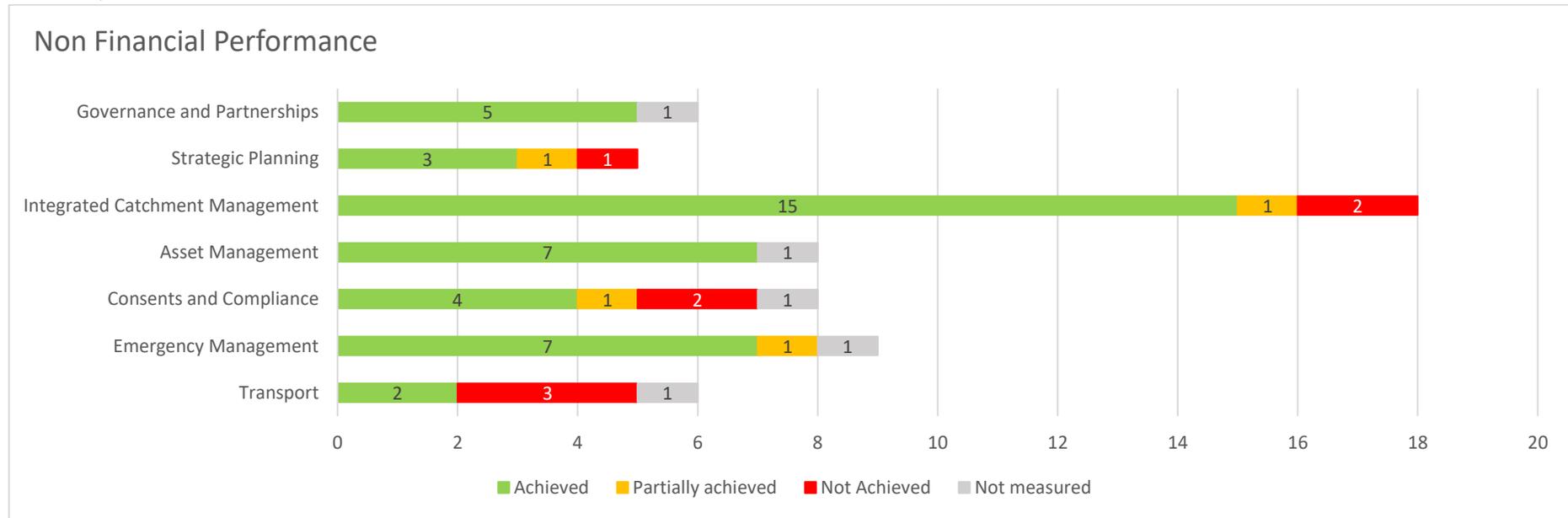


A traffic light reporting approach is used to show financial and non-financial results.

Non-financial status	●	On Track or Achieved
	●	Partially Achieved
	●	Not Achieved
	●	Result not provided / Not measured
Financial status	●	Actual results are within 5% and \$15,000
	●	Actual results are within 5-10% and \$15,000-\$30,000
	●	Actual results are > 10% or \$30,000 over or under budget

3.1 Level of Service Measure Reporting

Summary



Exception Reporting

Over quarters one to three, exception reporting provides commentary regarding measures that are ‘off track’ or forecasted to be ‘at risk’ of not being achieved, informing Council throughout the year to enable proactive action to improve performance. At the end of the financial year, the measures are assessed as ‘achieved’, ‘partially achieved’, ‘not achieved’ or ‘not measured’. The exceptions listed below are those ‘partially’ or ‘not achieved’. The full list of service measures will be recorded in the Annual Report.

Strategic Planning

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
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.	2 or more achieved	<i>Achieved</i>	<i>Partially achieved</i>	Partially achieved
<p>Commentary: Regular communication with the territorial local authorities’ planning managers was maintained via various channels throughout the year. This involved development of a joint submission on the proposed national air quality rules, discussions about how the government’s new national policy statement on urban development might be implemented, discussions on Heretaunga Plains Urban Development Strategy, CHBDC district plan review, Kotahi, resource management reform, tāngata whenua involvement in plan making amongst other topics. One meeting the Hawke’s Bay Council Planning Managers was held in March 2021</p>				

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Number of submissions on resource management-related proposals made to local and central government per annum.	Maintain 3-year rolling average	<i>Achieved</i> 12	<i>Achieved</i> 19	Not achieved 4
<p>Commentary: Four submissions were lodged during the year bringing the 3-year rolling average down to 11.7. The reduced number of submissions was largely due to central government-related proposals easing around the General Election (October 2020). This was following an unprecedented 2019/20 year of activity from central government on resource management-related proposals. The reduction in the number of submissions was due to a reduction in the number of reports, consents, policies and plans notified. All submissions are recorded www.hbrc.govt.nz #hbrcsubmissions</p>				

Integrated Catchment Management

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Percentage of land area (by catchment) that operates under a Farm Environment Management Plan (FEMP) or an independently audited industry good management practice framework as required under the Regional Resource Management Plan (RRMP).	Tukituki 100% TANK TBC Mohaka TBC	<i>Partially achieved</i> 96% by land area for Tukituki	<i>Partially achieved</i> 99% by land area for Tukituki	Partially achieved 23% by land area for Tukituki Approx. 70% of land area either under a revised plan or being reviewed
<p>Commentary: In total, 23% of the land area in the Tukituki catchment required to have a FEMP (low intensity and 2021 FEMP re-submissions) is covered by a current FEMP compared to 99% last year. This significant change in result is due to all FEMPs requiring a revision by the deadline of 31 May 2021. Results for previous quarters during the year referred to submissions from 2018. Existing plans are still operative.</p> <p>Of the total properties expected to have a FEMP, 27% have re-submitted; and 46% are engaged with a provider and are working on an update. Outstanding properties are being followed up by our FEMP and compliance teams.</p>				
Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Additional area of highly erodible land planted in trees (ha).	2000 ha of land under cover	<i>Not measured</i>	<i>Not achieved</i> 676ha	Not achieved 1272ha
<p>Commentary: This is the third year of the Erosion Control Scheme (ECS).</p> <p>Almost double the volume of hectares were planted this year compared with last year. Available budget, plants and fencers are limiting factors to achieving targets. Quarters two and three are the quietest periods for planting.</p>				

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Additional kilometres of riparian margin protected annually to reduce sediment, nutrient and/or bacterial contamination of water.¹	100km	<i>Not measured</i>	<i>Not achieved</i> 27km	Not achieved 87km
Commentary: This measure relates to riparian margin protected via the ECS. This is the third year of the ECS. Just over three times as many kilometres were planted this year compared with last year. Protection involves planting both sides of the stream. Quarters two and three are the quietest periods for planting.				

Consents and Compliance

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Percentage of programmed inspections/reports completed each year as per the adopted risk-based Compliance Monitoring Strategy.	100%	<i>Not achieved</i> 90.9%	<i>Not achieved</i> 92.5%	Not Achieved 92.9%

Commentary: Overall, 92.9% of programmed inspections/reports due to be undertaken during the year, as per the adopted risk-based Compliance Monitoring Strategy, were completed. This is an improvement on the previous two years.

All water take consents were monitored through telemetry in real time and an additional 1,255 monitoring actions were made against these watertake consents. These additional inspections related predominantly to meter verifications (287), security/installation reports (172), compliance reporting (210), and site inspections (199).

Our compliance team made 2,738 monitoring observations against 936 discharge consents representing 80% of all discharge consents that required monitoring. Of these observations there were, report/plan assessments (813), review of environmental data (473), compliance reporting (453), and site inspections (480). A total of 284 monitoring actions were made against 198 permitted activities for forestry, farming and domestic effluent.

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Percentage of monitored consents which receive an overall grade of full compliance.	95%	<i>Not achieved</i> 92.17%	<i>Not achieved</i> 89.7%	Not Achieved 82%

Commentary: A total of 82% of all consents monitored (3,116) achieved full compliance with all conditions.

A total of 86.8% water take consents (2,138) were compliant; and 283 non-compliant (29 low, 252 moderate and 2 significant). The increase in moderate non-compliance is as a result of bores missing verification/bore security checks being identified during a project in quarter three, many of these are anticipated to be graded fully compliant following a compliance review in the first quarter of 2021-22.

A total of 71.6% discharge consents (1,217) were compliant; and 278 non-compliant (134 low, 110 moderate and 34 significant). Compliance gradings are subject to change during the compliance period and may be different following a final compliance report assessment.

¹ Includes streams, drains, wetlands, lakes, estuaries and the coast

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Maintain a Maritime New Zealand accredited <i>Hazard Identification/Risk Assessment and Safety Management System</i> for the Napier Pilotage Area.	Achieved	<i>Achieved</i>	<i>Achieved</i>	Partially achieved
Commentary: Our annual self-assessment was carried out and reported to Maritime NZ in quarter three. A lack of availability in Port and Harbour Safety Code panel members meant the audit scheduled for quarter four was not completed as expected. This will be carried over into 2021-22 and will be completed in quarter one. Neither PONL or HBRC are expecting any issues.				

Emergency Management

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
An operative Group Plan under the CDEM Act 2002 is in place, reported on annually and reviewed within statutory timeframes by the Joint Committee.	Achieved	<i>Achieved</i>	<i>Achieved</i>	Partially achieved
Commentary: Work has commenced on the review of the Group Plan with the Hazards Risk assessment being largely complete. This project was delayed by the COVID-19 and Napier Flooding responses. It is also noted that the National Emergency Management Agency has also just commenced a delayed review of the National Plan. The current Plan remains operative until replaced.				

Transport

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Annual patronage on Hawke's Bay bus services.	Maintain or increasing trend	<i>Not achieved</i>	<i>Not achieved</i> 5-yr rolling average 641,543	Not Achieved 582 803 trips taken 5-yr rolling average 619,126
Commentary: Following reduced patronage during COVID-19 restrictions in early to mid 2020, free fares in July and August 2020 meant that there was no patronage data for the first two months of the 2020/21 year (bus company reported patronage increased by around 20% during these months). For the purposes of presenting a complete dataset, patronage from July and August 2020 was used in lieu of the gap in data.				
This result is an improvement on the previous year which was unusual due to COVID-19. However, it is not achieved when compared against the 5-year rolling average. The five-year rolling average between 2016-2020 was 619,126. In 2020, there were approximately 582,803 number of trips. Overall, bus patronage rates are declining.				
Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Annual passenger kilometres travelled on the Hawke's Bay bus services.	Maintain or increasing trend	<i>Not achieved</i> 5-yr rolling average 7,218,669 km	<i>Not achieved</i> 5-yr rolling average 6,820,792 km	Not Achieved 5-yr rolling average 6,829,625 km
Commentary: This result is an improvement on the previous year which was unusual due to COVID-19. However, it is not achieved when compared against the 5-year rolling average. Please note, as for the above patronage measure, there was not data for the first two months of the 2020-21 year so figures from the 18-19 FY were used.				

Level of Service Measure	Performance target	Result 2018-19	Result 2019-20	Result 2020-21
Proportion of total service costs that is covered by fares.	Maintain or increasing trend	<i>Not achieved</i>	<i>Not measured</i>	Not Achieved 19.2%, 5-yr rolling average 30.5%
<p>Commentary: There has been a declining trend in fare recovery. However, 2020 was affected by the introduction of free fares during COVID-19 restrictions over July and August. The remainder of the 2020-21 year was impacted by the new low cost flat fare structure.</p>				

PART 4: ACTIVITY REPORTING BY GROUP OF ACTIVITIES

4.1 Activity Reporting Summary



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

The summary on the previous page as well as the table above show a large number of budgets that are showing as red which mean that they are Off Track or Not Achieved. This may be under or over budget. Reasons for these are documented in the commentary following.

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		Q4 was an unusually busy quarter with with Long Term Plan and Māori Constituencies consultation processes each running for a period of four weeks in addition to 18 Council and Committee meetings, including three days of LTP and Māori Constituencies submission hearings.
1. Governance and Partnership	Tangata Whenua Partnerships and Community Engagement		Through Q4 Council has maintained active relationships with tangata whenua. The formal relationship platform is through the Regional Planning Committee (RPC, 9 appointees) and the Māori Committee (12 representatives) each of which met once during Q4 (5 and 6 meetings respectively over year). Council pays for a technical adviser to the RPC. Tangata whenua have speaking and voting rights at other committees of council including Environment & Integrated Catchment, Corporate & Strategic and Hearings committees and speaking rights at the Regional Council. Council covers all related costs including meeting fees or an annual salary proportionate to a chair or co-chair role. Fees were set in 2018 following an independent remuneration review by Strategic Pay. Council has facilitated additional meetings with tangata whenua over the year in response to matters of national and local importance, Three Waters, RMA, local government reform and Māori constituencies.

Group of Activity	Activity	F Status	Comments
1. Governance and Partnership	Community Representation and Leadership		Year end budget is 24% overspent, compared to 28% in Q3, attributed mainly to unbudgeted consultancy costs related to LTP development (\$160k for PWC Investment & Funding Strategy and Significant Assumptions advice), computer software licensing (\$41k Infocouncil & Stellar, normally contained within IT budgets), and the donation to the NCC Mayoral Flood Relief Fund (\$100k). Unbudgeted items are addressed in 2021-22 budgets.
1. Governance and Partnership	Tangata Whenua Partnerships and Community Engagement		The YTD underspend (-11%) in-part relates to less meetings + attendance at Regional Planning and Māori committees and less technical adviser associated cost. The balance of underspend is due to Te Kupenga digital app total cost (\$40k + GST) being shared across all five HB councils (1/5 each) and therefore unanticipated reimbursement at year-end of \$32k. The projected underspend at end of Q3 was mistakenly attributed to mis-coding, this was not the case. TechOne roll-out with enhanced integration across HRIS/FMIS should alleviate any future issues 2021/22.

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		Q4 has been an exceptionally intensive period for the Policy & Planning Team with a significant amount of staff time and resource focused around delivering the TANK plan change hearings. Staff committing a lot of overtime to ensure the TANK plan change hearings has been a success, including reporting and response to commissioners queries, organisation of the hearings and support to the commissioners. Work continues on Kotahi in particular through papers and workshops for the RPC. Co-design of the Mohaka chapter continues with work being undertaken on the Maori-led workstream. Within the Statutory Advocacy space the final week of hearings (which predominantly focused on HBRC evidence and experts) was held this quarter for the WCO.
2. Strategic planning	Strategy		Strategy and Performance Team is fully staffed. Major focus for Q4 was consultation, hearings and deliberations for the 2021-2031 Long Term Plan. Key deliverable was the unanimous adoption of the 2021-2031 Long Term Plan with an unmodified audit opinion.
2. Strategic planning	Sustainable Regional Development		Council continued involvement in regional development via three key streams: Hawke's Bay Tourism (HBT), Regional Business Partners Programme (RBP) and Matariki Hawke's Bay Regional Development Strategy for Economic, Inclusive & Sustainable Growth (Matariki).

Group of Activity	Activity	F Status	Comments
2. Strategic planning	Planning		Significant costs have been borne in Q4 of the financial year associated the TANK hearings held in May/June 2021 and the recommencement of the WCO final week of hearings. The OWB decision is still to be released and the invoices associated with the preparation of the decision are still to be received. The Statutory Advocacy budget has been substantially overspent due the Council involvement in the WCO appeal and associated consultant can legal fees. The Strategy and Planning budget is slightly underspent due to TANK hearings running beyond the close of the financial year, and a delay in the commencement of the Māori-led workstream for Mohaka. It should be noted that these cost will impact on Q1 of the 2021/2022 year.
2. Strategic planning	Strategy		Over budget by 13% due to overspend in internal time offset slightly by underspend in external costs. Budgeted labour hours do not reflect staff numbers in the team due to reorganisation in July/August 2020. The team will be treated as a cost from 1 July 2021 onwards.
2. Strategic planning	Sustainable Regional Development		While this variation relates to a coding issue there is a wider discrepancy owing to the timing of funding the Regional Recovery Manager role and related activities compared to the on-charging and recovery from the other councils

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		As per the associated level of service measures, the Catchment Services team have delivered on their annual work programme. This includes completing 1,747 possum monitoring lines across 116,351 hectares, treating 109 active rook nests across the region, undertaking 182 rural inspections and 482 urban inspections in managing 14 pest plants, progressing towards a possum free Mahia, delivering biodiversity protection works at 13 Ecosystem Prioritisation sites and leading a spotted skink survey, coastal bird survey, NZ bat survey and SOE wetland monitoring programme. Further to this, a total of 86 groups are signed up to receive funding through the council managed Te Uru Rakau fund for planting this winter and/or planned planting for next winter.
3. Integrated Catchment Management	Catchment Management		<p>Busy work programmes with some projects well ahead of anticipated position for the time of year, however there will be carryforwards required where approved ECS projects have been unable to be completed this FY due to contractor availability.</p> <p>The Erosion Control Scheme Level of Service outputs are approximately double from what they were at the same time last year, so a big increase in successful engagement with landowners.</p> <p>Good progress with protection and enhancement projects to deliver on deliverables where it has been possible. There has been clear messaging about where these projects need to focus in the future, to deliver on project milestones while existing funding is available.</p>
3. Integrated Catchment Management	Science and Information		<p>Workstreams in the Science+Information activity are delivered by the Science, Consenting, Environmental Information, Catchments Policy Implementation, Procurement and GIS sections of HBRC. Highlights include:</p> <ul style="list-style-type: none"> - State of the Environment (SoE) monitoring data captured and stored, as planned, to rigorous standards; - Development of eDNA techniques for aquatic ecological monitoring completed and the method will be used to support Kotahi; - Science resources heavily focussed on supporting policy/planning functions, including Ngaruroro Water Conservation Order, TANK, Mohaka and broader regional Kotahi plan changes; - Tukipo constructed wetland was completed and planted, as a case-study to manage instream nitrogen and support Tukituki plan implementation; - 1550 Heatsmart/Sustainable Homes packages totalled \$6,761,876 for the year. These programmes have now reached 16,916 ratepayers investing \$34,355,423; - Major work programmes for 3D Aquifer Mapping and LiDAR have progressed as planned, although the latter slipped a couple months due to COVID-19 impacts on suppliers.

Group of Activity	Activity	F Status	Comments
3. Integrated Catchment Management	Biodiversity and Biosecurity		This underspend is a result of less staff time being used than was initially budgeted (staff vacancies), a planned \$368,076 carryforward received from the Te Uru Rakau 1 billion trees fund for planting this winter and next winter and a planned underspend in the pest animal budget, 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 for the year, including Jobs4Nature, and the timing differences for FEMPS and future farming. The EICC has approved bringing borrowing forward to cover the increased cost due to improved uptake and momentum in the ECS and Jobs4Nature projects and this is reflected in the available budget.
3. Integrated Catchment Management	Science and Information		Some under- and over-budget projects, but the total Science and Information Activity budget was on target.

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 has 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.
4. Asset Management	Flood Protection and Control Works (Rivers, Drainage and Small Schemes)		Flood Protection and Control Works are being carried out by the Regional Assets section in accordance with asset management plans and annual maintenance contract. Significant projects are in progress Heretaunga Plains level of service review, Waipawa River above SH50, Napier Nov 2020 flood repairs, and pump station renewals.
4. Asset Management	Flood Risk Assessment and Warning		Engineering team worked on catchment reviews, hydrodynamic modelling for flood hazard planning, mapping. This is part of the Capital work (HPFCS Level of Services).
4. Asset Management	Open Spaces		This is delivered by the Open Space team (Regional Parks and Forestry - not including Hawke's Bay Trails). LoS for all Regional Parks on track and met. The new Asset Management Plan is complete and signed off by Council. The AMP will improve overall understanding of the asset and current/future management, planning and budgeting for the parks and forestry portfolio.

Group of Activity	Activity	F Status	Comments
4. Asset Management	Coastal Hazards		The Westshore nourishment was under budget due to savings in source material. The consultancy cost for coastal strategy is on track.
4. Asset Management	Flood Protection and Control Works (Rivers, Drainage and Small Schemes)		Underspent due to: provision sums for incident response and projects not required; delays in some capital works and efficiencies such as pump refurbishments rather than replacements.
4. Asset Management	Flood Risk Assessment and Warning		Expenditure is under spent due to staff time being coded to Capital work. Ngaruroro and Tūtaekurī analysis is being funded through the IRG capital project
4. Asset Management	Open Spaces		This Open Space summary is a combination of Regional Parks and Forestry and does not include Hawkes Bay Trails, Te Karamu or Waipatiki Beach Holiday Park. Underspent forestry component is due to no funded projects being identified by MTT; Tongioio Soil Conservation Reserve, forestry harvest income exceeded expectations and \$300k loan for Open Spaces has not been processed on revenue side.

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 NES) has resulted in a number of successful prosecutions. A number of prosecutions still on going and 2 further prosecutions about to commence. New Team Leader Pollution Compliance appointed and new Compliance Manger appointed.
5. Consents and Compliance	Consents		The Consenting team issued 478 consents during the year. Of these 99.8 consents were processed and issued on time. Costs of legal advice exceeded budget due in particular to extended mediations to resolve Te Mata Mushroom appeal.
5. Consents and Compliance	Maritime Safety		Navigation Aid Maintenance remained on budget for year end.

Group of Activity	Activity	F Status	Comments
5. Consents and Compliance	Compliance and Pollution Response		Increased legal costs continuing with the number of prosecutions underway and legal opinions sought. Several vacant positions carried over later half of year - Compliance Manager and Team Leader.
5. Consents and Compliance	Consents		Total combined net funding required for the Consents and the Appeals and Objections projects is less than budgeted. A surplus of \$12,598 has been achieved across the two projects. An exceedance was anticipated and forecast at the Q3 period, so this is an improvement to that. YTD Net funding for combined projects should be \$929,334 giving a surplus of \$12,598. The Consents budget net funding requirement was less than budgeted by 9% or \$78,322. The Appeals and Objections budget was exceeded by 225% or \$65,724. This cost of the Appeals and Objections budget is difficult to anticipate year by year. This project covers Consents related legal costs that are not recoverable from applicants. The principal proportion of this cost this year was for the Te Mata Mushrooms mediation.
5. Consents and Compliance	Maritime Safety		Navigation Aid Maintenance remained on budget for year end.

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>Overall this has been a challenging year for this group of activities with a number of significant responses and ongoing work in planning for COVID-19 resurgence. Therefore the business as usual work programme has had to be flexible and at times priorities amended.</p> <p>This placed pressure on staff and this is reflected in a number of experienced staff moving to roles outside of the sector at the end of 2020. Recruitment has not been easy with a number of other Groups and government agencies increasing their resourcing at a significant rate. The Group office was able to fill vacancies. The issue at the end of the reporting year was not vacancies but the requirement to induct and train new staff.</p> <p>It is likely that the pressures of 2020/21 will continue into 2021/22. This will require careful management of the work programme and staff.</p>
6. Emergency Management	HBRC Emergency Management		<p>The HBRC has continued to support the CDEM group in respond to COVID-19, drought and the Napier flooding event with staffing of coordination centres and providing expert advice on drought and flooding. In particular HBRC took a leadership role in the drought response.</p>

Group of Activity	Activity	F Status	Comments
6. Emergency Management	Hawke's Bay CDEM Group		<p>The over expenditure in this activity area can be attributed to two issues.</p> <p>With the COVID-19, drought and the Napier flood event response there was approximately \$100,000 additional expenditure on operational responses.</p> <p>The remaining over expenditure is a result of unbudgeted increased corporate overheads through the year.</p>
6. Emergency Management	HBRC Emergency Management		<p>This over expenditure is largely as a result of staff needing to support a number of responses during the year and associated operational costs</p>

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		While patronage is nearly back to to pre-COVID levels, overall patronage is still reflecting an overall decline. Successful introduction of the Beecard has streamlined the bus fare system and (anecdotally) very popular with bus users. The transport study indicated that bus services are likely not meeting the needs of the community. Consultation on a change to the service delivery to an on-demand ride share service is underway and appears to be well supported. Total mobility user numbers are steadily increasing.
7. Transport	Transport Planning and Road Safety		The transport programme has delivered the proposed programme although a slightly lower level of road safety education delivery due to staff availability. RLTP delivered on time, adopted by RC and lodged with WK, and process included preparation of business case report.

Group of Activity	Activity	F Status	Comments
7. Transport	Passenger Transport		The combination of continuing overall decreasing bus patronage combined with the low flat fare bus fare structure is resulting in reduced fare revenue. Significant increased costs are also as result of EERA requirements. The costs of the (national) Beecard system were slightly higher than budgeted due to setup difficulties.
7. Transport	Transport Planning and Road Safety		All income streams across the transport programme have been received, including NZTA claims and contributions by other councils. Overall spend for road safety and transport planning slightly less than expected budget.

PART 5: GLOSSARY

AMP	Asset Management Plan	NCC	Napier City Council
BAU	Business as usual	NES	National Environmental Standards
CCTO	Council Controlled Trading Organisation	NPS-FW	National Policy Statement for Fresh Water
CDEM	Civil Defence Emergency Management	NZTA	New Zealand Transport Agency
C&S	Corporate & Strategic Committee	OCEC	Office of the Chief Executive and the Chair
CEG	Coordination Executives Group	OWB	Outstanding Water Bodies
CHBDC	Central Hawke’s Bay District Council	PCA	Possum Control Area
CRM	Customer Relationship Management System	PONL	Port of Napier Limited
ECS	Erosion Control Scheme	PPDC	Personal Performance Development Charter
EICC	Environment Integrated Catchment Committee	RBP	Regional Business Partners
ERA	Employment Relations Act	RCEP	Regional Coastal Environment Plan
ECS	Erosion Control Scheme	RLTP	Regional Land Transport Plan
EOY	End of year	RMA	Resource Management Act
FARS	Financial Audit and Risk Subcommittee	RPC	Regional Planning Committee
FEMP	Farm Environmental Management Plans	RPTP	Regional Public Transport Plan
FENZ	Fire and Emergency New Zealand	RRMP	Regional Resource Management Plan
FIF	Freshwater Improvement Fund	RTC	Regional Transport Committee
FTE	Full Time Equivalent	SOE	State of the Environment
HPFCS	Heretaunga Plains Flood Control Scheme	TAIC	Transport Accident Investigation Commission
HBRC	Hawke’s Bay Regional Council	TANK	Tūtaekurī, Ahuriri, Ngaruroro, Karamū
HBT	Hawke’s Bay Tourism	TLA	Territorial Local Authorities
HDC	Hastings District Council	WCO	Water Conservation Order
HPUDS	Heretaunga Plains Urban Development Strategy	WDC	Wairoa District Council
LGOIMA	Local Government Official Information and Meetings Act	YTD	Year to date
LOS	Level of Service		
LOSM	Level of Service Measure		
LTP	Long Term Plan		
MACAA	Marine and Coastal Area Act		
MBIE	Ministry of Business, Innovation & Employment		
MNZ	Maritime New Zealand		
MSC	Māori Standing Committee		