



Organisational Performance Report

QUARTER 2: 1 October to 31 December 2023


HAWKES BAY
REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

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Introduction

This Organisational Performance Report is the second quarterly report for the 2023-2024 financial year and covers the period of 1 October to 31 December 2023.

The purpose of the report is to provide the Regional Council with an overview of how well we are performing across a number of measures, including corporate measures. It uses the groups of activities from our Long Term Plan 2021-2031 to present non-financial and financial performance using a traffic light reporting approach. It also provides the Regional Council with qualitative information to understand the situation-specific factors affecting performance.

The secondary purpose of the report is to provide the Chief Executive, Executive Leadership Team, and staff with information to ensure alignment of the Regional Council's work programme across different groups and teams to achieve the Regional Council's Strategic Plan outcomes and to ensure a steadfast focus on performance and accountability.

Executive Summary

This Organisational Performance Report is the second report for year three in our Long Term Plan 2021-2031.

The period between October and December was challenging for the community and HBRC with recovery from the cyclone continuing.

The 2023 general election was held in October with the new government formed in late November. The region was visited by the new Prime Minister, Cyclone Recovery Minister, and Local Government Minister in early December, including a visit to Wairoa.

The voluntary buy-out by Hastings District and Napier City councils of Category 3 properties across Hawke's Bay began after 287 properties across Hastings and Napier were confirmed in early October. This marked a significant milestone in Hawke's Bay Regional Council's land categorisation process.

The Silt and Debris clean up continued. Hawke's Bay Regional Council and the Silt Recovery Taskforce continued to work hard to remove woody debris from beaches around bridges and from riverbanks across the region.

Over the page are some highlights and challenges from across our corporate service metrics, level of service measures and activity reporting within our six groups of activities.



Highlights

- Tūtira Regional Park reopened on 21 December after being closed for 11 months for repairs following Cyclone Gabrielle.
- In December, the Regional Council adopted the Navigational Safety Bylaw 2023 following public consultation. The Navigation Safety Bylaw is reviewed every five years to assess and improve its effectiveness in response to actual and potential safety issues for all types of water users. It comes into effect in January 2024.
- A new suite of environmental teaching resources was made available for local secondary schools in November. They have been designed support senior students to engage with their local environment as well as providing curriculum specific resources for their teachers. Each resource is linked to NCEA standards.
- 83 ratepayers improved the health and climate resilience of their homes by taking up HBRC's Clean Heat grants and Sustainable Homes loans.
- The region's Climate Action Joint Committee adopted a living vision and strategy in December for mitigating, adapting to, and engaging communities around climate change in the region.
- Hawke's Bay Regional Council opened its public consultation from 1 December 2023 on proposed changes to its Revenue and Financing Policy following an 18-month review process.
- The Possum Bait and Rabbit Subsidy programme is still being well supported by the community which is administered through Farmlands Trading and PGG Wrightsons.
- HBRC awarded a successful tender by contractors to remove up to 300,000 cubic metres of gravel from the Upper Tukituki catchment near Waipawa.

- The Silt Recovery Taskforce has removed nearly 150,000 tonnes from around the region's rivers, bridges and beaches, 17,500 tonnes of that in Wairoa.
- The region's road safety campaign and website—roadsafehb.org.nz—was successfully relaunched in October 2023. The Road Safe activity plan was submitted and accepted by Waka Kotahi NZ Transport Agency.
- The Regional Council's system that notifies water consent holders of low flow water levels was back online in October 2023. This followed a period after Cyclone Gabrielle, when the system was temporarily suspended and notifications to consent holders stopped.

Challenges

- Driver shortages continued to impact GoBay bus services during this quarter with some routes being cancelled at short notice. Note that all services were reinstated from January 2024.

Corporate Metrics

Our people are our greatest asset working to deliver services to meet outcomes outlined in our Long Term Plan 2021-2031.

Our work supports our community, and it is important we ensure customers have the best experience possible with the Regional Council. With climate change a major operations driver, we are also working to reduce our corporate carbon footprint.

This section provides a snapshot of:

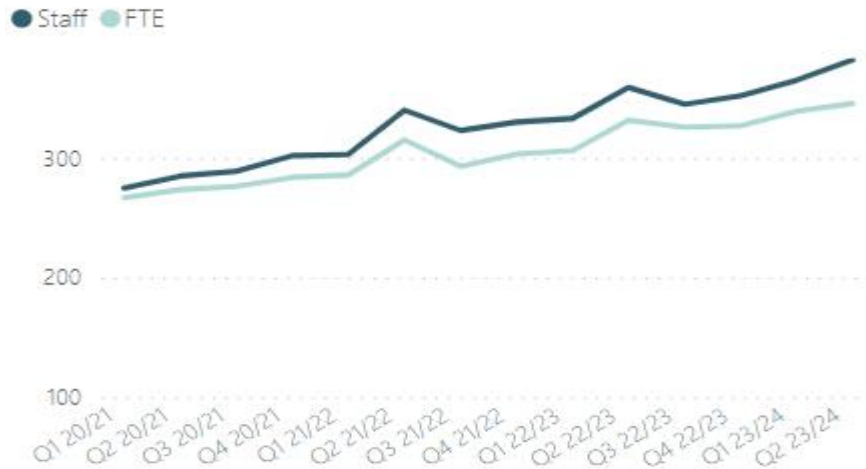
- staff numbers and turnover
- reported health and safety incidents
- LGOIMA requests
- customer experience
- website and social media reach
- corporate carbon footprint measures.

People and Capability

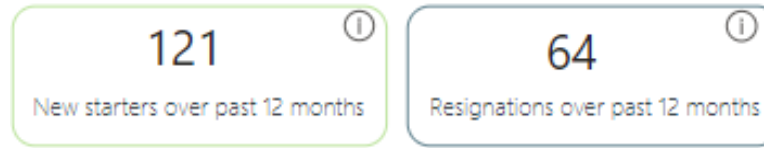
Employee count



Staff Count and FTE by Quarter



Turnover



Our employees

We currently have a total of 382 staff, totalling 345.51 full-time equivalents (FTE). Six of these new employees are students who will be with us for the summer to support their education and provide additional resource to our teams during the busy summer period.

We had 13 internal staff movements, all into permanent roles that were either higher level positions (promotions) or new roles in other areas of the organisation. This is a positive way in which we are retaining staff, keeping them engaged and ensuring we are connecting people with meaningful work.

Vacancies and recruitment

There was a small drop in vacancies over the quarter. Of the 28 vacancies, 12 have had offers of employment signed and returned by the successful candidates. 13 new roles have been created as part of the Project Management Office in the Asset Management team focused on delivery of rebuild projects in the region which will increase vacancies for a period while we recruit.

Resignations

Resignation numbers has dropped for the third quarter in a row to 12. Three of these exits were due to fixed term contracts ending as intended, and one was a redundancy due to a team restructure process.

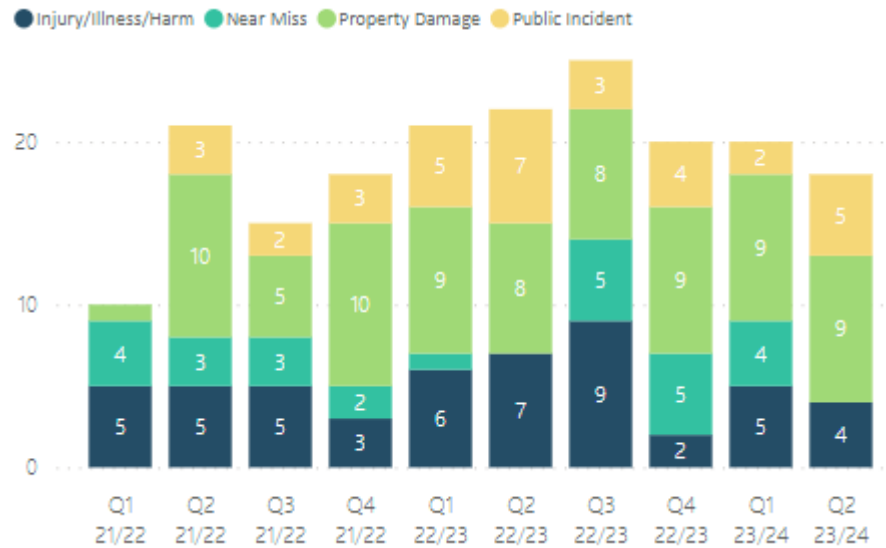
Employee turnover (permanent and fixed-term staff only)

Permanent Employee Turnover



Health, Safety and Wellbeing (HSW)

Incidents reported



Health & Safety Incidents*

The majority of incidents this quarter were property damage to vehicles and items being hit while mowing with tractors. The incident management system alerts all incidents recorded, reported to the Group Manager, direct line manager and the HSW team. Every incident is investigated by the HSW team and corrective actions applied.

Corrective actions this quarter

- De-escalation and situational training continue to be delivered.
- Vehicle repairs were coordinated by HRBC Fleet Manager and Works Group Administrator.
- Training in 4WD and quad bike use were delivered where required.

Training for staff

This quarter, Health and Safety workshops included:

- warden and fire extinguisher training
- de-escalation training
- several levels of traffic management training.

Other training provided this quarter included:

- dealing with aggressive behaviour
- working at height
- first aid
- quad bike, LUV, 4WD, and motorbike.

Staff wellness

This quarter, the HSW committee organised the Tsunami Hikoi (practice evacuation) on 19 October. There was improved staff participation compared to last year.

Employee Assistance Programme continues with the HSW team consistently promoting its service and benefits to staff. The HSW team continues to focus on the welfare and wellbeing of staff post-Cyclone, especially in the area of mental health and personal safety.

The leadership wellness committee organised a number of staff wellbeing initiatives. The promotion of health and wellbeing for staff continues through internal messaging.

*Other Health & Safety incidents captured but not reported in the figure include: environmental incidents, hazards, improvement/ideas, and public complaints

Customer Services

Local Government Official Information and Meeting Act (LGOIMA) requests







There were 47 LGOIMA requests received this quarter (6 more from last quarter). In total 38 were provided with the information requested within the required timeframe. The majority of LGOIMA request continue to be related to the cyclone.

Customer experience

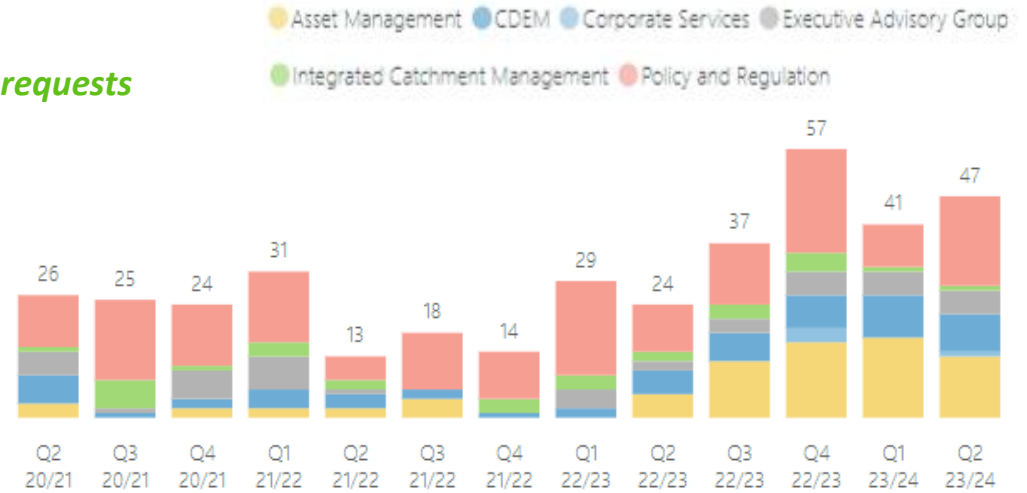
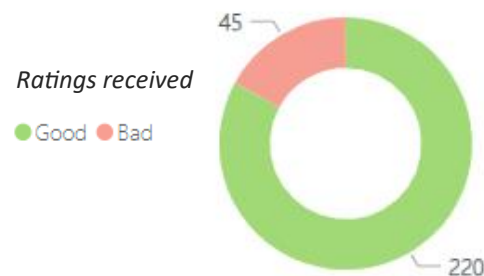
The early part of the quarter was particularly busy for the team, given rates penalty notices went out early October. The phone system became inundated and some customers were unhappy at having to wait. The call back system worked well. Additional EFTPOS machines were brought in to ease the pressure at the counter. Email interaction was the second highest in 21 months.

November and December saw a decrease in the volume through all channels—consistent with previous years. Rates, MyWay and general enquiries continue to be the top categories. Customer experience average around 59% of first call resolution.

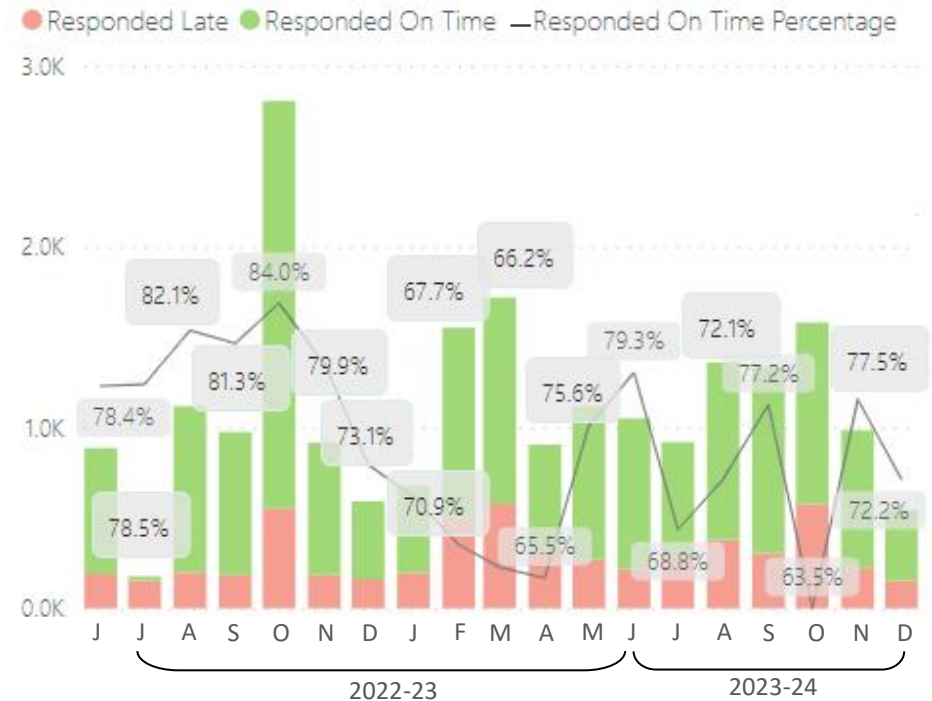
Contacts handled

 Inbound Calls 7245	 Payments 545
 Emails 3083	 Walk Ins 502
 Web 348	 Social Media 59

Daily feedback this quarter



Response Time to Customer Enquiries



Communications and Engagement

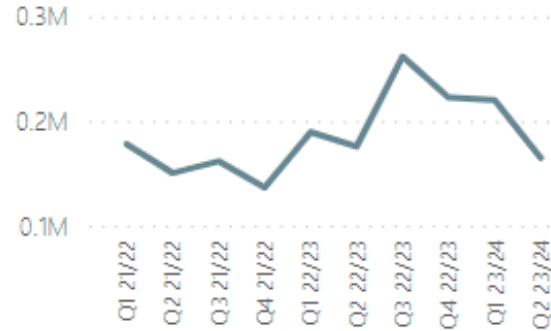
Website and social media

This quarter, traffic to hbrc.govt.nz included some key campaign activity driving users to the refreshed RoadSafeHB website, and our consultations website for the Navigation Safety Bylaw and Revenue and Financing Policy consultations.

Facebook total reach is up 53% since the previous quarter. This is the number of unique users who have seen our page, posts and ads on Facebook.

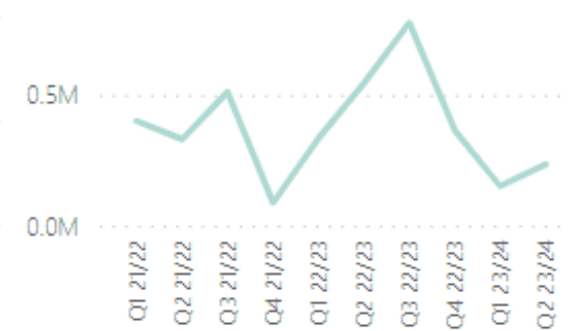
Website*

Number of HBRC Website Page Views



Social media

Total Reach on Facebook



*The number of visits to our hbrc.govt.nz website does not include sessions on other websites managed by the digital team eg. GoBay, RoadSafe, Consultations, HB Trails etc.

Communication and media

The focus this quarter continued to be around recovery, and summer stories such as water quality, and Lake Tūtira park reopening, with a steady stream of media inquiries about recovery, particularly in Wairoa.

Community engagement

In community engagement, the Enviro Schools team produced a new series of high-school level curriculum models and began promoting them to Hawke’s Bay schools while also running the annual Enviro Challenge for area high schools.

*supporting graphs have been removed for this quarter as data sources are checked following a change in the way we log our work.

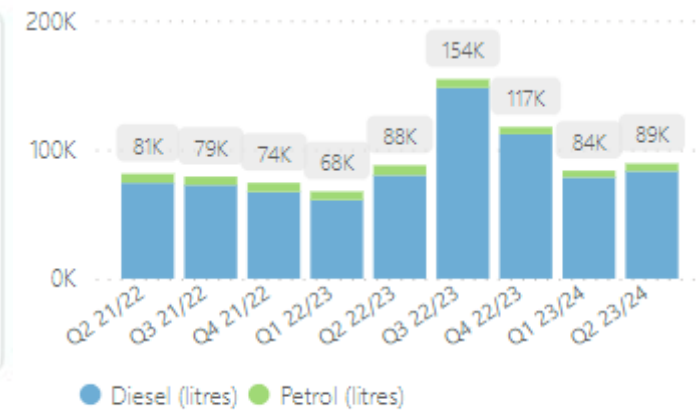
Corporate Facilities and Fleet

Vehicles

153 Total Fleet Vehicles 164 Prior Qtr 152 Prior Year	24 Total Hybrid Vehicles 23 Prior Qtr 13 Prior Year
2 Total Plug In Hybrid Vehicles 2 Prior Qtr 4 Prior Year	8 Total Electric Vehicles 9 Prior Qtr 9 Prior Year

Fuel use

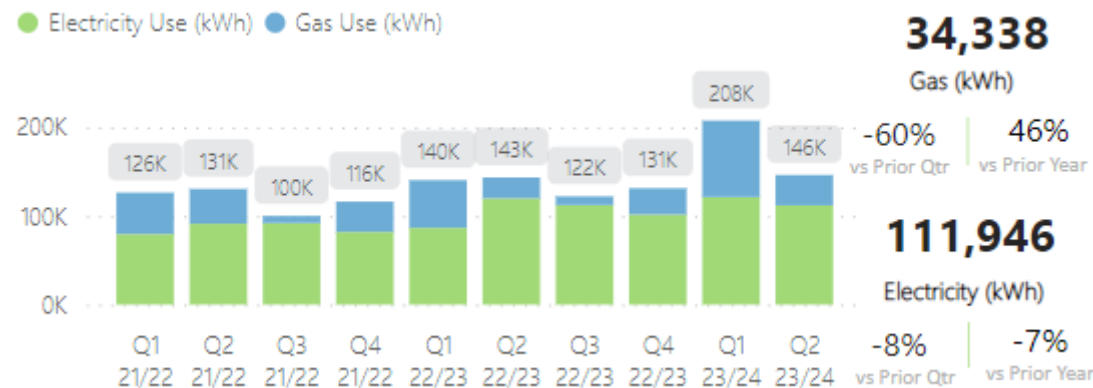
\$ 160,787 Fuel Quarterly Spend (\$)
8% vs Prior Qtr -8% vs Prior Yr



Vehicles and fleet
 HBRC's total fleet vehicles decreased from 164 to 153 this quarter. This has been due to selling off vehicles which were held over for cyclone recovery. There has been an increase in the pooling of vehicles which has allowed for better utilisation.

Fuel use
 This quarter has seen a levelling of petrol and diesel use as the Operations team at Work Group, return to normal operations. The cost of fuel continues to fluctuate and no stability can be established.

Energy use



Energy use
 The decrease in electricity use is common at this time of year due to the close down period at end of December.
 The decrease in gas use is relative to the time of year as less demand is put on our heating systems in the summer months. A study is in motion to establish the condition of our heating system, to plan the replacement of the plant to a more economical alternative in the near future.

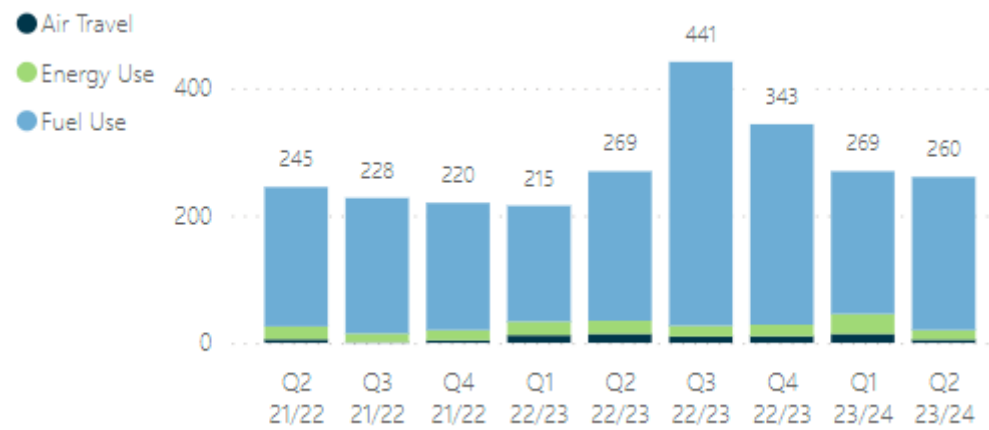
Corporate Carbon Footprint and Air Travel

Air travel



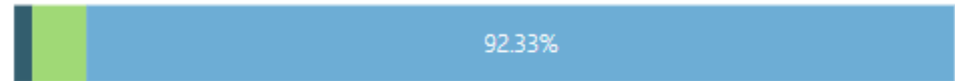
Air travel
Through this quarter, we have observed a significant decrease in travel requests, which may be relative to time of year and workload pressures.
To reduce travel emissions, the use of sustainable public transport and electric vehicle use has been encouraged via internal newsletter to staff.

CO2 Emissions (tonnes)



CO2 Quarterly Emissions

● Air Travel ● Energy Use ● Fuel Use



Category	CO2 Tonnes Emitted	Prior Qtr Change	Year Increase
Fuel Use	240.50	7%	2%
Energy Use	14.98	-52%	-27%
Air Travel	5.00	-64%	-64%
Total	260.48	-3%	-3%

Carbon Emissions
Our corporate carbon emissions have come down four quarters in a row. Diesel consumption is still the biggest factor.
For a more complete picture of HBRC’s corporate carbon footprint, an annual report is completed by EKOS, and independently verified. This is a performance measure that is updated in the HBRC Annual Report.



Level of Service Measures

by group of activity

Each quarter we monitor and report on the 58 level of service measures as outlined in our Long Term Plan 2021-2031.

The figure on the next page provides a summary how they are tracking by our six groups of activities:

1. Governance & Partnerships
2. Policy & Regulation
3. Integrated Catchment Management
4. Asset Management
5. Emergency Management
6. Transport

These groups of activities in our long-term plan are made up of 22 activities, 34 levels of service statements, and 58 level of service measures.

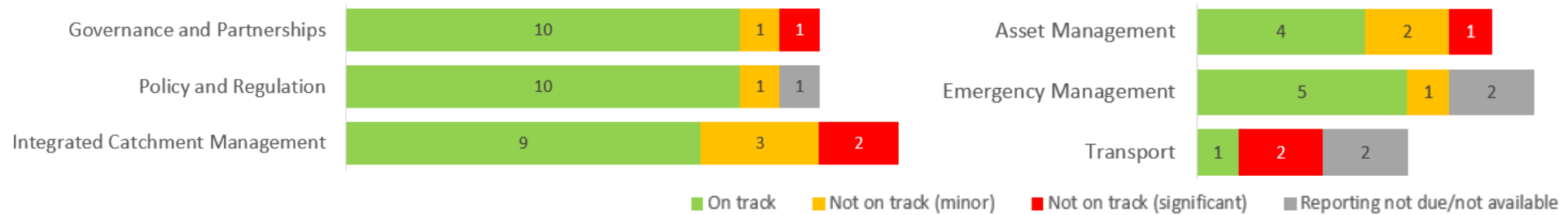
A traffic light reporting approach is used to show non-financial results.

Exception reporting

The exception reporting over the following pages provides commentary regarding measures that are currently 'off track' or forecasted to be 'at risk' of not being achieved. The Regional Council's Executive Leadership Team monitors the measures throughout the year to enable proactive action to improve performance.

Level of Service Measures

Summary—by Group of Activities



Summary of results

Governance and Partnerships

Measure	Target	YTD Result	Status	Commentary
Percentage of LGOIMA requests responded to within 20 working days	100%	61%	●	Of the 88 LGOIMA requests received in the year to date, 38 were provided with the information within 20 working days. This self-set target is over and above the legislative requirement. Delays in providing information were due to impacts on staff resources caused by the Cyclone Gabrielle response and the number and complexity of LGOIMA requests received.
Percentage of tāngata whenua representatives "satisfied or very satisfied" with the Treaty-based partnership approach to engagement and decision making (source: biennial survey of RPC and Māori Committee members)	Increasing trend	n/a	●	Survey has not yet been held. It is instead proposed to gather feedback from tāngata whenua entity Chairs and CEs. Relationship Managers are progressing this approach.

Policy and Regulation

Measure	Target	YTD Result	Status	Commentary
Percentage of resource consents processed within statutory timeframe in Resource Management Act	100%	97%	●	97% of applications were processed within the statutory times.

Level of Service Measures

Integrated Catchment Management cont.

Measure	Target	YTD Result	Status	Commentary
Percentage of land area (by catchment) that operates under a Farm Environment Management Plan (FEMP) as required under the RRMP	100% Tukituki	96%	●	Covers 96%, or 207,952 hectares of eligible land in the Tukituki Catchment. This result will not change before the end of 2023-2024 year.
Additional area of erodible land, planted with fit-for-purpose erosion control species, transitioned to more sustainable land use or retired and protected	900ha under cover	410ha	●	The area of land treated in quarters 1 and 2 was 271.4 hectares and 138.76 hectares, respectively, with a year-to-date total of 410 hectares. This is 46 per cent of our target of 900 hectares for the year. Data input continues to improve, and data quality assurance is ongoing, resulting in ever-increasing confidence in reporting.
Additional kilometres of waterway protected annually through erosion mitigation works to reduce sediment, nutrient and/or bacterial contamination	60km	11km	●	The length of the waterway protected in quarters 1 and 2 was 7.57km and 2.99km, respectively, with a year-to-date total of 10.56km. This is 18% of our target of 60km for the year. Noting that the Erosion Control Scheme does not include riparian planting but will focus on streambank erosion.
Sediment load in tonnes per year in receiving waterbodies (streams/rivers and estuaries). (Source: 20 ISCO automated sediment samplers in priority catchments with highly erodible land)	Reducing load	n/a	●	It has been a slow quarter on the sampling front given that the drier weather has not triggered ISCO sampling. In the downtime, suspended sediment concentration (SSC) and flow have been analysed to build rating curves for 18 sites. The overall theme is that more sampling and sediment gauging is needed at higher flood flows (> 1 year Annual Return Interval). There are some sites that need more samples across the range and others that simply have a poor relationship. A Traffic Management Plan is proceeding with ProTraffic to access bridges for sediment gauging. The booster pump has returned from the USA for deployment at sites with large stages. Tech resources have been diverted over the last 7 months which has slowed progress in the field.
Area of predator control per annum	10,000ha	14,600ha	●	Cyclone Gabrielle caused significant challenges for this project in Whakatipu Māhia with roading issues still limiting travel. Some operational work has occurred this quarter with contractors beginning the mop-up phase. The project team continue to scope what transitioning this project to an external organisation could look like.

Asset Management

Measure	Target	YTD Result	Status	Commentary
Following a flood event, affected areas are surveyed and repairs are programmed: 1. Following a major flood event, a flood report will be compiled within 6 months of the event 2. Major event report outcomes incorporated into AMP	Achieved	n/a	●	The last major flood event was Cyclone Gabrielle. The flood report is being worked on currently through the scheme review process - outcomes of which will be incorporated in the Asset Management Plans. As this flood report will take longer than 6-months to be compiled, this measure will not be achieved.

Level of Service Measures

Asset Management contd

Measure	Target	YTD Result	Status	Commentary
Ecological Management and Enhancement Plans (EMEP) are implemented	Achieved	n/a	●	EMEPs are being reviewed and implemented where possible. Ngaruroro EMEP last written in March 2011 and due for 10-year review, Tūtaekurī EMEP last written in June 2015. Tūtaekurī, Ngaruroro, and Tukituki EMEP's field work completed by HBRC and consultants. The draft Heretaunga Plains Rivers Revegetation 10-year Strategy has been completed with maps loaded to GIS. Improvements to gravel management associated with introduction of the global consents, and Tangata Whenua Gravel Operational Groups for the Tūtaekurī, Ngaruroro, and Tukituki Rivers are ongoing.
Actions from the Regional Water Assessment are identified and implementation is progressing according to the approved plan	Implementation on track	n/a	●	Due to the delays resulting from Cyclone Gabrielle and uncertainty around essential freshwater reform, this work has been on hold for this quarter.

Emergency Management

Measure	Target	YTD Result	Status	Commentary
A 5-yearly independent assessment of CDEM Group's capability is completed and shows continuous	Achieved	n/a	●	No change to the comments of last quarter other than to add the various reviews for Cyclone Gabrielle will add to the review of Group capability and future improvements.

Transport

Measure	Target	YTD Result	Status	Commentary
Annual patronage on the Hawke's Bay bus services	Maintain or increasing	88,861	●	The regional transport network has a range of challenges post-cyclone whereby not all services had resumed operating at previous levels. While some services resumed before the re-opening of Redclyffe bridge late August 2023, a driver shortage hampered multiple other services operating for the entire quarter.
Percentage of urban households within 400m of a regular bus route	100% Hastings & Napier urban area	70%	●	This measure now covers both Hastings and Napier urban area. The MyWay on-demand pilot service operates in Hastings urban area between 6am-6pm Monday to Friday, with reduced services over the weekends. The pilot did not extend to the Napier urban area as per year three of the Long Term Plan. Coverage of the existing services in Napier does not reach 100% of households within 400m.



Activity Reporting

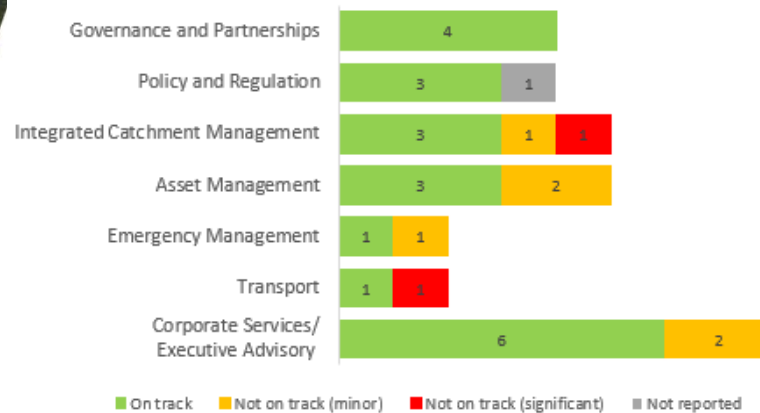
by group of activity

This section provides an overview of performance by activity. It includes:

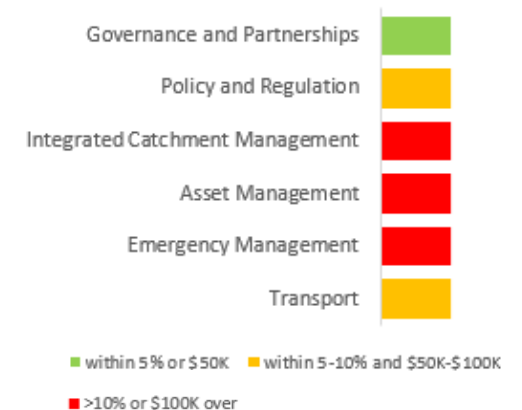
- a summary for both financial and non-financial performance by group of activity (see figures below)
- individual activity reporting within the six groups of activities
- a traffic light reporting approach to show non-financial results
- financial reporting is year to-date
- financial reporting is by group showing operational revenue and expenditure (budget vs actual), and commentary.

Performance Summary

Non Financial status (by 30 activities)



Financial status (by 6 groups)



Governance and Partnerships

Community Representation and Leadership

Status	Non-financial commentary
●	This was a typical quarter for meetings and workshops, close to the average of 25. It was notable for joint committee work, including meetings and workshops for Climate Action, Regional Transport, CDEM and Future Development Strategy (administered by HDC). All public meetings were notified and conducted lawfully. Council adopted the draft Revenue and Financing Policy for 8-weeks of consultation at the November meeting of Council and continued its Long Term Plan development. There were 47 LGOIMA requests received, compared to 41 (last quarter), 57 (Q4), 37 (Q3) and 24 (Q2 2022-23). Of the 47 LGOIMA requests received, 38 were provided with the information within the target 20 working days. Delays were due to the number and complexity of requests post-Cyclone and competing priorities of the subject matter to answer them.

Tangata Whenua Partnerships

Status	Non-financial commentary
●	HBRC maintains active relationships with tangata whenua through the Regional Planning Committee (9 appointees) and the Māori Committee (13 representatives). This quarter, there were no meetings of either the Māori Committee or the Regional Planning Committee. There are tangata whenua representatives with voting rights on all Council committees.

Governance and Partnerships finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	4,293	4,690	(397)
Budget	3,643	4,029	(386)
Variance	650	(661)	(11)
% variance	18%	-16%	

Community Sustainability

Status	Non-financial commentary
●	HBRC promotes sustainability using incentives, education, advocacy and leadership. This quarter, a combined total of 83 ratepayers (compared to 282 last quarter) improved the health and climate-resilience of their homes with Clean Heat grants, loans and Sustainable Homes loans (to be paid back by a targeted rate) to the value of \$351,500. Demand continues to decline. New Enviroschools and facilitators were welcomed. A highlight was the Climate Action Joint Committee endorsement of a strategy and vision (living) document at their December meeting. Internally, the HBRC Sustainability Group is motivated to build a strong sustainability culture that existing and prospective staff can be proud of. Three priority actions have been highlighted by the group: - Increase visibility for corporate sustainability (e.g. events, internal comms) - Incorporate sustainability into HR processes (e.g. induction) - Establish an active travel plan and ridesharing opportunities.

Regional Development

Status	Non-financial commentary
●	The Regional Economic Development Agency (REDA) has formalised its reporting and accountability lines with Matariki, and therefore locked down its strategic priorities and work programme. The funding agreement with councils is nearly ready to sign. The fit out of the new Business Hub at 101 Queen St, Hastings is nearly complete with a formal opening planned soon. Transfer of Business Hub operations from HBRC is nearly complete.

Status	Financial commentary
●	Expenditure is over budget by \$661k, which is mostly related to the delay in establishment of the Regional Economic Development Agency (REDA). This overspend is offset by the TLA contributions towards the new entity (noting the revenue over budget also).

Policy and Regulation

Policy Planning

Status Non-financial commentary

- The Policy Team has been undertaking business as usual with TANK and Outstanding Water Bodies (OWB) plan changes, making submissions to central government legislation and supporting other parts of the organisation with policy related work ie CCCV and Dangerous Dams. Work progresses with iwi/Māori, standing up contracts for Te Mana o Te Wai Visions and Values for the Freshwater Planning Instrument under the NPSFM. The budget spend has been affected a delay to the OWB hearing due to Covid.

Consents

Status Non-financial commentary

- Consents team has processed and issued 89 consents and processed 44 transfers over the quarter. All but four of the consents issued over this period were processed within statutory timeframes. As noted previously, two appeals are in process. One is likely to be withdrawn (Tangoio subdivision/wastewater discharges). The other Tranche 2 is proceeding and has been incurring time and cost. 118 applications were received during the quarter. Cyclone recovery response, advice and processes have taken significant staff time. Processing of Heretaunga Plains groundwater group of consents was advanced with the provision to each applicant of the assessed 'actual' and 'reasonable' water demand. Significant work will flow from this.

Policy and Regulation finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	57,630	56,987	643
Budget	5,983	5,973	10
Variance	51,647	(51,014)	633
% variance	863%	-854%	

Compliance and Pollution Response

Status Non-financial commentary

- No reporting this quarter

Maritime Safety

Status Non-financial commentary

- The Navigation Safety Bylaw has been adopted by Council and the final amends will be completed before being published in the local newspapers and updated on our website. Discussions have occurred regarding staff numbers as our current Harbourmaster moves towards retirement.

There has been an increase in boating related incidents around the region and there are efforts underway to educate/remind our stakeholders about the maritime safety requirements in the region. Preparations are underway for document/process reviews for the upcoming four yearly Port & Harbour Marine Safety Code audit due at the end of March.

Status Financial commentary

- Subsidies and grants revenue is over budget by ~\$52M which is driven by government grants for the Silt Taskforce which were not included in the 2023-2024 Annual Plan, and offsets the additional expenditure.

Fees and charges are under budget by \$1M, of which \$180k is due to an accrual error at year end, and the balance of the variance attributed to higher levels on non-recoverable work (eg advice on recovery) being done in consents (\$600k) and compliance (\$313k).

Integrated Catchment Management

Biosecurity and Biodiversity

Status Non-financial commentary

- The Biodiversity team has drafted plans and is working on 20 Priority Ecosystem projects. This is a mix of new project sites and ongoing maintenance of existing sites and includes deer fencing, feral deer control, pest plant and animal control and willow control throughout wetlands.
- Our annual rook control programme successfully treated 418 nests, including seven new rookeries. Our pest plant control programmes are underway. 11 new Chilean Needle Grass properties were discovered. Still, very little saffron thistle has been observed due to a wet year affecting germination. Ten privets were removed last quarter by staff. Alligator weed risk assessment and monitoring plan for an aerial operation was completed, one surveillance run on the Mangatarata stream, and one clean of the aquatic weed boom.

Catchment Management

Status Non-financial commentary

- In the year to date, through the Erosion Control Scheme (ECS), 410ha of erodible land has been treated, and 10.56km of waterways have been protected. Catchment advisors are finalising inspection reports for the previous winter's pole and native plantings. Planning for the upcoming pole planting season is underway, and orders are steadily flowing in. Despite the positive developments, challenges persist in securing applications for summer works (fencing and weed control).
- Our rural community faces financial challenges, as many individuals have utilised their capital to repair farmland damaged by Cyclone Gabrielle. Escalating costs and diminished revenue further exacerbate this financial strain. Landowner mental stress is evident from adverse weather events. Farmers express apprehension about undertaking new fencing projects due to emotional and financial concerns in the face of unpredictable weather patterns. These challenges are anticipated to impact the remaining budget utilisation before the end of the financial year.

Environmental Science

Status Non-financial commentary

- Post-cyclone impact work continues with productive collaborations established with Crown Research Institutes, including with NIWA for flood frequency analysis, Manaaki Whenua Landcare Research for land erosion impacts and the efficacy of planting and NIWA for air quality monitoring. Routine State of Environment (SoE) monitoring and reporting has continued with regular monthly reporting, while preparations are underway for the next 3-yearly SoE. Large multiyear projects SkyTEM and Ruataniwha groundwater modelling are largely on target with minor slippage.

Environmental Information

Status Non-financial commentary

- The Environmental Information team has managed to keep up with its workload during the last few months. The team is fully resourced and a lot of training is going in to bringing the new members up to speed. The weather in this period gave us the opportunity to measure some good river flows. The high and turbid water has also pushed a few water quality programmes out a few weeks.

Rural Recovery


Status Non-financial commentary

- A small team operating under the framework of Rural Recovery has continued to engage with farmers, growers and landowners. The main focus has been communities impacted by changes to rivers and streams as a result of extreme weather events, and trying to understand options available to them for remediation. Aligned to these challenges is clarity of what actions can be undertaken within the current regulatory framework. The team has also contributed to both the Rural Advisory Group (RAG), and Horticultural Advisory Group (HAG) promoting industry and sector alignment in the delivery of information, tools and guidance to farmers, growers and landowners.

Integrated Catchment Management

Integrated Catchment Management finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	14,233	12,327	1,906
Budget	13,971	14,935	(963)
Variance	262	2,608	2,870
% variance	2%	18%	

Status	Financial commentary
	Expenditure is \$2.6M behind budget mostly due to timing variances in Erosion Control Scheme project grant payments (\$1M), and Environmental science (\$700k).

Asset Management

Flood Protection and Control Works (Rivers, Drainage and Small Schemes)

Status	Non-financial commentary
●	Maintenance work is in progress as per contract with some delays due to contractor resourcing, material supply, and Cyclone Gabrielle response. Two Senior Engineering Officers (Drainage and Rivers) resigned and were replaced, with new staff in induction phase. Work continues on planning and development the Strategic Enterprise Asset Management system, and is expected to improve efficiency and reporting.

Regional Water Security

Status	Non-financial commentary
●	<p>The Regional Water Assessment final report was publicly released at the end of June 2023. A decision around launching a broader public campaign is on hold. A Water Demand Assessment report focused on the Industrial and Territorial water users has been issued and is under review alongside another independent report on potential opportunities.</p> <p>Council's focus for the Heretaunga Water Storage project is to investigate regional governance, ownership and operating models.</p> <p>The CHB Managed Aquifer Recharge Pilot has received resource consent for the proposed work. Proposals for the detailed design of each component of work have been received and are being reviewed and revised with a view to commencing with detailed design to enable detailed construction cost estimates to be developed.</p>

Open Spaces

Status	Non-financial commentary
●	<p>Day to day maintenance is being undertaken as per the contract programmed maintenance. Reactive maintenance activities and being undertaken as required. All parks are now open expect the new Whittle Reserve. Pekapeka Regional Park still requires work to repair a section of boardwalk .</p> <p>Most forestry work has been completed post-cyclone and the Tūtira Forestry reserve is ready for harvest. Maintenance work is being undertaken as per the standards required at all forestry reserves.</p>

Flood Risk Assessment and Warning

Status	Non-financial commentary
●	<p>Preliminary upgrades to the Ngaruroro and Upper Tukituki flood forecasting system has been completed. The previous system has been disestablished (VDAAS). Planned calibration stage for next quarter.</p> <p>Telemetry upgrade project has been actively worked on for both instrumental selection and financial affordability.</p>

Coastal Hazards

Status	Non-financial commentary
●	<p>The Coastal Specialist role has been filled and expected to have less resourcing issues. Good progress on the Long Term Plan and budget discussions to have overall clarity.</p> <p>The annual Westshore nourishment programme is at a tender stage, works are expected to be carried out next quarter.</p>

Asset Management

Asset Management finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	9,924	11,488	(1,564)
Budget	50,358	56,961	(6,603)
Variance	(40,434)	45,473	5,039
% variance	-80%	80%	

Status Financial commentary



Asset Management Revenue below budget by \$40.4M spread across three areas, \$26M variance in other revenue is predominantly the budgeted insurance proceeds that have not yet been received. Sundry revenue of \$13M for cyclone infrastructure claims from NEMA was budgeted, however work to confirm the eligible claim quantum is still progressing. User charges are under budget by \$1.3M and fees and charges are under budget by another \$0.6M. These revenue variances are a combination of coastal hazards funding yet to be received from other councils (\$316k), gravel management fees (\$248k), delay to the Tangoio forestry harvest (\$500k) and Works Group external income (\$655k).

There are a few areas that have overspent their year-to-date operating budgets. These include Forestry with increased costs in regaining access and assessment following the cyclone (\$68k), Hawke's Bay Trails and regional cycling with repairs to the cycle network (\$88k) and recovery work in the regional parks (\$80k). These are offset by a number of underspends, the most notable of which are on Coastal Hazards (\$202k) and Regional Water Security (\$218k) with delays in these projects as other priorities are addressed.

Emergency Management

Hawke’s Bay CDEM Group

Status Non-financial commentary

This has been a good quarter with new staff starting to make a difference as their knowledge increases and they are integrated within the Group. In terms of implementing operational projects within the Group Work Programme these include: The development of a basic response SharePoint platform to share information between councils and agencies. A reviewed needs assessment platform is being developed in consultation with Welfare Coordination Group members. New training material and a training programme will be rolled out in the next month to provide a better level of capability across the staff of all councils and partners. There has also been some good progress working with the TLAs in developing the HUB model. There are still some resourcing challenges, and a reviewed Work Programme is currently being developed with the CEG.

HBRC Emergency Management

Status Non-financial commentary

There has been no real change since last quarter. The CDEM Group office has reestablished the training programme and staff have been trialling new courses. This will roll out over the next month. The only persistent challenge is the ongoing increased tempo of work in the recovery space. This will not improve in the short term and the wellbeing of staff will need to be carefully managed to ensure council staff have the capability to respond to another adverse weather event. Overall work is progressing in this area.

Emergency Management finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	4,471	6,036	(1,565)
Budget	3,116	3,398	(282)
Variance	1,355	(2,638)	(1,283)
% variance	43%	-78%	

Status Financial commentary

Revenue is over budget by \$1.3M. This is primarily driven by the collection of Regional Recovery finances and collection of administration fees from funding.
Expenditure is over budget by \$2.6M. This is predominantly due to ongoing cyclone recovery work.

HB Regional Recovery funding

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	42,122	42,122	-
Budget	-	-	-
Variance	42,122	42,122	-

Transport

Passenger Transport

Status Non-financial commentary

- Multiple services continued to not operate over the quarter. Mediation settlement in December including a driver wage uplift should see services reinstated from late January 2024. Until that happens, reduced services results in reduced passengers. MyWay continues to perform consistently. Total Mobility high patronage is well above forecast and resulting costs due to 75% subsidy.

Transport Planning and Road Safety

Status Non-financial commentary

- The RoadSafe relaunch was successful. RoadSafe was involved in several checkpoints over the peak holiday period with good results. The RoadSafe activity plan has been submitted and accepted by Waka Kotahi NZ Transport Agency. The Regional Transport Committee accepted recommendations on prioritisation mapping for major capital works programs for the Regional Land Transport Plan. A new Regional Land Transport Plan has been drafted. HBRC is awaiting Government Policy Statement on land transport to ensure alignment with the Regional Land Transport Plan before public consultation.

Transport finances

	Revenue \$000	Expenditure \$000	Surplus/(Deficit) \$000
Actual	3,801	4,163	(362)
Budget	3,703	3,666	36
Variance	98	(497)	(399)
% variance	3%	-14%	

Status Financial commentary

- Expenditure is \$496k over budget, mostly related to higher than planned indexation on the public transport contract.

Corporate Services

Information and Communications Technology (ICT)

Status Non-financial commentary

- A number of staff resignations were received this quarter. A TechONE project director was appointed (business) to lead the next phase of TechONE implementation, with ELT proposed as the new Steering Committee going forward. Technical foundations of SharePoint Migration is completed. Phase 2 has started which includes refinement of workflows, end user training and information management process improvement. Short online knowledge modules were sent out in October for Cybersecurity month. Generative AI User Group up and running, with internal and cross council collaboration.

Corporate Support

Status Non-financial commentary

- The delivery of rates penalty notices saw a spike in customer interactions through the early months the quarter. Staff have refined the process of dealing with unpleasant public interactions to ensure our people feel supported. Rates information and MyWay bookings, continue to be the top categories of enquiry for the Customer Experience team. Staff turnover within the team has now been steady for some time. The wider Corporate team continues to react to internal customer requests, and assisting with fleet and property maintenance related issues. There has been a focus on approaching our office capacity issues in a more strategic manner. This has prompted a staged roll out of a 'desk sharing tool' trial within our corporate teams to maximise use of existing office space. Staff have been working through the revised fleet replacement schedule which aims to extend the life of the asset and reduce replacement frequency.

Finance, Treasury, and Procurement

Status Non-financial commentary

- Key achievements for the Finance and Procurement team this quarter were to get the 2022-2023 Annual Report audited and adopted, the Revenue & Financing policy review out for public consultation and to finalise the top down budget model for the long term plan. The team has also developed reporting in TechONE and is putting together training courses for managers.

Communications and Engagement

Status Non-financial commentary

- The Communications and Engagement team overall is in good heart. This despite the Digital crew being down the equivalent of an FTE for the second half of the quarter. With the new web producer we saw a rapid rise in website improvements, online visits and digital engagement. There continues to be a high volume of digital interaction on Silt and Debris with overall sentiment a mix of positive and negative. In the Engagement team, the EnviroSchools team produced a new series of high-school level curriculum models, and began promoting them to schools in Hawke's Bay while also running the annual Enviro Challenge for area high schools.

Risk, Quality and Assurance

Status Non-financial commentary

- Risk maturity is developing strongly with the reinvigoration of our HBRC risk profile and sentiment surveys from third tier managers to Councillors. Quality system surveillance audit was successful with no non-conformances just opportunities for improvement identified. Incident management is maturing with further capturing of incidents and reporting to the Risk and Audit Committee.

Executive Advisory

People and Capability

Status Non-financial commentary

- The People and Capability advisory team has developed in-house—*Managing Performance 101*—which will be piloted next quarter. It delivered in-house Recruitment 101 during the quarter and has been involved in supporting CDEM training. The Collective Employment Agreement (CEA) bargaining was completed, and the new CEA was drafted. A Modular Leadership training was delivered by external provider to staff in management positions. The team were involved in testing the Whispir system which is used to contact staff during emergencies. Summer university students were inducted to the organisation. Recruitment continues to be a focus for the team. Undertaking work to engage with ex-employees through LinkedIn with the aim of increasing our pool of applicants.

Māori Partnerships

Status Non-financial commentary

- Māori Partnerships team have returned to business as usual and are progressing well regarding workstreams and deliverables.

Strategy and Governance

Status Non-financial commentary

- The Strategy and Governance team was busy servicing 24 council and committee meetings or workshops this quarter as well as administering the LGOIMA process. Work to improve the internal LGOIMA system and process was also initiated. The Strategy team worked closely with the Finance team on the Revenue and Financing Policy review and the Long-Term Plan development. The Climate Action Ambassador spread her time between progressing the Climate Action Joint Committee's Vision and Strategy and drafting the Climate Chapter for the Regional Policy Statement.

How Metrics are Calculated

Employee count (p 7) is the total count of all staff employed by HBRC. This includes staff employed on casual and fixed term (eg students) contracts. This is calculated as at the end of the quarter.

Full time equivalents (FTE) (p 7) are the total FTEs as at the end of the quarter. Staff employed on casual contracts are counted as a 0 FTE.

Turnover (p 7) is calculated by averaging the staff count (previous end of quarter staff + current end of quarter staff divided by 2). This is then divided by the number of resignations. Only resignations or retirements of permanent staff and fixed term staff (before their contract end date) are included in this figure.

Health and Safety Incidents (p 8) are all the incidents reported in HBRC's health & safety software Hasmate.

LGOIMA (p 9) are all the LGOIMA requests that are registered in our LGOIMA register on SharePoint.

Daily feedback (p 9) tracks the customer satisfaction score by date. This data is sourced from Zendesk.

Social media (p 10) metric counts reach from the organic or paid distribution of Facebook content, including posts, stories and ads. It also includes reach from other sources, such as tags, check-ins and Page or profile visits. Reach is only counted once if it occurs from both organic and paid distribution.

Website and social media (p 10) data is sourced from Google and Facebook analytics.

Vehicle number, fuel usage and fuel CO₂ emissions (p 11) data is provided by our internal systems and our fuel suppliers.

Energy usage and energy CO₂ Emissions (p 12) data is provided to HBRC by our energy suppliers.

Air Travel (p 12) data is provided to HBRC by our travel agent.