Quarterly monitoring report - water services delivery plan

In-House Business Unit

Kāpiti Coast District Council

01 April to 30 June 2026

Council plans that are retaining water service delivery (In-house Business Unit)

Part A: Progress updates

Activity / milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks and mitigations (if any)
Financial			
A systems requirements review will be completed in 2026/27 to identify specific changes to be made to KCDC's financial management systems to support ringfencing of the finances for water services. Required changes will be implemented from 1 July 2027.	I July 2027	Yes	Council has implemented the first stage of its new Enterprise digital management system "Datascape", with implementation staged through to completion November 2026. Completion date of November 2026 allows for significant contingency time to meet 1 July 2027 legislation deadline. A mock financial close is planned for December 2026 to test the mapping of financial information against ringfencing, reporting and disclosure requirements.
Review revenue and financing policy as part of the development of KCDC's 2027 LTP. This will include review of the current general rate component of stormwater funding.	1 July 2027	Yes	LTP timeline and project team has been created with key deliverable milestones. Risk of time delay is mitigated with available budget to contract in more resource if required.

A review of existing labour capitalisations, overhead allocation models.	1 July 2027	Yes	Work underway, incorporated into LTP work program.
Requirement for standalone Insurance cover triggered by exit from current regional Insurance model for 3 waters.	1 July 2026	Yes	Proposal provided via AON to UK Insurance market via Lloyds (March 2026). To mitigate price risk negotiations carried out directly with underwriters in London. Awaiting new proposal.
Governance			
Implement dedicated reporting and standing agenda items in meeting of KCDC's Strategy Operations and Finance Committee;	1 July 2026	Yes	New structure proposed to report directly to Council Risk and Assurance committee. Risk and Assurance committee established and confirmed in Nov 2025. New Independent Chairperson (Bruce Robertson) and independent member (David Cochrane) also included in the committee. Councils delegations under governance structure to be updated to empower RAC to consider 3W IBU reporting once established.
Establish a new three waters director role that reports to Group Manager Infrastructure and Asset Management prior to 2026/27;	1 July 2027	Yes	Workload issues and risks associated with continued BAU compliance. To mitigate risk interim transition Manger, Dave Hardy, appointed to take care of change process without impacting on BAU.
Operations			

Separate current stormwater and coastal activity during the 2025/26 financial year, with the provision of two separate groups with stormwater remaining within the new three waters IBU	1 July 2027	Yes	Extra resource engaged to assist with this change process
Developing a Water Services Strategy, annual reports and annual budget.	1 July 2027	Yes	This work is included in the LTP work Program.
Drinking Water Safety Supply Assessment	1 July 2026	Yes	Completed
30-year capital forecasts Strategic Asset Management Plan (SAMP) Asset Management Plan (AMP)	1 July 2027	Yes	Work underway as part of the LTP work program. Additional external resource commissioned to provide assistance to mitigate resource risks
Review and update Revenue & Financing Policy	1 July 2027	Yes	Works to be incorporated into LTP work program.

Expected activity in next quarter

Milestone / deliverable	Expected activity
30 September 2026	Mapping and testing of financial information
30 September 2026	Progress separation of Stormwater and Coastal activities
30 September 2026	Develop Water Services Strategy
30 September 2026	Develop Service Level Agreements for provision of Corporate Services to the ibu
30 September 2026	Provide update to Risk and Assurance Committee / Council on progress

Part B: Additional monitoring information – items noted in letters of acceptance

Items noted in letters of acceptance	Progress update
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	
We recommend monitoring funding and investment to meet population growth estimates and the implementation of planned growth projects. Renewals are appropriate given the age profile of the water services assets.	**Growth related projections are being re-adjusted as part of LTP. Updated AMP will provide further information on renewal profiles. This work is currently underway and will be completed by 1 July 2027.**
Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth	
The Plan demonstrates investment is sufficient to meet requirements of LOS, renewals and enable growth, although we recommend monitoring funding and investment to meet population growth estimates and the implementation of planned growth projects.	**Capital Programme Board established to monitor and report on capital delivery. Established Audit and Risk Committee will receive quarterly updates on capital delivery from 1 July 2027.**