

Finance and Performance Committee

AGENDA

Notice of Meeting:

An ordinary meeting of the Finance and Performance Committee will be held on:

Date: Wednesday 28 February 2018
Time: 9.30am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Councillor Raf Manji
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Vicki Buck
	Councillor Jimmy Chen
	Mayor Lianne Dalziel
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor Jamie Gough
	Councillor Yani Johanson
	Councillor Deon Swiggs
	Mr Mike Rondel (Non-Voting Member)

23 February 2018

Principal Advisor

Carol Bellette
General Manager Finance and
Commercial

Aidan Kimberley
Committee and Hearings Advisor
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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.
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TERMS OF REFERENCE FINANCE AND PERFORMANCE COMMITTEE

Chair	Councillor Manji
Membership	Deputy Mayor Turner (Deputy Chair), Mayor Dalziel, Councillor Buck, Councillor Chen, Councillor Davidson, Councillor Galloway, Councillor Gough, Councillor Johanson, Councillor Swiggs and a non-voting independent member appointed by the Council.
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
Meeting Cycle	Monthly
Reports To	Council

Responsibilities

The focus of the Finance & Performance Committee is the financial and non-financial performance of the Council and its subsidiaries.

The Finance & Performance Committee:

- Seeks to enhance the Council's accountability with the community in relation to the Council's financial and non-financial performance
- Promotes active citizenship, community participation and community partnerships, including participatory budgeting
- Works in partnerships with key agencies, groups and organisations

The Finance & Performance Committee considers and reports to Council on issues and activities relating to:

- The preparation and adoption of the draft and final Annual Plan and Long Term Plan (based on the strategic direction of the Strategic Capability Committee)
- Performance against the Long Term Plan (LTP) and Annual Plan (AP), including financial performance and non-financial performance including:
 - medium to long term asset management
 - treasury investment and borrowings
 - organisational performance and capability
- Insurance matters including to:
 - consider legal advice from the Council's legal and other advisers,
 - approve further actions relating to the issues,
 - make recommendations to Council concerning formal actions.
- Performance of a number of subsidiaries including Council Controlled Organisations (CCO).
- Recommendations from Council's Subcommittees, Community Boards, the public, stakeholders and providers in relation to finance and performance.
- Overseeing the development to the Annual Report for consideration by the Council
- Development of the financial policy of the Council
- Development of a Genuine Progress Indicator

Process for appointing Independent Members to the Finance and Performance Committee

The following principles will guide the appointment process for Independent Members of the Finance and Performance Committee:

1. Council Officers, in consultation with Elected Members, will compile a longlist of candidates and provide this list to the General Manager Finance and Commercial for consideration.
2. If appropriate, the Chair of the Finance and Performance Committee and the General Manager Finance and Commercial may endorse the nominations.
3. Candidates will be contacted at the appropriate time to confirm their willingness to serve as an independent committee member and, if confirmation is received, appropriate background checks as determined by the General Manager Finance and Commercial will be conducted. Candidates will also be informed of Council policies.
4. The Chair and Deputy Chair of the Finance and Performance Committee, and the General Manager Finance and Commercial, will review the candidates to develop a shortlist by assessing the following:
 - a. Professional credentials and relevant experience.
 - b. Their understanding of relevant legislation.
 - c. Experience overseeing or assessing the performance of organisations.
 - d. Potential conflicts of interest.
 - e. Affiliations or connections with the Council and its related entities.
 - f. Reference and background check reports.
5. The shortlist of candidates will be presented to an Appointments Panel. The Panel will select from that shortlist the independent member to be appointed to the Committee. The resolution to appoint the independent member should specify the dates on which the appointment commences and concludes.
 1. The Chair of the Panel will inform the Council in writing of the Panel's decision.

Part A	Matters Requiring a Council Decision
Part B	Reports for Information
Part C	Decisions Under Delegation

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1. Apologies

An apology was received from Mayor Dalziel.

2. Declarations of Interest

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. Confirmation of Previous Minutes

That the minutes of the Finance and Performance Committee meeting held on [Wednesday, 31 January 2018](#) be confirmed (refer page 6).

4. Public Forum

A period of up to 30 minutes may be available for people to speak for up to five minutes on any issue that is not the subject of a separate hearings process.

It is intended that the public forum session will be held at <Approximate Time>

OR

There will be no public forum at this meeting

5. Deputations by Appointment

There were no deputations by appointment at the time the agenda was prepared.

6. Petitions

There were no petitions received at the time the agenda was prepared.

Finance and Performance Committee OPEN MINUTES

Date: Wednesday 31 January 2018
Time: 9.32am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Councillor Raf Manji
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Vicki Buck
	Councillor Jimmy Chen
	Mayor Lianne Dalziel
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor Yani Johanson
	Councillor Deon Swiggs
	Mr Mike Rondel (Non-Voting Member)

30 January 2018

Principal Advisor

Carol Bellette
General Manager Finance and
Commercial

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-
- Part A** **Matters Requiring a Council Decision**
Part B **Reports for Information**
Part C **Decisions Under Delegation**
-

The agenda was dealt with in the following order.

1. Apologies

Part C

Committee Resolved FPCM/2018/00001

That the apology from Councillor Gough be accepted.

Councillor Chen/Deputy Mayor

Carried

2. Declarations of Interest

Part B

There were no declarations of interest recorded.

3. Confirmation of Previous Minutes

Part C

Committee Resolved FPCM/2018/00002

Committee Decision

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 6 December 2017 be confirmed.

Deputy Mayor/Councillor Davidson

Carried

4. Public Forum

Part B

There were no public forum presentations.

5. Deputations by Appointment

Part B

There were no deputations by appointment.

6. Presentation of Petitions

Part B

There was no presentation of petitions.

7. Corporate Finance Report for the period ending 31 December 2017

Committee Decided FPCM/2018/00003

Part A

That the Finance and Performance Committee recommends that the Council:

1. Receives the information in the report

Councillor Chen/Councillor Davidson

Carried

8. Financial Performance report for the six months to 31 December 2017

Committee Decided FPCM/2018/00004

Part A

That the Finance and Performance Committee recommends that the Council:

1. Receives the information in the report.

Councillor Swiggs/Councillor Chen

Carried

9 Resolution to Exclude the Public

Committee Resolved FPCM/2018/00005

Part C

That at 10:28 the resolution to exclude the public set out on pages 41 to 42 of the agenda be adopted.

Councillor Buck/Deputy Mayor

Carried

The public were re-admitted to the meeting at 11:46am.

Meeting concluded at 11:47am.

CONFIRMED THIS 28TH DAY OF FEBRUARY 2018.

**COUNCILLOR RAF MANJI
CHAIRPERSON**

7. AAC Hereford Street (Manchester - Madras) - Financial Report

Reference: 18/99604

Contact: Neil Gillon Neil.Gillon@ccc.govt.nz

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee to be informed about the financial status of the AAC Hereford Street (Manchester – Madras) project.

Origin of Report

- 1.2 This report is being provided to fulfil the Finance and Performance Committee's resolution FPCM/2017/00077, which requests information on the original budget, contingency and actual expenditure.

2. Staff Recommendations

That the Finance and Performance Committee:

1. [Receive the information in the report.](#)

3. Key Points

- 3.1 The original budget for this project was \$2,349,586 and planned to be delivered in FY23 and FY24.
- 3.2 The project delivery was brought forward to align with Ōtākaro's construction of the East Frame.
- 3.3 The final expenditure on the project is expected to be \$900,000. Savings have been achieved through:
 - 3.3.1 A substantial reduction in the scope of work expected, and
 - 3.3.2 Contract delivery efficiencies.
- 3.4 The contract has currently achieved practical completion (i.e. is able to be used by the public) and is in the one year defects period.
- 3.5 As this project is part of the wider An Accessible City programme savings will be held at the programme level, to be either:
 - 3.5.1 Allocated to other projects within the programme based on need, with approvals in line with the financial delegations policy; or
 - 3.5.2 Released as a saving/underspend upon completion of the An Accessible City programme.

4. Context/Background

Scope of Work

- 4.1 The project scope that was defined for the 2015-25 Long Term Plan was:
 - 4.1.1 The full reinstatement of Hereford Street between Manchester Street and Madras Street.
 - 4.1.2 This was to take into account the replacement of assets at the end of their life and/or damaged by the earthquakes. The design was to be in line with the Streets and Spaces Guide.
- 4.2 The delivery of the East Frame by Ōtākaro Limited intersected Hereford Street and proposed to deliver approximately 50% by length of this project.

Previous Report

- 4.3 The following was presented to the Infrastructure, Transport and Environment Committee at its meeting on 8 March 2017:
 - 4.3.1 Request to bring forward budget from FY23 and FY24 to allow construction to align with the Ōtākaro Limited timeframes, to minimise impact to the community and maximise potential savings.
 - 4.3.2 The outcome of stakeholder engagement and any proposed design requirements. It should be noted at the time of this report the estimates had not been completed due to the accelerated process for reporting and design. Hence the budget of \$1.94m was referenced. At this time it was acknowledged that the construction amount would likely be less than the budget and the Council noted the following:

That the amount brought forward will be the amount that is required for the work priced through a competitive pricing mechanism.
 - 4.3.3 Request to proceed with detailed design and construction.
- 4.4 This recommendation was accepted at the Council meeting of 23 March 2017.

Delivery Method

- 4.5 The East Frame public realm work was programmed to be completed by Ōtākaro Ltd during FY17. To provide for the completion of the Council section of Hereford Street to Madras Street the following was undertaken:
 - 4.5.1 Staff undertook an accelerated process to prepare a scheme design and consult with the community.
 - 4.5.2 Detailed design was accelerated to provide a basis for construction pricing.
 - 4.5.3 The project was direct appointed to the City Care/JFC Joint Venture to allow for the coordination of the works, to minimise the impact on the local community and to realise savings through delivery efficiencies. It should be noted that an independent QS was engaged to review and verify all pricing.

Financial Status

4.6 Summary of costs:

	Original Forecast	Actual (to date)	Projected Expenditure
Professional fees (Design, project management, safety audits, stakeholder engagement)	\$190,000.00	\$172,164.56	\$190,000.00
Contract Value (physical works)	\$653,644.00	\$623,195.79	\$623,195.79
Contract variations	\$116,356.00	\$63,549.33	\$86,804.21
Total	\$960,000.00	\$858,909.68	\$900,000.00
2015-25 LTP Budget	\$2,349,586.00		
Budget Savings	\$1,449,586.00		

4.7 Contingency amounts for the project have been applied based on standard industry percentages and the risk profile of the project. Therefore the following were applied in this project:

4.7.1 Contract contingency – a construction contingency of circa. 18% has been forecast for this project.

This is relatively high due to the number of unknowns at the time of pricing and the speed of the detailed design contract.

It should be noted that the contract was a NZS3910 contract and as such the valuing and acceptance of variations is controlled by the Engineer to Contract.

Variations to date have included unanticipated alterations to services, removing buried structures and treatment and repair to buried heritage kerb and channel.

4.8 The following savings have been achieved through this project:

4.8.1 Reduction in scope – the scope for this project reduced significantly (approx. 50% by length) as Ōtākaro Ltd delivered the remaining works as part of their East Frame project.

4.8.2 Efficiencies were achieved in the delivery methodology of the contract such as utilising existing contractor facilities, minimising mobilisation and demobilisation costs and bulk purchasing.

4.9 Hereford Street (Manchester to Madras) is part of the wider An Accessible City programme, therefore savings will be held at the programme level and either:

4.9.1 Allocated to other projects within the programme based on need, with approvals in line with the financial delegations policy; or

4.9.2 Released as a saving/underspend upon completion of the An Accessible City programme.

4.10 Note that the contract is not yet complete. Final costs of variations are currently being negotiated with the contractor and the 12 month defects period commenced in December 2017.

Attachments

There are no attachments to this report.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

Authors	Neil Gillon - Senior Project Manager Sharon O'Neill - Team Leader Project Management Transport
Approved By	Lynette Ellis - Manager Planning and Delivery Transport Richard Osborne - Head of Transport David Adamson - General Manager City Services

8. Lichfield Car Park - Budget / Contingency planning vs Actual report

Reference: 18/48829

Contact: Lee Butcher

Lee.butcher@ccc.govt.nz

6774 ext

1. Purpose and Origin of Report

Purpose of Report

1.1 The purpose of this report is:

- 1.1.1 For the Finance and Performance Committee to be informed, with regard to contingency management on the Lichfield Car Park project, following their request for information at meeting 06/12/2017 FPCM/2017/00077.
- 1.1.2 To highlight and inform the Committee of the systems used to drive budget & contingency allocations for capital projects (this report is based on Lichfield car park rebuild).
- 1.1.3 To highlight and inform on the spend of budget & contingency for capital projects (this report is based on Lichfield car park rebuild).

Origin of Report

- 1.2 The report is provided to fulfil the Finance & Performance Committee's request to provide a report that includes financial information on the original budget allocation, the contingency budget, the actual expenditure and how the contingency was spent.

2. Staff Recommendations

That the Finance and Performance Committee:

- 1. [Receive the information in the report.](#)

3. Key Points

- 3.1 Contingencies are worked out typically through industry percentages but this is not the case for Design & Build (D&B) as for the most part the project is well understood. It is important to note the difference between a traditional procurement method and a D&B method. The key difference in terms of contingency management is that under D&B the contractor/design consortium own the risk of design documentation. Therefore, under D&B the client has a greater degree of cost certainty for the project.
- 3.2 Once the Construction contract was known (\$28,064,849) plus total contingencies (\$3,367,782), the full project budget of \$31,432,631 (plus allowance for other business costs) was forecast. This figure includes professional services.
- 3.3 The expenditure of contingency sums is controlled via two mechanisms; the first being the procurement of professional services using either panel agreements or tenders, and the second is the Project Control Group (PCG) that consists of stakeholders from different business groups of Council and external bodies. In the case of Lichfield Street car park we had BECA plus staff from Transport, Finance, Procurement and Capital Delivery groups within the Council.
- 3.4 We are still working through the final accounts with the contractors and providers, the current forecast is an underspend of \$1,124,107 (Forecasted vs Actual).

4. Context/Background

Scope of Works

- 4.1 To replace the existing car parking building and provide a safe building with adequate local parking provisions to return the level of service of parking to pre-quake levels. Refer to **Attachment A** for a summary of previous Council reports noting that in June 2014 the initial rough order estimates to replace the building were \$33.3M.
- 4.2 805 parking spaces and about 1,000 square metres of retail space.
- 4.3 Structure to enhance the arcade feel of the retail precinct – the design achieves this goal.

Delivery Method

- 4.4 The forecasted budget for the parking building was made up of two parts:
 - 4.4.1 Part one was driven out of market pricing information; this is typically sourced by a Professional Quantity Surveyor (PQS). In this case BECA assisted the Council procurement and transport teams to understand possible costs to construct. PQS teams use live market information and apply that as close as possible to high-level project outcomes. In the case of the parking building this included space, size, functionality and retail contingent.
 - 4.4.2 The second part of this is unique to a Design and Build (D&B) Project (Lichfield car park rebuild was such a project). Council staff had created a scope document using the old parking building as the base and then added innovation, safety, retail and other tools to meet modern day needs to create the principal requirements that the bidders could use to design the parking building. This document is known as the “Employer’s requirements” which is fundamentally a list of wants/outcomes/deliverables for the project and various stakeholders.

This document assists procurement and allows Council staff to test the market using the D&B delivery method. Market responses contain a base design and cost to meet the “employer’s requirements” and these are vetted and compared with the PQS budget. This process provides a “forecasted budget” which was suggested as circa NZD\$34M for the Lichfield car park building.
- 4.5 The next phase is also unique to a D&B project. Procurement and Transport work with bidders to ensure that their base design is fit for purpose and meets the “employer’s requirements”. (This process, in the case of Lichfield car park, was extended to further designs with two preferred bidders.)

This process gives the Council a firm design allowing for limited items that are not fully known at that time. At this point in the process, with the final bid forming the contract price, the build budget is now known. Due to the unique set-up of D&B the contractor carries the risk for both design and construction.

The construction contract for Lichfield car Park building was \$28,064,849.

Financial Status

4.6 Summary of Costs:

	Forecast	Actual	Saving
Contract Sum	\$28.065M	\$28.065M	Nil
Contingencies:			
Changes and Improvements	\$2.245M	\$1.855M	\$0.390M
Professional Services	\$1.123M	\$0.389M	\$0.734M
Total Budget	\$31.433M	\$30.309M	\$1.124M

4.7 All contract works were completed to this budget.

4.8 Contingencies are worked out typically through industry percentages but this is not the case for D&B as for the most part the project is well understood. For Lichfield Street the Project Director reviewed the final procurement stages with PQS (BECA) and itemised the at-risk items, items not 100% resolved through the tender/procurement stages. The largest of these within the Lichfield car park building was the retail area, connection to third party buildings and the treatment to Plymouth Lane. It was felt that 4% contingency for those items plus 4% for any other minor unforeseen issues would be sufficient for this project.

A construction contingency of 8% of contract (\$2,245,188) was forecast for the project.

The final portion of the Contingency is again not typical and differs to a traditional build. At contract we do not have any professional services in place so an allowance is required in our budgets to cover costs for engineering support / project & financial management / stakeholder management and Health & Safety oversight. In a traditional build these services would have been procured up front and working alongside the builder as the project develops, and these are normally forecasted as industry percentages of 12 - 18%. Given that the contractor had the design and construct role we were able to reduce our scope of work for external consultants greatly. For Lichfield Street car park the Project Director set an allowance of no more than 4% for all non-construction related costs.

A professional services contingency of 4% of contract (\$1,122,594) was forecasted for Lichfield car park.

4.9 Once the Construction contract was known (\$28,064,849) plus total contingencies (\$3,367,782), the full project budget \$31,432,631 (plus allowance for other business costs) was forecast.

4.10 The expenditure of contingency sums are controlled via two mechanisms; the first being the procurement of professional services using either panel agreements or tenders, and the second is the Project Control Group (PCG) that consists of stakeholders from different business groups of Council and external bodies. In the case of Lichfield Street car park we had BECA plus staff from Transport, Finance, Procurement and Capital Delivery groups within Council.

4.11 During the construction of Lichfield car park building we were required to look closely at the re-development of the former Plymouth Laneway. This was undertaken with the Council's Urban Design team, the business community, stakeholders and Ōtākaro. An opportunity presented itself to relocate the old substation in the lane and open up the area in line with the Central City Master Plan developed by Athfield Architects post-earthquake which promoted the laneway concept. The creation of the new laneway supports new developments in the area and opens up the retail area to further activation. The cost of this element was shared by a number of groups to make it sustainable to both the project and the wider stakeholders. This cost was circa \$800,000; of that the project contributed \$382,000, local business owners \$250,000 and other parties \$150,000. This will add value to Council's retail space once fully activated.

- 4.12 Another large spend was the development of the retail areas highlighted at the project outset as a known risk item (monies had been forecasted for this). Along with the retail area we were also tasked with extending the building's crime prevention through environmental design (CPTED) elements, the biggest part of which was extending the upper level barrier. For the retail area both internal and external property experts looked at the space and assisted the contractor to develop the space further to a modern bright retail area housing seven unique spaces that, at the time of this report, are over 50% committed. The cost was in line with expectations at the project out-set (noted in item 4.8).

With the help of internal and external CPTED experts we also devised a barrier system that met CPTED principles. The total cost for retail improvements was \$872,000, the CPTED improvements were \$160,000.

Financial Summary

- 4.9 In summary of spend forecast vs actual:

- All the large project improvements had a combined cost \$1,414,000.00 (circa 5% of contract).
- A further \$440,526 was spent on minor changes and variations during the construction (this accounts for only circa 1.6% of contract).
- Total paid to the contractor – contract 100% \$28,064,849 plus agreed variations for large project improvements and minor changes totalling \$1,854,526 (forecasted \$2,245,188, a saving of \$390,662).
- Total paid on other professional services - \$389,149 (forecasted \$1,122,594, a saving of \$733,445).

Following completion of the building late 2017, we are currently finalising the final account with the contractors and providers. The current forecast is an under spend of \$1,124,107 (Forecasted vs Actual).

Attachments

No.	Title	Page
A ↓	Summary of previous reports	17

Signatories

Author	Lee Butcher - Project Director
Approved By	Liam Nolan - Head of Vertical Capital Delivery and Professional Services Patricia Christie - Head of Business Partnership David Adamson - General Manager City Services

Summary of previous Council reports relating to the Lichfield Car Park project:

1. At the Council meeting of 12 June 2014, it was resolved that the Council establish a subcommittee with power to act, comprising of the Mayor, Councillor Lonsdale, Councillor Manji, Councillor Scandrett to make a decision on the Lichfield St Car Park Building demolition.
2. The subcommittee considered a report which provided an update on the Lichfield Street Car Parking Building and sought a decision as to whether it should be demolished.
3. The report advised the current estimates for repair were \$32.9M and \$35.0M to restore the building to 34% NBS and 67% NBS respectively. The current estimates to replace the building were \$33.3M. The sum insured (including the 10% margin) is \$21.4M.
4. At the Public Excluded Subcommittee meeting of 17 July 2014 the Subcommittee resolved to demolish the Lichfield Street Car Park building, subject to agreement with the reinsurers that they have extracted the samples required.
5. At the Public Excluded Council Meeting of 28 May 2015 the Council resolved to approve a Request for Proposal process for the replacement of Lichfield Street parking building.
6. At the Public Excluded Council Meeting of 10 March 2016 the Council resolved to instruct staff to negotiate with Clearwater Construction Limited (Clearwater). If the negotiations are successfully concluded within a reasonable timeframe (the target negotiation timeframe being one month) then a contractual agreement is to be entered into with Clearwater....."

9. Performance Reporting for January 2018

Reference: 18/176256

Presenter(s): Peter Ryan

1. Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee to note an update on LTP level of service performance.

2. Staff Recommendations

That the Finance and Performance Committee:

1. Receive the information in the attached appendices.

3. Key Points

- 3.1 Staff forecasts as at 31 January 2018 indicate a high level of achievement (88%) which is in line with historical trends.
- 3.2 Individual level of service exceptions are set out in the attached appendix.

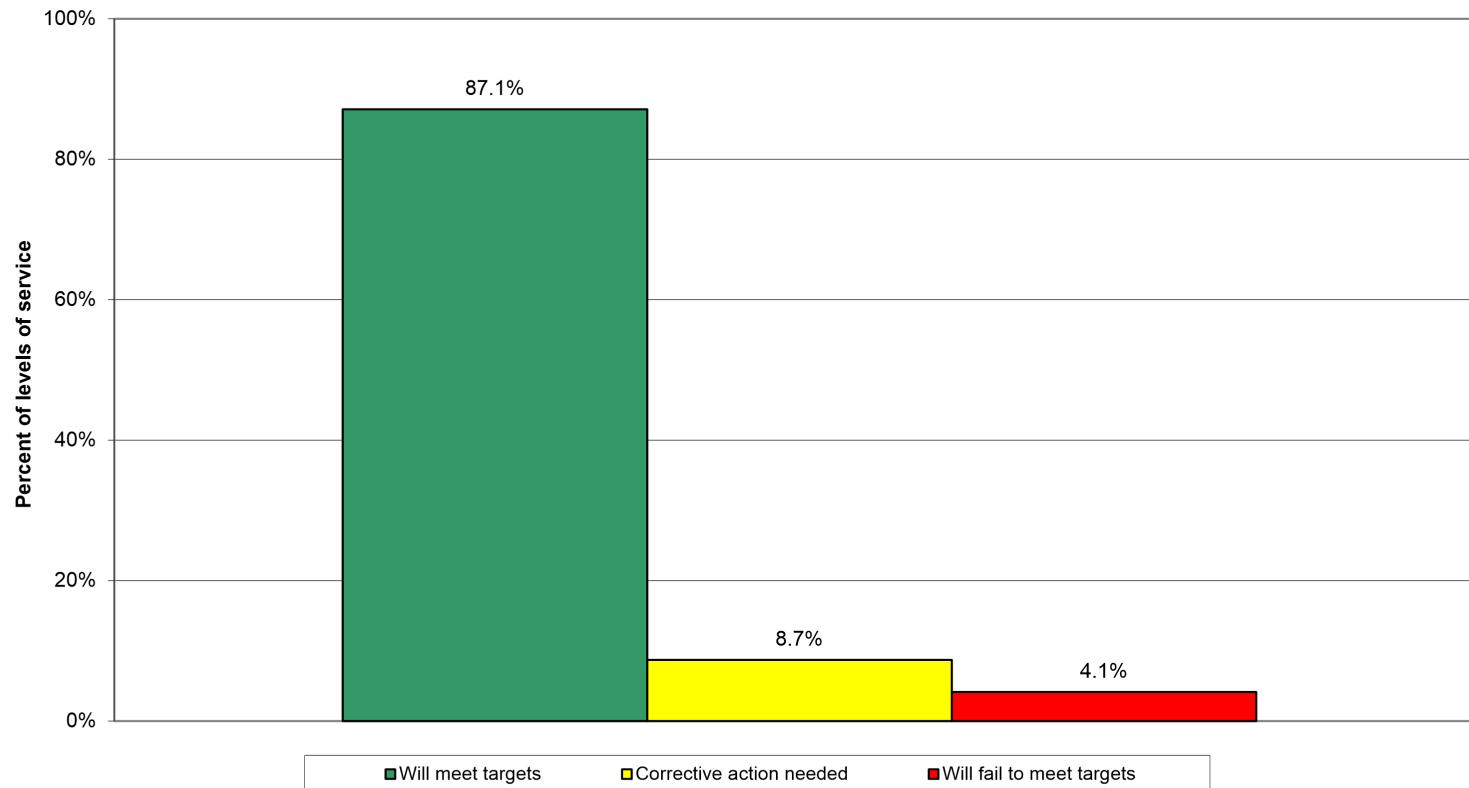
Attachments

No.	Title	Page
A ↓	Level of Service Forecast Delivery Graph January 2018	20
B ↓	Level of Service Exceptions January 2018	21

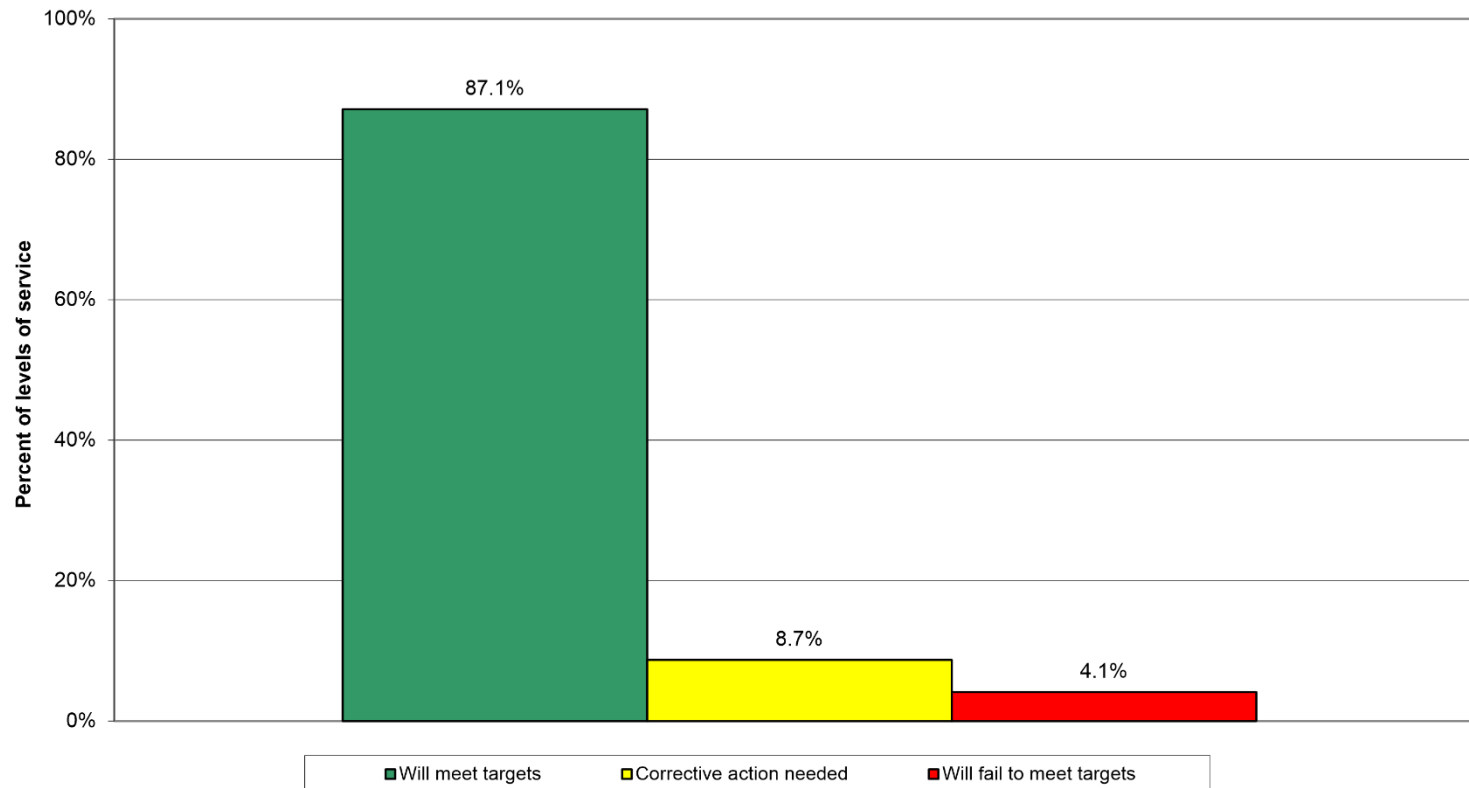
Signatories

Author	Sung Jun Park - Performance Analyst
Approved By	Peter Ryan - Head of Performance Management Carol Bellette - General Manager Finance and Commercial (CFO)

Appendix A: Forecast End-of-Year Level of Service Achievement
(LTP only) As at 31 January 2018

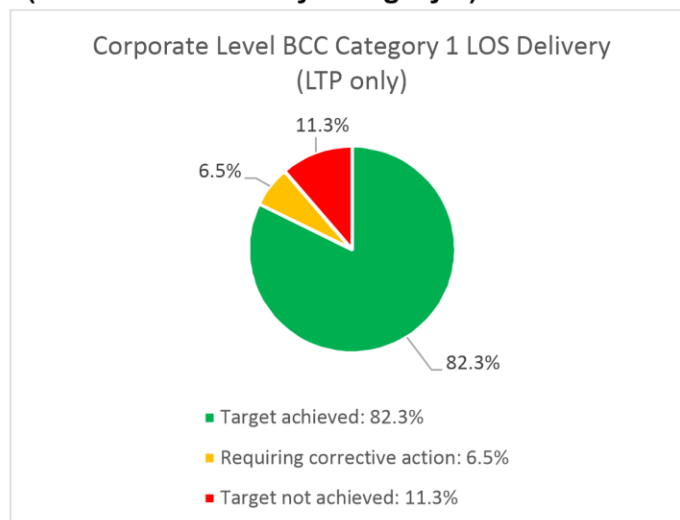


Appendix A: Forecast End-of-Year Level of Service Achievement
(LTP only) As at 31 January 2018



Appendix A: Level of Service Exceptions
Forecast Period Ending: 31 Jan 2018

Deliver levels of service (Business Continuity Category 1): At least 90%



Levels of service which are forecast to fail to meet target

City Services

Three Waters And Waste

Measure:	LTP/AP: Ensure potable water is supplied in accordance with the Drinking Water Standards for New Zealand (grading) (PCat1)
Target:	MoH risk grading of the NW water supply zone: Ba
Comments:	<p>The Northwest zone will not achieve a Ba grading by 30 June 2018. The completion timeframe for all capital works in the Northwest zone is now 30 June 2019 as the shallow wells at Wrights pump station will need to be replaced with a new pump station in a new location.</p> <p>On 22 December 2017 all urban Christchurch water supplies and the Lyttelton Harbour water supply (CHR001, BRO012 and LYT001) lost the 'secure groundwater' status. This means that Council will have to undertake a comprehensive programme of re-confirming groundwater security in line with the requirements of section 4.5 of the DWSNZ. It is uncertain at this stage how the recommendations of the Havelock North Inquiry Stage 2 report will impact on Council's ability to re-establish groundwater security as it is possible that the 'secure groundwater' category may no longer exist in the DWSNZ.</p>
Remedial Action:	Undertake work to re-confirm groundwater security, and if successful, request grading to be undertaken, which would normally occur after 12 months of E. coli monitoring is available.
<hr/>	
Measure:	LTP/AP: Ensure potable water is supplied in accordance with the Drinking Water Standards for New Zealand (grading) (PCat1)
Target:	MoH risk grading of the urban water supplies (excluding NW zone): Ba
Actual:	Uu
Comments:	<p>On 7 February 2018 the DWA requested that the grades for CHR001 (Christchurch Central), BRO012 (Brooklands / Kainga) and LYT001 (Lyttelton Harbour Basin) be changed from Ba to Uu (ungrade). This was the logical next step to take for the DWA after the recent loss of groundwater security because the previous grade Ba no longer accurately represented the supply characteristics.</p>
Remedial Action:	Undertake work to re-confirm groundwater security, and if successful, request grading to be undertaken, which would normally occur after 12 months of E. coli monitoring is available.

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Measure:	LTP/AP: Ensure potable water is supplied in accordance with the Drinking Water Standards for New Zealand (microbiology) (PCat1)
Target:	Proportion of rural residents supplied water compliant with the DWSNZ bacterial compliance criteria: $\geq 99.8\%$
Actual:	89.4%
Comments:	Due to an E. coli transgression at Duvauchelle in November 2017 89.4% of rural residents are supplied with water that meets the DWSNZ bacterial criteria.
Remedial Action:	Continue to monitor and maintain the rural water supply schemes.
Measure:	LTP/AP: Ensure potable water is supplied in accordance with the Drinking Water Standards for New Zealand (microbiology) (PCat1)
Target:	Proportion of rural residents supplied water compliant with the DWSNZ protozoal compliance criteria: $\geq 99.8\%$
Actual:	8.5%
Comments:	At present (i.e. for FY 2017/18) 8.5% of rural residents are supplied with water that meets the DWSNZ protozoal criteria. While most of the rural water treatment plants have been upgraded there are currently no operational and compliance reports available (via SCADA) that confirm that the treatment plants operate and treat the water in accordance with the parameters set out in the DWSNZ. Only Wainui is currently compliant as Wainui has the 'secure groundwater' status.
Remedial Action:	A working group was set up in mid-2017 to address this issue and necessary changes are being made to monitoring equipment and SCADA programming that will enable these reports. Water Outlook has prepared draft reports which are currently being reviewed by Council staff.
Measure:	LTP/AP: Ensure potable water is supplied in accordance with the Drinking Water Standards for New Zealand (microbiology) (PCat1)
Target:	Proportion of urban residents supplied water compliant with the DWSNZ bacterial compliance criteria: $\geq 99.8\%$
Actual:	99.6%
Comments:	Due to an E. coli transgression at Diamond Harbour in December 2017 99.6% of urban residents are supplied with water that meets the DWSNZ bacterial criteria.
Remedial Action:	Continue to monitor and maintain the urban water supply schemes.
Measure:	LTP/AP: Ensure potable water is supplied in accordance with the Drinking Water Standards for New Zealand (microbiology) (PCat1)
Target:	Proportion of urban residents supplied water compliant with the DWSNZ protozoal compliance criteria: $\geq 99.8\%$
Actual:	0%
Comments:	The actual percentage of users receiving water that meets the protozoa requirements is 0%. This is due to all urban water supplies losing the 'secure groundwater' status on 22 December 2017 which makes them non-compliant for Protozoa without treatment. The secure groundwater status can only be reinstated when all of the groundwater security criteria of the DWSNZ can be met: (1) absence of surface influences to be demonstrated via groundwater age dating and/or groundwater model; (2) wellheads assessed and signed off as secure by an expert in the field; (3) 12 months of monitoring data confirming E. coli absent from the groundwater.
Remedial Action:	Council staff will commence work on demonstrating compliance with the 3 groundwater security criteria. However, it is uncertain whether a 'secure groundwater' category will exist in the long term as the Havelock North Inquiry Stage 2 report recommended the removal of such a category from the DWSNZ.

The only other way to achieve Protozoa compliance is by means of treating the water (for instance with UV treatment).

Measure:	LTP/AP: Stormwater system is adequate to deal with flood events up to a 1 in 5 year event (PCat1)
Target:	For each flooding event, the number of habitable floors affected, expressed as an average per 100,000 properties connected to the territorial authority's stormwater system: 0
Actual:	9.9
Comments:	In the flooding event of 22 July 2017 approx. 15 properties, 9.9 per 100,000 properties, were flooded. Therefore the target for this year cannot be achieved.
Remedial Action:	Continue with LDRP programme delivery and improving operational maintenance to reduce risk of further flood events.

Levels of service for which intervention is required to meet target

City Services

Three Waters And Waste

Measure:	LTP/AP: Number of complaints received by CCC about the performance of the stormwater system (PCat1)
Target:	Number of complaints about the performance of the stormwater systems, per 1000 connected properties: 8
Actual:	19.4
Comments:	1716 customer service requests processed to CityCare. Approx 151,218 connected properties, therefore currently running at projected 19.4 complaints per 1000 properties by year end.
Remedial Action:	Continue to be more proactive in preventative maintenance and continue to deliver LDRP.
Measure:	LTP/AP: Provide wastewater collection in a safe, convenient and efficient manner (blockage complaints; odour complaints; sewerage system faults; complaints remediation) (PCat1)
Target:	Number of odour complaints received per 1000 connected properties per year: ≤ 0.3
Actual:	The projected end of year total at this stage is 56/1000.
Comments:	There have been 9 odour complaints this month (January) and it is likely that the next two months will see similar amounts of complaints. The hot weather will continue to exacerbate this. The main trunk mains from Wigram to Linwood and Aranui to Pump Station 11 and Pump Station 1 have several points along them which cause H ₂ S gas to be produced from the wastewater stream. This has been exacerbated over the last couple of years by the increase in sewage generated from the Wigram area. There will be more sewage added to this system from new developments over the next few years. This sewage gets older as it gets closer to the pump stations. There are also many more pump stations and lift stations than there used to be pre-Earthquakes in Christchurch, each of these stations and their pumping main terminations are extra points where H ₂ S can be generated. There are also lots of new local pressure tanks installed through the SCIRT repair programme. These have tanks on each property. There are some complaints from property owners, and in addition where the pressure mains terminate H ₂ S gas can be generated and cause smell complaints.
Remedial Action:	We have tried to minimise complaints along the length of the large trunk mains by altering flow paths, blocking manhole vents etc, and trialling chemical dosing but in essence there needs to be at least two new odour control sites (OCSs) installed along the length of these mains, maybe more. There is money that has been budgeted to do this and investigation is underway into the best sites for these OCSs.

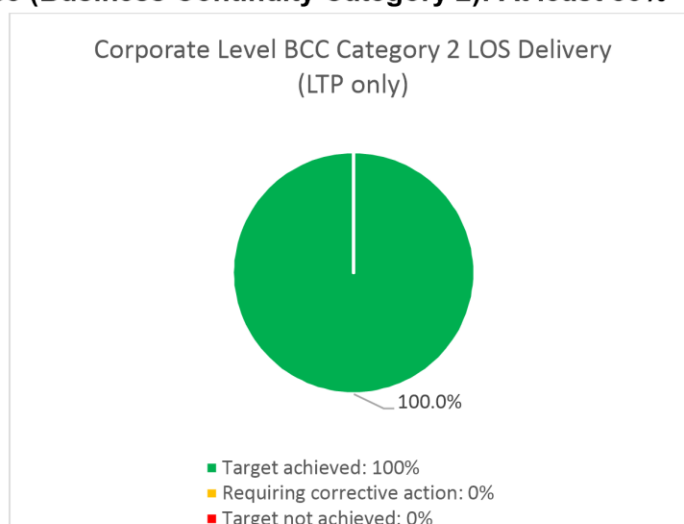


Transport

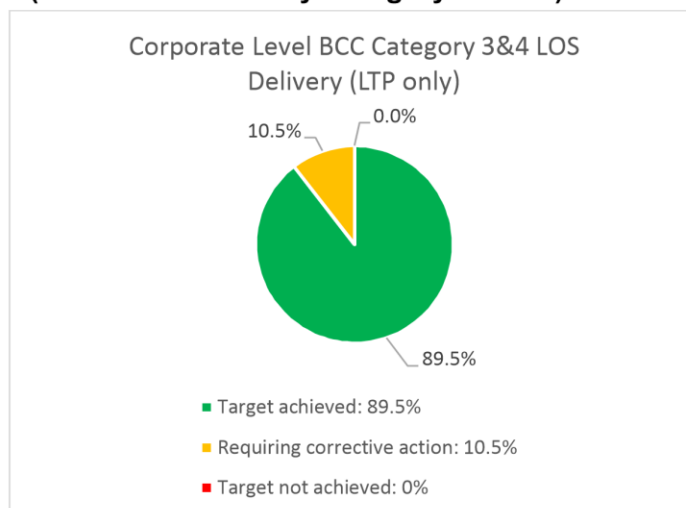
Measure:	LTP/AP: Improve Road Safety: Reduce the number of reported crashes on the network (PCat1)
Target:	Report the change in number of fatalities and serious injury crashes on the local road network
Actual:	Compared to the July to June 2015/2016 (where there were 160 deaths and serious injuries) there has been a reduction of deaths and serious injuries for all modes to 126 deaths and serious injuries for 2016/2017. The 2017/18 year will be reported after June this year.
Comments:	The longer term trend has been down for deaths and serious injuries since 2007/8 which was a higher year.
Remedial Action:	The current and draft Long Term Plans have interventions at our highest risk intersections as identified through KiwiRap and the Case for Change Business Case 2017.

Measure:	LTP/AP: Improve Road Safety: Reduce the number of reported crashes on the network (PCat1)
Target:	Target a percentage reduction of fatal and serious injury crashes per annum: $\geq 5\%$ reduction from previous year
Actual:	Compared to the July to June 2015/2016 there has been a reduction of deaths and serious injuries for all modes in Christchurch of -21% for 2016/2017. The 2017/18 year will be reported after June this year.
Comments:	The longer term trend has been down for deaths and serious injuries since 2007/8 which was a higher year.
Remedial Action:	The current and draft Long Term Plans have interventions at our highest risk intersections as identified through KiwiRap and the Case For Change Business Case 2017.

Deliver levels of service (Business Continuity Category 2): At least 85%



Deliver levels of service (Business Continuity Category 3 and 4): At least 80%



Levels of service for which intervention is required to meet target

Consenting And Compliance

Regulatory Compliance

Measure:	LTP/AP: All other Health Licences are inspected bi-annually, such as Hairdressers, Funeral Directors and Camping Grounds (PCat3)
Target:	Inspect 100% of these registered premises at least once every 24 months
Actual:	30%
Comments:	44 premises have been checked of the 150 due for assessment this year. This is 30% of the target.
Remedial Action:	A focused effort to assess the remaining premises is planned for the rest of 2018. This will require each officer to visit at least 16 operations before end of May 2018. This will meet the target number of 106 remaining premises.

Resource Consents

Measure:	LTP/AP: % of complex non-notified resource management applications processed within statutory timeframes (PCat3)
Target:	99% within the statutory timeframes
Actual:	97%
Comments:	January 136 applications processed, 131 in time; 131/136 - 96%, YTD 1295 applications processed, 1257 in time; 1257/1295 97%. This is the same result as in the forecast period ending 31 October 2017.
Remedial Action:	Continuing focus on maintaining improvement. As mentioned in the October 2017 report: <i>"Issues have been discussed at the team leaders meeting. Individual staff members are analysing reasons applications went over time and putting in place remedial actions where required, such as work load improvements, training, etc."</i>
Measure:	LTP/AP: % of notified resource consents processed within statutory timeframes (PCat3)
Target:	99% within the statutory timeframes
Actual:	88%
Comments:	January 1 application processed, 1 in time; 1/1 100% - YTD 17 applications processed, 15 in time; 15/17 88%. This is an 8% increase compared to the forecast period ending 31 October 2017.
Remedial Action:	Month target achieved. Still possible to meet end of year target. As mentioned in the October 2017 report: <i>"Issues have been discussed at the team leaders meeting. Individual staff members are analysing reasons applications went over time and putting in place remedial actions where required, such as work load improvements, training, etc."</i>

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Citizens And Community

Art Gallery

Measure:	LTP/AP: Visitors per annum (PCat4)
Target:	Visitors per annum within a range of 385,000 - 430,000
Actual:	222,262
Comments:	During January 2018, there were 50,130 visitors through Christchurch Art Gallery, up from 32,363 in December 2017. So far during this financial year 222,262 visitors have been recorded, which is not far off our current lower-end target of 223,409 at this time of year.
Remedial Action:	Apart from energetic and interesting exhibitions, events and the shop, the Buskers Festival and our reinstated bus stop on Gloucester Street have been major players in bringing in extra people, as well as cruise ship tours. While we anticipate lower figures as Autumn and Winter approaches, progress so far is good.

Recreation, Sports And Events

Measure:	LTP/AP: Provide well utilised facility-based recreation and sporting programmes and activities (PCat4)
Target:	The number of participants using multi-purpose recreation and sport centres, outdoor pools and stadia: At least 3.43 million
Comments:	Details of closures agreed 22 December 2017. The approval to award a contractor for the repair programme was agreed upon by Council on 7th December. Finer details of the repair programme and subsequent necessarily closures were applicable are decided upon by the Project team in conjunction with RSU.
Remedial Action:	Assess the impact of closures in January 2018. Impacts of closures known in January have been assessed and have been included in the forecast for end of year, this will be reported on a monthly basis.

Strategy And Transformation

Public Information And Participation

Measure:	LTP/AP: Residents are satisfied with Council provision of information available to them about events, activities and attractions in Christchurch. (PCat4)
Target:	85%
Actual:	79% (based on the General Service Satisfaction Survey 2017; target 85%)
Comments:	This level of service is a joint level of service with ChristchurchNZ which is responsible for delivering major events in the city, while the Council delivers community events. We rely on the Annual Residents Survey for the results. We have kept the light on amber pending these results. However, we have had good attendances at events over the past year.

Finance And Commercial

Financial Management

Measure:	LTP/AP: Attract, manage and sponsor the delivery of major events (PCat4)
Target:	Attract a range of regional, national and international events through TEED
Comments:	Not yet started because major events strategy not yet endorsed. The Q2 report from ChristchurchNZ mentions the Corey Baker's Antarctica – First dance event to be confirmed, and other events still to be confirmed.
Measure:	LTP/AP: Lead the promotion and marketing of Christchurch events and the city as an events destination (PCat4)
Target:	At least 90% residents satisfaction with range of events and festivals delivered

Actual: 80% (based on the General Service Satisfaction Survey 2017; target 90%)
Comments: This goal is set on 'Amber' by default, dependent on the annual outcome of the residents' survey 2017-18; information due tentatively April 2018. The Actual number is based on the General Service Satisfaction Survey 2017. This service scored 1% based on an open question to name the service that people feel is most important for Council to improve over the next 12 months.

City Services

Three Waters And Waste

Measure: LTP/AP: Customer satisfaction with Stormwater Drainage Management (PCat4)
Target: >= 75%
Comments: As mentioned in the October 2017 report: *"This goal is set on 'Amber' as a precaution, dependent on the annual outcome of the residents' survey 2018. Previous years' results make it unlikely that increase will achieve the new higher target of 75%".*
Remedial Action: Continue to improve operational levels of maintenance and delivery of LDRP projects that will continue to see increases in customer satisfaction year on year.

Transport

Measure: LTP/AP: Ensure user satisfaction with the appearance, safety and ease of use of transport interchange(s) and suburban hubs (PCat4)
Target: >= 90%
Comments: This goal is set on 'Amber' by default, dependent on the annual outcome of the residents' survey 2017-18; information due tentatively April 2018.

Measure: LTP/AP: Ensure user satisfaction with the number and quality of bus shelters (PCat4)
Target: >= 70%
Comments: This goal is set on 'Amber' by default, dependent on the annual outcome of the residents' survey 2017-18; information due tentatively April 2018.

Measure: LTP/AP: Maintain resident satisfaction with roadway condition (PCat4)
Target: >= 27%
Actual: Actual for 2016/17 was 34% satisfied.
Comments: Awaiting resident survey results for 2017/18.
Remedial Action: The renewals programme for the draft 2018/28 LTP has decreased and will take over 5 years to bring it to a level where it should be. As result of the constrained future funding the satisfaction targets from the 2017/18 residents' survey are expected to be lower.

Measure: LTP/AP: Mode Shift: Contribute to overall increase in percentage of trips made by alternative transport modes (PCat4)
Target: >= 17.4% walking
Actual: The measure of 17.4% comes from the Ministry of Transport Household Travel Survey. This was last undertaken in 2014 and is a low survey sample of households. The MOT have changed their methodology and not provided recent data but have re-started the survey.
Comments: Council has recently installed counters for both cyclists and pedestrians on some completed parts of the Major Cycleways but this will not give us trends for mode shift.
Remedial Action: Reliance on the MOT to supply updated information to compare with the history of mode types use.

Measure: LTP/AP: Mode Shift: Contribute to overall increase in percentage of trips made by alternative transport modes (PCat4)

Target: >= 3.6% public transport

Actual: The passenger numbers as reported by Ecan following a Hubs and Spokes model drop in 2015 have trended unchanged since then at around 36,000 passengers per day. Mode share remains at 3.6%.

Comments: The Regional Passenger Transport Plan (RPTP) will be reviewed and released in 2018 by ECAN.

Remedial Action: Council staff have had input to the RPTP, also there are Public Transport priority measures for high frequency routes in the current LTP and the Draft 2018/28 LTP.

Measure: LTP/AP: Reduce the number of fatal and serious crashes on the network involving cyclists (PCat4)

Target: >= 5% reduction per annum

Actual: So far in FY 17/18 (Apr-Oct) - 1 death, 12 serious injuries
FY 15/16 (Apr-Mar) - 2 deaths, 22 serious injuries
FY 16/17 (Apr-Mar) - 1 death, 21 serious injuries
Note 1: This is only for the Christchurch City Council Network.
Note 2: NZTA Crash Analysis System (CAS) is dependent on the submission of information from NZPolice and as such is approximately 3 to 6 months in arrears.

Comments: There have already been a number of incidents reported this year that indicate it is unlikely that target will be met.

Remedial Action: Review of CAS data will be undertaken for next month and provide interim report. Maintain development and delivery of major cycleways and safety improvement programmes. This will provide facilities for the interested but concerned cyclists that want to cycle more often. It will provide dedicated facilities along the route and particularly address the conflict points, such as intersections, along the route. Continue with the education and marketing programme to raise awareness of cyclists and vulnerable users on the network.

Corporate Services

Facilities, Property And Planning

Measure: LTP/AP: Identify options for Council to support the development of more emergency housing (PCat4)

Target: Facilitate at least 60 additional home spaces are provided in Christchurch over the first three years of the LTP 2015-25

Actual: Project has been completed, final tenancies ending in November 2016.

Comments: Completed. See the report with forecast period ending 31 October 2017.

Remedial Action: This will move to 'achieved' in future reporting.

Measure: LTP/AP: Support the development of affordable housing (PCat4)

Target: Deliver Council's Housing Accord responsibilities that will achieve a 10% reduction in the number of households at the 40th percentile of household income paying more than 30% of household income on housing by the conclusion of the accord

Actual: The target is no longer relevant.

Comments: Completed. See the report with forecast period ending 31 October 2017.

Remedial Action: This will move to 'achieved' in future reporting.

10. Regenerate Christchurch - Half year performance to 31 December 2017

Reference: 18/57043

Contact: Linda Gibb

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941 6762

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee to recommend that Council notes Regenerate Christchurch's performance for the half year to 31 December 2017.

Origin of Report

- 1.2 The attached report has been prepared jointly with the Department of the Prime Minister and Cabinet, based on quarterly performance reporting from Regenerate Christchurch.

2. Significance

- 2.1 The decisions in this report are of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by taking into account the impact of the noting decisions sought on the community.

3. Staff Recommendations

That the Finance and Performance Committee recommends the Council:

1. Notes Regenerate Christchurch's performance for the month of December 2017, and year to date to 31 December 2017; and
2. Notes that Council staff and Regenerate Christchurch are working towards agreeing a process that is clear on engagement requirements between Regenerate Christchurch, staff and shareholders in order to progress the Cathedral Square and Surrounds' strategy to completion.

4. Key Points

- 4.1 Regenerate Christchurch has submitted its quarterly performance report for December, which includes information for the half year to 31 December 2017. The report is at **Attachment A**.
- 4.2 Staff from the Council and the Department of the Prime Minister and Cabinet (DPMC) have prepared a joint report to shareholders assessing Regenerate Christchurch's performance against its 2017/18 Statement of Performance Expectations' targets. This report is at **Attachment B**.
- 4.3 At the time Regenerate Christchurch finalised its December quarterly report, it had not finalised its December accounts, and therefore its quarterly report provides financial information only to November 2017. Regenerate Christchurch subsequently provided updated financial information for December which is provided in the Council and DPMC report.
- 4.4 The Council and DPMC report notes the following key point:

Project delays

- 4.4.1 Delays in delivery are prevalent across Regenerate Christchurch's work programme, due in part to Regenerate Christchurch's preference for collaboration between its staff and Council staff after it has completed its draft advice. This has led to time delays while Regenerate Christchurch revises its work to take Council feedback into account. Council

staff are continuing to work towards agreeing on a collaborative process with Regenerate Christchurch in order to achieve completion of the projects as soon as possible.

4.4.2 As a result of the problems experienced to date, Regenerate Christchurch has revised its timeframe for presenting the following:

- **Ōtākaro Avon River Corridor** – Regenerate Christchurch has advised that it expects to report to its board with a short-list of options in March 2018, followed by engagement with shareholders (SPE expectations were for delivery of the project between July and September 2017); and
- **Cathedral Square and Surrounds** – now projected to be delivered in March 2018 (SPE expectations were for delivery of the project by December 2017). Council staff consider that this date is at risk given that engagement with shareholders has yet to commence, followed by any review and rework that may be required.

4.4.3 There are a number of reasons that may have contributed to the ongoing delays. Regenerate Christchurch advises that the change of Government late last year and more recently the appointment of the new Chair to the board have impeded its ability to stay on track with its projects. It is important that the process established to conclude the Cathedral Square and Surrounds' Strategy is clear on engagement requirements with staff and shareholders.

New Brighton

4.4.4 A budget reforecast has been undertaken by Regenerate Christchurch based on re-scheduling within the work programme to take account of delays that have, and continue to occur. The reforecast has yet to be finalised but has been provided to staff as indicative. It shows a major re-allocation of existing resources in the current year from delivery of regeneration outputs in New Brighton, to delivery for South Shore and South New Brighton and central city (including Cathedral Square and surrounds). The expenditure and funding for New Brighton is now expected to be in 2018/19.

4.4.5 We have raised questions with Regenerate Christchurch about its activities in New Brighton which underpin the transfer of budgeted resources from 2017/18 to 2018/19. We have received advice from Regenerate Christchurch that its board has directed the organisation to "ensure all resources and efforts are focused on the priority areas of the Ōtākaro Avon River Corridor and Cathedral Square & Surrounds / Central City at this time, and to ensure the involvement of Regenerate Christchurch in relation to New Brighton is limited to a light touch of occasional design urban design advice / support only".

Attachments

No.	Title	Page
A ↓	Regenerate Christchurch DPMC/CCC Quarterly Performance Report to December 2017	34
B ↓	Regenerate Christchurch Quarterly Report ending 31 December 2017	41

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

Author	Linda Gibb - Performance Monitoring Advisor
Approved By	Mushe Shoko - Manager External Reporting & Governance Diane Brandish - Head of Financial Management Karleen Edwards - Chief Executive

Regenerate Christchurch Performance Report:

against performance targets in the Regenerate
Christchurch Statement of Performance Expectations
2017-18

Quarter 2/Half Year
ending 31 December 2017

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Background Context

The Department of the Prime Minister and Cabinet (DPMC) and the Christchurch City Council (CCC) jointly monitor the performance of the Regenerate Christchurch Board and entity. This report is our joint assessment on the performance of Regenerate Christchurch for the quarter ending 31 December 2017, assessed against the performance targets in Regenerate Christchurch’s 2017-18 Statement of Performance Expectations (SPE). It also includes a review of financial performance over the year to date (July 2017 to December 2017).

Following the results of the New Zealand general election in October 2017, there was a change of Minister for the Greater Christchurch Regeneration portfolio and therefore the Minister assigned responsibility for representing the Crown’s interests in, and relationship with, Regenerate Christchurch (section 130 of the Greater Christchurch Regeneration Act 2016 (the Act)). Furthermore, in December 2017, the Chairperson of the Regenerate Christchurch Board (the Board) formally resigned from this position, effective from 13 February 2018. The Minister has since appointed Ms Sue Sheldon CNZM as the new Chairperson of the Board, with her term commencing on 13 February 2018 and expiring on 30 June 2019.

We recognise that there are a number of resource-intensive activities that Regenerate Christchurch expects to undertake over the remainder of this financial year and into the 2018-19 financial year. As noted in the 2017 review of the Greater Christchurch Regeneration Act 2016 (the Act), Regenerate Christchurch faces the challenge of needing to demonstrate progress on plans that will give real momentum to the regeneration of the City. The next two years are therefore important for using the provisions relating to the development and implementation of planning instruments in the Act before it expires on 30 June 2021.

Overall, DPMC and CCC consider that Regenerate Christchurch is progressing the work outlined in its SPE targets, albeit with continuing and, in some cases significant, delays from those published in its SPE. Where we have further information on expected timeframes, we have included these against the relevant target (Table 1 of this report refers).

Delivery against performance targets for the reporting quarter (October – December 2017), assessed against Regenerate Christchurch's Statement of Performance Expectations 2017-18ⁱ

Highlights for the reporting quarter

During the quarter ending 31 December 2017, Regenerate Christchurch delivered the following interim milestones:

- delivered detailed internal assessment of the costs, benefits, and implications of the 10 possible combinations of land use options for the Ōtā karo Avon River Corridor, following public feedback in October 2017. This was followed by publication of the key findings in December 2017, in preparation for the Exhibition of the shortlist of options that Regenerate Christchurch is expecting to undertake in 2018 (following consultation with shareholders);
- commenced work on evaluating regeneration momentum in the central city, including assessing whether the Christchurch Central Recovery Plan remains fit-for-purpose and identifying possible initiatives to accelerate momentum;
- considered feedback from the Strategic Partnersⁱⁱ and the Chief Executive of DPMC on the draft proposal to use section 71 of the Act to designate Redcliffs Park for education purposes and for the existing Redcliffs School site to be rezoned as Open Space; and,
- provided urban design advice/support to Development Christchurch Limited on its Implementation Plan for the New Brighton town centre.

Assessment

Table 1 on the next page presents an assessment of Regenerate Christchurch's performance against its 2017-18 SPE targets for the second quarter of the 2017-18 financial year.

The assessment of overall performance is based on whether Regenerate Christchurch has met the timeframe and budgets for its performance targets that it committed to in its public accountability documentsⁱⁱⁱ. Commentary on variances is provided, where possible.

Where performance targets are identified as 'an annual target,' an assessment of whether these are progressing 'on track', relative to other contingent performance targets, is included. For example, the implementation of the Regeneration Strategy for the Cathedral Square and Surrounds cannot occur until the Strategy itself has been confirmed. Regenerate Christchurch has provided CCC staff and DPMC officials with an indicative forecast for the remainder of 2017-18, which is provided in the financial performance section of this report.

The financial forecast reflects changing project timelines that have arisen over the course of this financial year. The forecast reallocates existing funding; it does not indicate that additional funding is required over and above the total \$8 million per annum from the Crown and Council. The forecast will be finalised by the Board in March 2018 for the period 2017-18 to 2020-21 and will inform Regenerate Christchurch's 2018-19 SPE, which is due to be submitted in draft form for formal release to shareholders in April 2018.

Table 1: Delivery against performance targets for this reporting quarter (October – December 2017)

*Regenerate Christchurch RAG Status (taken from December 2017 Status Report).

Green ■ On track

Yellow ■ Late but delivered in the next quarter, or, is likely to be delivered in the next quarter

Amber ■ At risk

Red ■ Will not be met

** DPMC/CCC RAG Status (assessed against the original performance targets in Regenerate Christchurch's SPE 2017-18):

Green ■ On track

Yellow ■ Late but delivered in the next quarter, or, is likely to be delivered in the next quarter, or, there is limited visibility of the work

Amber ■ At risk, performance target unmet, but corrective action taken

Red ■ Performance target will not be met, action required

Performance target (incl delivery timetable)	Regenerate Christchurch Overall Rating*	DPMC/ CCC Overall Rating**	DPMC/CCC Comments
Ō tā karo Avon River Corridor			
Identification of land use options completed (Q1 2017-18)	Amber	Amber	Regenerate Christchurch's Board approved the land use options on 28 September and these were publicly released for feedback between 6 October 2017 and 6 November 2017 (Q2) with over 1,800 submissions received. Timeframe for developing a refined short list of potential options for Board consideration has been extended to 22 March 2018 .
Preliminary Draft Regeneration Plan completed (Q2 2017-18)	Amber	Amber	Regenerate Christchurch advises this is underway and will be completed by the end of May/early June 2018 (Q4) .
Draft Programme Business Case (Q2 2017-18)	Amber	Amber	Regenerate Christchurch advises this will be completed by the end of October/early November 2018 (Q1 in 2018-19) .
Monitor and report (annual target)	Green	Green	Regenerate Christchurch monitors and reports on its overall progress via its Monthly Status Reports to the Minister and Council.
Southshore and South New Brighton RRZ			
Commence Regeneration Strategy (Q1 2017-18)	Green	Yellow	Regenerate Christchurch advises this commenced in November 2017 (Q2) following detailed project planning and is expected to be completed by the end of September 2018 (Q1 in 2018-19) , subject to agreement and commitment from Council to provide resources into the project.
Central City			
Regeneration Strategy for Cathedral Square and surrounds released (Q2 2017-18)	Amber	Amber	Regenerate Christchurch advises it will provide the draft Regeneration Strategy to shareholders by 31 March 2018 (Q3) .
Oversee implementation of Cathedral Square and surrounds Regeneration Strategy (annual target)	Green	Amber	Implementation of the Strategy cannot commence until the Strategy is approved and released. This performance target will commence by 30 June 2018 (Q4) .
Evaluation of progress and provision of advice on what is required	Yellow	Yellow	Regenerate Christchurch is providing an initial assessment to its Board in February 2018 (Q3) . DPMC/CCC expects to be informed of Regenerate Christchurch's approach following

to increase momentum and support regeneration (annual target)			the Board's approval. The Board's feedback will inform whether additional initiatives are required, and at this point, it is envisaged that Regenerate Christchurch will engage with other agencies and stakeholders regarding any ongoing work.
Monitor and report (annual target)	Green	Green	Regenerate Christchurch monitors and reports on its overall progress via its Monthly Status Reports to the Minister and Council.
New Brighton			
Advice to DCL on its Implementation Plan (Q1 2017-18)	Green	Green	Regenerate Christchurch participates in a New Brighton working group with DCL, Council staff and others. It provides advice and comments in this forum as necessary.
Advice provided on regeneration outcomes and interventions and the contributions of DCL (annual target)	Green	Green	Regenerate Christchurch advises that it attends DCL meetings and provides advice directly to DCL on a regular basis.
Monitor and report (annual target)	Green	Green	Regenerate Christchurch monitors and reports on its overall progress via its Monthly Status Reports to the Minister and Council.
Other Regeneration Opportunities			
Development of Regeneration Prioritisation Framework (Q1 2017-18)	Green	Green	DPMC/CCC understand that Regenerate Christchurch is internally reviewing its prioritisation framework. DPMC and CCC will engage with Regenerate Christchurch on the content of the Framework before the year-end.
Advice on identification and prioritisation of opportunities to utilise the Act (annual target)	Green	Green	Regenerate Christchurch advises this is in development. DPMC and CCC will engage with Regenerate Christchurch on the content of the Framework before the year-end.
Provision of views, advice and recommendations on planning instruments under the Act (annual target)	Green	Green	Regenerate Christchurch delivers against this target as required in its ordinary course of business.
Input into the Council and DPMC's annual reporting and monitoring process (annual target)	Green	Green	Regenerate Christchurch delivers against this target as required in its ordinary course of business.

Financial performance for the quarter ending 31 December 2017

As noted earlier in this report, Regenerate Christchurch has provided an indicative forecast for the remainder of 2017-18, as well as reporting its actual performance against the budget published in the SPE. A refreshed budget will be finalised by the Board in March 2018, this has been in response to a comprehensive review and reallocation of projects in its work programme for the next three years.

We consider that a budget refresh is necessary at this time in order to provide an accurate indication of project expenditure, improved accountability within the organisation and to enable prioritisation of yet uncommitted funding.

While the refresh re-allocates the total budget across outputs; it does not lead to increased costs overall. As a result, Regenerate Christchurch estimates expenditure for the 2017-18 financial year will be lower than the budgeted \$10.6 million, by approximately \$264,000.

As at 31 December 2017 (half year), the budget is underspent by approximately \$800,000. Expenditure on consultants is approximately \$1 million lower than expected, due to delays in projects. While the delays themselves are not desirable, Regenerate Christchurch has been able to defer costs by building in flexible terms and conditions into their consultancy contracts.

There will also be some project expenditure that will fall into next year as a result of changing timeframes over the course of the current year. Regenerate Christchurch will carry any surplus forward into 2018-19 since it is already allocated to projects that have been deferred.

Table 2 below presents Regenerate Christchurch's SPE 2017-18 budget, and its forecast.

Table 2: Financial performance by output class for the quarter ending 31 December 2017

Output Class	YTD Actual (\$)	YTD Budget (\$)	Variance (\$)	Full year Budget for 2017/18 ^{iv} (\$)	Forecast (indicative) (\$)
1. RRZ					
Ōtā karo Avon River Corridor	2,364,724	2,920,100	555,376	5,983,960	5,687,008
Southshore and South New Brighton	122,055	538,819	416,764	1,104,166	1,775,952
Subtotal	2,486,779	3,458,919	972,140	7,088,126	7,462,960
2. Regeneration Planning					
Central City	1,909,952	1,006,776	(903,176)	1,328,141	2,319,761
New Brighton and Other Regeneration Opportunities	190,723	1,006,776	816,052	2,096,487	573,329
Subtotal	2,100,675	2,013,551	(87,124)	3,424,628	2,893,090
Total across Output Classes	4,587,454	5,472,470	885,016	10,512,754	10,356,050
Other costs (depreciation)	53,646	53,646	0	107,287	0
Total Forecast	4,641,100	5,526,116	885,016	10,620,041	10,356,050

The next quarter (January – March 2018)

Regenerate Christchurch's key deliverables in the next quarter are expected to be as follows:

- consult with shareholders on its performance and priorities, implications for future performance including any cost/funding issues, and risks and opportunities faced by the organisation (as per the Letter of Expectations);
- consulting with shareholders on the shortlist of options, prior to presentation at the public Exhibition of Options;
- developing a preliminary draft Regeneration Plan and programme business case for the Ōtā karo Avon River Corridor;
- confirm and provide a draft Regeneration Strategy for Cathedral Square and Surrounds to shareholders for review;
- report to shareholders on progress, and provide advice on what is required to increase momentum and support regeneration in the central city;
- develop a co-designed engagement strategy, complete a technical baseline assessment, and commence developing the Regeneration Strategy for Southshore and South New Brighton;
- provide the final proposal for the Minister's consideration on the use of section 71 powers within the Act to designate Redcliffs Park for education purposes and for the existing Redcliffs School site to be rezoned as Open Space;
- provide advice on other regeneration opportunities to utilise the Act including advice to the Council on the Yaldhurst Sports Complex proposal; and,
- ongoing determination of potential priorities in order to inform future Regeneration Plans and Strategies.

ⁱ Page 2, Regenerate Christchurch. *Statement of Performance Expectations for the period from 1 July 2017 to 30 June 2018*. Regenerate Christchurch, June 2017.

ⁱⁱ Strategic Partners include Canterbury Regional Council, Christchurch City Council, Selwyn District Council, Te Rūnanga o Ngā i Tahu, and Waimakariri District Council.

ⁱⁱⁱ As set out in Regenerate Christchurch's accountability documents: *Statement of Performance Expectations for the period from 8 April 2016 to 30 June 2017*, *Statement of Performance Expectations for the period from 1 July 2017 to 30 June 2018*, *Statement of Intent 2017-2021*.

^{iv} Page 2, Regenerate Christchurch. *Statement of Performance Expectations for the period from 1 July 2017 to 30 June 2018*. Regenerate Christchurch, June 2017.



Monthly Status Report – 22 December 2017

1 Executive Summary

Work continued in December toward determining a shortlist of land use options for the Ōtākaro Avon River Corridor Regeneration Area. This has involved a detailed assessment of costs, benefits and implications of the 10 options published for public comment in October. It is expected that the shortlist will be exhibited for feedback in early 2018.

Work is under way on evaluating regeneration momentum in the central city. The main focus of the evaluation will be to assess the extent to which progress is being made toward achieving the vision and objectives of the Christchurch Central Recovery Plan in order to inform future decisions. In addition to this, the review will consider what initiatives might assist in accelerating momentum, if required.

The draft proposal for the use of the powers in section 71 of the Greater Christchurch Regeneration Act (GCR Act) to enable the relocation of Redcliffs School progressed following assessment of comments received from Section 69 parties. This proposal will be ready for ministerial consideration in January.

Progress has continued on developing a draft regeneration strategy for Cathedral Square and Surrounds and the design of an engagement strategy for developing the Southshore and South New Brighton Regeneration Strategy.

2 Strategic Outlook

During the next 6-12 months, an increasing number of regeneration initiatives and milestones are expected to be finalised or commenced, including a Regeneration Strategy for Cathedral Square and Surrounds, a draft Regeneration Plan for the Ōtākaro Avon River Corridor Regeneration Area and a Regeneration Strategy for Southshore and South New Brighton.

Key matters such as governance, land ownership, and opportunities for short, medium and long term investment and returns will be important for the Crown and Council's consideration over the next year.

Early in 2018 Regenerate Christchurch expects to deliver to you advice on what is required to increase regeneration momentum in the wider central city, a draft regeneration strategy on Cathedral Square and Surrounds and advice on a section 71 proposal to relocate Redcliffs School to Redcliffs Park.

As signalled in the November status report, the Board would welcome the opportunity to meet with you as early as possible in 2018 to enable work programme momentum to be maintained. Discussions on possible meeting dates is under way with your offices.

3 Milestones

Establishment of The HOW Team to co-design engagement strategy for Southshore and South New Brighton regeneration planning

4 Upcoming decisions/announcements

Project/Focus Area	Decision/Announcement
Redcliffs	Ministerial consideration of section 71 proposal
Cathedral Square and Surrounds	Delivery of draft regeneration strategy
Ōtākaro Avon River Corridor Regeneration Area	Briefing on land use options prior to determination of a shortlist of land uses

5 Activity

Since the last status report

Project/Focus Area	Activity
Ōtākaro Avon River Corridor Regeneration Area	<ul style="list-style-type: none">Further development of the Programme Business CasePublication of summary of findings and feedback received from recent public engagement on 10 potential land use combinations and supporting informationContinued assessment of land use options in preparation for determination of a refined shortlist
Cathedral Square and Surrounds	<ul style="list-style-type: none">Refinement of draft concept following consideration of public feedback received and ongoing engagement with stakeholdersFurther development of the Regeneration StrategyPublication of summary of findings and feedback received from public engagement process
Central city	<ul style="list-style-type: none">Commenced work on evaluating regeneration momentum in the wider central city area, working closely with DPMC to provide context for the multi-sports arena
Southshore/South New Brighton	<ul style="list-style-type: none">Progressed planning for first stage of developing the regeneration strategy and preparation of technical baseline assessment
Redcliffs School Regeneration Project	<ul style="list-style-type: none">Comments received from section 69 parties on the draft section 71 proposalPeer review of flooding technical reports
Linwood Village/Inner East initiative	<ul style="list-style-type: none">Facilitation of meetings with the Council and community agencies and representatives

Planned for next quarter (Jan-Mar 2018)

Project/Focus Area	Activity
Ōtākaro Avon River Corridor Regeneration Area	<ul style="list-style-type: none">Determination of refined shortlist of land use optionsPublic engagement on a refined shortlist of land use options, supported by detailed assessment of costs, benefits and implicationsIntegrated Assessment of shortlisted land use optionsDevelopment of advice on governance, land ownership and fundingPlanning for Evaluation Panel assessment
Cathedral Square and Surrounds	<ul style="list-style-type: none">Completion of draft Regeneration Strategy
Central city	<ul style="list-style-type: none">Development and finalisation of advice on regeneration momentum in the wider central city
Southshore/South New Brighton	<ul style="list-style-type: none">Development of co-designed engagement strategyCompletion of technical baseline assessmentCommencement of Stage 2 activities to develop the regeneration strategy
Redcliffs School Regeneration Project	<ul style="list-style-type: none">Finalised Section 71 Proposal provided to the Minister
Advice on other regeneration opportunities to utilise the Act	<ul style="list-style-type: none">Provision of advice to the Council on the Yaldhurst Sports Complex proposal, should it proceed.Project scoping for Linwood Village/Inner East

6 Progress against Key Deliverables

The tables below detail activities undertaken towards achievement of performance targets set out in the 2017 – 2018 Statement of Performance Expectations:



Monthly Status Report – 22 December 2017

Output Class One: Residential Red Zone

Otakaro Avon River Corridor		
Deliverable	RAG Status	Commentary
Identification of land use options completed	Amber	Under way – broad land use categories identified and long list of land use scenarios for Area developed and assessed. A shortlist of land use options is under consideration.
Preliminary draft Regeneration Plan completed	Amber	To be completed by the end of May 2018
Draft Programme Business Case	Amber	To be completed by the end of August 2018.
Southshore and South New Brighton		
Deliverable	RAG Status	Commentary
Commence Regeneration Strategy	Green	Commenced November 2017 following detailed project planning.
Complete Regeneration Strategy	Amber	To be completed by the end of September 2018.

Output Class Two: Regeneration Planning

Deliverable	RAG Status	Commentary
Regeneration strategy for Cathedral Square and Surrounds released	Amber	Regenerate Christchurch is continuing to meet with stakeholders to consider how their feedback can best be incorporated into the strategy, including the very special cultural and built heritage values that the Square represents. It is expected that the draft Regeneration Strategy will be provided to you within the next quarter.
Evaluation of progress & provision of advice on what is required to increase momentum & support regeneration	Green	Advice to increase momentum and support regeneration in the central city is under way, with work commenced on an evaluation of regeneration momentum in the wider central city. Advice will be developed over the next three months finalised in February next year. Some of the recommendations arising out of the regeneration strategy for Cathedral Square and Surrounds will inform the evaluation work under way.
Advice provided to DCL on Implementation Plan	Green	Advice is provided on an ongoing basis as DCL’s work progresses.

Deliverable	RAG Status	Commentary
Regeneration Prioritisation Framework developed	Green	Framework developed and in use to assess potential regeneration opportunities across greater Christchurch.
Advice on identification and prioritisation of opportunities to utilise the Act	Green	In development.

*Key: Green: on track; Amber: at risk; Red: will not be met.

7 Stakeholder Engagement

Significant meetings this month

Who	Date
Briefing to Christchurch City Council’s Finance and Performance Committee	6/12/17
Hui with Te Runanga o Ngai Tuahuriri	8/12/17
Greater Christchurch Partnership Committee meeting	15/12/17

Significant meetings scheduled for next month

Who	Date
None at the time this report was completed	N/A

8 Events/key engagements

This month

Project/Focus Area	Activity	Date
Ōtākaro Avon River Corridor	Engagement with private property owners (one-on-one meetings facilitated by BreakThrough Services)	Ongoing
	Meetings with project advocates	Ongoing

Project/Focus Area	Activity	Date
	Community Reference Group meeting	1/12/17
	Technical and Community Advisory Group meeting	8/12/17
Southshore and South New Brighton	Coastal Community Board meeting	18/12/17
Cathedral Square and Surrounds	Publication of summary of findings from the public engagement on the draft concept and key moves	1/12/17
	Meeting with cultural and heritage representatives to discuss draft concept	8/12/17

Next month

Project/Focus Area	Activity	Date
Ōtākaro Avon River Corridor Regeneration Area	Meetings with Ngai Tuahuriri	17/1/18
		31/1/18
	Community Reference Group	26/1/17 (TBC)

9 Media Activity

From 15 November to 11 December Regenerate Christchurch featured in 18 media stories. Topics covered included the high-level findings from the engagement period on the 10 possible options for the Ōtākaro Avon River Corridor (following our media release), the HOW team’s establishment for regeneration planning in Southshore and South New Brighton, and the publication of the Briefing to the Incoming Minister.

There was also a positive opinion piece about Regenerate Christchurch’s approach to engagement and planning by architect Cymon Allfrey, and a constructive piece about the potential for adaptable housing (tiny houses) in the Ōtākaro Avon River Corridor on TV One News.

During the 28 days from 13 November to 10 December, Regenerate Christchurch’s Facebook posts reached 12,700 people and were engaged with (liked, commented, clicked or shared) by 5,253 people. We attracted 207 new followers, taking our Facebook following to 3,527 people.



Monthly Status Report – 22 December 2017

10 Financial performance

Summarised Financial Information
 Regenerate Christchurch
 For the month ended 30 November 2017

	Actual	Nov 17 Budget	Var	Actual	YTD Budget	Var
Income						
Christchurch City Council Funding	-	-	-	4,000,000	4,000,000	-
Crown Funding	-	-	-	2,000,000	2,000,000	-
Total Income	-	-	-	6,000,000	6,000,000	-
Gross Profit	-	-	-	6,000,000	6,000,000	-
Plus Other Income						
Interest Income	1,631	6,424	(4,793)	27,985	34,286	(6,301)
Total Other Income	1,631	6,424	(4,793)	27,985	34,286	(6,301)
Less Operating Expenses						
Accommodation expenditure	18,115	18,734	(619)	101,421	99,670	7,751
Board Expenditure	19,167	20,139	(972)	95,851	100,695	(4,844)
Consulting Expenditure	304,950	474,750	(169,800)	1,825,120	2,457,750	(632,630)
Engagement, Publishing and Media Monitoring Expenditure	10,470	2,193	8,277	91,925	43,535	48,390
IT Expenditure	36,673	10,000	26,673	114,302	92,970	21,332
Legal Expenditure	4,060	8,393	(4,273)	71,356	43,666	27,690
Other Administration Expenditure	18,693	20,034	(1,341)	159,377	100,168	59,209
Salaries and Staff Expenditure	281,393	313,068	(31,675)	1,410,800	1,565,340	(154,540)
Website and Brand Development	16	3,000	(2,984)	360	15,000	(14,640)
Total Operating Expenses	693,537	870,251	(176,714)	3,870,512	4,512,794	(642,282)
Net Funding	(691,907)	(863,827)	171,920	2,157,478	1,521,492	635,986

Commentary

Operating income for the month of November is on budget.

Operating expenditure for the month of November is \$176,714 or 20% lower than planned:

- Expenditure on salaries and staff expenditure is \$31,675 lower than planned. During November there were 2 vacancies. Once vacancies are filled, salaries and wages expenditure will be at a level consistent with the 2017/18 Statement of Performance expectations.
- Expenditure on consultants is \$169,800 lower than planned. Total spend on consultants is lower in November because of changing timelines for some projects, with some consultant expenditure being re-phased to later this financial year and some to the following financial year.
- IT expenditure is \$26,673 higher than planned due to the costs of the Office 365 upgrade and the digital workplace project – the project has now been completed successfully and any future organisational transition from an IT perspective will now be more straight forward. Annual savings of \$100,000 will now be able to be realised through lower data and storage costs.

A full refresh of the budget for Regenerate Christchurch is currently under way and is anticipated to be completed in December 2017. The refreshed budget reflects changing project timelines and aligns budget to key deliverables and outcomes. This will reflect updated project costs associated with the changed timelines as well as more detailed budgets for future work programme deliverables.

11 Official Information Act requests

Regenerate Christchurch currently has no open OIAs. Details on recently completed requests are provided below:

Requester	Date received	Topic	Status	Notes
The Press	9/11/17	Copy of the content provided by Regenerate Christchurch to DPMC for the Briefing to the Incoming Minister for Greater Christchurch Regeneration	Closed – referred to publicly available document on DPMC website	Response provided 7/12/17 referring requester to publicly available document
The Press	15/11/17	Copy of all feedback received during public engagement on 10 combinations of potential land uses and supporting information	Closed	Response provided 8/12/17
East Lake Trust	20/11/17	Copy of feedback received during public engagement on 10 combinations of potential land uses and supporting information, and associated information	Closed	Response provided 8/12/17

11. Development Christchurch Ltd - Status Report December 2017 - February 2018

Reference: 18/130720

Presenter(s): Rob Hall, Chief Executive, Development Christchurch Ltd

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee to recommend that the Council notes Development Christchurch Ltd's (DCL) Status Report for December 2017, and January and February 2018.

Origin of Report

- 1.2 This report has been prepared to accompany DCL's quarterly report on its activities.

2. Significance

- 2.1 The decisions in this report are of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by taking into account the likely impact of the noting decisions on the community.

3. Staff Recommendations

[That the Finance and Performance Committee recommends that the Council:](#)

1. [Notes Development Christchurch Ltd's Status Report for the period December 2017 - February 2018.](#)

4. Key Points

- 4.1 DCL's Status Report for December 2017 – February 2018 is at **Attachment A**.
- 4.2 We note the 'creating momentum fund' for New Brighton is now closed, and the activities that were funded from it have now ceased. While many of the initiatives were one-off events, the Carnaby Lane Refurbishment Project has welcomed a small amount of private sector activity in this space, leveraging off DCL's funding.

Attachments

No.	Title	Page
A ↓	Development Christchurch Ltd Status Report - December 2017 - February 2018	47

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

Author	Linda Gibb - Performance Monitoring Advisor
Approved By	Mushe Shoko - Manager External Reporting & Governance Carol Bellette - General Manager Finance and Commercial (CFO)



Development Christchurch Ltd.

To: Finance and Performance Committee

From: Rob Hall, Chief Executive

Date: 28 February 2018

Subject: Development Christchurch Limited Report

1. Overview

This report is to provide the Finance and Performance Committee (FPC) of Council with an update on the activities of Development Christchurch Limited (DCL). It is presented in two parts; this report, which is presented in the public section and a second report, which is tabled in the public excluded part of the FPC meeting.

2. Work Programme Update

2.1 New Brighton

Funding for the hot salt water pools project was approved by Council on 24 June 2017. The project is divided into two main parts. Phase 1a being the foreshore children's playground, coastal protection and a contribution to the New Brighton Surf and Life Saving Club. Phase 1b of the project is the hot pool complex.

The New Brighton beachside playground opened on 20 December 2017. Approximately 400 people attended the opening. The playground has been well received over the summer and anecdotally there has been a 20% increase in sales for food and beverage retailers.

The resource consent application for Phase 1b (hot pools) will be lodged in April 2018.

The estimated out turn cost for Phase 1a and 1b remains within the budget of \$8.03m and \$11.17m, respectively.

Council staff are leading the planning and delivery of surrounding public realm works, which will connect the playground to the surrounds and provide access.

The 'creating momentum fund' has successfully contributed towards regeneration outcomes. As part of this initiative, DCL provided funding assistance for:

- Imagination Station - DCL has extended funding for the attraction until the end of the year (2017). This funding allows Imagination Station to open from Friday – Monday, and every day during the school holidays. Imagination Staff are collecting visitation data and anecdotal evidence from surrounding business owners, which has been positive with regards to bringing people into New Brighton.
- ARGO Beach Co-working – Funding for three six-month full time 'scholarships' will contribute to expanding New Brighton's knowledge economy, and provide support for entrepreneurs in the East.



Development Christchurch Ltd.

- The New Brighton Business Landowners' Association (NBBLA) for a branding and website upgrade for the organisation.
- Rockabilly Show & Shine – Popular annual event that attracts rockabilly and muscle car enthusiasts from around New Zealand for an all day festival and street party.
- Carnaby Lane Refurbishment Project – An initiative from the businesses in Carnaby Lane to revitalise the lane with new artistic murals, planters, and seating.
- Renew Brighton – The New Brighton Online website and Facebook to promote New Brighton to visitors by listing local events, businesses, and things to do.
- The Good Shop, a social enterprise on Carnaby Lane selling artisan goods and hosting a range of community workshops.
- The Artisan Emporium for marketing and advertising for a collective of small businesses known as '105'.

2.2 Peterborough Quarter Limited (PQL)

DCL continue to work with PQL on the delivery of a comprehensive site master plan. See the Development Christchurch Limited Report – February 2018, PUBLIC EXCLUDED, dated 28 February 2018 for further detail.

2.3 Christchurch Adventure Park (CAP)

DCL continues to work closely with the Port Hills Leisure Limited (PHLL) Board and management team in our role as an investor and Board member. The park re-opened in December 2017.

3. Commercial Advisory Services to Council

DCL is working with Council staff or provide staff with advice on a number of items. See the Development Christchurch Limited Report – February 2018, PUBLIC EXCLUDED, dated 13 February 2018 for further detail.



Rob Hall, FRICS, FCIWEM
Chief Executive Officer
Development Christchurch Limited



12. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
13	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 31 JANUARY 2018			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
14	DEVELOPMENT CHRISTCHURCH LTD - STATUS REPORT DECEMBER 2017 - FEBRUARY 2018	S7(2)(H)	COMMERCIAL ACTIVITIES	THE ACTIVITIES DISCUSSED IN THIS REPORT, IF REVEALED COULD PREJUDICE DCL'S ABILITY TO SUCCESSFULLY ACHIEVE THE ACTIVITIES/PROJECTS.	WHEN APPROVED BY THE CHIEF EXECUTIVE
15	CHRISTCHURCH CITY HOLDINGS LTD - HALF YEAR PERFORMANCE REPORT TO 31 DECEMBER 2017	S7(2)(H), S7(2)(J)	COMMERCIAL ACTIVITIES, PREVENTION OF IMPROPER ADVANTAGE	INFORMATION CONTAINED IN THIS REPORT AND ITS ATTACHMENTS IS SUBJECT TO CCHL'S CONTINUOUS DISCLOSURE OBLIGATIONS UNDER THE FINANCIAL MARKETS CONDUCT ACT 2013 AND THE NZX DEBT MARKET LISTING RULES. IT IS PROVIDED TO SHAREHOLDERS IN CONFIDENCE UNTIL RELEASED TO THE MARKET BY 1 MARCH, AND UNTIL THAT TIME IS INSIDER INFORMATION. IT IS ILLEGAL FOR ANY PERSON WHO HAS INSIDER INFORMATION TO TRADE CCHL'S BONDS, ADVICE OR ENCOURAGE OTHERS TO TRADE OR HOLD THE BONDS, OR PASS ON OR DISCLOSE THE INSIDER INFORMATION TO OTHERS.	WHEN THE INFORMATION IS PUBLICLY AVAILABLE.

16	RICCARTON BUSH TRUST - APPOINTMENT OF COUNCIL TRUSTEE	S7(2)(A), S7(2)(F)(II)	PROTECTION OF PRIVACY OF NATURAL PERSONS, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT	THE REPUTATION OF A PRIVATE INDIVIDUAL IS PUT AT RISK IF FINAL COUNCIL DECISIONS DIFFER FROM THOSE CONTAINED IN THIS REPORT. INTERESTED THIRD PARTIES COULD PUT UNDUE PRESSURE ON THE COUNCIL WITH RESPECT TO ITS DECISION-MAKING ON SUCH A MATTER.	AFTER FINAL DECISIONS HAVE BEEN TAKEN AND A PUBLIC ANNOUNCEMENT MADE (IF ANY).
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