

Finance and Performance Committee

AGENDA

Notice of Meeting:

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

Date: Wednesday 4 April 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)

28 March 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.
If you require further information relating to any reports, please contact the person named on the report.

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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

At the close of the agenda no apologies had been received.

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, 28 February 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.

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 28 February 2018
Time: 9.30am
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
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor Jamie Gough
	Councillor Deon Swiggs
	Mr Mike Rondel (Non-Voting Member)

27 February 2018

Principal Advisor

Carol Bellette
General Manager Finance and
Commercial

Aidan Kimberley
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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/2018/00011

That the apologies from Mayor Dalziel and Councillor Johanson be accepted.

Councillor Chen/Councillor Davidson

Carried

2. Declarations of Interest

Part B

Mike Rondel declared an interest in Items 11 and 14 relating to the Christchurch Adventure park.
Councillor Chen declared an interest in item 15.

3. Confirmation of Previous Minutes

Part C

Committee Resolved FPCM/2018/00012

Committee Decision

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 31 January 2018 be confirmed.

Councillor Gough/Councillor Chen

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.

Councillor Buck and Deputy Mayor Turner joined the meeting at 09:35 a.m..

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

Committee Resolved FPCM/2018/00013

Part C

That the Finance and Performance Committee:

1. Receives the information in the report.

Councillor Davidson/Councillor Chen

Carried

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

Committee Resolved FPCM/2018/00014

Part C

That the Finance and Performance Committee:

1. Receives the information in the report.

Councillor Gough/Councillor Galloway

Carried

9. Performance Reporting for January 2018

Committee Resolved FPCM/2018/00015

Part C

That the Finance and Performance Committee:

1. Receives the information in the report.

Deputy Mayor/Councillor Chen

Carried

Councillor Gough left the meeting at 10:47 a.m..

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

Committee Comment

Ivan Iafeta and Jason Rivett of Regenerate Christchurch joined the table for this item.

Committee Decided FPCM/2018/00016

Part A

That the Finance and Performance Committee recommends that 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.

Councillor Davidson/Deputy Mayor

Carried

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

Committee Comment

Rob Hall and Steve Clarke of Development Christchurch Limited joined the table for this item.

Committee Decided FPCM/2018/00017

Part A

That the Finance and Performance Committee recommends that the Council:

1. Receives Development Christchurch Ltd's Status Report for the period December 2017 - February 2018.

Councillor Chen/Deputy Mayor

Carried

12 Resolution to Exclude the Public

Committee Resolved FPCM/2018/00018

Part C

That Rob Hall and Steve Clarke of Development Christchurch Limited remain after the public have been excluded for Item 14 of the public excluded agenda, and Leah Scales of Christchurch City Holdings Limited remains after the public have been excluded for items 14 and 15 of the public excluded agenda, as they have knowledge that is relevant to those items and will assist the Committee.

AND

That at 10:54 the resolution to exclude the public set out on pages 50 to 52 of the agenda be adopted.

Deputy Mayor/Councillor Galloway

Carried

The public were re-admitted to the meeting at 11:32am.

Meeting concluded at 11:32am.

CONFIRMED THIS 4TH DAY OF APRIL 2018

COUNCILLOR RAF MANJI
CHAIRPERSON

7. Asset Management Quarterly Report - Three Waters & Waste - Asset Valuation and Condition Assessment

Reference: 17/1446461

Contact: Wendy Walker Wendy.Walker@ccc.govt.nz

941-8179

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is to inform the Finance and Performance Committee about the condition and value of Three Waters and Waste related assets.

Origin of Report

- 1.2 This report is being provided to fulfil Finance and Performance resolution FPCM/2017/00037 that the quarterly Asset Management Report includes data on asset condition and asset values.

2. Significance

- Not applicable

3. Staff Recommendations

That the Finance and Performance Committee:

1. Receives the information in the report
2. Notes that feedback is sought on suitability of this template (see attachments), to provide information to the Finance and Performance Committee on Three Waters Asset Condition Assessment and Valuations.

4. Context/Background

- 4.1 This is the first Three Waters contribution to the Asset Management quarterly report submitted in response to the request for information on condition assessment and valuation of assets for Three Waters and aims to develop the template and information contained within.
- 4.2 Asset Management Plans (AMPs) outline and recommend management requirements for the Christchurch City Council's infrastructure assets to meet agreed levels of service and optimise whole of life costs, such that Council can meet the requirements of present and future citizens.
- 4.3 Council produces AMPs to provide technical detail on Council projects and programmes of work. Data from AMPs is then summarised and feeds into the Service Plans and Long Term Plan (LTP). Projects and programmes of work include remaining earthquake recovery works as well as all business as usual work.
- 4.4 Where the asset's renewal methodology is based on run-to-failure there are, in addition to the planned renewals programmes, a number of reactive renewal programme budgets which are set based on increased likelihood of a failure and previous years' trends.

5. Key Points

- 5.1 Asset renewals are essential to fulfilling the local government purpose of meeting current and future needs of communities with good-quality local infrastructure and local public services (s10, Local Government Act 2002).

- 5.2 The attachments accompanying this report show the asset value and condition of the asset. Condition is graded on a 1 – 5 scale and colour coded. The percentage of assets at each grade for each asset group is shown visually on the 'Condition Indicator':-
 - 5.2.1 Water Supply Condition Indicator – Attachment A
 - 5.2.2 Waste Water Condition Indicator – Attachment B
 - 5.2.3 Land Drainage Condition Indicator – Attachment C
- 5.3 Commentary about the Condition Assessment methodology and how it relates to each service (Water Supply, Waste Water and Land Drainage) is contained in Section 6 below. Please note the commentary is based on asset type and not on the service the asset delivers in order to minimise repetition. The five categories of asset types that deliver the Three Waters service to the community are:
 - 5.3.1 Reticulation Asset type
 - 5.3.2 Electrical Asset type
 - 5.3.3 Electronic Asset type
 - 5.3.4 Mechanical Asset type
 - 5.3.5 Civil and Structural Asset type
- 5.4 This report shows that the condition assessment is based on traditional methodologies of visual inspection (including CCTV footage), faults and forecast length of life. The implication of relying on these methods is that potentially assets may be replaced when they are still adequately delivering the service and conversely other assets may be subject to reactive maintenance, and the associated impact on budget forecasting and spend.
- 5.5 The Asset Management project 'Asset Assessment Intervention Framework (AAIF)' is currently underway to develop a multifaceted asset assessment framework incorporating information on five of the Water NZ metadata schemas relating to the asset:
 - 5.5.1 Condition
 - 5.5.2 Criticality to the network and service delivery
 - 5.5.3 Vulnerability of the asset
 - 5.5.4 Repairs, Maintenance and Operations history of work on the asset
 - 5.5.5 Design performance i.e. how long the asset is forecast to last based on the material it is made of

When this project is completed Three Waters will have a tool that will deliver a prioritised renewals list for reticulation assets. Furthermore the multi-criteria (schemas) can be weighted to create combinations that deliver differing renewals programmes that favour for example a risk based renewals programme.

- 5.6 Asset data for this report was obtained from two Asset Management systems (one now utilised from the SCIRT systems transfer project) within Council and information obtained from City Care records to inform the Three Waters Condition and Value Dashboards. Attachments A, B and C.
- 5.7 Condition data contained in this report for Three Waters assets is based on the same information used to build the renewals programmes in the 2018 LTP and forms the most recent and accurate view of our network condition.
- 5.8 Asset lives used for predicting age profiles were obtained from the 2018 Asset Management Plans.

- 5.9 Council has a great deal of information on the condition of its reticulation assets which account for 84%, 89% and 81% of the total value of Stormwater, Water Supply and Wastewater network assets respectively.
- 5.10 It is important to note that the activities carried out to assess the condition and performance of our networks have identified procurement and contract management as key improvement areas to enable condition data to be captured and utilised for renewal programme planning. This fits well with the recent Council resolution that Asset Management and Procurement are to identify opportunities to improve the information captured about our assets.
- 5.11 Current water supply condition values have been estimated based on a mix of installation age, theoretical age profiles or inferred based on opportunistic condition assessments obtained on the back of reactive repairs/renewals.
- 5.12 Current wastewater and stormwater condition values are from CCTV inspections. Where CCTV inspection has not been completed, condition has been estimated as per 5.11.

6. Service Provision

Water supply service provision

- 6.1 The Water Supply Network assets are currently valued at ~ \$2.5billion
- 6.2 Christchurch City Council builds, owns, operates and maintains water sources, networks and treatment plants to provide safe drinking (potable) water to the community. The objective of the activity is to abstract, treat and distribute water in a way that protects public health without negative effects on the environment. As a Council we:
- Provide a safe and reliable potable water supply
 - Secure and protect water from contamination
 - Monitor water quality for compliance with the Drinking-water Standards for New Zealand (DWSNZ)
 - Plan, regulate, build, maintain, manage and renew water supply systems.
- 6.3 The Council supplies water to approximately 160,000 residential and business customers through seven urban water supply schemes and four rural water supply schemes, via 700 km each of mains and sub-mains 42 reservoirs, 127 pump stations, 155 wells and 7 stream intakes and 7 water treatment plants. The water supply system is monitored and controlled by an extensive SCADA (Supervisory Control and Data Acquisition) system.
- 6.4 Capital Renewal Programme – there are 16 Capital Renewal programmes and budgets for Water supply assets that underpin this service. Capital renewals work is generally ranked on asset age, and criticality based mostly on pipe diameter. Priority is also given on the renewal of AC (asbestos cement) pipes whenever possible. Pipe condition is also assessed on an opportunistic basis when pipe samples are collected from water repair sites.

Wastewater service provision

- 6.5 The Wastewater Network assets are currently valued at ~ \$3.6billion
- 6.6 Christchurch City Council builds, owns, operates and maintains wastewater networks and wastewater treatment plants to protect public health and the environment. Wastewater, also known as sewage, refers to the used water collected in internal drains from homes and businesses, and includes trade waste from industrial and commercial operations. Wastewater does not include storm water drainage, which is collected, treated and re-introduced into the environment via a separate system.

- 6.7 The objective of this activity is to provide wastewater collection, treatment and disposal in a way that protects the public and the environment. As a Council we:
- Collect, convey and treat wastewater in a safe, efficient and reliable manner
 - Discharge treated wastewater to the environment in compliance with resource consents
 - Reuse and/or dispose wastewater treatment by-products, including biogas and biosolids
 - Provide laboratory services to monitor treatment processes and treated wastewater quality
 - Plan, regulate, build, maintain, manage and renew wastewater systems.
- 6.8 The Council collects wastewater from approximately 160,000 customers in Christchurch, Lyttelton, Diamond Harbour, Governors Bay, Akaroa, Duvauchelle, Tikao Bay and Wainui, through 945 km of laterals, 1,826 km of wastewater mains, 149 pump stations, 84 lift stations, and 34 odour control sites. It provides treatment at eight wastewater treatment plants and disposal via one outfall pump station, six ocean/harbour outfalls and two land irrigation schemes. The wastewater reticulation and treatment infrastructure is monitored and controlled by an extensive communications system (SCADA).
- 6.9 Capital Renewal Programme – there are 13 Capital Renewal programmes and budgets for Waste Water assets that underpin this service. Capital renewals work is generally ranked on condition and criticality, as there is a wealth of CCTV data gathered during SCIRT asset assessment work.

Land Drainage service provision

- 6.10 The Land Drainage Network assets are currently valued at ~ \$1.2billion
- 6.11 Christchurch City Council builds, owns, operates and maintains stormwater and flood protection and control infrastructure to protect the community and support public health and the environment.
- 6.12 The key physical assets used to deliver this activity are:
- The underground conveyance networks comprising pipes, manholes, sumps, inlets, outlets etc.
 - Open channels and overland flow paths including natural waterways such as rivers, streams and creeks, constructed drainage channels, in-channel structures, lining and retaining walls etc.
 - Pump stations, and water flow control devices and structures such as valves
 - Stop-banks
 - Water quality treatment devices such as basins, wetlands, tree pits, raingardens and filtration devices.
 - Hydrometric monitoring devices, measuring rainfall along with surface water, sea and groundwater levels.
- 6.13 Basins and wetlands serve a dual purpose of providing stormwater detention for reducing flood risk as well as providing water quality treatment.
- 6.14 A number of key stormwater pumping stations are monitored and controlled by an extensive SCADA system.
- 6.15 The Land Drainage Asset Management Plan covers both the Stormwater and Flood Protection & Control works activities. It outlines and recommends management requirements for the

Christchurch City Council's infrastructure assets to meet agreed levels of service and optimise whole of life costs, such that Council can meet the requirements of present and future customers and ratepayers.

- 6.16 Capital Renewal Programme – there are 12 Capital Renewal programmes and budgets for Land Drainage and Storm Water assets that underpin this service. Capital renewals work is generally ranked on condition, risk, probability versus severity.

7. Three Waters Asset Valuation Summaries

7.1 Water Supply Valuation Summary

Service	Asset Group	Quantity	Replacement Value (2019 dollars)	Annual Operational Expenditure (2019 dollars)
Water supply	Water Sources	155 Wells	\$ 52.4 million	\$ 5.2 million
		7 Stream Intakes		
	Water Treatment	5 Water Treatment Plants	\$ 23.0 million	
	Pumping and Storage	68 Primary Pump Stations	\$ 201.7 million	
		59 Secondary Pump Stations		
		42 Reservoir Stations		
	Pipework	1773.6km Mains	\$ 1,281.0 million	\$ 5.0 million
		1655.3km Sub-mains	\$ 576.6 million	
		219.0km Laterals	\$ 69.2 million	
	Fittings	35,409 Valves	\$ 93.6 million	
		14,690 Fire Hydrants	\$ 72.2 million	
		133,824 Water Meters and Restrictors	\$ 126.2 million	
	Total	\$ 2,496.4 million	\$ 10.2 million	

○ Source: DRAFT 2018 Water Supply Asset Management Plan [TRIM://17/128457](#)

7.2 Wastewater Valuation Summary

Service	Asset Group	Quantity	Replacement Value (2019 dollars)	Annual Operational Expenditure (2019 dollars)
Wastewater Collection & Treatment	Treatment Plants	8 Wastewater Treatment Plants	\$ 515.2 million	\$ 10.7 million
	Pumping Stations	152 Pump Stations	\$ 86.6 million	\$ 5.7 million
		85 Lift Stations		
		3 Vacuum Stations		
		38 Monitoring Stations		
		36 Odour Control Stations		
		10 Radio Repeater Stations		
	Reticulation	1,685.1km Gravity Wastewater Mains	\$ 1,685.1 million	\$ 4.0 million
		172.5km Pressure Wastewater Mains	\$ 262.3 million	
		8.1km Vacuum Mains	\$ 4.8 million	
		2.9km Overflow Pipes	\$ 3.3 million	
		1.6km Wastewater Syphons	\$ 4.1 million	
		977.7km Laterals	\$ 276.2 million	
		17.6km Biogas Pipes	\$ 11.3 million	
		36,036 Accesses, Valves and non-pipe assets	\$ 228.0 million	
	Total	\$ 3,440.3 million	\$ 20.4 million	

Source: DRAFT 2018 Wastewater Asset Management Plan [TRIM://17/128471](#)

7.3 Land Drainage Valuation Summary

Item 7

Service	Asset Group	Quantity	Replacement Value (2019 dollars)	Annual Operational Expenditure (2019 dollars)
Stormwater Drainage	Reticulation	915 km Pipes	\$1,012,876,772	\$12.56 million
		24,312 nodes		
	Waterway Lining	110km lined waterway (220km Total bank lining)	\$106,459,737	
	Open Waterways	2,429km	\$16,616,912	
	Open Waterway Structures (excl lining)	190 debris rack/pole sites and weirs	\$887,414	
	Monitoring Equipment / Hydrometric	Estimated 70 sites	\$386,355	
Flood Protection & Control Works	Pump stations	44 Pumping Stations (inc Tidal barrage)	\$8,024,126	\$12.56 million
	Flood protection structures	12.1km Stop Banks 281 valves	\$5,0002,001	
	Treatment & Storage Facilities	2012 swales 132 retention basins 46 detention basins 69 ponds 127 soak pits 40 rain gardens	\$59,139,244	
		Total	\$1,209.4 million	\$12.56 million

Source: DRAFT 2018 Land Drainage Asset Management Plan [TRIM://18/53056](#)

8. Three Waters Asset Condition Assessment and Renewal Methodologies

8.1 Reticulation Asset Types

Pipes

- 8.1.1 Wastewater & Storm water gravity pipes are physically assessed using CCTV inspection in accordance with the NZ Pipe Inspection Manual (NZPIM). Inspection scores are converted to a 1 to 5 grade based on internal Council criteria as the NZPIM is known to be overly pessimistic. The majority of CCTV survey was obtained through SCIRT and there is CCTV available for 42% of the stormwater piped network and 55% for the wastewater piped network.
- 8.1.2 CCTV is currently requested on a reactive basis in response to operational issues or ahead of transport projects. The CCTV programme is under development and planned CCTV inspections are anticipated to continue in the future.
- 8.1.3 Water supply pipes, wastewater pressure pipes, storm water pressure pipes and gravity pipes where CCTV is not available are allocated a 1 to 5 condition grade based on the percentage of theoretical useful life remaining, or from the results of opportunistic sample testing.
- 8.1.4 Lab tests to determine remaining life and optimal renewal date are carried out on critical or otherwise expensive to renew pipes. Lab test may also be carried out on normal pipes to help refine theoretical useful life estimates.
- 8.1.5 Condition of pressure pipes can be inferred through the frequency of repairs required; however this only applies to those pipes that have failed.
- 8.1.6 Pipe nodes on gravity pipes such as manholes, flush tanks, inlets and outlets are visually inspected by the Maintenance Contractor. Inspection results are not reported to Council but remedial actions carried out to return the asset to an appropriate standard. Where damage falls outside the scope of the maintenance contract the individual asset is reported to Council.

- 8.1.7 The condition of pipe nodes such as valves, hydrants and fittings are not yet assessed through a formal inspection process, but relies on routine visual inspections and reports by the maintenance contractor.
- 8.1.8 Approximately 200 of the 300 known debris/security grills have been visually inspected over the past 2 to 3 years through the LDRP and assigned a 1 to 5 condition grade in accordance with the Open Channels Condition Assessment Specification.

Station Pipework

- 8.1.9 Pipework within pump station properties is usually steel and can be expected to last as long as the pump station (80 years). Replacement is usually driven by the need to upgrade other items such as wells. Allowance has been made for the replacement of the well head and riser pipe with each well pump renewal.

Waterway Lining

- 8.1.10 Waterway lining has been visually inspected over the past 2 to 3 years through the LDRP and assigned a 1 to 5 condition grade in accordance with the Open Channels Condition Assessment Specification (TRIM://15/724077 Appendix A table - SW7 to SW11). There is visual inspection condition data available for approximately 90% of waterway lining.
- 8.1.11 Where physical inspection has not been undertaken, a 1 to 5 condition grade has assigned based on the estimated remaining useful life.

Open Waterways

- 8.1.12 Open earth banks and beds of waterways have been visually inspected over the past 2 to 3 years through the LDRP and assigned a 1 to 5 condition grade in accordance with the Open Channels Condition Assessment Specification (TRIM://15/724077 Appendix A table – SW1 & SW2). There is visual inspection condition data available for approximately 52% of the open waterways that have been assigned a classification in the District Plan.
- 8.1.13 In addition to drainage condition, open waterways have also been assessed against the Council's other 5 values (landscape, heritage, recreation, cultural and ecology).

8.2 Electrical Asset Types

- 8.2.1 This grouping of assets covers electrical equipment that generally does not contain any electronic components such as:
- Electrical switchboards comprising power distribution breakers, fuses, terminals etc. [40yr life]
 - Motors as used for surface mounted pumps, fans, compressors etc. [40yr life]
 - Electrical starters - Direct-On-Line (DOL) [25yr life]
 - Motorised valve actuators (not containing communications modules) [25yr Life]
 - Flow, pressure and level switches [20-30yr Life]
 - Aerials [Typically 15-20yr Life]
- 8.2.2 Most Electrical assets are very difficult to condition assess and are renewed using a strategy of planned renewals for critical assets and reactive renewals for non-critical assets. They are also renewed due to legislative changes, obsolescence and the result of specific cost benefit analysis or incentive schemes. E.g. Slip ring motors that are expensive to maintain and run.
- 8.2.3 Electrical assets are visually inspected as part of the pumping station inspection schedule under the maintenance contract and at the CWTP by CCC maintenance staff.

8.2.4 Electrical assets undergo thermal imaging tests to identify hotspots that are often a precursor to failures. There is no formal thermal imaging program in place but testing is generally performed on assets following significant seismic events.

8.2.5 Condition assessment are planned to be made on all remaining overdue motor assets and on those close to the end of their predicted asset life. The assessment will be fine-tuned with hours running information and focus on inefficient motors, in particular motors greater than 22KW and slip ring motors that are expensive to maintain and run.

8.3 Electronic Asset Types

8.3.1 Electronic assets are also very difficult to condition assess and are renewed using a strategy of planned renewals for critical assets and reactive renewals for non-critical assets. They are also renewed in the event of regulatory changes or obsolescence.

8.3.2 Electronic assets are generally connected to the councils SCADA system which generates an alarm when an asset fails.

Motor Soft Starters

8.3.3 Council employs a number of motor soft starters within its pumping stations and treatment plants. Soft Starters have a predicted asset life of 20 yrs.

Motor Variable Speed Drive Starters

8.3.4 Council employs a number of variable Speed (Frequency) drive (VSD) starters within its pumping stations and treatment plants. VSD's are favoured as starters as they greatly reduce transients within the pipework and variability of supply pressures and flows. Variable Speed Drives have a predicted asset life of 10yrs

Electronic Controllers (RTU/PLC)

8.3.5 Electronic Controllers are essentially industrial computers that run logic to control plant equipment in the pumping stations and treatment plants and in most cases interface with SCADA to facilitate monitoring and supervisory control of motors, valves, instrumentation etc. found within our pumping stations and treatment plants. Electronic controllers have a predicted asset life of 15-20years.

Digital Instrumentation

8.3.6 Digital instrumentation including hydrometrics have a predicted asset life of 8-15years. Instrumentation is essential to the operation of our treatment plants and stations. They are typically used to measure Flow, Pressure, Speed, Voltage, pH, Turbidity, Residual Chlorine.

Communications Equipment

8.3.7 Council utilises UHF Radios, Cellular modems, Network switches, Radio frequency filters etc. as part of its SCADA infrastructure. Communications equipment is given a typical asset life of 8-15yrs. Critical communications equipment is monitored 24-7 under an SLA with the councils IT department.

Human Machine Interfaces

8.3.8 Human Machine Interfaces (HMI) are general LCD style interfaces used by operators and maintenance staff to monitor and control equipment within treatment plant and pumping stations. They have a predicted asset life of 15 years.

Computer

- 8.3.9 Council employs a number of desktop computers, laptops and servers which we collectively refer to as computers. These computers are fundamental to the successful delivery of its services. Critical computers are monitored 24-7 under an SLA with the councils IT department and their supporting contractor Computer Concepts. Computers are given a predicted asset life of 5-8yrs.

8.4 Mechanical Asset Types

Long life pump sets

- 8.4.1 Council employs a number of long life pumps within its pumping stations. Long life pumps have a predicted asset life of 50 yrs.
- 8.4.2 The decision to replace these pumps is made on the basis of cost-benefit analysis, taking into account power efficiencies and maintenance costs, rather than age.
- 8.4.3 Pump performance is monitored by undertaking pump tests at high usage stations and identifying any drop in efficiency of individual pumps. Currently there is no formal pump performance testing regime.

Short life pump sets

- 8.4.4 Council employs a number of short life pumps within its pumping stations. Short life pumps are further categorised as Surface or Submersible and have a predicted asset life of 20 yrs.
- 8.4.5 Pump replacement tends to be reactive when a pump fails, as overhauling these pumps is usually uneconomical. This is particularly the case with well-pumps, where the cost of craneage and removal of the riser pipe would outweigh the cost of a replacement pump.

Ancillary pumps

- 8.4.6 Ancillary pumps include sump, flushing, cooling water and fuel pumps and have a predicted asset life of 15 yrs.
- 8.4.7 Ancillary pumps are generally run to failure and therefore funded out of the reactive renewals programme budget(s). Back-up fuel and cooling water pumps are fitted to ensure that main equipment can still operate in the case of an ancillary pump failure.

Stand-by equipment

- 8.4.8 Council employs diesel generators and diesel driven pumps within a number of its critical pumping stations at treatment plants.
- 8.4.9 Standby equipment has a predicted asset life of 50yrs.
- 8.4.10 Standby equipment is routinely serviced and tested under the maintenance contract.
- 8.4.11 As each generator replacement is unique, pre-designs are undertaken prior to each LTP to firm up on the estimates prior to project inception to ensure that sufficient budget is secured for each renewal. Estimates for the replacement of an existing generator within an existing pump station building typically cover strengthening of the existing building, acoustics, ventilation and a new fuel tank. The estimate does not include allowance for a switchboard, starters or RTU.

Fuel tanks

- 8.4.12 Fuel tanks provide diesel storage for standby equipment such as generator sets and diesel driven pumps at Council's pumping stations and treatment plants and have a predicted asset life of 50 yrs.
- 8.4.13 Fuel tanks are part of City Care's maintenance inspection program and are re certified in accordance with statutory requirements.
- 8.4.14 Council undertook an intensive replacement program of underground fuel tanks prior to the 2011 Canterbury earthquakes in order to meet the HSNO Act (Hazardous Substances and New Organisms Act) requirements, the majority of these at water supply sites.

Gantry Cranes

- 8.4.15 The current SAP database only includes gantry cranes rated over 1 tonne.
- 8.4.16 Gantry cranes are installed at many of council's medium and large pumping stations and treatment plants and have an indefinite asset life.
- 8.4.17 Gantry cranes are part of City Care's maintenance inspection program. Regular load tests and re certification are undertaken in accordance with statutory requirements.
- 8.4.18 Renewals are scheduled based on the results of maintenance inspections.

8.5 Civil & Structural Asset Types

Buildings

- 8.5.1 The asset life for buildings and structures as defined by Asset Management to be 80 yrs.
- 8.5.2 Building replacements are governed by maintenance costs and risk management and given site constraints, major refurbishment or construction of a new building/station in a different location is often preferable.
- 8.5.3 Given that pump station buildings are generally of solid construction and maintenance costs even on the oldest pump stations are very low, they may very well last longer than the predicted asset life of 80 yrs.
- 8.5.4 Buildings are visually inspected under the maintenance contract.

Radio Masts

- 8.5.5 The asset life for radio repeater masts is defined by Asset Management to be 80yrs.
- 8.5.6 Condition assessment is by ad-hoc visual inspections.

Access Tracks

- 8.5.7 A number of water supply sites in Banks Peninsula have access issues which make maintenance and operation of the pump stations difficult and in some cases it is not possible to gain access to the sites with suitable service vehicles with lifting equipment and tools due to the grade and surface of the access track.
- 8.5.8 The inability to access the tracks with suitable vehicles not only presents maintenance problems but is also a serious Health and Safety issue as personnel are required to walk up/down the tracks with lifting equipment and tools and carry pumps up and down. During winter, this is dangerous and a number of H&S incidents have been reported with Operations staff slipping and injuring themselves.

- 8.5.9 Access tracks is an area requiring improvement to track and secure appropriate levels of funding in future LTP.

Suction Tanks

- 8.5.10 Suction tanks are not necessarily replaced in major refurbishments if their integrity and capacity are sufficient. Remaining life is considered during 4 year inspections.

Reservoirs

- 8.5.11 Given site constraints, major refurbishment of reservoirs is often preferable to complete replacement. Remaining life is determined during 4 yearly inspections.
- 8.5.12 A number of water supply reservoirs in Banks Peninsula have insecure roofs (leaving them susceptible to contamination), are in poor condition and are located on unstable sites (and not on council owned land)

Wells and Bores

- 8.5.13 Council currently has 2 separate well renewal programmes in place. The Northwest DWSNZ (Drinking Water Standards NZ) Upgrade programme replaces shallow wells in the Northwest zone with deeper wells and will be completed in 2019.
- 8.5.14 The Water supply well renewals programme allows for the replacement of wells that have been scored as having a high renewal priority. The renewal Priority score is based on several factors including well age (asset life from valuation is 60 years), wellhead construction type (above ground vs below ground wellhead) and aquifer vulnerability (shallow vs deep well).
- 8.5.15 Wellheads are inspected by the maintenance contractor as required. In addition to operational inspections each wellhead is assessed at least every 5 years in accordance with the requirements set out in the DWSNZ (wellhead security assessments section).
- 8.5.16 Currently Council is scoping a large scale below ground wellhead improvement project which will ensure that all below ground wellheads will meet the requirements of the DWSNZ. This work started in mid-2017 but had to be expanded in scope due to recent DWSNZ wellhead security assessments identifying some issues.

Wet-Wells

- 8.5.17 The asset life for wastewater wet-wells as defined by Asset Management to be 80 years, matching the life of a typical pumping station. That said, wet-wells can be rehabilitated in many cases to prolong the asset life.
- 8.5.18 Wet-wells are visually inspected under the maintenance contract.

Open Waterway Structures (Excl. Lining)

- 8.5.19 Open waterway structures such as weirs have a predicted asset life of 110 yrs.
- 8.5.20 Some waterway structures such as weirs and debris racks have been visually inspected over the past 2 to 3 years through the LDRP and assigned a 1 to 5 condition grade in accordance with the "Open Channels Condition Assessment Specification".

Flood Protection Structures

- 8.5.21 Visual inspection and levels surveys are undertaken for stop banks, but condition grades are not assigned.

8.5.22 Some valves have been visually inspected over the past 2 to 3 years through the LDRP and assigned a 1 to 5 condition grade in accordance with the Open Channels Condition Assessment Specification.

8.5.23 For valves where a physical inspection has not been undertaken and install date is known, a 1 to 5 condition grade has been assigned based on the estimated remaining useful life.

Stormwater Treatment & Storage Facilities

8.5.24 The condition of basin lining is inferred based on install date and expected useful life. There is currently no visual inspection of testing used to assign condition grades.

Attachments

No.	Title	Page
A ↓	Asset Management Condition Indicator - Three Waters - Water Supply - February 2018	23
B ↓	Asset Management Condition Indicator - Three Waters - Wastewater - February 2018	25
C ↓	Asset Management Condition Indicator - Three Waters - Land Drainage - February 2018	28

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	Mark Johnson - Team Leader Asset Management
Approved By	John Mackie - Head of Three Waters and Waste David Adamson - General Manager City Services

Asset Management Condition Indicator - Water Supply (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Reticulation	Submain	1,507,152 m	\$ 522.36	20.92%	\$ 6.08	\$365.09	<div><div>72%</div><div>16%</div><div>7%</div></div>
	Crossover	148,170 m	\$ 54.22	2.17%	\$ 0.65	\$ 36.26	
	Mains<=150mm	1,260,116 m	\$ 730.71	29.27%	\$ 8.99	\$ 361.59	
	Mains (200/250/300mm)	471,496 m	\$ 457.73	18.34%	\$ 4.88	\$ 296.51	<div><div>39%</div><div>17%</div><div>17%</div><div>10%</div><div>17%</div></div>
	Trunk Main	42,012 m	\$ 92.6	3.71%	\$ 0.95	\$ 51.56	
	Lateral	218,966 m	\$ 69.18	2.77%	\$ 0.77	\$ 49.46	Condition Assessment not practical / cost efficient
	Meters	132,011	\$ 76.82	3.08%	\$ 2.05	\$ 40.41	Condition Assessment not practical / cost efficient
	Connections	132,011	\$ 49.82	2.00%	\$ 1.99	\$ 35.14	Condition Assessment not practical / cost efficient
	Valves	34,247	\$ 93.59	3.75%	\$ 1.79	\$ 44.71	Condition Assessment not practical / cost efficient
	Hydrants	14,612	\$ 72.22	2.89%	\$ 0.89	\$ 39.46	Condition Assessment not practical / cost efficient
Pumping Stations	Pipework	207	\$ 13.75	0.55%	\$ 0.25	\$ 4.31	<div><div>35%</div><div>39%</div><div>20%</div></div>
	Valves	1005	\$ 5.57	0.22%	\$ 0.07	\$ 2.69	<div><div>95%</div></div>
	Pump set	702	\$ 9.75	0.39%	\$ 0.26	\$ 3.62	<div><div>29%</div><div>29%</div><div>35%</div></div>
	Standby Plant	96	\$ 8.05	0.32%	\$ 0.19	\$ 3.60	<div><div>28%</div><div>54%</div><div>13%</div></div>
	Plant & Equipment	17	\$ 1.25	0.05%	\$ 0.03	\$ 0.91	<div><div>96%</div></div>
	Electrics	491	\$ 11.89	0.48%	\$ 0.29	\$ 5.91	<div><div>35%</div><div>41%</div><div>11%</div><div>11%</div></div>
	Instrumentation & Control	1024	\$ 5.91	0.24%	\$ 0.34	\$ 1.94	<div><div>8%</div><div>56%</div><div>31%</div></div>
	Buildings	166	\$ 40.72	1.63%	\$ 0.49	\$ 14.01	<div><div>45%</div><div>32%</div><div>14%</div><div>6%</div></div>
	Wells & Wellheads	176	\$ 52.44	2.10%	\$ 0.96	\$ 32.00	<div><div>8%</div><div>34%</div><div>34%</div><div>18%</div><div>6%</div></div>

Condition Legend

1 - Excellent

2 - Good

3 - Average

4 - Poor

5 - Very Poor

Asset Management Condition Indicator - Water Supply (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Reservoirs & Tanks	Reservoirs & Tanks	166 no	\$ 104.83	4.2%	\$1.30	\$ 46.36	<div><div>50%</div><div>23%</div><div>16%</div><div>8%</div></div>
Treatment Plants	Pipework		\$ 0.59	0.02%	\$ 0.01	\$ 0.53	<div><div>17%</div><div>74%</div></div>
	Valves		\$ 0.76	0.03%	\$ 0.01	\$ 0.62	<div><div>97%</div></div>
	Pump set		\$ 0.96	0.04%	\$ 0.03	\$ 0.66	<div><div>69%</div><div>25%</div></div>
	Standby Plant		\$ 0.50	0.02%	\$0.01	\$ 0.48	<div><div>100%</div></div>
	Plant & Equipment		\$ 1.59	0.06%	\$ 0.04	\$ 1.26	<div><div>84%</div><div>10%</div></div>
	Electrics		\$ 1.00	0.04%	\$ 0.03	\$ 0.95	<div><div>100%</div></div>
	Instrumentation & Control		\$ 0.56	0.02%	\$ 0.03	\$0.46	<div><div>90%</div><div>7%</div></div>
	Buildings		\$ 4.22	0.17%	\$ 0.05	\$3.52	<div><div>67%</div><div>22%</div><div>11%</div></div>
	Wells & Wellheads		\$ 2.07	0.08%	\$ 0.03	\$ 1.93	Refer Wells & Wellheads under pumping stations
	Reservoirs & Tanks		\$ 10.73	0.43%	\$ 0.13	\$ 6.16	<div><div>67%</div><div>28%</div><div>5%</div></div>
Totals			\$2,496.41	100%	\$33.62	\$1,452.10	

Asset Management Condition Indicator - Wastewater (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Reticulation	Gravity Pipes	1,670,679 m	\$ 1,997.3	55.56%	\$ 24.5	\$ 1,005.1	<div><div></div><div></div><div></div><div></div><div></div></div> <div>44%21%13%8%14%</div>
	Pressure Pipes	231,043 m	\$ 303.2	8.44%	\$ 3.8	\$ 198.8	<div><div></div><div></div><div></div><div></div><div></div></div> <div>83%7%</div>
	Vacuum Pipes	48,297 m	\$ 27.6	0.77%	\$ 0.3	\$ 27.2	<div><div></div><div></div><div></div><div></div><div></div></div> <div>100%</div>
	Overflow Pipes	5,122 m	\$ 6.7	0.19%	\$ 0.1	\$ 4.6	<div><div></div><div></div><div></div><div></div><div></div></div> <div>80%6%5%</div>
	Syphon	1,608 m	\$ 3.9	0.11%	\$ 0.04	\$ 2.1	<div><div></div><div></div><div></div><div></div><div></div></div> <div>49%19%18%10%5%</div>
	Laterals	1,006,007 m	\$ 286.0	7.96%	\$ 3.2	\$164.2	Informal / Opportunistic Condition Grading only
	Biogas pipes	17,560 m	\$ 11.3	0.32%	\$ 0.1	\$ 10.5	No Condition Assessment
	Built Structures	619	\$ 5.1	0.14%	\$ 0.1	\$ 3.5	No Condition Assessment
	Vents	82	\$ 0.2	0.01%	\$ 0.01	\$ 0.2	Condition Grade not Reported
	Valves	3,353	\$ 12.8	0.36%	\$ 0.3	\$ 7.9	Condition Grade not Reported
	Air Gaps	1,111	\$ 1.7	0.05%	\$ 0.03	\$ 0.4	Condition Grade not Reported
	Flush Tanks	1,449	\$ 21.1	0.59%	\$ 0.2	\$ 8.9	Condition Grade not Reported
	Manholes	28,489	\$ 196.7	5.47%	\$ 2.0	\$ 113.9	Condition Grade not Reported
	Pressure Sewer Systems	6,885	\$ 16.5	0.46%	\$ 0.5	\$ 14.9	New assets. No requirement to condition access
	Vacuum Sewer Systems	3,390	\$ 9.0	0.25%	\$ 0.2	\$ 8.8	New assets. No requirement to condition access
	Pipe Protection	894	\$ 0.9	0.03%	\$ 0.01	\$ 0.8	No Condition Assessment
	Biogas Valves	10	\$ 0.02	0.0005%	\$ 0.0004	\$ 0.01	No Condition Assessment

Condition Legend

1 - Excellent

2 - Good

3 - Average

4 - Poor

5 - Very Poor

Asset Management Condition Indicator - Wastewater (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Odour Control Stations	Buildings & Structures	17	\$ 0.4	0.01%	\$ 0.01	\$ 0.3	100%
	Electrical & Control	42	\$ 1.7	0.05%	\$ 0.1	\$ 0.8	45%33%14%
	Pipework	9	\$ 0.7	0.02%	\$ 0.01	\$ 0.5	100%
	Odour Filter	66	\$ 3.4	0.10%	\$ 0.1	\$ 2.6	86%14%
Lift Stations	Buildings & Structures	136	\$ 5.1	0.14%	\$ 0.1	\$ 4.9	100%
	Electrical & Control	68	\$ 1.1	0.03%	\$ 0.04	\$ 0.9	100%
	Mechanical	68	\$ 0.4	0.01%	\$ 0.01	\$ 0.3	100%
	Pipework	68	\$ 1.2	0.03%	\$ 0.01	\$ 1.1	100%
Pumping Stations	Buildings & Structures	316	\$ 40.8	1.14%	\$ 0.4	\$ 25.1	30%56%5%
	Control System	824	\$ 8.0	0.22%	\$ 0.4	\$ 3.2	44%17%36%
	Electrical	882	\$ 24.2	0.67%	\$ 0.7	\$ 13.8	53%21%21%
	Gantry Crane	23	\$ 3.4	0.1%	\$ 0.1	\$ 1.9	30%61%4%
	Mechanical	709	\$ 17	0.47%	\$ 0.4	\$ 8.3	31%23%7%38%
	Pipework	2815	\$ 131.6	3.66%	\$ 1.7	\$ 112.0	28%70%
	Bark Fitlers and Carbon Filters		---	0%	---	---	76%24%
	Standby Equipment	42	\$ 4.0	0.11%	\$ 0.1	\$ 2.8	76%7%7%

Condition Legend
1 - Exellent2 - Good3 - Average4 - Poor5 - Very Poor

Asset Management Condition Indicator - Wastewater (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Vacuum Stations	Buildings & Structures	3	\$ 6.2	0.17%	\$ 0.1	\$ 6.1	<div><div>100%</div></div>
	Control System	60	\$ 0.2	0.005%	\$ 0.01	\$ 0.1	<div><div>100%</div></div>
	Electrical	81	\$ 1.4	0.04%	\$ 0.05	\$ 1.3	<div><div>100%</div></div>
	Gantry Crane	4	\$ 0.5	0.01%	\$ 0.01	\$ 0.4	<div><div>100%</div></div>
	Mechanical	25	\$ 2.0	0.06%	\$ 0.1	\$ 1.8	<div><div>100%</div></div>
	Pipework	117	\$ 0.6	0.02%	\$ 0.01	\$ 0.6	<div><div>100%</div></div>
	Standby Equipment	3	\$ 0.4	0.01%	\$ 0.01	\$ 0.4	<div><div>100%</div></div>
Treatment Plants	Buildings & Structures	174	\$ 205.6	5.72%	\$ 2.6	\$ 138.7	<div><div>82%</div><div>14%</div></div>
	Civil Earthworks	7	\$ 13.0	0.36%	\$ 0.003	\$ 12.9	<div><div>86%</div><div>14%</div></div>
	Pipework	160	\$ 49.0	1.36%	\$ 0.7	\$ 32.6	<div><div>90%</div><div>10%</div></div>
	Filter Media (CWTP)	3	\$ 33.6	0.93%	\$ 0.7	\$ 2.6	<div><div>33%</div><div>67%</div></div>
	Electrical	99	\$ 23.6	0.66%	\$ 0.5	\$ 6.0	<div><div>69%</div><div>6%</div><div>8%</div><div>14%</div></div>
	Controls (ICA)	699	\$ 40.1	1.12%	\$ 2.2	\$ 11.5	<div><div>30%</div><div>64%</div></div>
	Mechanical	1556	\$ 64.7	1.80%	\$ 2.4	\$ 24.4	<div><div>54%</div><div>5%</div><div>37%</div></div>
	Other	3	\$ 0.2	0.01%	\$ 0.002	\$ 0.2	<div><div>67%</div><div>33%</div></div>
	Standby & Generation	23	\$ 10.1	0.28%	\$ 0.3	\$ 6.2	<div><div>87%</div><div>13%</div></div>
	Totals		\$3,594.6	100%	\$48.8	\$1,996.1	

Asset Management Condition Indicator - Land Drainage (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Pump stations	Pump	123 No.	\$ 1.70	0.14%	\$ 0.06	\$ 0.37	<div><div></div><div></div><div></div><div></div><div></div></div> <div>13%6%74%</div>
	Building	88 No.	\$ 3.14	0.26%	\$ 0.04	\$ 1.62	<div><div></div><div></div></div> <div>57%43%</div>
	Well	17 No.	\$ 0.62	0.05%	\$ 0.01	\$ 0.31	<div><div></div></div> <div>100%</div>
	Electrical	95 No.	\$ 1.24	0.10%	\$ 0.03	\$ 0.62	<div><div></div><div></div><div></div></div> <div>8%87%</div>
	Pipework	35 No.	\$ 0.42	0.03%	\$ 0.01	\$ 0.21	<div><div></div><div></div></div> <div>97%</div>
	Tank	6 No.	\$ 0.49	0.04%	\$ 0.01	\$ 0.25	<div><div></div></div> <div>100%</div>
	Instrument & control	54 No.	\$ 0.15	0.01%	\$ 0.01	\$ 0.08	<div><div></div></div> <div>100%</div>
	Fittings	8 No.	\$ 0.06	0.005%	\$ 0.001	\$ 0.03	<div><div></div></div> <div>100%</div>
	Standby plant	10 No.	\$ 0.20	0.02%	\$ 0.004	\$ 0.06	<div><div></div><div></div><div></div></div> <div>50%40%10%</div>
Flood protection structures	Stop banks	12,069m	\$ 2.05	0.17%	n/a	\$ 2.05	Visual inspection only. No condition grading framework
	Valves (SwOutlet. Retic outlet)	73 No.	\$ 0.03	0.002%	\$ 0.0003	\$ 0.02	<div><div></div><div></div><div></div></div> <div>89%9%</div>
	Valves (SwValve. Retic flow control)	99 No.	\$ 0.10	0.01%	\$ 0.001	\$ 0.10	<div><div></div><div></div><div></div></div> <div>89%9%</div>
	Horseshoe Lake Tide Gates	3 No.	\$ 0.04	0.004%	---	---	<div><div></div></div> <div>100%</div>
	Woolston Tidal Barrage	1 No.	\$ 2.78	0.23%	\$ 0.04	\$ 1.89	Assets accessed as part of pumping stations
Treatment & Storage Facilities	Earthworks	1,659,362 m3	\$ 46.73	3.86%	n/a	\$ 46.73	Visual inspection only. No condition grading framework
	Lining	1,659,362 m2	\$ 12.21	1.01%	\$ 0.41	\$ 6.11	<div><div></div><div></div><div></div><div></div></div> <div>46%9%16%29%</div>
	Soakpits (SwOutlet. Retic outlet)	113 No.	\$ 0.16	0.01%	\$ 0.01	\$ 0.07	<div><div></div><div></div><div></div><div></div></div> <div>27%15%27%30%</div>
	Soakpits (SwInlet. Retic Inlet)	14 No.	\$ 0.04	0.003%	\$ 0.003	\$ 0.01	<div><div></div><div></div></div> <div>71%29%</div>

Condition Legend

1 - Excellent

2 - Good

3 - Average

4 - Poor

5 - Very Poor

Asset Management Condition Indicator - Land Drainage (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Reticulation	Pipe	36,104 No. / 915 km	\$ 950.64	78.60%	\$ 8.55	\$657.97	<div><div></div><div></div><div></div><div></div><div></div></div> <div>66%16%7%7%</div>
	Access	12898 No.	\$ 49.48	4.09%	\$ 0.45	\$ 34.87	Condition Assessment not practical / cost effective
	Inlet (excl soakpits)	3946 No.	\$ 4.74	0.39%	\$ 0.05	\$ 3.37	Condition Assessment not practical / cost effective
	Outlet (excl valves & soakpits)	3322 No.	\$ 0.74	0.06%	\$ 0.01	\$ 0.60	Condition Assessment not practical / cost effective
	Junction	3025 No.	\$ 2.09	0.17%	\$ 0.03	\$ 1.27	Condition Assessment not practical / cost effective
	Restriction (weir)	18 No.	\$ 0.06	0.005%	\$ 0.001	\$ 0.05	No Condition Assessment
	Pipe restraint (thrust block)	12 No.	\$ 0.01	0.001%	\$ 0.0001	\$ 0.01	No condition grade recorded
	Structure	1091 No.	\$ 5.13	0.42%	\$ 0.05	\$ 2.57	No Condition Assessment
Waterway Lining	Bank lining	219,175 m2	\$ 84.55	6.99%	\$ 1.65	\$ 37.72	<div><div></div><div></div><div></div><div></div><div></div></div> <div>5%50%35%8%</div>
	Bed lining	92,327 m2	\$ 8.55	0.71%	\$ 0.11	\$ 4.93	<div><div></div><div></div><div></div><div></div><div></div></div> <div>5%50%35%8%</div>
	Earthworks	160,843 m3	\$ 6.47	0.54%	---	\$ 6.47	<div><div></div><div></div><div></div><div></div><div></div></div> <div>5%50%35%8%</div>
	Bank stabilisation	27 No.	\$ 2.61	0.22%	\$ 0.03	\$ 1.87	No condition grade recorded
	Retaining walls	11323	\$ 4.28	0.35%	\$ 0.04	\$ 2.95	No condition grade recorded
Open Waterways	Plants	336,819 m2	\$ 9.18	0.76%	---	\$ 9.18	No condtion assessment
	Beds	7,496 m	\$ 0.14	0.01%	\$ 0.001	\$ 0.12	No condition grade recorded
	Protection	11,582 m	\$ 1.98	0.16%	\$ 0.02	\$ 1.66	No condition grade recorded
	Walkways	4,048 m	\$ 0.20	0.02%	\$ 0.01	\$ 0.06	No condition grade recorded
	Earthworks	336,819 m	\$ 0.05	0.004%	---	\$ 0.05	No condtion assessment
	Earth channels	286,727 m2	\$ 5.06	0.42%	---	\$ 5.06	<div><div></div><div></div><div></div><div></div><div></div></div> <div>33%59%6%</div>

Condition
1 - Excellent 2 - Good 3 - Average 4 - Poor 5 - Very Poor

Asset Management Condition Indicator - Land Drainage (February 2018)

Activity Area	Asset Group	Quantity	Replacement Cost (in 2017 \$M)*	% of Total Value	Annual Depreciation (in 2017 \$M)	Optimised Depreciated Replacement Cost (in 2017 \$M)	Condition Indicators
Open Waterway Structures (excl lining)	Weirs	3 No.	\$ 0.59	0.05%	\$0.01	\$ 0.35	<div><div></div><div></div><div></div><div></div></div> <div>6%49%39%5%</div>
	Boat ramps	1 No.	\$ 0.01	0.001%	\$ 0.0001	\$ 0.01	
	Flumes	1 No.	\$ 0.12	0.01%	\$ 0.001	\$ 0.08	<div><div></div><div></div></div> <div>50%50%</div>
	Others	2 No.	\$ 0.17	0.01%	\$ 0.0002	\$ 0.16	<div><div></div><div></div><div></div><div></div></div> <div>6%27%40%27%</div>
Monitoring Equipment / Hydrometric	Instruments	185 No.	\$ 0.24	0.02%	\$0.01	\$ 0.02	<div><div></div><div></div></div> <div>92%</div>
	Structures	35 No.	\$ 0.05	0.004%	\$ 0.001	\$ 0.02	<div><div></div><div></div><div></div><div></div></div> <div>12%16%17%50%</div>
	Other equipment	91 No.	\$ 1.00	0.01%	\$ 0.002	\$ 0.04	<div><div></div><div></div><div></div><div></div><div></div></div> <div>23%19%25%5%27%</div>
		Totals	\$1,209.39	100%	\$11.62	\$ 831.99	

8. Capital Endowment Fund 2 (Endeavour I-Cap Investment)

Reference: 18/271110

Presenter(s):

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee to approve the amalgamation of Capital Endowment 2 Fund (CEF-2) with the main Capital Endowment Fund (CEF-1), on the grounds that the original purpose of the separate CEF-2 fund (namely to invest in local business) is now effectively redundant given the current policy that all funds be lent internally to Council rather than invested externally.

Origin of Report

- 1.2 This report is staff generated.

2. Significance

- 2.1 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 2.1.1 The level of significance was determined by the fact that there will be no change to any of Council's actual investments.
- 2.1.2 No community engagement or consultation is required related to this report.

3. Staff Recommendations

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

1. [Agrees that the CEF-2 fund be merged into the main Capital Endowment Fund.](#)

4. Key Points

- 4.1 Council's Capital Endowment Fund is split into two separate funds: CEF-1 holds the bulk of investments, and CEF-2 holds a single investment in a venture capital fund called Endeavour I-Cap (an original \$5 million investment which has subsequently largely been either realised or written off).
- 4.2 The Endeavour I-Cap fund has performed poorly, and its underlying investments have been slowly liquidated since 2013. The balance of CEF-2 is now around \$2.6 million, made up of \$0.4m remaining I-Cap investment and \$2.2m of cash. The remaining I-Cap investment is expected to be realised by September 2019.
- 4.3 Council's current Investment Policy requires all amounts in both CEF-1 and CEF-2 to be lent internally to Council as they mature (or are otherwise realised), rather than being invested externally.
- 4.4 There is no longer any reason for CEF-1 and CEF-2 to be separated, as their different investment purposes are no longer relevant. It is therefore proposed to re-combine them into a single Capital Endowment Fund. There will be no impact on either the type of investments made or their interest return.

5. Context/Background

- 5.1 Council established a Capital Endowment Fund in 2001, using a share of the proceeds from Orion Network's sale of its investment in a gas company. The purpose was to generate an income stream to be applied to economic development and civic and community projects.
- 5.2 In 2004, part of the Capital Endowment Fund plus a special dividend from CCHL, together amounting to \$5 million, was placed in a separate CEF-2 fund. The purpose of CEF-2 was to invest in a New Zealand venture capital fund called Endeavour I-Cap, which was seen as meeting the desire for local investment. The I-Cap fund totalled \$39 million, with the bulk of investment coming from ACC, New Zealand Venture Investment Fund Ltd (a government investment vehicle overseen by the Ministry of Business, Innovation, and Employment), and K1W1 (an investment company owned by Sir Stephen Tindall) – Ngai Tahu also invested \$3 million.
- 5.3 I-Cap has performed poorly, and its underlying investments have been slowly liquidated since 2013. A full exit is expected by September 2019. The value of Council's original investment now stands at around \$2.6 million, being \$0.4 million of remaining investment in I-Cap plus \$2.2 million of cash from previous I-Cap distributions.
- 5.4 The history of I-Cap distributions and revaluations is shown in the table below:
- The first pair of columns show I-Cap movements over the period – either cash distributions or accounting revaluations (both of which effectively reduce the value of the investment).
 - The second pair of columns shows the effective balance of the I-Cap investment and the CEF-2 fund – note that cash distributions do not affect the balance of CEF-2, as they are effectively just an exchange of investment for cash.
 - The overall loss on investment has been around \$2.4 million (i.e. the difference between the cash distributions received, the remaining value, and the original \$5 million investment).

Year to June	CCC I-Cap movements		CCC Balances	
	Revaluation	Distribution	I-Cap	CEF-2
2004			5,000,000.00	5,000,000.00
2006		-577,721.67	4,422,278.33	5,000,000.00
2007		-109,703.85	4,312,574.48	5,000,000.00
2011		-275,897.05	4,036,677.43	5,000,000.00
2012		-42.95	4,036,634.48	5,000,000.00
2013	-1,903,025.76		2,133,608.72	3,096,974.24
2014	-283,708.85		1,849,899.87	2,813,265.39
2015		-387,768.92	1,462,130.95	2,813,265.39
2015		-206,043.64	1,256,087.31	2,813,265.39
2015	-181,199.75		1,074,887.56	2,632,065.64
2015		-157,017.90	917,869.66	2,632,065.64
2016		-215,175.24	702,694.42	2,632,065.64
2016		-214,959.38	487,735.04	2,632,065.64
2016	-61,068.37		426,666.67	2,570,997.27
2017		-51,138.67	375,528.00	2,570,997.27
2017	66,395.08		441,923.08	2,637,392.35
2018		-73,076.92	368,846.16	2,637,392.35
Totals	-2,362,607.65	-2,268,546.19		

- 5.5 Under Council's Investment Policy, special fund balances should be invested internally (i.e. lent to Council) whenever possible to avoid external borrowing. Since 2013, all maturing CEF-1 and CEF-2 investments have been lent internally to Council as they are realised. By the end of the current financial year, all Capital Endowment Fund balances will be lent to Council except for the remnants of the I-Cap investment (currently held in CEF-2) and a \$100,000 investment in a share portfolio called the Millennium Trust (currently held in CEF-1 – this investment was made by the former Banks Peninsula District Council and does not mature until November 2034).

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	Steve Ballard - Manager Funds and Financial Policy Bruce Moher - Manager Planning & Reporting Team
Approved By	Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)

9. Performance Reporting for February 2018

Reference: 18/289090

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. Receives the information in the report.

3. Key Points

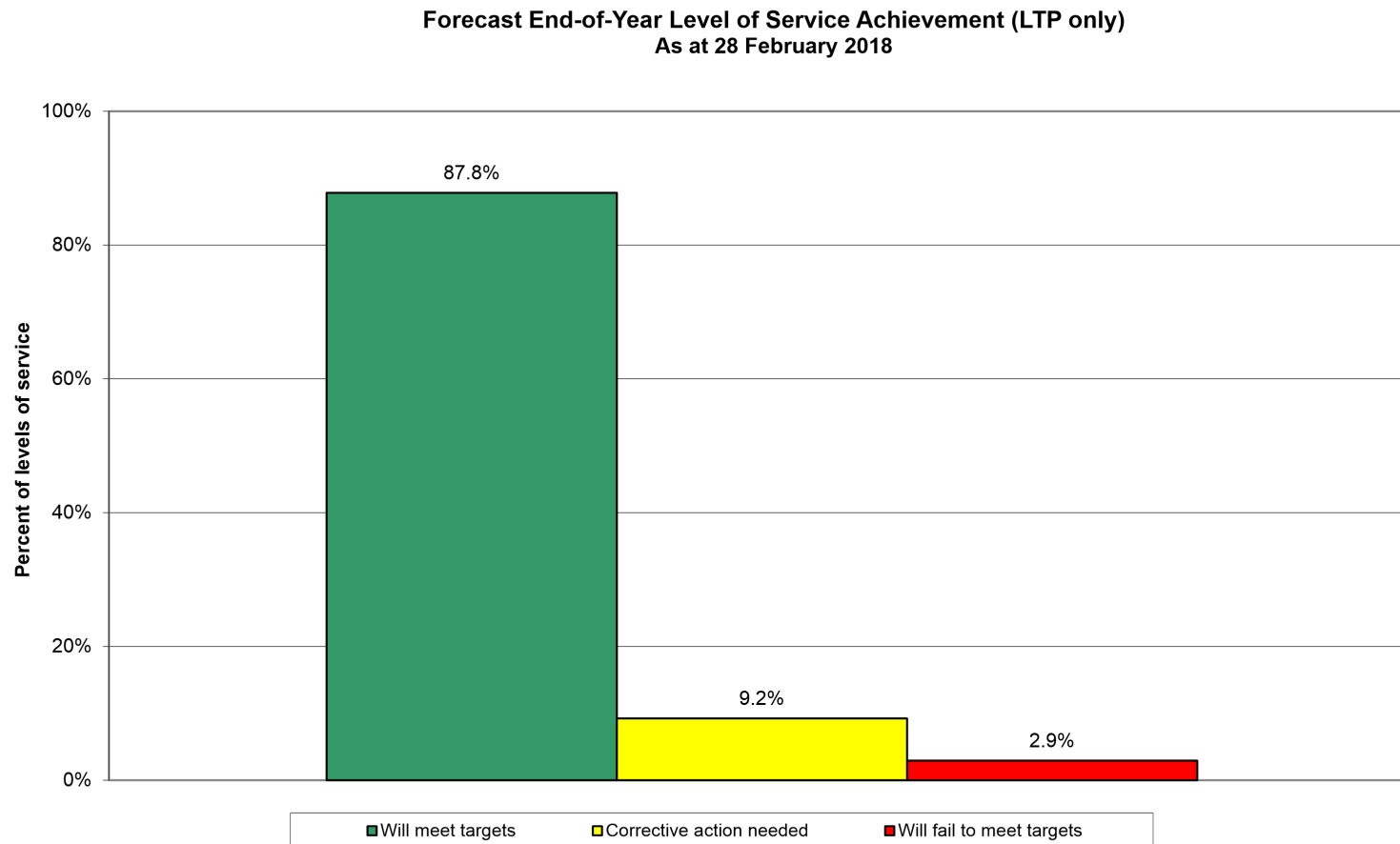
- 3.1 Staff forecasts as at 28 February 2018 indicate a high level of achievement (88%) which is in line with historical trends.
- 3.2 Individual level of service exceptions are set out in **Attachment B**.

Attachments

No.	Title	Page
A ↓	Level of Service Forecast Delivery Graph February 2018	36
B ↓	Level of Service Exceptions February 2018	37

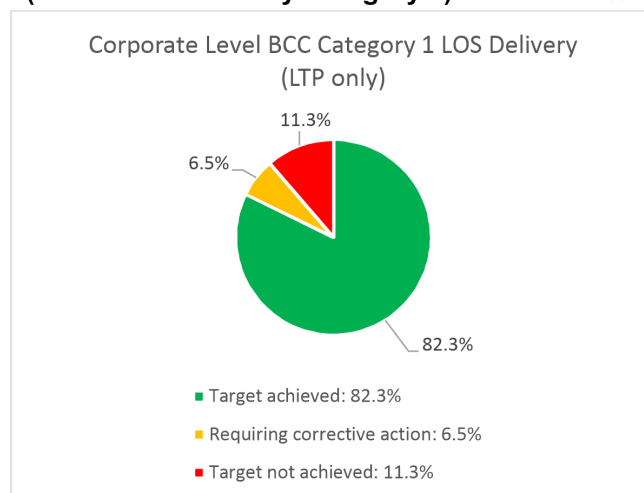
Signatories

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



LTP Level of Service Exceptions
Forecast Period Ending: 28 Feb 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 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 after 12 months of E. coli monitoring is available.

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.
<hr/>	
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.
<hr/>	
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.
<hr/>	
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

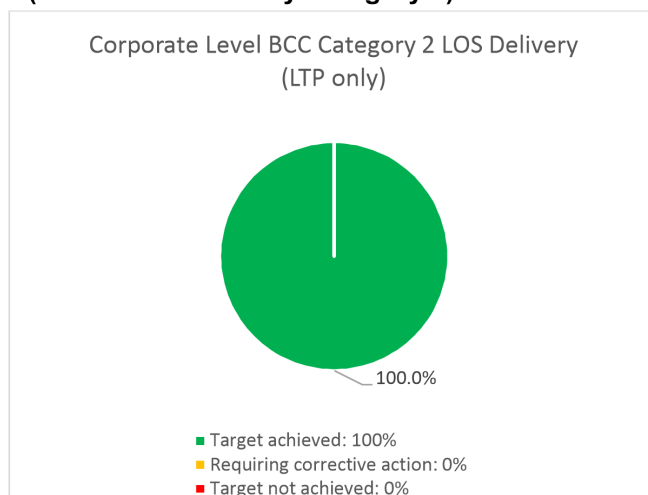
Measure:	LTP/AP: Minimise number of dry weather sewerage overflows (PCat1)
Target:	Number of dry weather sewerage overflows from the CCC sewer system per 1000 connected properties per year: 0.7
Actual:	0.66
Comments:	0.66 = 72 Overflows up to 28/02/2018.
<hr/>	
Measure:	LTP/AP: Provide wastewater collection 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
Comments:	The total number of confirmed odour complaints at the end of February 2018 is 46. The maximum allowable number is 49. This leaves a total of only 3 for the next 4 months before going over the limit. This is unlikely and it is most likely that this target will be not met.
Remedial Action:	There is a programme of capital work for which there has been money put aside to install new odour control sites starting FY19. This programme of work will most likely reduce the numbers by 50% as it targets the frequent offender sites. There is little that can be done prior to the commissioning of the new sites to prevent the odours and the resulting complaints.

Transport

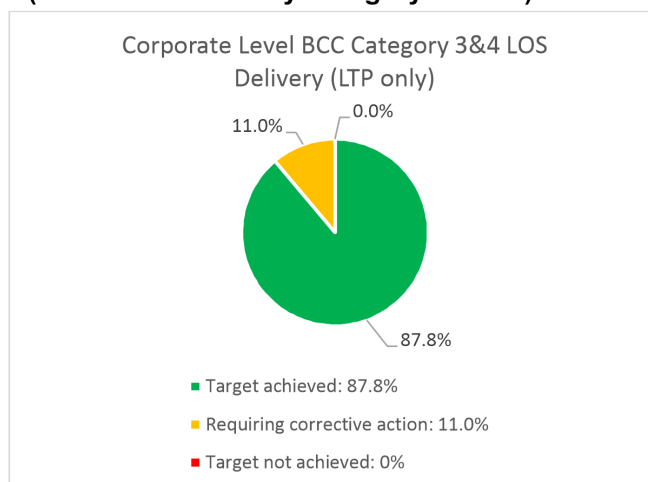
Measure:	LTP/AP: Improve Road Safety: Reduce the number of reported crashes on the network (PCat1)
Target:	Report the change in number of fatalities and serious injury crashes on the local road network
Actual:	Compared to the July to June 2015/16 where there were 160 deaths and serious injuries there has been a reduction of deaths and serious injuries for all modes to 126 deaths and serious injuries for 2016/17.
Comments:	The longer term trend has been down for deaths and serious injuries since 2007/8 which was a higher year. However marking this as amber reflects the fact that we have to await the end of year result to be certain.
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 2015/16 there has been a reduction of deaths and serious injuries for all modes in Christchurch of -21% for 2016/17.
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

Building Consenting

Measure: LTP/AP: Ensure satisfaction with building consents process (quarterly review survey results and feed common issues to issues register for resolution) (PCat4)

Target: 80%

Actual: 66.8%

Comments: Target not achieved with the survey resulting in only 66.8% satisfaction. Investigation of responses has shown that one of the questions may have caused an inaccurate response. This is being addressed.

Remedial Action: A question in the survey requires the respondent to click on a range of 1-5 stars to rate their satisfaction. Some respondents were only clicking on one star, even though other answers in their survey indicated satisfaction. We have changed the 'click on stars 1-5' response to a simpler system to address this issue. (Note that this survey was designed at local level rather than through CCC Resident or Point of Contact Surveys).

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: 32%

Comments: 49 premises have been checked of the 150 due for assessment this year. This is 32% 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.

Measure: LTP/AP: Inspect registered food premises once per year (PCat3)

Target: (Level of service to be reviewed in line with expected new legislation)

Actual: 47%

Comments: Year to date 47% of premises have been inspected or verified. Target of 75%.

Remedial Action: Team has reviewed verification schedules and timetables and reviewed target numbers have been set to meet the target by best utilizing time available.

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: YTD 1465 / 1511 - 97%.
Remedial Action: Continuing to focus on maintaining improvement

Measure: LTP/AP: % of notified resource consents processed within statutory timeframes (PCat3)
Target: 99% within the statutory timeframes
Actual: 89%
Comments: YTD - 17/19 - 89%
Remedial Action: Month target achieved. Still possible to meet end of year target.

Citizens And Community

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: Since December 2017 RSU have been advising a risk to the achievement of participation numbers and budget due to the effects of closing parts of Pioneer and Jellie Park Recreation and Sports Centres for earthquake repairs.

Council approved the Pioneer and Jellie Park closures and scope of repairs in November 2017 noting the risk to participation and budget at the time. Risks were reported in PDP in December.

Despite detailed engineering assessments the full extent of the repair to swimming pool tanks and other facilities continually in use can only be fully determined when the facility is closed, drained, inspected and work begins. As a result contingency is allowed for in the programme.

Whilst most of the project has gone to plan, the extent of one component of the repair at Pioneer is larger than expected. "As built" drawings detailing the location of under-pool pipework were wrong. This has resulted in delays finding buried pipework. Damage to the pool tank substrate was greater than anticipated. This has had a knock-on effect with regard to subsequent works such as re-tiling of the leisure pool and the curing of mechanical seals. Furthermore, additional works such as re-decoration to the pool hall and refurbishment of the change rooms has been brought forward (as the facility will be closed anyway) to improve overall customer experience.

As a result the Pioneer main pool area will now open on 9th May as opposed to a Mid-April stretch target. An opening date was intentionally not advertised as this risk was anticipated and has manifested in other pool repairs previously undertaken. More specifically operative risks now include:

- Customer dissatisfaction at the delayed opening.
- Lack of lane swimming services.
- Lost revenue directly from the pool closure and lost revenue from the effect of pool closure on other revenue streams such as swim education and memberships.
- Overall CAPEX project cost increase.

Current risk treatments include:

- Waltham outdoor pool will be kept open until Pioneer reopens.
- Losses in revenue are harder to mitigate, however the Pioneer opening will be appropriately promoted and staff are working on pro-actively booking the facility when open.
- Forecasting will be updated so the negative effects can be partially mitigated through

wider unit initiatives.

- City Services and RSU staff meet with the contractors daily to monitor the programme.
- The risks have been elevated and with a review of the QS pricing and a review of delivery mechanism for the project completed.
- A Project Manager with extensive hands-on construction project management experience in multimillion-dollar projects was been appointed.
- Any increased capital cost in this portion of the project will be absorbed by managing areas of a lower priority and project contingency carefully.
- As previously planned high works (e.g. roofs, purlins) at both Pioneer and Jellie Park will commence when Metro Sports is completed as part of stage 4.

Remedial Action: As the extent of the delay in reopening is now known RSU and Finance teams will assess the impact on participation and revenue and report back to the GM and through PDP in the March forecast. The increase to this component of the project will not exceed \$25,000, this will be recovered from project contingency and reprioritisation of lower value components.

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: On track - several confirmed events, one confirmed under embargo and one not yet 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
Comments: NZ Cup and Show Week survey completed - 91%

City Services

Three Waters And Waste

Measure: LTP/AP: Customer satisfaction with Stormwater Drainage Management (PCat4)
Target: >= 75%
Comments: Although on an upward trend since 2015, at 52% satisfaction in 2017 it is unlikely that an increase this year will achieve 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. This 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. This information due tentatively April 2018.

Measure:	LTP/AP: Maintain resident satisfaction with roadway condition (PCat4)
Target:	>= 27%
Comments:	Actual for 2016/17 was 34% satisfied. As a result of the constrained future funding the satisfaction targets from the 2017/18 residents' survey are expected to be lower.
Remedial Action:	Awaiting resident survey results for 2017/18.
<hr/>	
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% for walking comes from the Ministry of Transport (MOT) Household Travel Survey. This was last undertaken in 2014 and is a low survey sample of households. The MOT has changed their methodology and not given recent data but has 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.
<hr/>	
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 for PT 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.
<hr/>	
Measure:	LTP/AP: Reduce the number of fatal and serious crashes on the network involving cyclists (PCat4)
Target:	>= 5% reduction per annum
Comments:	So far in FY17/18 (Apr-Oct) - 1 death, 12 serious injuries FY15/16 (Apr-Mar) - 2 deaths, 22 serious injuries FY16/17 (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 NZ Police and as such is approximately 3 months in arrears.
Remedial Action:	Maintain development and delivery of major cycleways and safety improvement programmes. This aims to provide facilities for the interested but concerned cyclists that want to cycle more often but feel it is not safe enough. The projects provide dedicated facilities along the cycle route and particularly address conflict points, such as intersections and high traffic volume areas. Continue with the education and marketing programme to raise awareness of cyclists and vulnerable users on the network. It will also contribute to improving the skills of new cyclists.

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
Comments:	The target is no longer relevant as Council no longer provides emergency housing. Council is a partner in an initiative called Housing First, which aims to eliminate homelessness. Its initial target is to help 100 homeless persons into permanent accommodation.
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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
Comments:	<p>The target is no longer relevant as it has been removed from the Housing Accord.</p> <p>The target was removed from the refreshed Accord in 2017 given the improvement in affordability under other measures (eg Massey Affordability Index) and the data limitations under the current survey method of assessing affordability. However, affordability will still continue to be monitored as part of the Accord reporting.</p> <p>Council together with the Government are working on a shared equity scheme to further assist households access affordable homes. This initiative is not yet operational but is in an advanced planning stage.</p>
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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%
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. Huge crowds attended Christchurch Lantern Festival.

11. 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
12	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 28 FEBRUARY 2018			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
13	DRAFT STATEMENTS OF INTENT FOR 2018/19 FOR CHRISTCHURCH CITY HOLDINGS LTD AND ITS SUBSIDIARIES	S7(2)(C)(I), S7(2)(F)(II)	PROTECTION OF SOURCE OF INFORMATION, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT	INFORMATION CONTAINED IN DRAFT SOIS MAY BE CHANGED OR OMITTED IN THE FINAL DOCUMENTS AS A RESULT OF SHAREHOLDER'S REVIEW AND COMMENT ON THE DRAFTS.	WHEN FINAL SOIS HAVE BEEN PUBLISHED BY THE CCOS WHICH IS REQUIRED TO BE BY 31 JULY AT THE LATEST.
14	DRAFT STATEMENTS OF INTENT, 2018/19 FOR CHRISTCHURCHNZ LTD, CENTRAL PLAINS WATER TRUST, VBASE LTD, TRANSWASTE LTD, CIVIC BUILDING LTD, RICCARTON BUSH TRUST, ROD DONALD BANKS PENINSULA TRUST	S7(2)(H)	COMMERCIAL ACTIVITIES	TO ALLOW THE SHARING OF COMMERCIAL SENSITIVE INFORMATION BETWEEN THE CCOS AND SHAREHOLDERS TO SUBSTANTIATE PERFORMANCE FORECASTS, AND TO ENSURE THE CCOS AND SHAREHOLDERS HAVE AN UNDISTURBED PERIOD TO CONSIDER THE PROPOSED CCO ACTIVITIES.	AFTER THE CCOS HAVE FINALISED AND PUBLISHED THEIR SOIS BEFORE 31 JULY.
15	COUNCIL-CONTROLLED ORGANISATIONS - HALF YEAR PERFORMANCE REPORT TO 31 DECEMBER 2017	S7(2)(B)(II), S7(2)(H)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES	DISCUSSES THE COMMERCIAL ACTIVITIES OF THE ENTITIES.	WHEN THE INFORMATION IS PUBLICLY AVAILABLE.
16	CHRISTCHURCH CITY HOLDINGS LTD - RECOMMENDED APPOINTMENT OF CHAIR-ELECT TO THE BOARD OF LYTTTELTON PORT COMPANY LTD	S7(2)(A), S7(2)(F)(II)	PROTECTION OF PRIVACY OF NATURAL PERSONS, PROTECTION FROM	TO GIVE COUNCILLORS THE ABILITY TO MAKE A DECISION WITHOUT PRESSURE FROM THIRD PARTIES.	IF AND WHEN THE CANDIDATE IS APPOINTED TO THE BOARD

			IMPROPER PRESSURE OR HARASSMENT		
17	CAPITAL PROGRAMME WATCHLIST AND MAJOR CYCLEWAYS REPORT	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	RELEASE OF THE INFORMATION MAY PREJUDICE ONGOING COMMERCIAL NEGOTIATIONS	ONCE PROJECTS ARE COMPLETED
18	PROVISION OF EXTERNAL RECRUITMENT SERVICES	S7(2)(H), S7(2)(I)	COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	CONTAINS CONFIDENTIAL INFORMATION THAT IF RELEASED WILL COMPROMISE THE COUNCIL'S ABILITY TO A) COMPLETE THE PROCUREMENT PROCESS AND B) ONCE CONTRACT FOR THE SERVICES IS ENTERED INTO, HINDER THE ABILITY FOR THE SERVICES TO BE DELIVERED.	AT THE CONCLUSION OF THE FULL CONTRACT TERMS AND SUBJECT TO THE COUNCIL'S MEMORANDUM OF UNDERSTANDING OBLIGATIONS WITH THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT